HOUSE OF REPRESENTATIVES—*Monday, November 15, 1993*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We begin this day, O God, with thanksgiving for the potential of the time before us. In spite of the duties to which each must attend and the apprehensions and concerns that are a part of every person's life, we focus on Your good gifts of love and freedom, of justice and mercy, and all the possibilities of support and blessing, one for another. With praise and adoration, O gracious God, we thank You for this day and pray that Your Spirit, that breathes into us regeneration and reconciliation, will be our benediction now and evermore. Amen.

THE JOURNAL

The SPEAKER. 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. Will the gentleman from California [Mr. HUFFINGTON] come forward and lead the House in the Pledge of Allegiance.

Mr. HUFFINGTON 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.

NAFTA WILL FURTHER THE INTERESTS OF THE PEOPLE OF OUR NATION

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, Missourian Mark Twain once said: "The more you explain it to me, the more I don't understand it." In all of the discussion about the North American Free-Trade Agreement, some are making it sound complicated to the point of confusion. Boiled down to the bottom line, the truth is that the lowering of the Mexican tariff walls will allow more American goods and commodities to be sold south of the border. A strong trade pact between Canada, the United States, and Mexico will be formed. Why else do the Japanese oppose it so?

During recent weeks, I have talked with many, many people back home; met with several experts, pro and con; and studied the issue extensively. Further, looking at this agreement through the eyes of the people I represent, knowing of their hopes and dreams, I have concluded that this agreement is good for American worker, good for American farmers, good for American manufacturers, good for American processors, and good for American agribusiness. This agreement will be of benefit to the people I represent, to the people of Missouri, and to America as a whole.

Let us separate the wheat from the chaff—let us make a decision upon sound principles that will further the interests of the people of our Nation. Let us take this positive step for the future of our country and keep working to make things better. I believe in the wisdom of a sign I once saw on the back of a pickup truck in Hickory County, MO, which read: "America—We ain't perfect, but we ain't done yet."

The passage of this agreement and the can-do American attitude will keep us No. 1.

IN FAVOR OF NAFTA

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, for weeks and months I have listened to hundreds and heard from thousands. The arguments vary, but the question for me is constant—What is in the best interest of my country? I have decided that [NAFTA] the North American Free-Trade Agreement is in our best interest, and I will vote for it this week.

Arriving at this decision has been difficult because opponents of the agreement include respected labor and environmental leaders—allies of mine over the years in the cause of social justice and environmental protection.

The debate over NAFTA has been framed largely in terms of job loss versus a growing market for U.S. products. While the extent of job loss is disputed, the anxiety I sense from so many American workers who feel threatened is real. It is essential that the Federal Government respond with help for those affected.

I am persuaded that at stake is U.S. leadership in promoting world trade and the chance to position ourselves for a dynamic future of economic growth.

A "no" vote on NAFTA puts at risk the GATT negotiations with their promise of vastly increased trade and jobs at home.

A "no" vote denies United States products preferential treatment in the growing Mexican economy and corresponding jobs at home.

The United States has been losing jobs not only because of the trade practices of our foreign competitors but also because U.S. consumers favor foreign products. At the same time, the increasingly high productivity of the American worker demands a larger market for the goods produced. I think it is clear that a market larger than just the U.S. market is needed to generate the jobs we need at home.

The answer is the vision, the promise of a Western Hemisphere free-trade zone. Our best hope for the future is the expanding export market of Latin America and the jobs it will create at home.

We must take the first steps with NAFTA, embracing the future with characteristic American confidence, or we will lose this historic opportunity to regenerate and strengthen our economy with the promise of broader markets for our goods and a robust economy for this generation and the next.

VOTE AGAINST THIS NAFTA

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, this week, regardless of what our strongly held views might be on NAFTA, we ought to be quite thankful that in this democratic republic we will be allowed the opportunity to fully debate here, unlike in Mexico where the opposition will not be given a voice.

This morning I opened my mail and received a letter from a woman from Cape Coral, FL, not even in my district, and she said,

Perhaps you could bring this observation to the forefront in one of your appearances.

She said,

It is said our President and country will lose face and respect and dreaded things will happen if NAFTA doesn't pass. On the contrary, I believe if NAFTA is defeated it will send a resounding affirmation to the world that the U.S.A. is indeed a true and working democracy. The people will have spoken and their Congress will have listened. Truly a superpower and an inspiration to emerging democracies.

THE UNITED STATES IS NOT READY FOR NAFTA

(Mr. BUNNING asked and was given permission to address the House for 1

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minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, NAFTA has been one of the most gut-wrenching decisions I have ever had to make.

I believe in fair and free trade and my initial inclination was to support this treaty.

But I listened to the people back home who had concerns about NAFTA. And I took a second look at the agreement and I came to these conclusions.

Regardless of who is right about the long-term net gain or loss of jobs. NAFTA would dislocate hundreds of thousands in the United States and we have done nothing to prepare ourselves to address it. We are not ready for NAFTA.

The side agreements create a vast bureaucracy that threatens our sovereignty and our Nation's ability to change our own laws and standards. That is intolerable.

And finally, a treaty like this depends on faith. You must have faith in your workers' ability to compete, faith in your producers' ability to compete and faith in your Government to create an atmosphere conducive to competition.

I have faith in our workers and our businessmen. But our own current Government policies and this treaty do not give me much faith in our ability to create a truly competitive atmosphere in this country.

For these reasons, I cannot support this NAFTA at this time. I intend to vote "no."

FORMER GOVERNMENT EMPLOYEES WHO SUPPORT NAFTA

(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, here are some former Government employees who now support NAFTA: From the Ways and Means Committee, chief counsels Dowley and Salmon. They now get paychecks from Turkey and England.

Former chairman of that committee, Charlie Vanik. He represents and gets a paycheck from Belgium.

How about some supporters who used to work for the Office of the Trade Representative to help draft all of these trade deals, Frank Samolis, Kurt Gibbons, and Julia Buss. They get paychecks from Japan.

And how about the former Trade Representative himself, Bill Brock. He gets a paycheck with his assistant, Darrell Cooper, from Taiwan.

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Mr. Speaker, these fat cats who made all of these trade deals are now making a living on the backs and at the expense of the American workers, and I liken this trade pact between the United States and Mexico as like a dad who decides to take on the diet of his newborn son.

No. 1, after a couple of weeks, he ends up passing gas, spitting up, and wetting the bed, and if you do all of that, dad, and miss work enough, you will lose your job.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 79. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 21, 1993, and November 20, 1994, as "National Family Week".

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 821. An act to amend title 38, United States Code, to extend eligibility for burial in national cemeteries to persons who have 20 years of service creditable for retired pay as members of a reserve component of the Armed Forces;

H.R. 2532. An act to designate the Federal building and U.S. courthouse in Lubbock, TX, as the "George H. Mahon Federal Building and United States Courthouse"; and

H.R. 2330. An act to authorize appropriations for fiscal year 1994 for the intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2330) "An act to authorize appropriations for fiscal year 1994 for the intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints:

From the Select Committee on Intelligence: Mr. DECONCINI, Mr. WARNER, Mr. METZENBAUM, Mr. GLENN, Mr. KERREY, Mr. BRYAN, Mr. GRAHAM, Mr. KERRY, Mr. BAUCUS, Mr. JOHNSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. GORTON, Mr. CHAFEE, Mr. STEVENS, Mr. LUGAR, and Mr. WALLOP; from the Committee on Armed Services: Mr. NUNN and Mr. THURMOND to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 654. An act to amend the Indian Environmental General Assistance Program Act of 1992 to extend the authorization of appropriations;

S. 1490. An act to amend Public Law 100-518 and the U.S. Grain Standards Act to extend the authority of the Federal Grain Inspection Service to collect fees to cover administrative and supervisory costs, and for other purposes; and

S.J. Res. 142. An act designating the week beginning November 7, 1993, and the week beginning November 6, 1994, each as "National Women Veterans Recognition Week."

The message also announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1621. An act to revise certain authorities relating to Pershing Hall, France;

S.J. Res. 143. Joint resolution providing for the appointment of Frank Anderson Shrontz as a citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 144. Joint resolution providing for the appointment of Manuel Luis Ibanez as a citizen regent of the Board of Regents of the Smithsonian Institution.

FLUNKING OUT

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, when evaluating the failure or success of a President, the public looks at five areas: the economy, foreign affairs, the deficit, crime, and taxes.

How is the President doing? According to a USA Today poll, the American people aren't very impressed.

When it comes to the economy, he gets a D. With foreign affairs, he gets a D minus. With the deficit, he gets a D minus. And with crime and taxes, he gets a pair of F's.

Mr. Speaker, crime and taxes are the preeminent issues that concern the American voter. The recent elections proved that fact. The President is failing both.

And it is only because the American people have a generous spirit that Mr. Clinton is not getting an F with the economy, foreign affairs, and the deficit.

The President better get the message. The American voters are none too impressed with his extreme liberal approach to these issues, and are close to flunking him out if he does not improve in these five key areas.

UNITED STATES MUST CONTINUE LEADERSHIP IN OPENING UP MARKETS

(Mr. MATSUI asked and was given permission to address the House for 1 minute.)

Mr. MATSUI. Mr. Speaker, many of the opponents of NAFTA have said that they really believe in the concept of free trade, that they support the GATT, they support NAFTA, but not this NAFTA.

Mr. Speaker, this weekend I happened to be at Borders Book Store, and I happened to find a new book, and I would urge my colleagues to pick this

book up. It is entitled "The Case Against Free Trade, GATT, NAFTA, and the Globalization of Corporate Power," and it is written by the opponents of NAFTA, Ralph Nader, Bill Greider, Jerry Brown, Lorie Wallach, from Public Citizen.

I might just point out that in the preface of the book, Ralph Nader says:

> This book contains essays by leading citizen-oriented trade experts. They dissect the ideological roots of the free-trade mantra, discuss the trade negotiations themselves and, most vividly and most importantly, detail the devastating effect that such trade governance has had and the much more severe effect it will have if the Uruguay round expansion of GATT and NAFTA are enacted.

I might just point out that this is not a symbolic vote. What this vote is is whether or not the United States would like to continue its leadership in the area of opening up markets, and the only way we can do it is by demonstrating that NAFTA is what we want to pass in the House on Wednesday.

APPOINTMENT OF CONFEREES ON H.R. 2330, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1994

Mr. DICKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2330) to authorize appropriations for fiscal year 1994 for the intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and without objection, appoints the following conferees.

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Messrs. GLICKMAN, RICHARDSON, DICKS, DIXON, TORRICELLI, COLEMAN, SKAGGS, and BILBRAY, Ms. PELOSI, Messrs. LAUGHLIN, CRAMER, REED, COMBEST, BEREUTER, DORNAN, YOUNG of Florida, GEKAS, HANSEN, and LEWIS of California.

From the Committee on Armed Services, for the consideration of defense tactical intelligence and related activities: Messrs. DELLUMS, SKELTON, and SPENCE.

There was no objection.

A REMINDER ABOUT GOVERNMENT REFORM

(Mr. ALLARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLARD. Mr. Speaker, upon election to office I, like everyone elected to this House, vowed to address the concerns of the people of my district. I am here to remind you of some of these concerns. The first is the concept of Government reform. Little did I know then, it would be more of a concept than a reality. In the words of Webster, reform is to put an end to an evil by introducing and enforcing a better method or course of action. I think we all agree that there are faults and abuses within Congress and also a justifiable need to correct them. The problem lies not with the introduction of reform measures, but rather with the implementation. Where is the conviction to change? When will we get a chance to vote on them? Our colleagues in the Senate have introduced reform legislation and are already moving forward with these changes. Today I want to remind you of some ways in which we can accomplish change. Some of these items are the adoption of a balanced budget amendment, simplifying the budget process and making it more accountable, and granting the President authority of a line-item veto. If we are to change we must first move. It is time to shake off the paralysis that has developed after years of inaction on the reforms I have just mentioned. The only thing that is slower than molasses on a cold January morning is the rate at which this Congress is moving toward reform.

It is about time to heat up the kettle and increase accountability by adopting these measures.

QUESTIONS WE SHOULD ASK OURSELVES ABOUT NAFTA

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, as we face a NAFTA vote on Wednesday, here are the questions we should be asking ourselves: Are we going to be voting for hope or for fear, for the past or the future? Are we going to put our heads in the sand and go with isolationism or protectionism, or are we going to step up to the plate and choose world economic leadership in a new global economy? Are we going to send President Clinton to Seattle empty handed and embarrassed as he meets with Asian leaders the next day after the vote? Are we going to surrender to growing Mexican and Latin American markets to Japan and Western Europe, or are we going to create the world's largest trading bloc with the United States as its leader?

Do we want to surrender up to 200,000 high-wage, high-skilled jobs to Japan? Are we prepared to turn our backs on a Mexico that has extended its hand of friendship?

Do you think that there will be more labor, environmental protection, and democratization in Mexico if NAFTA goes down?

Mr. Speaker, the choice is clear. The right vote for the country is for NAFTA.

LET US VOTE ON REAL CONGRESSIONAL REFORM

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, I would like to take just a second to talk about congressional reform.

Nearly everyone in this House ran on a platform of change, change in the way Congress functions, fundamental change like balanced budget amendments, a real line-item veto, a Congress that lives under the same rules that it imposes on others.

The demand for change appears, however, to have been nothing more than campaign rhetoric. Mr. Speaker, the House has skirted the issue of congressional reform too long. The game of joint dodgeball with the American public should end.

Taxpayers are tired of playing monkey in the middle. They are not alone. House Republicans are also tired of being ignored.

Despite our calls for free and open debate in the committee and on the floor, a fairer party ratio in committee membership and staffing, and open committee hearings and meetings, for an end to proxy voting, it is business as usual.

Even the much ballyhooed Joint Committee on the Reorganization of Congress has failed to produce. Mr. Speaker, it is time for the Joint Committee on Organization of Congress to live up to its name. It is time for us to vote on a real congressional reform package under an open rule.

A VOTE FOR NAFTA

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, after talking with scores of people back home and here in Washington and after reading volumes of material until literally my head ached, I have determined to vote for the North American Free-Trade Agreement when it reaches the floor on Wednesday.

At the end of the day, Mr. Speaker, I think that passage of NAFTA will do more good than harm for the lot and the future of U.S. workers and for the U.S. economy.

But, Mr. Speaker, in candor, I have voted many times in this House over my 23 years with very much more enthusiasm that I will vote for NAFTA on Wednesday. That is because, Mr. Speaker, I share the very same concerns and uncertainties and worries

and frustrations that my people at home experience about whether or not NAFTA will, in fact, create more jobs here in the United States than it would destroy; whether, in fact, NAFTA will create more high-paying jobs for our American workers; about whether all the pledges to assist workers and industries adversely affected by NAFTA will be honored.

Mr. Speaker, when and if NAFTA is adopted on Wednesday, I hope that we in the House and our colleagues in the Senate will recognize the deep obligations that we still bear to the American workers and to their fate and to their future.

NAFTA: A RISING TIDE LIFTS ALL SHIPS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, what a wonderful load of 1-minutes we have had this morning.

Let me say that over the past several weeks and months, we have been listening to more than a few of our colleagues say things like, "DAVID, you are on the right track by supporting the North American Free-Trade Agreement. It is going to be very good, it is going to be all the things that my friend, the gentleman from New Mexico [Mr. RICHARDSON], said a few minutes ago."

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"But I am having such a tough political time considering voting for it." I would say to my colleagues who are in that position that you have got to realize a couple of things about this vote we are going to face on Wednesday: Anyone who votes against the North America Free-Trade Agreement is voting against a $1.5 billion tax cut.

Mr. Speaker, anyone who votes against the North American Free-Trade Agreement is voting against our effort to get at the root of illegal immigration. People leave Mexico and come to the United States to seek economic opportunity. A rising tide lifts all ships. We are going to be able to get effectively at the root of these problems if we pass the North American Free-Trade Agreement.

If we turn it down, the problems that exist today will continue. The right political vote is "yes" on the North American Free-Trade Agreement.

VOTE "NO" ON THIS NAFTA

(Mr. LEVIN asked and was given permission to address the House for minute and to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, this NAFTA is in deep trouble because it fails to address the Mexican Government's deliberate intervention to keep wages and salaries down while productivity rises in order to attract United States investment to Mexico. This policy has worked; look at the 2,000 plants with over 600,000 workers averaging 1 buck 25 cents an hour in plants with comparable productivity.

In an effort to cover over the Achilles' heel of this NAFTA, it was argued over the weekend that, one, by law Mexico has now tied minimum wages to productivity, but that is simply incorrect, as the Mexican Minimum Wage Commission is still working on this matter, with unknown results. It is also argued that because wages above the minimum are tied to the minimum wage in Mexican labor contracts, all wages in Mexico will rise with productivity. But that claim does not make any sense, since the minimum wage in Mexico in recent years has increased even less than average wages. Look at the results of the first quarter of 1993. Productivity went up 9 percent, wages rose only 1 percent.

This NAFTA needs to be renegotiated to confront economic realities rather than giving a green light to Mexican practices that tilt the playing field against American workers and small businesses.

Mr. Speaker, the American people, facing continued drops in their standard of living, want nothing less and they are right.

THE FUTURE AFTER THE NAFTA VOTE

(Ms. HARMAN asked and was given permission to address the House 1 minute and to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, as Wednesday's NAFTA vote draws near—with the final result likely to be determined by a vote or two—this opponent of this NAFTA feels compelled to make a few remarks about the process. Win or lose, I hope we will learn lessons for the next time.

(1) STARTING WITH THE PEOPLE

The process of drafting this treaty didn't. People in my district and elsewhere are enormously uncomfortable with this treaty, fearing the loss of jobs. Whether they are right or wrong, their anxiety is real. And the reason so much arm twisting is going to pass this treaty relates, in my view, to the fact that so many Members sense the anxiety of their constituents. If the support of past Presidents and Cabinet members cannot convince the public of the benefits of this treaty, then there is something wrong with the treaty itself.

(2) TRADING FOR VOTES

Politics may be the art of compromise, but there is something very unsettling about the unprecedented trading to influence this vote. Interest groups and donors are sending menacing warnings, "vote against me and you'll never get another dime," and the administration is making some desperate deals. This activity is antithetical to consensus building, and the public is turned off by it.

(3) DIVISIVE RHETORIC

The debate on this treaty has been undeniably divisive, but this is not the way it has to be. The issue at heart is not a moral choice, it is based on tangible calculations about job creation and loss. Nevertheless, the language used has emphasized the imperative of passing this treaty right now. This is misguided. After Wednesday, there is no reason we cannot return to the negotiating table and agree to specific changes that would reassure opponents that the treaty is in the national interest.

(4) INVOKING ARMAGEDDON

The public is not buying the dire predictions of either side. Claims of massive job gains or losses have never been substantiated. The CBO probably had it right over a year ago when it stated, "the impact on jobs will be minimal." A front page story in today's Los Angles Times dramatically downgrades its earlier estimates of job creation in California due to NAFTA, and says the flight of low-skilled manufacturing jobs to Mexico is likely to continue. Nor is it true that Mexico's Government will fall if the treaty fails—or that Japan will replace the United States as Mexico's major trading partner. One of the most exaggerated claims is that the debate is between those who embrace the future and those mired in the past. Not so: the debate is about what the future will look like with this NAFTA, or without it. And reasonable people can disagree.

Whatever happens on Wednesday, I want to implore us all to strive to build a real consensus around the result. If this NAFTA passes, let's make it work. And if it fails, let's join together to draft and pass a better NAFTA. If we accomplish this, we will have done a service to the American worker, to humanitarian causes, and to the true spirit of free and fair international trade.

POSTELECTION RESULTS IN NEW JERSEY

(Mr. FRANK of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. FRANK of Massachusetts. Mr. Speaker, it is a great mistake for us to let the victims of a particular misdeed speak only for themselves. They want to speak for themselves, but others should join.

So I want to join today in expressing my outrage at the comment from Ed Rollins last week when he talked boastfully about his efforts to subvert the democratic process in New Jersey.

Mr. Rollins now tells us that he was not telling the truth when he talked about what he did. Obviously there were some things that were tried that were wrong.

Now we have Mr. Rollins lying about whether or not he was telling us the truth. It is essential that this be fully investigated. The worst thing we can do, as elected officials, is to allow the cynicism to corrode this country that says, "Oh, they all do it."

The kind of activity Mr. Rollins spoke about, of spending money illegally to try to persuade people not to vote, is intolerable.

The later obfuscation does not make it any better.

It is essential that this be fully investigated by people with subpoena power so that we make it clear that this is not the sort of thing that everybody does and democracy will be defended against attacks like this.

NAFTA: THE STATUS QUO IS NOT ACCEPTABLE

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, anyone who has visited the United States-Mexico border knows that the environmental status quo is not acceptable. I am particularly concerned with the impact on health by this polluted environment, especially the health of children, who have a higher rate of hepatitis there. One of our colleagues has a school in his district where the children have a 100-percent rate of hepatitis. And of course the increased rate of breast cancer in the region.

For this reason I believe it is important for us to pass a NAFTA which will be good for the environment. This NAFTA I believe is. That is why it has the endorsements of the Environmental Defense Fund, the National Wildlife Federation, the World Wildlife Fund, the Natural Resources Defense Council, the National Audubon Society, and Conservation International.

The Natural Resources Defense Council states that with this NAFTA, for the first time there will be a powerful institution charged with protecting the North American environment. That is the Commission on Environmental Cooperation. For the first time nations are obligated by an agreement to uphold their own environmental laws. For the first time a North American environmental agreement gives citizens direct recourse when environmentally threatened.

For the first time the United States and Mexico will work cooperatively to improve the environment.

Mr. Speaker, I urge my colleagues to vote "yes" on NAFTA on Wednesday.

NAFTA WILL OPEN UP THE PRESENT CLOSED MARKETS OF OUR TRADING PARTNERS

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, a vote Wednesday against the North American Free-Trade Agreement is a vote to reduce America's leverage in our fight to open up the closed markets of our trading partners. Here is why: We have got a trade surplus with Mexico, and Mexican tariffs are far higher than ours. On the other hand, we have got a huge trade deficit with the Asian countries, who have closed their markets to many of our products. But if we cannot close a trade deal which blatantly favors us, our credibility will be hard hit when we ask the Asian countries to open their markets to our goods.

Vote for the North American Free-Trade Agreement and enhance our country's ability to get our exports into worldwide markets.

NAFTA: A HISTORY-MAKING VOTE

(Mr. INSLEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INSLEE. Mr. Speaker, the upcoming NAFTA vote would make some of us, who are human, think twice about it. It is controversial.

But I want to tell you I look forward to this vote like no other vote I have looked forward to before. The reason I am going to vote "yes" is because I realize that this is one moment in the brief time that I have been here that history will record how I believe we intend to advance our economic prospects, because history will record each one of our votes. It will record on a black-and-white basis a "yes" or a "no" basis what we believe. Whether we believe that free trade is the future of our economy and the world economy or that protectionism is our future.

On this vote it will be a very clear, a crystal-clear decision on where we stand. And when each one of us looks down to the bottom of our hearts and decides how we are going to be recorded by history, I hope that others will join me in saying that our future is for free trade. And when we send the gladiator to Seattle from America to fight for free trade at the Asian conference next Monday, this weekend, we ought to send him strong with the wind so that the story is not "winless in Seattle."

We should send him with the thought that many of us believe that we need free trade as our future.

□ 1230

WHO WINS AND WHO LOSES WITH NAFTA?

(Mr. COPPERSMITH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COPPERSMITH. Mo Udall once said, "Everything has been said, only not everyone has said it," so I wish to join so many of my colleagues this afternoon in speaking in support of the North American Free-Trade Agreement.

In addition to the points that my colleagues have raised already, we also have to think about who wins and who loses in the NAFTA vote. If this House votes in favor of NAFTA, we show that we understand the lessons of history, that free trade and growth in exports has been and will be America's road to economic success. A positive vote shows our country's leadership in our hemisphere and in the world. Approving NAFTA shows we will face forward, trying to build an expanding economic future. A defeat will show Congress is more interested in holding on to a past that may not even have existed.

If NAFTA loses, I think it enshrines the politics of crankiness. A defeat empowers political leaders like Ross Perot and Jesse Jackson, who cannot agree on anything positive, but agree only on what they oppose. They agree only to try to stop changes that the American people need.

Mr. Speaker, this vote gives us an opportunity to stand for what we need to do to move this country forward. This vote also is a test of whether we in this House can build coalitions from the center outward, on whether the flanks of either party will control the agenda.

I fear for our progress on the people's business in this House on other contentious issues if we cannot empower the center, those who understand what action is truly in our country's best interests and put it ahead of partisanship, or if instead we will give greater emphasis to ideologies on the left and the right. For so many reasons, we must support NAFTA.

THE FOREIGN AID GIVEAWAY

(Mr. TAYLOR of Mississippi asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAYLOR of Mississippi. Mr. Speaker, in the 4 years that I have served in this body, I am continually appalled and upset at the course of action this Nation takes. In those 4 years this Nation has given over $13 billion in foreign aid to one nation, Israel, money that we had to borrow from our grandchildren's future in order to give away. We have given away about $60 billion in foreign aid, but you know, it is not enough now for Congress to give away

your money that they have borrowed, now they want to give away your jobs.

Now they want to vote for something called NAFTA. All NAFTA does is eliminate taxes on products coming from Mexico. When it is all said and done, it eliminates taxes on products coming from Mexico, so while this Congress just a few months ago voted to raise taxes on American corporations, if they stay, they said, "By the way, if you go to Mexico, you don't have to pay minimum wage. You don't have to pay workmen's comp. You don't have to live by the pollution laws. You don't have to live by the OSHA laws. You can make your product down there and bring it back up tax free."

Mr. Speaker, it is time for Congress to quit giving away your money. It is especially time for Congress to quit giving away your jobs.

MEXICO'S TRADE RELATION WITH UNITED STATES HAS TURNED AROUND

(Mr. LAUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAUGHLIN. Mr. Speaker, I am delighted that I have the opportunity to follow my friend, the gentleman from Mississippi, because he was talking about giving away jobs and giving Mexican products tax-free status. I think he is reading from a different book than I have been looking at.

We have turned around the trade relationship with Mexico since they started lowering the tariffs on our products. If you look at just agriculture alone, Mexico has had a 25-percent tax on the rice and beef produced in America, 10 to 20 percent on corn and grain, 10 percent on cotton.

Those tariffs are taxes on our products and they are going to be reduced in time down to zero, so that our farmers can sell more products to the Mexican citizen.

That is why we in the body should have the courage to vote in favor of the North American Free-Trade Agreement, because if our farmers have a future, it is a future because they can sell their products in the global market.

It does not help just the farmer, or the rancher. Those farmers and ranchers have loans at small banks in small communities. Those ranchers and farmers do business with small businesses.

So a defeat of NAFTA would do irreparable harm not only to our relationship and ability to do trade in a global economy, but it will do irreparable harm to the small businessman, the farmer and the rancher.

NAFTA IS A VOTE TO CUT TAXES AND CREATE JOBS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I want to build on the remarks that the gentleman from Texas just delivered.

This is, in fact, a tax cut; namely, NAFTA. It is a tax cut for the American people. It is a tax cut for the people of Mexico.

In both cases the economies will benefit.

The fact is what we have learned over the last few years about the economy is that if you cut taxes, you increase the productivity of jobs in the private sector, and therefore you create more jobs. You give employers incentives to bring jobs into the economy.

This tax cut is going to result in exactly that kind of job creation in our country. We are going to benefit in Pennsylvania where we already have an average of a thousand jobs per congressional district that are tied to trade with Mexico.

If NAFTA is defeated, we stand to lose, but if NAFTA is approved, we stand to increase.

I think that is going to happen all across the country.

There is one other thing we ought to keep in mind. If NAFTA is approved, the chances are that it will be seen only as a blip on the history screen, because it will be part of a much larger trend toward the globalization of the economy; however, if NAFTA is defeated, it will be a terrible disaster because at that point we will have put ourselves in the way of history and we will stand to be run over by it.

If NAFTA is rejected, the chances are that this Nation will define itself as not desiring to be a part of the global economy. The rest of the world will interpret that as meaning we want our economy to go into the decline, rather than move ahead. That would be a disaster.

NAFTA AND CALIFORNIA WINES

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Mr. Speaker, I want to limit my comments with regard to NAFTA today to just one industry, very crucial to our economy in California. Currently California wines, American wines going into Mexico face a 20-percent tariff. Effective right now, the tariff on Chilean wines going into Mexico is 14 percent and will go to zero in 1996.

U.S. wine makers and U.S. wine growers are going to lose market share dramatically without NAFTA which will significantly reduce the tariff on U.S. wines going in ultimately to zero after the agreement passes.

Without NAFTA, we are going to lose market share. We are going to have to take vines out of production. We are going to cripple the California wine industry.

This, Mr. Speaker, is the harbinger for future deals in Latin America where we are on the verge of busting into that market, but without NAFTA will not have the leverage to do it.

Mr. Speaker, I urge that we pass NAFTA and help a crucial industry in California.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore (Mr. MONTGOMERY) laid before the House the following communication from the chairman of the Committee on Public Works and Transportation; which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, November 9, 1993.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Enclosed are copies of resolutions adopted today by the Committee on Public Works and Transportation. These resolutions authorize studies of potential water resources projects by the Secretary of the Army, acting through the Chief of Engineers, in accordance with the provisions of section 4 of the Act of March 4, 1913.

Sincerely yours,

NORMAN Y. MINETA,
Chairman.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the end of the legislative business day, but not before 4 p.m. today.

EARTHQUAKE HAZARDS REDUCTION ACT OF 1977 AUTHORIZATION, FISCAL YEARS 1994, 1995, AND 1996

Mr. BROWN of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3485) to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1994, 1995, and 1996.

The Clerk read as follows:

H.R. 3485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 12 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) is amended—

(1) in subsection (a)(7)—

(A) by inserting "of the Agency" after "to the Director";

(B) by striking "and" after "September 30, 1992,"; and

(C) by inserting ", $20,160,000 for the fiscal year ending September 30, 1994, $20,805,000 for the fiscal year ending September 30, 1995, and $21,450,000 for the fiscal year ending September 30, 1996" after "September 30, 1993";

(2) in subsection (b)—

(A) by striking "and" after "September 30, 1992;"; and

(B) by inserting "; $49,861,000 for the fiscal year ending September 30, 1994; $51,457,000 for the fiscal year ending September 30, 1995; and $53,052,000 for the fiscal year ending September 30, 1996" after "September 30, 1993";

(3) by adding at the end of subsection (c) the following new sentences: "There are authorized to be appropriated, out of funds otherwise authorized to be appropriated to the National Science Foundation, $17,500,000 for engineering research under this Act and $10,500,000 for geosciences research under this Act, for the fiscal year ending September 30, 1994. There are authorized to be appropriated, out of funds otherwise authorized to be appropriated to the National Science Foundation, $18,060,000 for engineering research under this Act and $10,836,000 for geosciences research under this Act, for the fiscal year ending September 30, 1995. There are authorized to be appropriated, out of funds otherwise authorized to be appropriated to the National Science Foundation, $18,620,000 for engineering research under this Act and $11,172,000 for geosciences research under this Act, for the fiscal year ending September 30, 1996."; and

(4) by adding at the end of subsection (d) the following new sentences: "There are authorized to be appropriated, out of funds otherwise authorized to be appropriated to the National Institute of Standards and Technology, $1,532,000 for the fiscal year ending September 30, 1994. There are authorized to be appropriated, out of funds otherwise authorized to be appropriated to the National Institute of Standards and Technology, $1,581,000 for the fiscal year ending September 30, 1995. There are authorized to be appropriated, out of funds otherwise authorized to be appropriated to the National Institute of Standards and Technology, $1,630,000 for the fiscal year ending September 30, 1996.".

SEC. 2. BUY AMERICAN PROVISIONS.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance 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 products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Director of the Federal Emergency Management 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.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent 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 was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

(d) RECIPROCITY.—

(1) GENERAL RULE.—Except as provided in paragraph (2), no contract or subcontract may be made with funds authorized under this Act to a company organized under the laws of a foreign country unless the Director of the Federal Emergency Management Agency finds that such country affords comparable opportunities to companies organized under laws of the United States.

(2) EXCEPTION.—(A) The Director of the Federal Emergency Management Agency may waive the rule stated under paragraph (1) if the products or services required are not reasonably available from companies organized under the laws of the United States. Any such waiver shall be reported to the Congress.

(B) Paragraph (1) shall not apply to the extent that to do so would violate the General Agreement of Tariffs and Trade or any other international agreement to which the United States is a party.

SEC. 3. LIMITATION ON APPROPRIATIONS.

No funds are authorized to be appropriated for carrying out the Earthquake Hazards Reduction Act of 1977 for any fiscal year other than a provided by the amendments made by this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. BROWN] will be recognized for 20 minutes, and the gentleman from New York [Mr. BOEHLERT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1977 I joined with Senator Cranston to introduce the Earthquake Hazards Reduction Act of 1977 to bring a national commitment to a long-term earthquake hazards reduction program. Now more than ever, there is a great need to maintain that commitment. Earthquakes remain a serious threat to communities in 39 States, my State of California in particular.

In June 1992, the largest earthquake to strike southern California in 40 years occurred near the town of Landers. Scientists estimate a 1 in 2 chance of a major urban earthquake in southern California during the next 5 to 10 years. The 42d District continues to feel aftershocks from the Landers Big Bear earthquakes and from other local fault sources several magnitude 2 and above events per week. The area is of particular concern because of the proximity of the San Andreas Fault and the stress that may have been added to the local faults due to the Landers event.

The bill under consideration provides authorizations for fiscal year 1994, equal to the appropriated levels for these programs, with inflationary increases for fiscal years 1995 and 1996.

I want to recognize the outstanding efforts of Mr. BOUCHER of Virginia, chairman of the Subcommittee on Science of the Committee on Science, Space, and Technology for his diligent efforts to set us on a course of correct some of the deficiencies in the National Earthquake Hazards Reduction Program.

I want to acknowledge the distinguished ranking Republican member of the Committee on Science, Space, and Technology, Mr. WALKER of Pennsylvania and Mr. BOEHLERT of New York, ranking Republican member of the Subcommittee on Science, for their cooperation and assistance in developing H.R. 3485. I also appreciate the efforts of the Committee on Natural Resources, which shares jurisdiction over the program, especially Chairman MILLER of California and Mr. YOUNG of Alaska, ranking Republican member, Mr. LEHMAN of California, chairman of the Energy and Mineral Resources Subcommittee, and the ranking Republican member, Mrs. VUCANOVICH of Nevada, for facilitating consideration of the bill.

I urge my colleagues to support passage of H.R. 3485, the authorization for the Earthquake Hazards Reduction Act for fiscal years 1994, 1995, and 1996.

□ 1240

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3485. The program we are reauthorizing today has been instrumental in reducing the loss of life and property from earthquakes.

This bill provides very modest increases for this valuable program; authorizations are at the appropriated levels for this fiscal year and inflation increases are provided for fiscal 1995 and 1996. That is a reasonable investment in a program that pays itself back many times over in preventing earthquake losses.

We would like to see this program have an even greater impact on earthquake mitigation, and for that reason members of our committee and the Committee on Natural Resources have written to the President, asking that he undertake a high-level review of the program to ensure that it is operating optimally.

The health of this program should be of concern to every Member of this body. Earthquakes are not limited to

the west coast—I am tempted to say unfortunately; in fact, 39 States face seismic risks. And, of course, as we have seen with this summer's flooding, catastrophic natural disasters affect everyone in this country because of the need for Federal disaster aid.

I urge my colleagues to support this bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALKER], the ranking minority member.

Mr. WALKER. Mr. Speaker, I thank the gentleman from New York [Mr. BOEHLERT] for yielding this time to me. This is a good bill and one that the House should approve. It is there because of the work of a number of people who each made a contribution that I think has turned this into a bill of considerable merit.

I wish to thank both our committee chairman, the gentleman from California [Mr. BROWN], and the Subcommittee of Science chairman, the gentleman from Virginia [Mr. BOUCHER], for their openness on this legislation and their willingness to work with the minority. In particular I want to thank Chairman BROWN for his willingness to hold the program budget to a true baseline freeze so that we are not dealing with a situation where we are massively increasing the spending in this area.

Furthermore, Mr. Speaker, I share the concerns of many Members on both sides of the aisle that this program, the Earthquake Hazards Reduction Program, needs better strategic planning and agency coordination. I am pleased that this committee is taking efforts within this bill to enforce stronger oversight, and I am convinced that this bill will lead to a better program in the future.

Additionally, Mr. Speaker, I want to thank the ranking Republican member, the gentleman from New York [Mr. BOEHLERT] for all his efforts at that level. His contributions have made this a better bill. He is someone, as he has pointed out in his remarks, who understands that earthquakes are a national concern, and we are trying to build a program here that speaks to that national concern.

Likewise I would like to express my appreciation to the gentlewoman from Washington [Ms. DUNN] for offering an amendment that is typically offered in our committee by the gentleman from Minnesota [Mr. GRAMS]. That particular amendment is language to prohibit appropriation of funds that are not authorized after fiscal year 1996 in this case. What that means is that we have essentially a sunset clause as it affects this particular piece of legislation. I think that, too, strengthens it.

I am proud to be a cosponsor of this bill, and I urge my fellow colleagues to support passage.

Mr. BROWN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not wish to prolong the debate on this. I do take umbrage at the use of the word "unfortunately" by Mr. BOEHLERT. But I will not ask that his words be taken down at this point. It is true that this program probably, as with most programs, needs further analysis in order to improve its coordination and focus, and we have taken steps in that direction.

I should point out also that there is a very substantial move to relieve, at least in large part, the costs of catastrophic events such as earthquakes by considering the possibility of taking care of these costs through an insurance program. Those steps are under way also.

Mr. Speaker, I think we are making progress in this whole area of both mitigating and compensating for catastrophic events, and I hope that that will continue.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

I would just like to make certain that the written record reflects what the visual record will reflect, and that is, when our distinguished chairman, the gentleman from California [Mr. BROWN], made his remark, his tongue was planted firmly in his cheek. The fact of the matter is too many people, particularly in my State of New York, and others who are privileged to live in the Northeast, think that earthquakes are a California phenomenon when they are not. They are national in scope, and they know no boundaries, and so we have to be concerned, as Americans, about this problem, and we have to do something about it, and I am glad to say we are doing something about it.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. BROWN] that the House suspend the rules and pass the bill, H.R. 3485.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FEDERAL EMPLOYEES CLEAN AIR INCENTIVES ACT

Ms. NORTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3318) to amend title 5, United States Code, to provide for the establishment of programs to encourage Federal employees to commute by means other than single-occupancy motor vehicles.

The Clerk read as follows:

H.R. 3318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSE.

(A) SHORT TITLE.—The Act may be cited as the "Federal Employees Clean Air Incentives Act".

(b) PURPOSE.—The purpose of this Act is to improve air quality and to reduce traffic congestion by providing for the establishment of programs to encourage Federal employees to commute by means other than single-occupancy motor vehicles.

SEC. 2. AUTHORITY TO ESTABLISH PROGRAMS.

(a) IN GENERAL.—Chapter 79 of title 5, United States Code, is amended by adding at the end the following:

"§ 7905. Programs to encourage commuting by means other than single-occupancy motor vehicles

"(a) For the purpose of this section—

"(1) the term 'employee' means an employee as defined by section 2105 and a member of a uniformed service;

"(2) the term 'agency' means—

"(A) an Executive agency;

"(B) an entity of the legislative branch; and

"(C) the judicial branch;

"(3) the term 'entity of the legislative branch' means the House of Representatives, the Senate, the Office of the Architect of the Capitol (including the Botanic Garden), the Capitol Police, the Congressional Budget Office, the Copyright Royalty Tribunal, the Government Printing Office the Library of Congress, the the Office of Technology Assessment; and

"(4) the term 'transit pass' means a transit pass as defined by section 132(f)(5) of the Internal Revenue Code of 1986.

"(b)(1) The head of each agency may establish a program to encourage employees of such agency to use means other than single-occupancy motor vehicles to commute to or from work.

"(2) A program established under this section may involve such options as—

"(A) transit passes (including cash reimbursements therefore, but only if a voucher or similar item which may be exchanged only for a transit pass is not readily available for direct distribution by the agency);

"(B) furnishing space, facilities, or services to bicyclists; and

"(C) any non-monetary incentive which the agency head may otherwise offer under any other provision of law or other authority.

"(c) The functions of an agency head under this section shall—

"(1) with respect to the judicial branch, be carried out by the Director of the Administrative Office of the United States Courts;

"(2) with respect to the House of Representatives, be carried out by the Committee on House Administration of the House of Representatives; and

"(3) with respect to the Senate, be carried out by the Committee on Rules and Administration of the Senate.

"(d) The President shall designate 1 or more agencies which shall—

"(1) prescribe guidelines for programs under this section;

"(2) on request, furnish information or technical advice on the design or operation of any program under this section; and

"(3) submit to the President and the Congress, before January 1, 1995, and at least every 2 years thereafter, a written report on the operation of this section, including, with respect to the period covered by the report—

"(A) the number of agencies offering programs under this section;

"(B) a brief description of each of the various programs;

"(C) the extent of employee participation in, and the costs of the Government associated with, each of the various programs;

"(D) an assessment of any environmental or other benefits realized as a result of programs established under this section; and

"(E) any other matter which may be appropriate.".

(b) CHAPTER ANALYSIS.—The analysis for chapter 79 of title 5, United States Code, is amended by adding at the end the following:

"7905. Programs to encourage commuting by means other than single-occupancy motor vehicles.".

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on January 1, 1994.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from the District of Columbia [Ms. NORTON] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 3318, the Federal Employees Clean Air Incentives Act, is to improve air quality and to reduce traffic congestion by authorizing Federal agencies to establish programs to encourage Federal employees to commute by means other than single-occupant vehicles. An agency's program may involve offering transit passes, space or facilities to bicyclists, or nonmonetary incentives to encourage employees to consider alternative means of commuting to work.

Private sector employees have been eligible for a tax-free transit subsidy since 1984. The Treasury, Postal Service, and General Government Appropriations Act of 1991 extended this benefit to Federal employees and this authorization expires December 31, 1993. The Energy Policy Act of 1992 subsequently increased the amount of this subsidy which is tax-deductible from $21 to $60 per month. Most agencies, however, currently provide a subsidy of only $21 per month.

Under this Clean Air Act Amendment of 1990, both private and public employers in several of the Nation's largest cities will soon be required to implement trip-reduction programs in order to reduce toxic emissions produced by motor vehicles. The Federal Employees Clean Air Incentives Act is one of the ways in which Federal agencies in these and other cities may satisfy the Clean Air Act requirements and help clean up our environment.

In fact, last month, President Clinton released his climate change action plan which is intended to return the U.S. greenhouse gas emissions to 1990 levels by the year 2000. Part of President Clinton's proposal targets growth in transportation emissions and calls for providing a powerful reward for commuters to use mass transit, carpool, or find means other than single-occupancy vehicles to get to work. This bill does just that.

The Subcommittee on Compensation and Employee Benefits held two hearings on the transit subsidy program. We received testimony from the Department of Transportation, the General Accounting Office, Federal employee organizations, mass transit organizations, and environmental and commuter policy organizations. All witnesses expressed their desire to see the transit subsidy authorization made permanent. In addition, the subcommittee received numerous letters indicating that transit subsidies are supported by employees and Federal agencies nationwide.

The Committee on Post Office and Civil Service unanimously approved H.R. 3318 on October 27, 1993. I urge the House to adopt H.R. 3318.

□ 1250

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3318, the Federal Employees Clean Air Incentives Act. This bill is consistent with the goals of the Clean Air Act and the Energy Policy Act to establish a permanent incentive program encouraging Federal and private sector employees to use public transportation.

This bill is critical, as metropolitan areas which do not meet the Clean Air Act requirement and those areas which do not meet national and ambient air quality standards, must develop emission reduction programs. Reauthorization of this program for Federal employees will help to shift behavioral patterns and continue the greater use of public transportation, aiding the cleanup of our air and environment.

Increased user participation of mass transit would help keep costs down for all mass transit users. This program was started in 1980 by Executive Order 12191. It directed Federal agencies to promote ridesharing and the use of other forms of public mass transportation as a means to conserve energy resources, reduce traffic congestion and improve air quality.

The General Accounting Office found that as of April 1993, 75 Federal agencies and organizations out of approximately 150 and 7 of the 14 Cabinet-level departments participated in the Transit Benefit Program. The current provision authorizing Federal agencies to participate in programs encouraging Federal employees to use public transportation was enacted in the fiscal year 1991 Treasury and Postal Appropriations Act and expires on December 31, 1993.

H.R. 3318 makes the program permanent and encourages all three branches of the Government to make this program available to their employees—including members of the uniformed services. The head of each agency may develop programs to discourage the use of single-occupancy motor vehicles, such as transit passes defined by section 132(f)(5) of the Internal Revenue Code, space, facilities and/or services for bicyclists, and nonmonetary incentives.

Mr. Speaker, this bill received a full hearing by the Subcommittee on Compensation and Employee Benefits, and many local and State jurisdictions from all over the country wrote in support of the measure. The legislation was ordered to be reported by the Committee on Post Office and Civil Service. I urge my colleagues to support H.R. 3318.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. NORTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentlewoman from the District of Columbia [Ms. NORTON] that the House suspend the rules and pass the bill, H.R. 3318.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. NORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include therein extraneous matter on H.R. 3318, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

GEORGE ARCENEAUX, JR., UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3186) to designate the U.S. courthouse located in Houma, LA, as

the "George Arceneaux, Jr., United States Courthouse."

The Clerk read as follows:

H.R. 3186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 800 East Main Street in Houma, Louisiana, is designated as the "George Arceneaux, Jr., United States Courthouse".

SEC. 2. LEGAL REFERENCES.

Any reference in a law, regulation, document, record, map, or other paper of the United States to the courthouse referred to in section 1 is deemed to be a reference to the "George Arceneaux, Jr., United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, George Arceneaux, Jr., was born on May 17, 1928, in Houma, LA, and died in April 1993. He traced his roots back to the Arcadians of Nova Scotia, Canada. While working in Washington, DC, he attended law school at American University, graduating in 1957. From 1960 to 1978, Judge Arceneaux practiced law in the private sector in Houma, LA.

On September 26, 1979, President Jimmy Carter appointed Arceneaux to the U.S. District Court for the Eastern District of Louisiana. He was the first Arcadian judge named to the Federal court since the 1920's.

Judge Arceneaux has great sympathy for those individuals who lived in rural south Louisiana and had to do business with the Federal court in New Orleans.

These people were forced to make a long and arduous trip to the Federal court in New Orleans, if they needed to file papers, fulfill jury duty or had other matters to take up. Consequently, Judge Arceneaux began to champion the idea of building a satellite courthouse in Houma. In spite of many obstacles, Judge Arceneaux persisted in pressing forward to achieve this goal. I am proud to say that the satellite courthouse is now under construction.

Judge Arceneaux had a distinguished career. He was renowned for his contributions to his community and was well respected by his fellow judges. Therefore, it is fitting and proper that the U.S. courthouse located at 800 East Main Street in Houma, LA, be designated as the "George Arceneaux Jr., United States Courthouse".

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker. I rise in support of H.R. 3186, a bill to designate the U.S. Courthouse located in Houma, LA, as the "George Arceneaux, Jr., United States Courthouse." Judge Arceneaux was born May 17, 1928, in New Orleans, LA, attended local schools and graduated valedictorian from Louisiana State University in 1949. He served in the U.S. Army during the Korean war as an intelligence analyst. He later served as legislative and administrative assistant to then Senator Allen Ellender, until the Senator's death in 1972.

While on the congressional staff, Judge Arceneaux earned a law degree at night from American University. Judge Arceneaux, an Acadian by heritage, practiced law in Houma until President Carter appointed him to the Federal bench in 1979. Judge Arceneaux served with distinction until his death in April 1993. It is fitting and appropriate to name this building in Judge Arceneaux' honor, as a tribute to his tireless dedication to locate this facility in Houma to serve the citizens of this rural area.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I come before you today to tell you about a remarkable man from south Louisiana, Judge George Arceneaux—and about why I have introduced a bill, H.R. 3186, cosponsored by the entire Louisiana delegation, to name a new Federal courthouse in Houma, LA, after Judge Arceneaux.

George Arceneaux, Jr., was born in Houma, LA, to a family that traces its roots back to the exile of the Acadians from Nova Scotia. When appointed to the Federal bench in 1979, Judge Arceneaux was the first Acadian judge named to the Federal court since the 1920's.

After graduating valedictorian of his 1945 class at Terrebonne High School, he went on to Louisiana State University, graduating in 1949 and becoming a print journalist for a local newspaper. This career was interrupted by the Korean war, when he served as an intelligence analyst with the 38th Military Intelligence Service Company at Fort Meade, MD.

After an honorable discharge, Arceneaux went to work as a legislative assistant, then administrative assistant to Senator Allen J. Ellender of Houma, who died in 1972 at the height of his career in public service as President pro tempore of the U.S. Senate. While in Washington, Arceneaux married and earned his J.D. degree from American University in 1957.

In 1960, Arceneaux returned to Houma to practice law until his appointment by President Jimmy Carter to the U.S. District Court for the Eastern District of Louisiana in New Orleans on September 26, 1979. After a distinguished career on the bench, Judge Arceneaux died in April 1993, following unsuccessful surgery for lung disease.

During his years in private practice and on the bench, Judge Arceneaux devoted significant time and energy to improving both the judiciary and the community—through service on the Judicial Conference and on numerous community boards and charities. But perhaps he is best remembered for his lifelong efforts to bring the Federal court to Houma.

It was while working in Washington that Judge Arceneaux took note of the hardship that traveling to New Orleans to conduct any business with the Federal court caused the people in rural south Louisiana. After returning to Houma to practice law, Judge Arceneaux saw firsthand the difficulty and inconvenience the distant location of the Federal court caused the people of the Houma area—whether filing papers or being called as witnesses or for jury duty.

Through the years, Judge Arceneaux continued to push the idea of this satellite courthouse. He remained steadfast in his devotion through the long and complicated process, overcoming countless obstacles within the Federal court system and finally through Congress.

As the Houma Courier noted in an editorial following his death:

> It took nearly a lifetime, but U.S. District Judge George Arceneaux, Jr., who died in April, saw his dream become a reality. Well almost. Just before his death, construction began on a Federal courthouse here in Houma.
>
> Though his dream of presiding over Federal court here will not be realized, his plan to make the court accessible to the people of Terrebonne, Lafourche, Assumption, St. James, and St. John Parishes must be. Arceneaux spent his life serving others, working in Washington, assisting clients in Houma, sitting on the Federal bench, and as vice president of Rotary International. * * * But he should be remembered by the people of this area for bringing the Federal court to them. Those whose lives he touched—and there are literally thousands—are now responsible for seeing the project through to its conclusion. This must be his legacy.

Mr. Speaker, I am proud to have known Judge Arceneaux and can think of no greater and more fitting tribute than naming this new Federal courthouse after him. I urge swift passage of H.R. 3186.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I support the comments of Chairman TAUZIN and thank him for his leadership in bringing forth the naming of the Federal building after Judge Arceneaux. I think it is fitting and proper.

Mr. Speaker, I support the bill. Judge Arceneaux was right when he said that

all the little people have to go to the big cities all the time to get things done, and he said that should be changed. I agree with Judge Arceneaux.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 3186.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3186, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EDWIN FORD HUNTER, JR., UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3356) to designate the United States courthouse under construction at 611 Broad Street, in Lake Charles, LA, as the "Edwin Ford Hunter, Jr., United States Courthouse."

The Clerk read as follows:

H.R. 3356

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse under construction at 611 Broad Street, in Lake Charles, Louisiana, shall be known and designated as the "Edwin Ford Hunter, Jr., United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document paper, or other record of the United States to the courthouse referred to in section 1 shall be deemed to be a reference to the "Edwin Ford Hunter, Jr., United States Courthouse".

□ 1300

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Edwin Hunter was a native son of Louisiana. He was born in 1911 in Alexandria, LA, and with the exception of a short time at George Washington University here in Washington, DC, he lived and practiced law in Louisiana.

He was appointed to the Federal circuit by President Eisenhower in 1954 and served in that capacity until 1993. From 1970 to 1976 he presided as chief judge for the Western District of Louisiana. During the same time he was chief judge, Hunter also was a member of the National Advisory Committee on Federal Civil Rules.

Judge Hunter was a prodigious lawyer and judge. He has been honored by the Department of Justice and numerous local and civic organizations. He was a champion of settlement through pretrial conference and is associated with such landmark decisions as the railroad rate case, and Bartie versus U.S. Weather Bureau. Therefore, it is fitting and proper to designate the U.S. courthouse under construction at 611 Broad Street, in Lake Charles, LA, as the "Edwin Ford Hunter, Jr., U.S. Courthouse."

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3356, a bill to designate the U.S. courthouse under construction at 611 Broad Street, in Lake Charles, LA, as the "Edwin Ford Hunter, Jr., U.S. Courthouse." Judge Hunter was born in Alexandria, LA, on February 18, 1911, and educated in local schools. He received a law degree from George Washington University in 1937, while working part time on Capitol Hill under the patronage of the late Senator John Overton.

Judge Hunter returned to Shreveport to practice law. His career was interrupted by World War II where he served with distinction in the U.S. Navy, attaining the rank of lieutenant. In 1954 President Eisenhower appointed him to the U.S. District Court, Fourth Southern Division of Louisiana. From 1970 to 1976 Judge Hunter served as chief judge of the Western District of Louisiana, and in 1976 he took senior status. Today Judge Hunter handles 25 percent of the Lake Charles docket and all Lake Charles dispositive cases. It is fitting to name this building under construction in Judge Hunter's honor.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I support H.R. 3356 and urge all my colleagues to join me in support of the legislation.

Mr. HAYES. Mr. Speaker, I want to express my great thanks to Chairman MINETA and Chairman TRAFICANT for their work to report this bill, H.R. 3356, which designates the U.S. Courthouse under construction in Lake Charles, LA, as the "Edwin F. Hunter, Jr. United States Courthouse."

Judge Hunter has enjoyed a long and exemplary career on the bench, starting with his appointment by President Eisenhower. Naming this courthouse in his honor is a proper tribute for all he has given to the Lake Charles community, and to this Nation.

Judge Hunter was named as a Federal judge in 1954 after more than a decade of private practice. He has served as a State Representative in the Louisiana Legislature, the State chairman of the American Bar Association, commander of the Lowe-McFarlane American Legion Post, and is a decorated naval officer who served in World War II. Judge Hunter currently handles 25 percent of the Lake Charles docket and all Lake Charles dispositive motions, in addition to Lafayette and Shreveport cases.

The courthouse naming in honor of Judge Hunter has the wide support of the entire Lake Charles and Louisiana public.

I have additional background information for inclusion in the RECORD, and stand ready to assist in any way necessary to promote its passage.

JUDGE EDWIN FORD HUNTER, JR.

PERSONAL

Born February 18, 1911 at Alexandria, Louisiana to Mr. and Mrs. Edwin Ford Hunter; grandson of Judge and Mrs. Edwin Gardner Hunter; great-grandson of Judge and Mrs. Robert A. Hunter.

Married Shirley Kidd October 11, 1941; three children. Edwin Kidd Hunter (attorney), Janin Hunter Robert (educator), and Kelly Hunter Bowler (pharmacist); 3 grandchildren.

PROFESSIONAL

L.L.B. from George Washington University, 1937 (pre-law at LSU); Practiced law, Smith, Hunter, Risinger and Shuey, in Shreveport, Louisiana, 1940–1953; U.S. Judge, Appointed by President Eisenhower, 1954–1993; Chief Judge, Western District of Louisiana, 1970–1976; and, Presided Federal Appellate Courts in New York, Texas, Georgia & South Carolina.

LA State Chairman, American Bar Association, 1945; Commander, American Legion Post, Shreveport, LA, 1945; LA State Legislature Representative from Caddo Parish, 1948–1952; LA Campaign Manager & Executive Counsel, Governor Robert Kennon, 1952–1953; and, National Advisory Committee on Federal Civil Rules, 1970–1976.

MILITARY

U.S. Navy, Lieutenant, 1942–1945 (Six Battle Stars).

DISTINCTIONS

Justice Department Commendation for Integration (Time Magazine feature), 1960; Our Lady Queen of Heaven Catholic Church Man-of-the-Year, 1991; King of Krewe Du La Contree, 1992; Significant Sig of Sigma Chi Fraternity, 1993.

OTHER

Judge Hunter's decisions have rarely been reversed in 40 years on the bench. He is noted for efficiently getting rid of a docket of 15–20 cases per week through settlement in pretrial conferences.

From 1953 to taking Senior status in 1976, handled at least 300 cases a year, 8000 civil cases. From 1956 to 1992 sat with 5th circuit several times a year, about 20 cases a section (about 720 cases). Also many 3-judge cases (2 district judges, 1 circuit appeals judge).

At present, 82 years of age and handles 25% of Lake Charles Docket and all Lake Charles dispositive motions, in addition to a few Lafayette and Shreveport cases. Sits occasionally by designation with the U.S. Court of Appeals for the 5th Circuit.

Enacted the 6-man civil jury later approved by U.S. Supreme Court.

Presided over more admiralty cases than any judge in United States.

Well known decisions: Bartie vs. U.S. Weather Bureau (Hurricane Audrey); railroad rate case which was adopted as decision of U.S. Supreme Court; and, Leger case which has been cited over 100 times.

Mr. TRAFICANT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 3356.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 3356, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOHN MINOR WISDOM UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2868) to designate the Federal building located at 600 Camp Street in New Orleans, LA, as the "John Minor Wisdom United States Courthouse."

The Clerk read as follows:

H.R. 2868

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 600 Camp Street in New Orleans, Louisiana, shall be known and designated as the "John Minor Wisdom United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "John Minor Wisdom United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is cosponsored by all of the members of the Louisiana delegation to honor a man of courage, imagination, compassion, and intellect. At age 88 Judge Wisdom is still a senior judge with an active docket. In his long career, he participated in numerous landmark legal decisions, primarily in the area of civil rights, such as Meredith versus Fair which desegregated the University of Mississippi landmark indeed. Judge Wisdom insists on an understanding and a respect for the rule of law. He enjoys a national reputation as a leader and role model in the judicial field.

It is fitting and proper to honor a courageous man, Judge John Minor Wisdom, by designating the courthouse in New Orleans in his name and in his honor.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker. I rise in support of H.R. 2868, a bill to designate the U.S. courthouse located at 600 Camp Street, New Orleans, LA, as the "John Minor Wisdom United States Courthouse."

Judge Wisdom was born in New Orleans, LA on May 17, 1905, attended local schools, graduated from Washington and Lee University in 1925, and received a law degree from Tulane University in 1929. From 1929 to 1957 Judge Wisdom practiced law in New Orleans, with the exception of World War II, where he served with distinction in the U.S. Army Air Corps as a lieutenant colonel.

In 1957, President Eisenhower appointed Judge Wisdom to the Fifth Circuit Court of Appeals, where he participated in over 5,000 cases, and has written over 1,000 majority decisions on issues of voter registration, school desegregation, treatment of the mentally ill, employment discrimination, voting rights, trials by jury, product liability, asbestos liability, and interstate commerce issues. Judge Wisdom has shown the courage to rule on issues that brought the scorn and threats of those who disagreed with him.

Our legal system has been enriched by Judge Wisdom's participation in the judicial process. Through his love of liberty and his country he has demonstrated a high morality to his fellow citizens. For this we are grateful. It is fitting that the U.S. courthouse where Judge Wisdom has served with distinction for 36 years be named in his honor.

I have known Judge Wisdom personally for over 25 years and can truly say that no judge better deserved his name—"Wisdom."

I recall well first visiting the judge and his family in New Orleans for Mardi Gras in 1966 at the height of the civil rights controversies before the fifth circuit.

The judge already had carved out a reputation, together with several of his fifth circuit colleagues, as a leading protector for the Constitution and congressional will in the implementation of voting rights, school desegregation, and access to public accommodations throughout the South.

At that time, with less than 10 years on the bench, Judge Wisdom already had begun building an impressive body of judicial work. Barry Sullivan, one of his former law clerks and a leading authority on the judge, has said that, his work "stands as a sturdy testimonial to the continued importance of liberal learning in adjudication and to the view of adjudication as an exercise in intellectual and moral excellence."

As Mr. Sullivan further noted, Judge Wisdom "has written, not only with clarity, elegance and style, but also with moral courage and intellectual authority, in virtually every area of law known to the Federal courts."

The naming of the courthouse in honor of Judge Wisdom will not just recall the name of one of the South's most distinguished citizens, it will also serve as a constant reminder for generations to come of that extraordinary body of widsom—well over 1,000 masterly opinions—produced by one of our country's greatest minds and moral forces.

I urge my colleagues to join me in supporting H.R. 2868.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I thank my friend, the gentleman from Wisconsin [Mr. PETRI], for his fine remarks, as well as the remarks of the gentleman from Ohio [Mr. TRAFICANT], on behalf of a truly outstanding American, Judge John Minor Wisdom I rise in support of H.R. 2868, and thank as well Chairman MINETA and the ranking Republican on the Committee on Public Works and Transportation, the gentleman from Pennsylvania [Mr. SHUSTER], as well as the ranking member of the subcommittee, the gentleman from Tennessee [Mr. DUNCAN], for their efforts in helping this legislation come to pass.

I want to congratulate my colleague, the gentleman from Louisiana [Mr. JEFFERSON], for being the primary sponsor of this legislation, because it honors a great man, a learned man, and the personification of a gentleman and a scholar.

Mr. Speaker, Judge Wisdom is currently on senior status with the Fifth Circuit Court of Appeals, but as I spoke with him just a couple of weeks ago, I can attest that that means nothing more than an adjustment of status, rather than workload.

□ 1310

He is working all the time, on cases before the fifth circuit and on cases of interest to which he might be assigned in the lower court system or on three-judge panels.

He is a very busy and industrious individual, and I'm proud to congratulate Judge Wisdom and his lovely wife, Bonnie, for attaining this recognition of a job well done.

Judge Wisdom has been an outstanding leader in civil rights, but he is likewise a learned expert on the judicial system, on archeology, on Greek tragedy, on Louisiana civil law. And in addition to being an outstanding jurist, he has provided a farm club for outstanding people who have worked for him as law clerks, and who have gone on to earn their stripes in their respective fields.

A former Governor of Tennessee was one of his law clerks; other Federal judges have been his law clerks. Eventually, perhaps even the President of the United States might claim to be one of Judge Minor Wisdom's law clerks.

Mr. Speaker, I applaud the sponsors of this legislation. I am pleased to be a cosponsor of this bill honoring a great American jurist.

[Excerpts From Fifth Circuit Reporter]

THE WISDOM PHENOMENON—A PERSONAL PROFILE OF JUDGE JOHN MINOR WISDOM

(By Laura R. Robinson[1])

There is an aura surrounding Judge John Minor Wisdom which can be described as the "Wisdom phenomenon". It has characterized his entire career. His accomplishments as a lawyer, jurist and civic leader outshine the vast majority of Americans alive today. To those who know and love Judge Wisdom, his greatness is defined not by his achievements, but by his character. He is gentleman of the highest order, with a sense of gentility and humor rarely found in such a scholarly person. A former law clerk spoke of his own disappointment in the role models he had at a prestigious Eastern law school—men of great intelligence, but hard of heart. After clerking for Judge Wisdom, though, he is "filled with a new enthusiasm" for practing law. He remarked, "Although it sounds like a cliche, he is both a gentleman and a scholar, which is an unusual combination" for someone of his professional caliber.

Included in the job description of "Law Clerk" to Judge Wisdom is the responsibility of driving the judge to and from work every day. The Judge has always had his clerks drive him, partly because his own driving reputation is well-earned, but mostly to get to know his clerks better. His first law clerk, Judge Martin L.C. Feldman of the United States District Court in New Orleans, recalls the picture the two of them made on a typical Friday afternoon in 1957. Judge Feldman was driving a two-seater MG with a lot of style and not much trunk space. After an afternoon of bridge (Judge Wisdom is an avid player), he and "Marty" would load up the MG, with two *huge* briefcases piled on Judge Wisdom's lap until he could barely see over, the rest of Judge Wisdom's books and briefs flowing out of the trunk, and Judge Wisdom sporting a gray homburg.

Judge Wisdom was born in New Orleans (pronounced "New Or-lee-ans") in 1905. In 1925, he received his bachelor of arts degree from Washington and Lee College, his father's alma mater. He received his bachelor of laws degree from Tulane University School of Law in 1929. He accepted a job immediately following law school with the New Orleans firm of Monroe and Lemmon (one of the only firms offering a salary), but in August of 1929, he and a classmate, Saul Stone, hung out their shingle. They had neither money nor clients, but did have high ambitions. The firm of Wisdom and Stone was successful, and Judge Wisdom's private practice there grew until he was appointed to the bench in 1957 by President Eisenhower.

Judge Wisdom is a long-time active member in the Republican Party in Louisiana. He served as a Republican National Committeeman from Louisiana from 1952 until 1957. He is particularly proud of his instrumental role in moving the Louisiana delegation away from Taft to support of Eisenhower. On more than one occasion, Judge Wisdom and his wife, Bonnie, would personally bring into the precinct meetings (usually sparsely attended) the one or two people who would tip the voting balance in favor of Eisenhower. One particularly treasured picture is of Judge Wisdom with President Eisenhower while Eisenhower was on the campaign trail.

Judge and Mrs. Wisdom's interest in political events is as strong today as it was 30 years ago. A recent law clerk found it particularly interesting to watch the judge during the senate confirmation hearings for Judge Robert Bork. At that particular time, the Bork hearings were the only thing in the news that either the judge or the law clerk really had that much interest in following. One day when the two of them were driving home, they made many stops trying to buy a copy of the New York Times. After their last unsuccessful stop at an empty stand, the Judge got back in the car and commented, "I guess everyone in town is reading about the Bork hearing." While the Judge and Bork disagreed on many critical issues, he was shocked at the campaign mounted against Bork. Most of the people who know Judge Wisdom think that Judge Wisdom himself belongs on the Supreme Court, and that President Nixon made a sad mistake when he did not nominate Judge Wisdom during his presidency.

Even though Judge Wisdom never received a Supreme Court appointment he has been recognized in many other ways for his outstanding scholastic ability and wise judgment. He and the late Judge Henry J. Friendly were elected on the same day, March 17, 1961, to the American Law Institute, of which Judge Wisdom is a life member and a member of the Council. He has served on the Advisory Committee on Appellate Rules (1973–78) and, since 1975, he has sat on the bench of the Special Court under the Regional Railroad Reorganization Act of 1973. He has recently received the Tulane University Alumnus Award for 1989.

He is currently on "senior status" with the Fifth Circuit Court of Appeals, which is a "retirement" status. Realistically, however, Judge Wisdom has a very active career today. He still carries a full caseload and sits not only on the Fifth Circuit, but also on appellate panels all over the nation. He still works regularly six days a week, which "surprised and disappointed" some of the clerks. His interests are wide-ranging and include Tulane football, opera, literature, politics, and bridge. He and his wife still maintain a full social life, and he is known for never passing up a good party. In short, he has a passion for life.

The visitor to his chambers will usually find him "unavailable" on Friday afternoons. This has been an interesting coincidence for many years, although he used to be "at the Supreme Court library doing research" on Fridays. Rumor has it that he can be found playing bridge at the Louisiana Club. This rumor has been rampant for nearly thirty years, although a visitor would be hard pressed to find anyone in his chambers who would admit it.

He is perhaps one of the most literary and expressive judges on the bench today and takes great pleasure in executing a well-crafted opinion. He is well known for his landmark decisions in the area of civil rights, including *Jefferson County Board of Education*, 372 F.2d 836 (5th Cir. 1966); *Singleton I and II*, 348 F.2d 729 (5th Cir. 1965), 355 F.2d 865 (5th Cir. 1966); and *Meridith* v. *Fair*, 298 F2d 696 (5th Cir. 1962), *cert. denied*, 371 U.S. 828, 83 S.Ct. 49, 9 L.Ed.2d 66 (1962), which dramatically altered the law on school segregation. Other significant cases included *Offshore Company* v. *Robison*, 266 F.2d 769 (5th Cir. 1959), which established liberal tests for determining what is a "vessel" and who is a "seaman;" *Borel* v. *Fibreboard Products Corporation*, 493 F.2d 1076 (5th Cir. 1973), *cert. denied* 419 U.S. 869, 95 S.Ct. 127, 42 L.Ed.2d 107 (1974), recognizing manufacturer liability for insulation material for failure to warn workers of dangers associated with asbestos; and *Local 189, United Papermakers and Paperworkers* v. *United States*, 416 F.2d 980 (5th Cir. 1969), *cert. denied* 397 U.S. 919, 90 S.Ct. 926, 25 L.Ed.2d 100 (1970), which adopted the "rightful place" theory prohibiting the award of future jobs based on a seniority system with locked-in race discrimination. Judge Wisdom's scholarship in executing his opinions becomes even more impressive when one considers the circumstances under which they were written. The Judge is well known for writing two or three opinions at one time; such was the circumstance under which his opinion in *Offshore Company* v. *Robison* was issued. He has written vigorous, concise and incredibly scholarly opinions, some 25 to 30 pages long, within a matter of days.

His ability to maintain such intense concentration, though, has also brought out traits which make him endearingly human. Once he walked into the library with a puzzled look on his face, stood a moment and his law clerk asked if he could be of assistance. Judge Wisdom asked the clerk where Volume 39 of the Tulane Law Review was. He explained that he had last seen his glasses when reading that particular volume, and so was sure that he would find his glasses with that volume. The law clerk sheepishly pointed out that Judge Wisdom's glasses were on his forehead, and Volume 39 of the Tulane Law Review was in his hand. Both men had a good laugh. Judge Wisdom returned to his chambers to finish drafting his three opinions concurrently, while his law clerk diligently returned to work. He often lets his law clerks draft opinions, but always reminds them to "put in plenty of law review articles" and other secondary authority.

One of his most abiding interests, however, will always remain his law clerks. He hires them with humor, for example, looking for law students with the "particular quality" of an "ability to carry a briefcase and bartend," and "whimsey." He also hires them with a great deal of thought, intending for them to be lifetime friends. He remains in close contact with his clerks long after their one-year commitment is over. His former law clerks also periodically organize reunions, the most recent one being in September of 1987 for the judge's thirtieth anniversary on the bench.

The Judge goes to great lengths to be of personal assistance to his clerks, both while

Footnotes at end of article

they are clerking for him and afterward. For example, when he began clerking with Judge Wisdom, Judge Feldman was fresh out of the Army. The Judge decided that Feldman should get a judge advocate commission. Judge Wisdom happened to know the General of the Judge Advocate Corps, so, when the General was scheduled to be in New Orleans, he invited the General to play bridge at his house with two other people. The foursome played into the evening in Judge Wisdom's beautifully decorated living room, the floor of which was covered by Mrs. Wisdom's expensive Oriental rug. The General was a prolific cigar smoker and, at one point, his cigar fell on the floor, burning a huge hole in the rug. The following morning, Feldman appeared at the house to drive Judge Wisdom to work—totally unaware of anything that had transpired the night before. Judge Wisdom greeted him at the door with the good news that Feldman had the commission. Immediately, Mrs. Wisdom pushed Judge Wisdom out of the door and began berating an innocent Feldman about her beautiful rug being sacrificed in the name of patriotism.

Judge Feldman was the first of Judge Wisdom's law clerks to be sworn in as a judge himself. He insisted that his real swearing-in be done privately in Judge Wisdom's chambers, with only spouses and Judge Wisdom's law clerks and staff present. Everyone was doing their part to make everything look perfect, when Judge Wisdom decided that he had to wear his "best robe" for the swearing-in. His secretary searched through his robes and after finding his best robe, gave it to Judge Wisdom who wore it while swearing in Judge Feldman. Immediately following the swearing-in, Judge Wisdom took his robe off and put it on Judge Feldman. Both men were near tears at the depth of emotion this act conveyed,[2] but it exemplified and expressed Judge Wisdom's depth of feeling, his sense of loyalty, and his consideration and thoughtfulness. Later, Judge Wisdom was undergoing one of his many knee surgeries at the time of Judge Feldman's official swearing-in, and so Mrs. Wisdom made a presentation to Judge Feldman on behalf of Judge Wisdom at the formal ceremony.

Judge Wisdom has a strong sense of loyalty to other people, and especially to his staff. When Judge Wilson's secretary of thirty-five years officially retired, the judge gave her a "raving send-off" at a party thrown to her honor. The judge has never been known to criticize her, but rather has always been very supportive of her, both when she was working and now that she has retired. His clerks characterized his sense of loyalty as "striking"—a rare quality in today's world. It was obvious to them that Judge Wisdom has an abiding sense of human being's worth and believes that people are entitled to fundamental respect—and are not to be "used". Judge Wisdom taught his law clerks much about the law, but by his example, he taught them even more about character and virtue.

The judge has always treated women, as well as men, as his equals. The judge and his wife, Bonnie, have been described as presenting a model for a marriage partnership. Their relationship is built on mutual respect, love and support. This is not to say that they always agree, since both of the Wisdoms are strong-willed, and Mrs. Wisdom is certainly a match for the judge intellectually. But, as one family friend commented, you always think of the two of them together. Mrs. Wisdom shares the judge's affection for his law clerks, and together the two of them create an atmosphere of intimate hospitality in their home and in their family for all of the law clerks.

While Judge Wisdom considers women to be his equals, he is still very much an old-fashioned Southern gentleman. And, so it happened that he and one of his female law clerks came to a standstill, literally, one afternoon on the way home from work. The judge is very insistent that no woman carry his briefcase. However, on this occasion, the judge had just undergone knee surgery and was using a walker or a cane to make his way around. Gail Agrawal picked up his briefcase outside of his office door and asked if he was ready to go. He was very chipper as he walked out of the door, and then he suddenly stopped at the sight of Gail holding the briefcase. He said, "I need my briefcase." She replied, "I have your briefcase." They both stood there for some time, neither giving in. Finally, with a sigh, she relinquished the briefcase. Thereafter, she and the other law clerks came up with a scheme in which every day she was to drive the judge, one of the other clerks "needed a ride somewhere" and so was available to carry the briefcase. Transparent as this scheme was, it worked.

Judge Wisdom's unique combination of a warm, caring, lively personality, a brilliant mind, and an outstanding career make him one of the most loved and respected judges on the federal bench. On May 8, 1989, Judge Wisdom will be formally presented with the DeVitt Award for distinguished service—widely recognized as the most prestigious honor given to a federal judge. One cannot find a more deserving recipient than John Minor Wisdom, and all who know him and love him are full of pride for him. He has earned the honor and distinction.

FOOTNOTES

[1] 1989 by the Bar Association of the Fifth Federal Circuit. Laura Robinson is an associate at Strasburger and Price. Many thanks to the following people for contributing information for this profile: Eric Weber (Munger, Tolles & Olson, Los Angeles); Tony Friedrich (Arnold & Porter, Washington, D.C.); Bill Pryor (Cabaniss & Johnston, Birmingham); Judge Martin L.C. Feldman (U.S. Dist. Judge, E.D.La., New Orleans); Paul Verkuil (President, William and Mary College); David Stone (Stone, Pigman, Walther, Wittmann & Hutchinson, New Orleans); Lamar Alexander (President, University of Tennessee and former Governor of Tennessee); Gail Agrawal (Monroe & Lemann, New Orleans); Cabell Chinnis (Latham & Watkins, Washington, D.C.).

[2] Unfortunately, this act left Judge Wisdom with some not-so-nice robes, so all of his staff decided to give a new robe for Christmas. Judge Feldman came to the Christmas party and quite innocently asked in a loud voice whether the law clerks and staff were giving Judge Wisdom a robe for Christmas. After a shocked silence, one of his secretaries admitted that, yes, they were, and Judge Feldman was thoroughly chastised.

JOHN MINOR WISDOM—VITA

John Wisdom received his A.B. in 1925 from Washington & Lee University and his LL.B. in 1929 from Tulane Law School. He practiced law in New Orleans from 1929 to 1957. From 1938 to 1957 he also taught law at Tulane. During World War II he served in the Army Air Force and attained the rank of Lieutenant Colonel. From 1954 to 1957 he was a member of the President's Commission on [Anti-Discrimination in] Government Contracts.

He was appointed to serve as a Circuit Judge United States Court of Appeals for the Fifth Circuit in 1957 just three years after *Brown* v. *Board of Education* was decided. He took Senior Judge status on January 15, 1977.

Judge Wisdom has served as a member of the Judicial Panel on Multi-District Litigation (1968–79), and as the panel's chairman (1975–79). He has served on the Advisory Committee on Appellate Rules and on the Special Court organized under the Regional Rail Reorganization Act of 1973. He has been a member of the American Law Institute for over forty years, and is a member (emeritus) of the council.

Honorary degrees include LL.D.s from Oberlin College (1963); Tulane University (1976); San Diego University (1979); Haverford College (1982); Middlebury College (1987); Harvard University (1987). He received the first Louisiana Bar Foundation Distinguished Jurist Award (1986) and the Tulane Distinguished Alumnus Award (1989).

In his thirty-one years on the bench he has participated in the decisions of more than 4,600 cases, signed over 950 published majority opinions and written unnumbered per curiams and unpublished opinions. In addition, he has written stirring dissents which have persuaded the Supreme Court to grant writs and to reverse.

Judge Wisdom's opinions create an intellectual structure for the law, and speak to the deepest issues with learning, eloquence, technical virtuosity and passion. Ambitious in length and scope, impressive in the compilation of authorities, deft in wit and imagery, his opinions have often been the source of ideas—even language—for United States Supreme Court opinions.

Many of his opinions helped to define civil rights law across the United States. Among them are:

United States v. Louisiana (1965) which approved the freezing principle suspending state voters' registration law; and affirmed the duty of federal courts to protect federally created or federally guaranteed rights.

United States v. Jefferson County Board of Education (1967) which was the landmark case using affirmative action to desegregate schools "lock, stock, and barrel."

Meredith v. Fair (1962) which desegregated the University of Mississippi.

United States v. City of Jackson (1963) which desegregated bus and railroad terminals in Jackson, Mississippi.

Dombrouski v. Pfister (1965) where the Supreme Count upheld his dissent which would enjoin the State of Louisiana from using the legislature and judiciary to harass civil rights leaders by unwarranted prosecution.

Local 189, United Papermakers and Paperworkers v. United States (1976) which was the landmark case that adopted the "rightful place" theory and that prohibited awarding jobs based on a seniority system with locked-in race discrimination.

Judge Wisdom's expertise is not relegated only to civil rights and the judicial system. He has also written landmark opinions in such fields as admiralty, evidence, labor law, antitrust, and the Louisiana Civil Code.

Two decades ago Time Magazine said of him:

He is equally at home in archaeology, Greek tragedy and Louisiana civil law . . . (He) is one of the best (and most painstaking) opinion writers on any U.S. bench.

In the midst of his astounding workload, Judge Wisdom found time to show an interest in the people that worked for him. Charles S. Treat echoes the sentiment of many who nominated Judge Wisdom:

On a personal level, Judge Wisdom is the epitome of a Southern gentleman. He is a surrogate grandfather to my generation of clerks, taking a genuine and continuing interest in the lives, families, and careers of his judicial family. His extensive list of former clerks is virtually a nationwide legal fraternity, drawn together by our mutual

and deep respect for the Judge and love for the man.

Judge Wisdom was born in New Orleans and will be eighty-four on May 17, 1989. He is married to the former Bonnie Stewart Mathews. They had three children: John Jr. (deceased), Kathleen Scribner, and Penelope Tose. Judge Wisdom currently resides in New Orleans, Louisiana.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. JEFFERSON], the chief sponsor of the bill.

Mr. JEFFERSON. Mr. Speaker, I want to commend the chairman of the Public Works and Transportation Committee, Mr. MINETA and the chairman of the Public Buildings and Grounds Subcommittee, Mr. TRAFICANT, for moving so quickly with this important bill.

The bill we consider today, H.R. 2868, will designate the Federal building at 600 Camp Street in New Orleans as the "John Minor Wisdom U.S. Courthouse." This bill is cosponsored by all the Members of the Louisiana delegation; Congressmen LIVINGSTON, TAUZIN, FIELDS, MCCRERY, BAKER, and HAYES and by Congressman PETRI of Wisconsin.

Thousands of pages have been written about Judge John Minor Wisdom over the years. Among other laudatory descriptions, he has been called a quintessential appellate judge of great courage, imagination, ingenuity, compassion, and flexibility.

His opinions bore his unmistakable imprint, the Wisdom pennant, as one of his former colleagues for whom I clerked, Judge Alvin Rubin denominated it. Of one of his opinions used to illustrate this point, Judge Rubin wrote:

> It was lucid and succinct; it states the governing principles, and applies that principle to finally resolve the issue. It thus serves the ideal functions of every fine appellate opinion: clarifying the rule of law applicable to the case before the court and deciding the merits of that case.

Judge Wisdom joined the U.S. Court of Appeals for the Fifth Circuit in 1957 and is still an active member at the age of 88—a senior judge with an active docket.

Judge Wisdom has participated in over 5,000 reported cases and has authored over 1,000 published majority opinions in his 36 years on the court. Although he has written distinguished opinions in many areas of law—from admiralty law to contracts law, to constitutional law, and employment law Judge Wisdom will be best remembered for his work in the area of civil rights.

A former colleague on the fifth circuit and now a senior judge on the eleventh circuit, Judge Elbert Tuttle said:

> Judge Wisdom's most admired and most important decisions were . . . in the broad field of civil rights, primarily racial civil rights. The immediate benefits from these decisions to the parties were immeasurable. But beyond that, in the reasoning that led him to his conclusions for the court in those cases . . . [he] espoused a judicial philosophy that has redounded to the benefit of our whole society.

Some of the leading cases authorized by Judge Wisdom included:

United States versus Louisiana—which suspended the State discriminatory voters' registration law.

United States versus Jefferson County Board of Education—a landmark case on school desegregation.

Meredith versus Fair—which desegregated the University of Mississippi.

Labat versus Bennett—which required the Orleans parish jury venue to be drawn from a cross-section of the community.

United States versus Texas Education Agency—which set new standards for school desegregation affecting Hispanics.

I have included a more extensive list of cases for the RECORD.

Mr. Speaker, it has been written that Judge Wisdom's "task was to give effect to the Constitution in a hostile environment by teaching understanding and respect for the rule of law." A former law clerk brought the hostile environment to life and made it understandable to all when he wrote that Judge Wisdom's "dogs were poisoned; rattlesnakes were thrown into his garden; he and his family were kept awake during much of the night by abusive telephone calls; and he received wholesale shipments of crude and hate-filled mail." But, "Judge Wisdom was unbending in the face of such abuse and intimidation—his conviction never wavered."

Mr. Speaker, our legal system has been enriched by Judge Wisdom's role in reshaping the law of civil rights and liberties in America and by doing so, reshaping the very face of opportunity in America. Recalling the words penned by Maxwell Anderson in his play "Valley Forge": "There are some men who lift the age they inhabit, till all men walk on higher ground * * * " John Wisdom is such a man. He has lifted the level of the age in which he lives by combining his love of liberty and high morality to advance human rights to a degree rarely achieved by a single individual. Thanks to him, we all stand on higher ground.

For this reason above many, many others, it is most fitting that the Federal courthouse in New Orleans be named after this legendary figure in American jurisprudence.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Missouri [Mr. WHEAT], a member of the Committee on Rules.

Mr. WHEAT. Mr. Speaker, when I came on the floor, I intended to speak on another measure, which I will still talk about at the appropriate time. But I rise now because it is a privilege and an honor for me to add my voice to those who want to honor Judge Wisdom for his long, active, and distinguished career as a jurist.

We are talking about a man who is truly one of the giants in the civil rights movement, at a time when it was not just unpopular but, in fact, dangerous to be a leader and to be progressive on this issue.

At a time when this country is looking to find leaders who can set an example of the tone for our Nation, as we head into our 21st century, I cannot think of any more appropriate or fitting honor than to name a Federal courthouse in New Orleans after this distinguished gentleman, and I am proud to support this legislation that was offered by the gentleman from Louisiana [Mr. JEFFERSON] and by the members of the Louisiana delegation, ably handled by the gentleman from Ohio [Mr. TRAFICANT], because it truly does recognize a gentleman who represents the very finest of America and the very finest of American ideals.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to associate myself with the remarks of all who have spoken. I also want to echo the remarks of the gentleman from Missouri [Mr. WHEAT], when he talked about the courageous nature of this judge. I think this bill is absolutely fitting.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 2868.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 2868, the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RICHARD BOLLING FEDERAL BUILDING

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2559) to designate the Federal building located at 601 East 12th Street in Kansas City, MO, as the "Richard Bolling Federal Building."

The Clerk read as follows:

H.R. 2559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 601 East 12th Street in Kansas City, Missouri, shall be known and designated as the "Richard Bolling Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Richard Bolling Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume. Congressman Richard Bolling was elected to the 81st Congress on November 2, 1948, and was reelected to the 16 succeeding Congresses. In all, he served the Nation in Congress for 34 years.

While in Congress, Richard Bolling distinguished himself by serving as chairman of the House Committee on Rules, chairman of the Joint Economic Committee, and as a member of the Democratic steering and policy committee. These important positions reflect the high esteem Bollings' colleagues held him in.

Congressman Bolling died on April 21, 1991. His hard work and dedication are hallmarks of his outstanding career and his contributions to the Nation.

It is fitting and proper to honor Richard Bolling by designating the Federal building located at 601 East 12th Street in Kansas City, MO, as the "Richard Bolling Federal Building."

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume. I rise in support of H.R. 2559, a bill to designate the building located at 601 East 12th Street in Kansas City, MO, as the "Richard Bolling Federal Building."

Richard Walker Bolling was born May 17, 1916, in New York City. He received his bachelors and masters degrees from the University of the South, Sewanee, TN.

He was elected to the 81st Congress on November 2, 1948, and was reelected to the 16 succeeding Congresses. While in Congress, he served as chairman of the House Committee on Rules, Joint Economic Committee, chairman of the Select Committee on Committees, and was a member of the Democratic Steering and Policy Committee. He retired in 1982 and died on April 21, 1991.

Mr. Speaker, I had the privilege of serving during a number of my years in Congress with Richard Bolling. I found him a very intelligent, very outspoken, and courageous Member of this body.

He was not afraid to stand up and instruct the rest of us on what he felt, whether we agreed or not, was the right thing to do.

He sometimes had a reputation for being a little bit aloof, but I, as a junior Member of the opposite party, found him very warm and considerate and always willing to spend some time to give me some answers, answer questions or help me to understand what it was that was going on around this place.

□ 1320

So they used to have Bolling's classroom, I think, over in the corner of this floor, and I was a happy student in that classroom so far as the operation of this institution is concerned.

So, it is a great privilege for me, and I think it is fitting that the Federal building in Kansas City, MO, be named in honor of this outstanding legislator and great American. I urge enactment.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas City, MO, Mr. ALAN WHEAT, the very capable chief sponsor of this bill.

Mr. WHEAT. Mr. Speaker, I am pleased and honored to rise today and ask the House to help me pay tribute to the late Congressman Dick Bolling of Kansas City. Dick, who retired in 1982 and passed on in 1991, left his imprint on this institution and this country like few before him. To honor his service, which stretched from the Pacific theater in World War II, to the battles of the civil rights era, to the struggles for the reform of Congress, it is fitting that we create the Richard Bolling Federal Building in downtown Kansas City, a city which he represented so well in this body.

Dick Bolling was a passionate reformer, a scholar, a writer, and a leader of unsurpassed honesty and knowledge. Dick never took the easy road to the top, yet he seemed to arrive on the summit of nearly every mountain he dared to climb. Enlisting as a private in World War II, he emerged 5 years later as a lieutenant colonel with a Bronze Star. Running for Congress, he defeated an incumbent in an upset victory. Growing up in New York and segregated Alabama, Dick believed in fundamental civil rights for all Americans, and his brilliance and diligence helped win passage of the first meaningful civil rights legislation for blacks since Reconstruction, the Civil Rights Act of 1957. By the 1970's, Dick Bolling was a powerful, senior member of the House, yet he championed sweeping new reforms to improve the efficiency and effectiveness of what he called in his 1965 book, a "House Out of Order."

Mr. Speaker, Dick Bolling was demanding and dynamic, and he never shied away from fighting for a cause in which he believed. His knowledge of House rules and his tenacious adherence to principle made him an indispensable advisor to congressional leaders, Presidents, and national and international statesmen. Perhaps more importantly, he was also a hero and mentor to countless of his junior colleagues, counseling them to show the same selfless courage that marked so much of his career.

Dick Bolling's constituents were not left behind as their Congressman gained national prominence. Dick was never far from home, as his district office—one of the very first—testified. As he fought civil rights battles on the national stage in the 1950's and 1960's, he also addressed the skirmishes at home, hiring black staff aides and meeting regularly with black constituents. When the local political machine geared up to defeat him, he gathered his many friends from the community in a grassroots campaign and destroyed their power instead.

Many people who knew Dick would agree that he went through life with a tough, shining armor of knowledge and competence. That armor was marked by every battle that a difficult and interesting life had offered. Dick wielded his knowledge of parliamentary procedure as a sharp weapon on behalf of progressive causes. The impact of his talented and dedicated service was felt in every corner of the land.

The Federal building holds a prominent place in downtown Kansas City, as does the memory of Dick Bolling in the hearts of so many of his former colleagues and constituents. To dedicate that building as a monument to Dick Bolling's service to his Nation and his district is a proper tribute. Mr. Speaker, I ask my colleagues to join with me and honor the legacy of this great leader, by supporting this legislation to create the Richard Bolling Federal Building.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to identify myself with the remarks of the gentleman from Missouri [Mr. WHEAT] relative to honoring Richard Bolling by designating the Federal building in Kansas City, MO, as the "Richard Bolling Federal Building."

Mr. Speaker, today the gentleman from Tennessee, Mr. JIMMY DUNCAN, our ranking member of the subcommittee, is not able to be here. I want to pay tribute to him and to his great leadership. Without his help none of this legislation would have been possible, and without his participation openly and freely in developing this legislation without gridlock and partisanship, which is hallmark of these bills.

Mr. MINETA. Mr. Speaker, at the outset, I want to commend Congressman WHEAT, a distinguished member of the Rules Committee, for sponsoring this important legislation. I also want to commend Congressman TRAFICANT, chairman of our Subcommittee on Public Buildings and Grounds, and Congressman DUNCAN, ranking Republican member of the subcommittee, for their efforts in moving this important bill.

Mr. Speaker, I strongly support H.R. 2559, which would name a Federal building in Kansas City after Richard Bolling. Elected in 1948, Chairman Bolling served the people of Kansas City, MO, for 17 consecutive terms using his in-depth knowledge of House rules to help achieve passage of such landmark legislation as the 1964 civil rights bill. Moreover, as a member of the Rules Committee for 27 years and its chair for 4 years, Chairman Bolling championed national health insurance and congressional reform long before they became the issues of today. The author of two books on House procedures, Congressman Bolling also chaired the bipartisan Congressional Reform Committee of 1973. In 1975, my first year in Congress, we instituted many of that committee's reform proposals realigning committee jurisdictions and designing the current budget process. Based on Congressman Bolling's outstanding contributions to Kansas City and the Nation, I urge support of H.R. 2559.

Mr. GEPHARDT. Mr. Speaker, I rise in support of H.R. 2559. This legislation, sponsored by my colleague, Congressman ALAN WHEAT, designates the Federal building at 601 East 12th Street in Kansas City as the Richard Bolling Federal Building.

Richard Bolling was first elected to serve in the House of Representatives in 1948, and he served this body with the passion and dedication that we have come to identify in all of our Nation's great leaders. Those who had the honor of working with Dick Bolling knew him to be a gifted student of history and a wise instructor of the legislative process. Throughout his 17 consecutive terms in office, he was a great leader in the Congress and a good friend to many of us.

Dick Bolling's public career service began with his entry into World War II as an Army private. While loyally serving his country, Dick earned a Legion of Merit award and a Bronze Star for his courageous service in the Pacific theater. After the war, he accepted a position as a veterans adviser with the University of Missouri at Kansas City.

As a Representative of the Fifth District of Missouri, Dick never once lost sight of his foremost responsibility in Congress. To ensure his constituents the accessibility they deserved, he established one of the first district offices in the Nation. In addition, he became one of the first to use a mobile congressional office. In 1955, Dick accepted a seat on the House Rules Committee, which he later chaired.

Throughout his career in Congress, Dick Bolling demonstrated a staunch and genuine passion for social justice. In 1957, he proved instrumental in the passage of a landmark piece of civil rights legislation—the first such legislation since Reconstruction. Seven years later Dick played an equally influential role in passing the now legendary Civil Rights Act of 1964.

In 1989, 7 years after his retirement from this body, Dick returned to the Hill to become an informal adviser of mine. His knowledge and wisdom on vital issues served not only to guide me, but also to reinvigorate this body with the spirit he radiated for 34 years. He was a friend and a confidant. I respected his precise judgment, and I valued his integrity. We will continue to miss his presence on this floor, and we are grateful for the legend he has left behind. This designation is but a small tribute to the great service he rendered our country.

Mr. TRAFICANT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 2559.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 2559, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 1330

BAN ON SMOKING IN FEDERAL BUILDINGS ACT

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 881) to prohibit smoking in Federal buildings, as amended.

The Clerk read as follows:

H.R. 881

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 "Ban on Smoking in Federal Buildings Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) environmental tobacco smoke is a cause of lung cancer in healthy nonsmokers and is responsible for acute and chronic respiratory problems and other health impacts among sensitive populations;

(2) environmental tobacco smoke comes from secondhand smoke exhaled by smokers and sidestream smoke emitted from the burning of cigarettes, cigars, and pipes;

(3) citizens of the United States spend up to 90 percent of a day indoors and, consequently, there is a significant potential for exposure to environmental tobacco smoke from indoor air;

(4) exposure to environmental tobacco smoke occurs in public buildings and other indoor facilities;

(5) the health risks posed by environmental tobacco smoke exceed the risks posed by many environmental pollutants regulated by the Environmental Protection Agency; and

(6) the Administrator of General Services, having broad authority and longstanding experience with respect to the acquisition and management (including restriction of smoking) of space occupied by Federal employees, is particularly qualified to issueregulations to institute and enforce a prohibition on smoking in such space.

SEC. 3. SMOKING PROHIBITION IN FEDERAL BUILDINGS.

(a) SMOKING PROHIBITION.—

(1) GENERAL RULE.—On and after the 180th day after the date of the enactment of this Act, smoking shall be prohibited in any indoor portion of a Federal building, except in areas designated pursuant to paragraph (2).

(2) DESIGNATION OF SMOKING AREAS.—The head of a Federal agency may permit smoking in a designated area of a Federal building owned or leased for use by such agency if such area—

(A) is ventilated separately from other portions of the Federal building;

(B) is ventilated using a method determined by the Administrator of General Services to be at least as effective as the method described in subparagraph (A); or

(C) is ventilated in accordance with Federal indoor air quality standards for environmental tobacco smoke, if such standards are in effect.

(b) ENFORCEMENT.—

(1) EXECUTIVE BRANCH BUILDINGS.—

(A) IN GENERAL.—The Administrator of General Services shall issue regulations, and take such other actions as may be necessary, to institute and enforce the prohibition contained in subsection (a) as such prohibition applies to Federal buildings owned or leased for use by an Executive agency.

(B) DELEGATION.—The Administrator is authorized to delegate, and to authorize the redelegation of, any authority vested in the Administrator under subparagraph (A) (except for the authority to issue regulations) to any official of the General Services Administration or to the head of any other Executive agency.

(2) JUDICIAL BRANCH BUILDINGS.—The Director of the Administrative Office of the United States Courts, after consultation with the Administrator of General Services, shall take such actions as may be necessary to institute and enforce the prohibition contained in subsection (a) as such prohibition applies to Federal buildings owned or leased for use by an establishment in the judicial branch of the Government.

(3) LEGISLATIVE BRANCH BUILDINGS.—

(A) HOUSE OF REPRESENTATIVES.—The House Office Building Commission shall take such actions as may be necessary to institute and enforce the prohibition contained in subsection (a) as such prohibition applies to Federal buildings owned or leased for use by the House of Representatives.

(B) SENATE.—The Committee on Rules and Administration of the Senate shall take such actions as may be necessary to institute and enforce the prohibition contained in subsection (a) as such prohibition applies to Federal buildings owned or leased for use by the Senate.

(C) OTHER ESTABLISHMENTS.—The Architect of the Capitol shall take such actions as may be necessary to institute and enforce the prohibition contained in subsection (a) as such prohibition applies to Federal buildings owned or leased for use by an establishment in the legislative branch of the Government

(other than the House of Representatives and the Senate).

SEC. 4. REPORT.

Not later than 2 years after the date of the enactment of this Act, the Administrator of General Services shall transmit to the Committees on Public Works and Transportation and on Government Operations of the House of Representatives and the Committee on Environment and Public Works of the Senate a report containing—

(1) information concerning the degree of compliance with this Act; and

(2) information on research and development conducted by the Administrator on methods of ventilation which are at least as effective as the method described in section 3(a)(2)(A).

SEC. 5. PREEMPTION.

Nothing in this Act is intended to preempt any provision of law of a State or political subdivision of a State that is more restrictive than a provision of this Act.

SEC. 6. DEFINITIONS.

For the purposes of this Act, the following definitions apply:

(1) EXECUTIVE AGENCY.—The term "Executive agency" has the same meaning such term has under section 105 of title 5, United States Code.

(2) FEDERAL AGENCY.—The term "Federal agency" means any Executive agency or any establishments in the legislative or judicial branches of the Government.

(3) FEDERAL BUILDING.—The term "Federal building" means any building or other structure (or portion thereof) owned or leased for use by a Federal agency; except that the term shall not include any building or other structure on a military installation, any health care facility under the jurisdiction of the Secretary of Veterans Affairs, or any area of a building that is used primarily as living quarters.

(4) MILITARY INSTALLATION.—The term "military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 881, as amended, will protect Federal workers and members of the public who visit Federal buildings from the serious health hazard of environmental tobacco smoke [ETS], also known as secondhand smoke. This smoke harms not only the smoker, but also the innocent nonsmoker.

In January 1993, the Environmental Protection Agency issued a report on the effects of secondhand smoke on nonsmokers. The report concluded that secondhand smoke is a human carcinogen and is responsible for approximately 3,000 lung cancer deaths each year in nonsmoking adults.

This report led me to introduce H.R. 881, the Ban on Smoking in Federal Buildings Act on February 16, 1993. As introduced, the legislation called for a complete ban on smoking in any indoor portion of Federal buildings.

After a series of public hearings, the bill was amended to provide reasonable exceptions to the total ban on smoking. Yet, it still provides the protection that nonsmokers require. I believe we have addressed the matter of fairness in the legislation and this has resulted in the bill having 44 cosponsors and bipartisan support.

The committee held 2 days of balanced, comprehensive hearings on this legislation. The witnesses included the then Surgeon General Antonia C. Novello, who stated that the Department of Human Services supported the objectives of H.R. 881 and added that tobacco use and exposure to tobacco smoke are harmful and can lead to disease, disability, and even death.

The Commissioner of the Public Buildings Service from the General Services Administration [GSA] also testified that GSA supported a ban on smoking in Federal buildings. According to the Commissioner, GSA houses about 1 million Federal employees in 7,800 owned and leased buildings. GSA's current regulations on smoking limit smoking to designated rooms, but because of the common practice in commercial buildings of recirculating air, room designation does not stop the spread of smoke. In addition, the witness stated that although requiring separately ventilated rooms for smokers would be more effective, it might result in a large expense ranging from $58.5 to $97.5 million.

Two expert witnesses opposed H.R. 881. There specific criticism focused on EPA's scientific methodology. However the expert panel of EPA officials, statisticians, and scientists defended the methodology and the results of the EPA report.

If anyone doubts the seriousness of smoking as a health hazard, it is important to realize that the Department of Labor is already awarding damages in instances of smoke in the workplace. The director of the office of workers' compensation programs, Department of Labor, testified at the hearing that under the Federal Employees Compensation Act, the program has awarded compensation benefits to Federal employees who have been affected by tobacco smoke in the workplace.

States that have banned smoking in their public facilities include California, New Jersey, Ohio, Maryland, Michigan, Utah, Idaho, and others, as well as cities.

The chairman of the Department of Critical Care Medicine, St. Francis Medical Center and Society of Critical Care Medicine, Pittsburgh, PA, was another expert witness in support of the ban on smoking. He testified that in children, secondhand smoke clearly increases the risk of lower respiratory tract infections, including bronchitis and pneumonia, resulting in the hospitalization of 7,500 to 15,000 infants and children each year. This expert further testified that we must ensure that scarce and expensive health care resources are allocated in the most efficient manner possible. Too many other unpredictable and unpreventable illnesses and injuries require our attention.

H.R. 881, as amended, would ban smoking in any indoor portion of a Federal building, subject to specified exceptions. The primary exception is that the designated smoking area be ventilated separately from other indoor portions of the building. The other two exceptions address the issue of equivalency in separate ventilation techniques and in quality measurements.

Finally, no later than 2 years after enactment, GSA is required to submit a report to the House and Senate Public Works Committees and the House Committee on Government Operations on compliance with the act and on research and development conducted by the administrator on methods of ventilation which are at least as effective as separate ventilation.

The definition section clarifies which Federal entities will be covered by the act. For instance, the following entities would not be covered: Any building or other structure on a military installation, any health care facility under the jurisdiction of the Secretary of Veterans Affairs, or any area of a building used primarily as living quarters.

It is important to note that another provision ensures that this act will not preempt a more restrictive provision in any State or local law.

H.R. 881 is very significant legislation that would have Congress take a leadership position for the Nation in protecting our citizens from the hazards of secondary smoke. It is a very serious health issue that needs to be addressed now. I urge your strong support for H.R. 881.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 881, a bill to ban smoking in Federal buildings. As we come to the end of the first session of the 103d Congress, on behalf of the gentleman from Tennessee [Mr. DUNCAN], ranking Republican on the Public Buildings and Grounds Subcommittee, I wish to congratulate my colleague, the chairman of the Subcommittee on Public Buildings and Grounds, the gentleman from Ohio [Mr. TRAFICANT], who has shown spirited bipartisan leadership in this,

and other legislation that the subcommittee has considered and passed this session. I also wish to congratulate the vice chair of the subcommittee, the Delegate from the District of Columbia, Ms. NORTON who has brought enthusiasm, intelligence, and a sense of commitment to the subcommittee. You should be proud of your legislative accomplishments, which have included passage of Columbia Hospital for Women, an ambitious GSA capital investment program, the African-American Museum on the Mall, needed changes to the Smithsonian building program, numerous naming bills, and last a change to the manner of scoring real estate transactions. You have established, and executed an ambitious legislative program. You have also joined the ranking Republican on the Public Building and Grounds Subcommittee in seeking out wasteful spending in construction of Federal buildings, and I believe our efforts have truly made a difference. Whether it is a project in your State or mine, you stood with me in assuring the American taxpayer that Federal building construction projects were no longer rubber stamped by this subcommittee, but were rigorously examined and scrutinized before approval.

The bill before us now, H.R. 881, would, 180 days after enactment, ban smoking in Federal buildings. This ban would extend to buildings of the legislative, judicial and executive branch, but would exempt DOD facilities, Veterans Department health care facilities and Government housing. The bill allows for smoking in areas of buildings that would be separately ventilated, or ventilated using a method that is at least as effective as if the area is separately ventilated, or is ventilated in accordance with Federal indoor air quality standards for environmental tobacco smoke, if such standards are in effect.

The Subcommittee on Public Buildings and Grounds held 2 days of hearings on H.R. 881, and compiled a hearing record of 567 pages of written material on the bill. Witnesses included, the Surgeon General, EPA, OSHA, GSA, OPM, private physicians, epidemiologists, building design experts, representatives of the Tobacco Institute, the American Lung Association, and Members of Congress. Numerous meetings and deliberations were held. An earlier oversight hearing was held on the status of smoking regulations in Federal buildings. This bill is a product of these activities. I believe this is a sensible bill which addresses the issue of secondhand smoke in the Federal workplace, while respecting the rights of individuals. We have balanced to need for a more healthy indoor environment without punishing those who choose to smoke. I support this bill and urge my colleagues to vote for this bill.

Mr. ANDREWS of Texas. Mr. Speaker, will the gentleman yield?

Mr. PETRI. I am happy to yield to the gentleman from Texas.

Mr. ANDREWS of Texas. Mr. Speaker, I am curious in that when I was listening to the gentleman's remarks why the Veterans' Administration health facilities are excluded from the bill. Possibly I misheard the gentleman. Would he, please, explain that to me?

Mr. TRAFICANT. Mr. Speaker, will the gentleman yield?

Mr. PETRI. I am happy to yield to the gentleman from Ohio [Mr. TRAFICANT], the chairman of the subcommittee, for a definitive response to the gentleman's question.

Mr. TRAFICANT. Mr. Speaker, we felt it was very important. Our major concern was the workmen's compensation cases in the Federal workplace and the General Services Administration.

Our committee has jurisdiction over the areas in which we have brought forward, and we left these other areas open for the interpretation of Congress through the process to be addressed.

The gentleman from Illinois [Mr. DURBIN] is here. He has played a leadership role and has already addressed these rules, and what we are trying to do is get a specific piece of legislation moved forward that would affect our workplace relative to the workmen's compensation issue and others.

□ 1340

And that will be addressed in comprehensive programming down the line by other committees.

Mr. ANDREWS of Texas. If the gentleman would continue to yield for one more question, I appreciate the opportunity to ask it. Veterans' hospitals certainly is an area that the Congress has looked at before and tried to cease smoking in those hospitals, especially because almost every other hospital in this country has eliminated smoking from those facilities.

This bill does not address that. It is certainly an area I would think the Congress would want to look at.

Mr. TRAFICANT. If the gentleman would continue to yield, the Committee on Veterans' Affairs is looking at this. As this bill goes through the process, all of these other concerns that are salient to the bill and important will be dealt with. The bill has been streamlined to deal with the Federal workplace, which falls under the jurisdiction of our committee. It deals with the issue of health-related workers compensation cases that have already been awarded in regard to those veterans who have been exposed. So those things will be put on the table as the bill goes through the process where these other committees have jurisdiction and will be working their will.

Mr. ANDREWS of Texas. I thank the gentleman for his response.

Mr. PETRI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. VALENTINE], an able member of the committee.

Mr. VALENTINE. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to H.R. 881.

This legislation is simply unfair—unfair to those Federal workers who choose to smoke; unfair to those citizens who smoke and whose business takes them into Federal buildings; and unfair to the thousands of Americans, including many in North Carolina, who earn an honest and honorable living from tobacco production.

It seems to me that we should be able to accommodate both smokers and nonsmokers and protect the legitimate rights of each. Indeed, legislation we passed to establish rules for the use of tobacco in veterans hospitals proves that it is possible to implement a reasonable policy that does not trample on the rights of either group.

Moreover, the policy that has been put into effect right here in the House office buildings demonstrates this fact clearly. The designated public smoking area in the Rayburn Building is right outside my office. Although the majority of my staff members are nonsmokers, I am unaware of even a single complaint from anyone about this smoking area.

Despite these examples of how to do it right, the legislation we are considering today fails the basic fairness test. Although it has been dressed up with rhetoric that appears, at least superficially, to allow for separate smoking areas, the practical effect of this bill is crystal clear: it will effectively ban smoking in Federal office buildings.

My colleagues on the other side of this issue will emphatically deny that this bill is designed to ban smoking. But, the evidence to the contrary is clear. Whenthis bill was presented to the Congressional Budget Office for a cost estimate, the cost of implementing this legislation was estimated at between zero and $50 million. The CBO was astute enough to realize that the de facto result of this legislation would, for the most part, be a complete ban, rather than a reasonable compromise.

Let there be no doubt about this: the requirement for a separate ventilation system for smoking areas will make the cost of establishing such areas prohibitive.

Let there also be no doubt about one other fact: that fundamental unfairness of this bill could be fixed easily. Simply providing that smoking areas be separated from other areas and that the air from smoking areas be exhausted directly outside the building would allow limited smoking and would protect nonsmokers from environmental tobacco smoke.

We know that this reasonable solution works—it is what we are doing here in the House of Representatives. If it is good enough for the Congress, why is it not good enough for executive branch employees? Why is it not good enough for citizens who visit Federal buildings?

We have a solution here in the House that is both fair and effective—why not apply it across the Government?

Mr. Speaker, I had hoped that we could reach a fair solution that respects the interest of smokers and nonsmokers. Instead, we are faced with a heavyhanded measure that will hurt many more people than the Federal workers who are most directly affected. I am opposed to this punitive bill.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. DURBIN] who is the leader in the House on this particular issue.

Mr. Speaker, my subcommittee dealt with the issue at hand, but DICK DURBIN is without doubt a leader this Nation should respect. He is now one of the cardinals in the Congress, head of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and related agencies of the Committee on Appropriations.

Mr. DURBIN. I thank the gentleman from Ohio.

Mr. Speaker, I want to salute the gentleman from Ohio [Mr. TRAFICANT] for his tenacity and leadership on this issue. I can tell you that I have been working on this issue for many years with the gentleman from Texas [Mr. ANDREWS], the gentleman from Oklahoma [Mr. SYNAR], and so many, many others on both sides of the aisle, but Mr. TRAFICANT has shown an extraordinary gift in bringing this bill to the floor today, and I want to salute him and his staff for their hard work in bringing it to our attention and consideration.

Let me speak for a moment to the point raised by my friend—and he is my friend—and fellow colleague from North Carolina, the gentleman who spoke just before me. In that situation, the gentleman raised a question as to whether or not we were setting a separate standard for Congress as opposed to the rest of the Nation. Let me make it clear this bill applies to all three branches of the Federal Government, that the standard that will be applied to Federal buildings and workers in those buildings will apply just as well to Members of Congress and the buildings that we occupy here on Capitol Hill.

For over a year I have been fighting a battle to try to bring sanity and a smoking policy to the House side of Capitol Hill, with limited success. As I walked in today to begin this debate, I had to walk through a cloud of smoke right outside this Chamber, and we supposedly have a policy of only allowing smoking in separately ventilated areas. It is not being enforced.

The same is true down in the House dining room and many other areas. We need what this bill offers, a standard uniform national approach to all Federal buildings, including the buildings occupied by Members of Congress.

My friend, the gentleman from Texas [Mr. ANDREWS] raised a question as to whether VA hospitals should be exempt. In my opinion they should not. But I will not criticize the author of this legislation for excluding them.

When I first introduced legislation to ban smoking on airplanes, the first draft of the bill only banned it on flights of 2 hours or less. Then a year or 2 later it was expanded to virtually all flights in America.

We had to accept a compromise to make our point.

I salute the gentleman for the compromises he thinks will be necessary. But make no mistake, veterans as well as the doctors and medical personnel in VA hospitals have the same right to be protected from second-hand smoke as anyone else. And I hope that this legislation passes. And we can then see follow-on legislation to protect them as well as people working on military installations.

Some units of the Federal government have already stepped out and shown leadership here. The Department of Health and Human Services, the U.S. Postal Service, the Environmental Protection Agency have already banned smoking on their premises.

I am sorry to say the Federal Government is really not leading the way here. Most of America is way ahead of Congress and the Federal Government on this issue. Try to go into a State government office now and find people smoking; you will not find it. They realize as everyone else does that that is an imposition on nonsmokers and should not be allowed.

I think frankly I am glad to see the Federal Government in a way catching up, and I salute the gentleman from Ohio [Mr. TRAFICANT] for pushing this issue. But we will have to fight this every step of the way. The tobacco lobby and its friends on Capitol Hill will resist this change as the bill courses over to the other body and they will resist any change in the future. Those of us who are determined to protect nonsmokers from second-hand smoke will have to continue that sort of effort and vigilance.

Lest anyone conclude I have a vengeance against smokers, I do not. Let me say this: I hope that as part of this program we will include smoke cessation clinics so that employees across the Federal Government have a chance and opportunity to quit with medical supervision and assistance, if needed. I really believe this is a terrible addiction. I have seen it in my own family and among my friends, and we should extend a helping hand to those people who genuinely want to stop smoking.

I want to salute again my colleague from Ohio and all of those who support this legislation. I am looking forward to working with him for not only the passage of this bill but more legislation in the future that protects other nonsmokers.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Mr. Speaker, I have reviewed this legislation, and I am just curious if the gentleman can tell me: If an employee of a Federal agency, in spite of this bill—let us assume the bill becomes law—an employee out there in Illinois or in Missouri or any place else happens to get caught smoking where he should not be smoking, what happens to that person?

□ 1350

Mr. DURBIN. Mr. Speaker, if the gentleman does not mind, I would like to yield to the gentleman from Ohio [Mr. TRAFICANT] for a response.

Mr. TRAFICANT. Enforcement as written in the report of the bill is as follows:

> Executive branch buildings. The Administrator of General Services shall issue regulations and take other actions as may be necessary to promulgate such actions in accordance with submission to the Congress.
>
> Judicial branch buildings. The Director of the Administrative Office of the United States Courts shall likewise take such actions in concert with all these other groups that are responsible for enforcement, a practical program of enforcement.

In the House of Representatives, the House Office Building Commission shall take such actions.

In the Senate, it would be the Committee on Rules and Administration.

In other establishments, the Architect of the Capitol shall take such actions as may be necessary to institute and enforce the prohibition contained in any of the legislative branch operation.

The point is, nobody has cast anything in stone. We want to see what will work.

What we have now is an administrative policy of people blowing smoke in the eyes of that policy. This will become a law and that law shall be enforceable and it will be within the scope of everyone's good common sense to effect the program of enforcement. It does not tie their hands.

Mr. VOLKMER. Mr. Speaker, if the gentleman will yield further, in other words, it is up to the individual. Within the executive branch, they can draft regulations.

Mr. TRAFICANT. The respective groups responsible for the enforcement

of these buildings shall have a concerted plan that conforms with the intent and the scope of the legislation.

Mr. VOLKMER. In other words, you could have three different types of enforcement. Like in the executive branch, it could be that you lose your job for 30 days if you are caught smoking or else you could be fined $1,000 if you are caught smoking.

In the legislative branch, it could be that you are reprimanded and asked not to do it again.

In the judicial branch, it could be that you have to go the courthouse and watch the judge operate for a day.

Mr. TRAFICANT. At this point, yes; but remember, in that courthouse there are jury rooms. There are individuals who come into these Federal buildings who do not work there. This takes into consideration the flexibility, the differences and scope and service of the entity. We do not produce a product. We provide a service and all of us provide a different service. It is left open to be fair enough to be promulgated into a plan that we can enforce, not what we have now, which is an absolute joke.

Mr. DURBIN. Mr. Speaker, let me just say in response to my colleague, the gentleman from Missouri. When we proposed banning smoking on airplanes, the people who opposed that legislation said, "You don't know what you're going to get started here. There will be fistfights in the aisles of airplanes. The flight attendants will be wrestling the people to the ground. They are going to be starting fires in the restrooms. We are going to have more lawsuits than you can possibly imagine."

Do you know what? It never happened. Because we announced what the policy was, people voluntarily got into the program. Smokers and nonsmokers alike, we had one incident per 1 million airline passengers, one per 1 million, and now it is even fewer.

If the folks know what the rules are, smokers and nonsmokers, they will play by those rules. We will not have to hold over their heads the threat of sitting in a courtroom all day or going to jail or whatever it might be.

I just think what we have to do is have an understandable policy that people can live by to protect folks who smoke and those who do not.

Mr. Speaker, I rise in support of H.R. 881, It is time for the Federal Government to fully protect its workers and visitors from secondhand smoke in Federal buildings, including buildings owned or leased by the executive, legislative, and judicial branches of the U.S. Government.

On January 7 of this year, after several years of intensive study, the Environmental Protection Agency formally classified environmental tobacco smoke as a group A carcinogen. This classification is reserved for substances which are known to cause cancer in humans, including asbestos, benzene, and arsenic.

EPA found that secondhand smoke causes approximately 3,000 lung cancer deaths annually in U.S. nonsmokers.

In addition, exposure to secondhand smoke causes 150,000 to 300,000 lower respiratory tract infections such as bronchitis and pneumonia in young children each year, causes additional episodes of asthma and increased severity of asthma symptoms in children who already have asthma, and may be a risk factor for 8,000 to 26,000 new cases of asthma annually in children who would not otherwise become asthmatic.

In response to EPA's findings, I introduced legislation, as did the gentleman from Ohio [Mr. TRAFICANT], to protect Federal employees from secondhand smoke. I am pleased that H.R. 881 has reached the House floor.

The EPA and others who have examined this issue have told us there are only two ways to protect nonsmokers from the hazards of breathing secondhand smoke. Either indoor smoking must be banned, or it must be limited to separately ventilated smoking areas. Separate smoking sections that are not separately ventilated are not acceptable, because the smoke recirculates through the building's ventilation system directly into the rooms used by nonsmokers.

H.R. 881 does not require that agencies establish separately ventilated smoking rooms, nor does it provide funding for such rooms. However, it leaves open the possibility of separate ventilation in cases where separate ventilation could be accomplished without significant cost. Of course, the simplest and least expansive way to protect people from secondhand smoke is to ban smoking indoors.

Federal employees and visitors to Federal buildings deserve an environment that is free from the hazards of secondhand smoke. I have received letters and phone calls from a number of Federal employees since my bill was introduced, describing the shortcomings of the present Federal smoking policy and the need for greater protections so that these employees can breathe the air in their workplaces without being subjected to secondhand smoke.

A Federal smoking ban would give Federal workers the same protections that many of their private sector counterparts enjoy. The Society for Human Resource Management has periodically surveyed its members regarding their smoking policies. In 1986, only 2 percent of the firms that responded had a nosmoking policy. By 1991, 34 percent of the firms that responded indicated they have declared their facilities smokefree. Today the percentage is undoubtedly even larger. The Federal Government should provide similar protection.

Employees of some Federal agencies are already able to breathe freely without exposure to secondhand smoke. The U.S. Department of Health and Human Services, the U.S. Environmental Protection Agency, and the U.S. Postal Service have each taken action to protect their employees from exposure to this carcinogen. Now, it is time to give all Federal employees the same smokefree environment.

I urge my colleagues to support this legislation, so that Federal workers and visitors to Federal buildings can breathe freely.

Mr. TRAFICANT. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Kentucky [Mr. MAZZOLI] whose help along with that of the gentleman from Illinois [Mr. DURBIN] and the key leaders in the House, we will need as this matter goes forward.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for yielding this time to me.

Let me join others of my colleagues in saluting the work done by the gentleman from Ohio [Mr. TRAFICANT] on this bill. It is a very difficult bill. It was a very difficult legislative effort the gentleman from Ohio put forth in behalf of the House and in behalf of the people of America who need to be protected from what is called ETS, or the environmental tobacco smoke. So I rise in strong support of the bill.

I hope it is given positive treatment in the other body and then becomes the law of the land, because I think with it will come savings in America, not just in money, because it is known that tobacco smoke is re-circulated and things get dirty and people have to have their clothes cleaned, and on and on; but there will be savings in lives also because people have adverse health effects from breathing in smoke directly or breathing in second-hand smoke.

I say that with, I guess, is some trepidation in a way, because I am from Kentucky, which is one of the major tobacco States in the Nation, but it has been my observation, as I go back home virtually every week, that more and more people are reaching the position which this bill posits, which is that smoking and tobacco use, smoke itself, are hazardous to human health.

I think it ought to be noted that this bill occurs on what we call the Suspension Calendar which is reserved usually for noncontroversial bills.

Back in 1986 when the gentleman from Illinois, who preceded me in the well and also had great courage in moving the bill toward banning smoking in airplanes, his kind of bill, which I also supported, could never have been put on this kind of docket.

Why is the bill of the gentleman from Ohio [Mr. TRAFICANT] on this Suspension docket? It represents a change in thinking on the part of the American people. There has been a change in thinking on the part of the American people concerning smoking and health. I think the bulk of the American people feel that any reasonable, responsible, organized and preannounced effort, as this is, to tell us the new rules of the road will be supported.

So Mr. Speaker, I salute the gentleman from Ohio for bringing us to this point. I hope that our colleagues in the House can support the bill and I hope eventually it becomes the law of the land.

Mr. TRAFICANT. Mr. Speaker, will the gentleman from Wisconsin yield me 1 minute?

Mr. PETRI. Mr. Speaker, I have yielded back the balance of my time,

but if I may reclaim my time, I will yield a minute to the gentleman from Ohio.

The SPEAKER pro tempore. Without objection, the gentleman from Wisconsin reclaims his time.

There was no objection.

Mr. TRAFICANT. No. 1, Mr. Speaker, the gentleman from Tennessee [Mr. DUNCAN] is a leader. He would not allow a smoking bill to be unfair. This is very fair.

No. 2, if the GSA determines that it is effective, a simple exhaust fan can get the job done, saving us from liability in courts on workmen's compensation cases. An exhaust fan would be adequate.

Finally, everybody in this body and everybody in Government will be under the same rule. It is an outright blatant fallacy to say that we will be treated differently.

The Architect of the Capitol, the Building Commissioner, the Director and the administrative head of GSA shall promulgate and enforce those plans and rules consistent with the legislative mandate needed here today.

This is a tough bill. I want to thank the gentleman from Illinois [Mr. DURBIN], the gentleman from Tennessee [Mr. DUNCAN], the gentleman from Kentucky [Mr. MAZZOLI], and all the staff for bringing out a very fair piece of legislation.

Mr. MINETA. Mr. Speaker, I want to commend the gentleman from Ohio [Mr. TRAFICANT] for his fine explanation of the bill and I want to commend him and the Public Buildings and Grounds Subcommittee's ranking Republican member [Mr. DUNCAN] for their leadership on this important and complex bill.

I also want to thank other committees who helped make today possible, and in that regard, I am enclosing with my statement an exchange of letters between the Energy and Commerce and Public Works Committee on this bill.

The Surgeon General began warning us of the hazards of smoking almost 30 years ago, and today's evidence of the effects of smoking is truly daunting. According to the American Cancer Society, one in three regular smokers will die from their habit. The medical evidence has long been clear. Smoking kills.

Today, we are being warned anew. Environmental tobacco smoke, or ETS, which consists of second-hand smoke and the sidestream smoke from lit cigarettes, is also deadly.

Furthermore, ETS causes thousands of people, especially children, to suffer unnecessary asthma attacks and respiratory infections.

Additionally, because Americans spend up to 90 percent of their time indoors, there is a significant potential for exposure to ETS.

Based upon the concern for the health of employees and potential workers' compensation liability, 85 percent of public and private employers have smoking policies and more than one-third declared their facilities smoke-free in a 1991 survey. States are also concerned. For instance, my home State of California has barred smoking from space owned or leased by the State.

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Currently, smoking restrictions are in force in most Federal buildings. However, in buildings without no smoking provisions, there remains a serious potential workers' compensation issue. The Federal Employees' Compensation Act, or FECA, already covers injuries and illnesses related to ETS like any other work-related illness. To date, FECA claims have been filed due to work place injuries from ETS. Settlements have cost U.S. taxpayers thousands of dollars.

Based upon my concern for the health of Federal employees and potential liability of the U.S. Government and, thus, the taxpayers from future ETS-related worker compensation claims, I support H.R. 881, the Ban on Smoking in Federal Buildings Act. Under H.R. 881 as reported by the Committee on Public Works and Transportation, smoking would be prohibited in Federal buildings unless the building provided a specific area, separately ventilated, for smokers. I believe this approach effectively balances Federal employees' health concerns, the U.S. Government's potential workers' compensation liability issues, and individual rights.

H.R. 881 is long overdue and I urge its adoption.

The letters referred to follow:

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, November 15, 1993.

Hon. NORMAN Y. MINETA,
Chairman, Committee on Public Works and Transportation, Washington, DC.

DEAR MR. CHAIRMAN: On October 15, 1993, the Committee on Public Works and Transportation reported H.R. 881, the Ban on Smoking in Federal Buildings Act (H. Rpt. 103-298, Part 1).

That legislation, by prohibiting smoking in federal buildings, proposes to address public health and safety issues relating to federal employees and the general public who work in or visit legislative, executive, and judicial branch buildings.

As you know, under Rule X, clause 1(h)(16), of the Rules of the House of Representatives, the Committee on Energy and Commerce has jurisdiction of "public health and quarantine" and health issues in general. Based on Rule X, related issues, and attendant precedents, we believe we are entitled both to a sequential referral of the bill and to be named conferees thereon. However, our Committee agreed not to pursue a sequential referral of the bill based upon your Committee's desire to bring H.R. 881 to the floor this session and your agreement to acknowledge our Committee's jurisdiction of this matter.

That waiver should not be construed as a waiver of our Committee's jurisdiction over the subject matter of H.R. 881, nor does it imply a waiver of our Committee's representation in any conference with the Senate.

I am pleased to cooperate with you on this matter and request that this letter be made part of the record during floor consideration of the bill.

Sincerely,

JOHN D. DINGELL,
Chairman.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, November 15, 1993.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter on H.R. 881, the "Ban on Smoking in Federal Buildings Act".

Because of your Committee's jurisdiction over public health issues, I recognize your right to sequential referral of H.R. 881. However, I understand that you did not pursue that given the timing of the bill.

I further recognize that your not pursuing the referral should in no way be construed as a waiver of any jurisdiction your Committee has relating to this issue, including any right you may have to be named conferees on the bill. I will gladly include our exchange of correspondence on this matter in the Record during House consideration of H.R. 881.

Sincerely yours,

NORMAN Y. MINETA,
Chairman.

Mr. LANCASTER. Mr. Speaker, I rise to express my concern about this legislation.

It seems to me that rather than trying to impose a legislative mandate from Washington to deal with smoking policies for Federal buildings, we should place that responsibility on building managers and agency leaders. What might be a desirable policy in a large building with hundreds or even thousands of Federal employees might be totally unsuitable for smaller facilities.

I acknowledge that the language being presented today has been altered from the version reported from committee, and I think the added flexibility is a step in the right direction. Nevertheless, I think we have not fully considered all the nuances of this question. I would have preferred a procedure which would have allowed fuller debate and the possibility of amendments from the floor. I am hopeful that there will be closer review of this bill when it reaches the Senate.

Mr. PETRI. Mr. Speaker, I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TAYLOR of Mississippi). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 881, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 881, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HAZARD MITIGATION AND FLOOD DAMAGE REDUCTION ACT OF 1993

Mr. APPLEGATE. Mr. Speaker, I move to suspend the rules and pass the

bill (H.R. 3445) to improve hazard mitigation and relocation assistance in connection with flooding, to provide for a comprehensive review and assessment of the adequacy of current flood control policies and measures, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3445

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 "Hazard Mitigation and Flood Damage Reduction Act of 1993".

SEC. 2. HAZARD MITIGATION.

(a) FEDERAL SHARE.—Section 404 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c) is amended by striking "50 percent" and inserting "75 percent".

(b) TOTAL CONTRIBUTIONS.—Section 404 of such Act is further amended by striking "10 percent" and all that follows through the period and inserting "15 percent of the estimated aggregate amounts of grants to be made under this Act (less administrative costs) with respect to such major disaster.".

(c) APPLICABILITY.—The amendments made by this section shall apply to any major disaster declared on or after June 10, 1993.

SEC. 3. PROPERTY ACQUISITION AND RELOCATION ASSISTANCE.

Section 404 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c) is further amended—

(1) by inserting "(a) IN GENERAL.—" before "The President"; and

(2) by adding at the end the following:

"(b) PROPERTY ACQUISITION AND RELOCATION ASSISTANCE.—

"(1) GENERAL AUTHORITY.—In providing hazard mitigation assistance under this section in connection with flooding, the Director of the Federal Emergency Management Agency may provide property acquisition and relocation assistance for projects which meet the requirements of paragraph (2).

"(2) TERMS AND CONDITIONS.—An acquisition or relocation project shall be eligible for funding pursuant to paragraph (1) only if—

"(A) the recipient of such funding is an applicant otherwise eligible under the hazard mitigation grant program established under subsection (a);

"(B) the recipient of such funding enters into an agreement with the Director under which the recipient provides assurances that—

"(i) properties acquired, accepted, or from which structures will be removed under the project will be dedicated and maintained in perpetuity to uses which are compatible with open space, recreational, or wetlands management practices;

"(ii) new structures will not be erected in designated special flood hazard areas other than (I) public facilities which are open on all sides and functionally related to a designated open space, (II) rest rooms, and (III) structures which are approved in writing before the start of construction by the Director; and

"(iii) no future disaster assistance for damages relating to flooding will be sought from or provided by any Federal source for any property acquired or accepted under the acquisition or relocation project.".

SEC. 4. FLOOD CONTROL AND FLOODPLAIN MANAGEMENT POLICIES.

(a) STUDIES.—The Secretary of the Army shall conduct studies to assess national flood control and floodplain management policies.

(b) CONTENTS.—The studies conducted under this section shall—

(1) identify critical water, sewer, transportation, and other essential public facilities which currently face unacceptable flood risks;

(2) identify high priority industrial, petrochemical, hazardous waste, and other facilities which require additional flood protection due to the special health and safety risks caused by flooding;

(3) evaluate current Federal, State, and local floodplain management requirements for infrastructure improvements and other development in the floodplain and recommend changes to reduce the potential loss of life, property damage, economic losses, and threats to health and safety caused by flooding;

(4) assess the adequacy and consistency of existing policies on nonstructural flood control and damage prevention measures and, where appropriate, identify incentives and opportunities for greater use of such nonstructural measures;

(5) identify incentives and opportunities for environmental restoration as a component of the Nation's flood control and floodplain management policies;

(6) examine the differences in Federal cost-sharing for construction and maintenance of flood control projects on the Upper and Lower Mississippi River systems and assess the effect of such differences on the level of flood protection on the Upper Mississippi River and its tributaries; and

(7) assess current Federal policies on pre-event repair and maintenance of both Federal and non-Federal levees and recommend Federal and non-Federal actions to help prevent the failure of these levees during flooding.

(c) CONSULTATION.—In conducting studies under this section, the Secretary of the Army shall consult the heads of appropriate Federal agencies, representatives of State and local governments, the agricultural community, the inland waterways transportation industry, environmental organizations, recreational interests, experts in river hydrology and floodplain management, other business and commercial interests, and other appropriate persons.

(d) REPORT.—Not later than June 30, 1995, the Secretary of the Army shall transmit to Congress a report on the results of the studies conducted under this section.

SEC. 5. FLOOD CONTROL MEASURES ON UPPER MISSISSIPPI AND LOWER MISSOURI RIVERS AND THEIR TRIBUTARIES.

(a) STUDIES.—The Secretary of the Army shall conduct studies of the Upper Mississippi River and Lower Missouri River and their tributaries to identify potential solutions to flooding problems in such areas and to recommend specific water resources projects that would result in economically and environmentally justified flood damage reduction measures in such areas.

(b) CONTENTS.—The studies conducted under this section shall—

(1) reflect public input;

(2) include establishment of baseline conditions to allow for a full assessment of economic and environmental costs and benefits associated with flood damage reduction projects and changes in land use patterns;

(3) identify options for development of comprehensive solutions for improved long-term flood plain management;

(4) identify feasibility studies of specific projects or programs that are likely to improve flood damage reduction capabilities;

(5) assess the impact of the current system of levees and flood control projects and current watershed management and land use practices on the flood levels experienced on the Upper Mississippi River and Lower Missouri River and their tributaries in 1993 and evaluate the cost-effectiveness of a full range of alternative flood damage reduction measures, including structural and nonstructural measures, such as the preservation and restoration of wetlands;

(6) recommend flood control improvements and other flood damage reduction measures to reduce economic losses, damage to public facilities, and the release of hazardous materials from industrial, petrochemical, hazardous waste, and other facilities caused by flooding of the Upper Mississippi River and Lower Missouri River and their tributaries; and

(7) assess the environmental impact of current flood control measures and the flood control improvements recommended under this section.

(c) CONSULTATION.—In conducting studies under this section, the Secretary of the Army shall consult the heads of other Federal agencies with water resources and floodplain management responsibilities.

(d) REPORT.—Not later than June 30, 1995, the Secretary of the Army shall transmit to Congress a report on the results of the studies conducted under this section.

SEC. 6. EMERGENCY RESPONSE.

Section 5(a)(1) of the Act entitled "An Act authorizing construction of certain public works on rivers and harbors for flood control, and for other purposes", approved August 18, 1941 (33 U.S.C. 701n(a)(1)), is amended by inserting before the first semicolon the following: ", or in implementation of nonstructural alternatives to the repair or restoration of such flood control work if requested by the non-Federal sponsor".

SEC. 7. TREATMENT OF REAL PROPERTY BUYOUT PROGRAMS.

(a) INAPPLICABILITY OF URA.—The purchase of any real property under a qualified buyout program shall not constitute the making of Federal financial assistance available to pay all or part of the cost of a program or project resulting in the acquisition of real property or in any owner of real property being a displaced person (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970).

(b) DEFINITION OF "QUALIFIED BUYOUT PROGRAM".—For purposes of this section, the term "qualified buyout program" means any program that—

(1) provides for the purchase of only property damaged by the major, widespread flooding in the Midwest during 1993;

(2) provides for such purchase solely as a result of such flooding;

(3) provides for such acquisition without the use of the power of eminent domain and notification to the seller that acquisition is without the use of such power;

(4) is carried out by or through a State or a unit of general local government; and

(5) is being assisted with amounts made available for—

(A) disaster relief by the Federal Emergency Management Agency; or

(B) other Federal financial assistance programs.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. APPLEGATE] will be recognized for 20 minutes, and the gentleman from New York [Mr. BOEHLERT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. APPLEGATE].

□ 1400

Mr. APPLEGATE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Public Works and Transportation brings before the House important legislation

to assist in the response to the Midwest floods of 1993—floods that devastated parts of 11 States. The bill provides immediate assistance to those people whose homes are in the floodplains and who are desirous of moving out of harm's way. And, no new appropriation of money is needed.

H.R. 3445 also authorizes a comprehensive review and assessment of the adequacy of current flood control policies and measures nationwide and in particular for the upper Mississippi and lower Missouri River basins.

Mr. Speaker, flooding in the upper Mississippi and lower Missouri River basins in mid-June and July came after 6 months of heavy and persistent rainfall. During the first half of 1993, precipitation was 1½ to 2 times normal levels throughout the affected area.

The levees and reservoir controls could not fully contain the increased flows on the Mississippi and Missouri Rivers or their tributaries. Over 17,000 square miles of farmlands, forest, homes and businesses were inundated.

In previous disasters, some communities have considered moving out of the floodplain. But this disaster has been historic in the fact that over 200 communities have approached the Federal Government about relocating out of the floodplain to higher ground. This amount of interest has overwhelmed the Federal Government's ability to assist in such relocations. Presently, more than 10 Federal agencies have certain authorities and available assistance for relocations but many requirements are contradictory and complicated. it has been very difficult for small-town mayors to piece together existing Federal programs into a workable relocation plan.

Under H.R. 3445, the amount of funds available for hazard mitigation would increase from 10 percent of the funds for public facilities assistance to 15 percent of all disaster assistance funds for a particular disaster, exclusive of administrative costs. In the Midwest, this could mean a fourfold increase in funds available for mitigation efforts such as relocations. I wish to reemphasize that the increased funds available do not represent new money. These mitigation funds will be available from already appropriated disaster relief funds.

Under most disaster relief and emergency assistance act programs, the Federal Government provides 75 percent of the eligible costs. However, the act only provides for a 50-percent Federal share for hazard mitigation measures. H.R. 3445 would place hazard mitigation on an equal footing with repair and reconstruction by raising the Federal share for hazard mitigation to match the other programs at 75 percent.

H.R. 3445 would also modify the Corps of Engineers existing levee repair program to make nonstructural alternatives an option. Underpresent law, even though it may be more cost effective or environmentally preferable to implement nonstructural alternatives, such as relocations, flood-proofing or elevation of structures, funds under the corps program cannot be used for that purpose. H.R. 3445 gives the Corps of Engineers the opportunity to fund nonstructural options, but only at the non-Federal sponsors' request.

Another provision that is important to the communities considering relocation is the clarification of the applicability of the Uniform Relocations Assistance and Real Property Acquisition Policies Act of 1970 in regard to relocations carried out as part of the post disaster response. The Uniform Relocation Act provides relocation expenses to people who are displaced by a Federal project or program. H.R. 3445 lists the conditions that meet the test for a voluntary relocation which would be exempt from the Uniform Relocation Act.

This will allow for greater participation rates and at less cost to State and local government.

The scope of the flooding in the Midwest has reopened the discussion concerning the difficult policy issues of the role of the Federal Government in the area of floodplain management. These issues include the effectiveness of structural and nonstructural flood control efforts; incentives and disincentives of Federal programs relating to various flood control options; the extent to which Government policies and programs encourage development in floodplains; and to what extent structural flood control efforts may have exacerbated flood conditions.

H.R. 3445 directs the Secretary of the Army to undertake a study to assess national flood control and floodplain management policies generally.

H.R. 3445 also requires the Secretary to undertake flood management studies for the upper Mississippi and lower Missouri River basins. These studies are to consider, among other aspects of the river system, the impact of the current system of levees and flood control projects on the river and to recommend other flood control measures, including nonstructural measures, that would be appropriate. These studies are to be coordinated with other Federal Government agencies and other interests and be submitted to Congress by June 30, 1995.

The legislation before you today is based on H.R. 2931, introduced by the gentleman from Illinois [Mr. DURBIN] and H.R. 3012 introduced by the gentleman from Missouri [Mr. VOLKMER]. I want to thank Representatives DURBIN and VOLKMER and the other Members whose districts were inundated by the flooding for bringing these issues to our attention. I especially want to thank the gentleman from California [Mr. MINETA], the ranking minority member of the full committee, the gentleman from Pennsylvania [Mr. SHUSTER] and the subcommittee ranking Republican, the gentleman from New York [Mr. BOEHLERT] for their assistance in this bipartisan effort to assist the people who have been harmed by this great natural disaster.

I urge adoption of this important and timely legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of the Hazard Mitigation and Flood Reduction Act. This legislation is a critical step toward understanding the causes of last summer's flooding and toward limiting similar tragedies.

The residents of the Midwest have suffered enormous hardships over the past 6 months—thousands were left homeless and billions of dollars in property damages have been left in the wake of the great flood. The legislation before us today will bring assistance and certainty to the lives of those living along the upper Mississippi and its tributaries.

Before I discuss the specifics of H.R. 3445, I would like to commend Chairman MINETA, ranking Republican BUD SHUSTER, and Chairman APPLEGATE for their work to expeditiously move this legislation through the House. I am hopeful that our colleagues in the Senate will give this measure the same prompt consideration. We must get a comprehensive flood mitigation bill to the President's desk this fall.

Mr. Speaker, H.R. 3445 is primarily a combination of two widely supported bills—one introduced by Congressman VOLKMER and one by Congressman DURBIN.

The bill approved last week by the Public Works and Transportation Committee responds directly to the need for changes in the Federal Disaster Relief and Flood Control Programs highlighted by this year's flooding.

The first of the bill's three basic components amends and clarifies FEMA's Hazard Mitigation and Relocation Assistance Programs. These changes will help provide more Federal assistance to encourage people to voluntarily "get out of harm's way"—that is, relocate out of the flood plain. Specifically, the bill modifies FEMA's Hazard Mitigation Program and clarifies the applicability of the Uniform Relocation Act to voluntary relocations.

The second basic component directs the Army Corps of Engineers to review, in consultation with key agencies and groups, national flood control and flood plain management policies, as well as specific measures for the upper Mississippi and lower Mississippi River basins.

The third component is an amendment to the corps' existing program for levee repair and restoration. The provision would provide the corps the opportunity to offer nonstructural options if

requested and supported by the non-Federal project sponsor.

Mr. Speaker, our Nation's flood response and flood control policies need to be modified, H.R. 3445 is a reasonable step in that direction and should bring a significant reduction in future flood losses. When people living in dangerous flood plains seek to move, our Government should assist their effort, not hinder it. This point was hammered home by many during the markup of H.R. 3445 including Congressman EMERSON and Congresswoman DANNER of our committee, who represent those directly affected. I appreciate their thoughtful input to this legislation.

Mr. Speaker, H.R. 3445 will effectively reduce future losses of life and property that result from flooding. Reduced damages will translate into a reduced need for Federal relief dollars. I urge all of my colleagues to support the passage of this measure.

□ 1410

Mr. Speaker, before I conclude I would like to make two important observations: First, the great floods of the year brought forth the best of America. In my own district in beautiful upstate New York, in Delaware County, the 2,500 people of the town of Davenport, under the leadership of their dynamic supervisor, Ray Christiansen, adopted Davenport, IA, a distant city of over 100,000 people, and said, "We want to help you. We recognize your special needs." Those dedicated people from Davenport, NY, sent a whole tractor-trailer full of goods and products that the people of Davenport, IA, needed during this time of crisis.

What a wonderful story that is for America, people half a continent away, in a small community, responding to the needs of their fellow Americans who were suffering so greatly.

So I would like to commend the people of Davenport, NY, and say how grateful I am to have the privilege of representing people who are so thoughtful and caring and so responsive in times of crisis.

Finally, Mr. Speaker, I would like to take particular note of the fact that this is the first bill the gentleman from Ohio [Mr. APPLEGATE] has brought forth in his new position as chairman of the subcommittee. He has been magnificent in providing leadership to the subcommittee, in moving the hearings along expeditiously, and in reaching out to all of our colleagues, Republicans and Democrats alike, and in essence following the admonition of Lyndon Baines Johnson, who was wont to say, "Come, let us reason together." We have reasoned together and we have fashioned an outstanding product.

Mr. Speaker, I say to the gentleman from Ohio [Mr. APPLEGATE], "You deserve a great deal of credit. What a pleasure it is to work with you."

Mr. Speaker, I reserve the balance of my time.

Mr. APPLEGATE. Mr. Speaker, I yield 3 minutes to our very distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I want to begin by giving my heartfelt thanks to the chairman and the ranking member of the subcommittee for a tremendous job in putting this legislation together. I also want to thank the chairman and the ranking member of the full committee for doing a tremendous job in bringing together this legislation and in a short time getting it in front of us and allowing us to have the chance to pass it before the Congress finishes its work this year.

I think this bill is a very wise investment in the rebuilding of flood-stricken communities. It provides hope to families that they can get back into safe housing as soon as possible, and it will help ensure that Federal disaster funds already appropriated are spent in the most effective manner.

The State of Missouri alone has sustained flood destruction of over $260 million in what is the worst flood in anyone's memory. Thousands of families have been out of their homes now for more than 4 months. Every time that any of us go home, we spent a lot of time talking to these flood victims, and, their question always is, whether or not they had insurance—and many of them did—"Should I stay and rebuild, or can I leave?"

Under today's law and circumstances, there is no human way that we could ever cobble together enough money from Federal, State, local, and private sources to be able to get a buy-out fund necessary to even give people 20 or 25 cents on the dollar so that they could be in a position to go out and take on a new loan on a new piece of property outside the flood plain.

This legislation primarily gives FEMA the flexibility, not the money but the flexibility, with the money they already have in order to be able to better cooperate with the Federal, State, and local governments so that where buy-out funds make sense and can be put together, we have the ability through FEMA funds to be able to do that.

I think this makes sense for the Government, I think it makes sense for taxpayers, and I know it makes sense for some of the victims of the disaster. None of them will be made anywhere near whole. All of them have suffered a great tragedy that will take many, many years, if ever, to overcome. This legislation gives us an opportunity and the possibility that we can cobble together buy-out funds, local, Federal, State, and private, in order to get people into a position where, with great loss, they can move out of a property that might flood again and be able to take on a new loan and a new mortgage and be in a place that will be high and dry the next time if a flood occurs.

Mr. Speaker, I urge the Members to vote for this legislation, and again I thank profusely the members on both sides of the subcommittee and the full committee that strongly supported this bipartisan legislation.

Mr. BOEHLERT. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, during the difficult days of July and August when the flood was hitting in the Midwest one of the things people in my district constantly asked me was: "Look, the attention of the Nation is on us now during the difficult times when we are fighting these waters. What are people going to do when the waters have gone down? Are they going to leave us alone, or are they going to be there to help?"

I think the significant thing about this bill is that it sends a signal that the Government is still aware of the problem and is still going to be there to help, and I think there are two significant things about it that we are addressing in this legislation. The first is the whole question of people who have been put out of their homes, whose homes have been very substantially damaged and who face now the issue of whether to try and rebuild according to Federal and local regulations or whether to try to seek a buy-out and to relocate.

Those individuals, as much as they need anything else, need some certainty about the options that are going to be available.

As has been said here today, very few people are going to be made completely whole, but they need to know how much they can count on, what kind of support is going to be available, and whether there will be help in relocating. And if they are going to have to make the difficult decisions about whether they should stay or whether they should move, I believe this legislation sends a signal that the Federal Government is moving as quickly as possible to try to identify those areas of uncertainty and eliminating them. The committee deserves a great deal of credit in putting it out in an expeditious way.

The other really important aspect of the bill—and there is a number of good features in it—is the comprehensive study that it mandates, with particular emphasis on the upper Mississippi and the upper Missouri tributaries so that we can begin looking at what we can do in a broad fashion to prevent these kinds of floods in the future or, failing that, to try to protect the people in the area from the damage that would otherwise occur.

□ 1420

It is essential that we take a comprehensive approach. If we do not, this thing is going to get piecemealed. Everybody is going to go in and try to get what they can for their area. It would be much better if we did in the upper Mississippi what has already happened in the lower Mississippi and approach this thing in a comprehensive way. So the important thing about this legislation overall is that it sends the signal to the people in the area that we have not forgotten you; we are monitoring the situation, trying to help in any way possible.

Again, I congratulate the committee and the distinguished chairman and ranking member for putting the bill out.

Mr. BOEHLERT. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I rise in support of H.R. 3445 and commend the committee for their work on this excellent and necessary legislation.

I do have one question for the chairman, a clarification of section 5. It is my understanding that section 5, when it refers to the lower Missouri River, will refer to that portion of the river before the last, that is to say, the most downstream, control structure, the Gavins Point Dam, which creates the Louis and Clark Reservoir.

Mr. Speaker, I would ask the chairman, is my understanding correct?

Mr. APPLEGATE. Mr. Speaker, if the gentleman will yield, that is my understanding. The gentleman is correct.

Mr. BEREUTER. Mr. Speaker, with that kind of clarification, which I think is entirely reasonable, that is to say the stretch of the river below the last control structure, I certainly rise in support of the legislation and urge all of my colleagues to support it.

Mr. APPLEGATE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MINETA], the very distinguished chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Mr. Speaker, I want to commend the gentleman from Ohio [Mr. APPLEGATE] for his fine explanation of the bill and I want to commend him and the Subcommittee on Water Resources and Environment's ranking Republican [Mr. BOEHLERT] for their leadership on this important bill. I also want to pay special recognition to the following Members who have labored long and hard on behalf of their constituents and the Nation on this important issue: Congressmen VOLKMER, DURBIN, GEPHARDT, EMERSON, COSTELLO, DANNER, and SKELTON.

The destruction of the midwest floods of 1993 urges us to review and reconsider our present flood policies. Not only the directly affected victims of the floods, but also the taxpayers who are contributing for reconstruction in the Midwest, have asked us to do what we can to reduce the impact of future floods.

In the past, the Federal Emergency Management Agency has helped people who wanted to move out of Harm's way. But the scale was very small. Today, as towns try to look to the future, many see more floods. Over 200 communities, many of which have been victims of numerous floods during the last 20 years, have approached the Federal Government about relocations out of the flood plains to higher ground. The legislation before the House today will increase the availability of Federal assistance for relocations. Additionally, the bill authorizes the Corps of Engineers to fund nonstructural alternatives to the repair or reconstruction of damaged levees, if requested by the non-Federal sponsor.

Long-term studies are also authorized to give the Congress the information we need to determine what our flood control policies should be for the 21st century.

Mr. Speaker, I again wish to thank the leadership of the subcommittee, the chairman as well as the ranking Republican, and my fine colleague, the gentleman from Pennsylvania [Mr. SHUSTER], the ranking Republican on our committee, and urge the adoption of this very important legislation.

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this legislation. It is really a combination of two widely supported bills, one introduced by the gentleman from Missouri [Mr. VOLKMER] and one introduced by the gentleman from Illinois [Mr. DURBIN]. Certainly many Members have contributed mightily to it, particularly those Members from Missouri and Illinois whose districts were directly impacted, the gentleman from Missouri [Mr. EMERSON], the gentleman from Illinois [Mr. SANGMEISTER], the gentleman from Illinois [Mr. POSHARD], the gentlewoman from Missouri [Ms. DANNER], and certainly the majority leader, the gentleman from Missouri [Mr. GEPHARDT]. So this is very worthy of our support. I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. APPLEGATE. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. VOLKMER], one of the principal sponsors of this bill.

Mr. SHUSTER. Mr. Speaker, I yield 1 minute to the gentleman from Missouri.

The SPEAKER pro tempore (Mr. TAYLOR of Mississippi). The gentleman from Missouri [Mr. VOLKMER] is recognized for 4 minutes.

Mr. VOLKMER. Mr. Speaker, I first wish to take this opportunity, along with others, to thank the gentleman from California [Mr. MINETA], the chairman of the Committee on Public Works and Transportation, and also the ranking minority member, the gentleman from Pennsylvania [Mr. SHUSTER], the subcommittee chairman, the gentleman from Ohio [Mr. APPLEGATE], and the ranking minority member on the subcommittee, the gentleman from New York [Mr. BOEHLERT], for having this legislation here before us today.

Mr. Speaker, I rise today in support of H.R. 3445, the Hazard Mitigation and Flood Damage Reduction Act of 1993. This bill incorporates legislation that I sponsored along with legislation introduced by the gentleman from Illinois.

This legislation will give FEMA the added flexibility to help people voluntarily relocate out of the flood plain through the Hazard Mitigation Grant Program. Increasing the Federal share and raising the cap for available funds will provide increased support to State and local governments to take mitigation measures now and reduce expenditures for disasters in the future.

I have a particular interest in this legislation because portions of all the counties that I represent along the Mississippi and Missouri Rivers were flooded and received Presidential declarations for individual assistance and public assistance. I have seen firsthand the damage caused by this summer's floods which inundated entire towns and fields. Businesses were closed and farmland that once produced bountiful crops were turned into mud bogs and sand bars.

Mr. Speaker, I have traveled extensively throughout my district since early spring, when the first flood began to exact its heavy toll on the levees, homes, and property in the flood plain. Levees that have withstood years of flooding gave way this year to the heavy rains. Homes that have not been affected by high water before were flooded. In my State of Missouri estimates for flood related damage have exceeded $3 billion and are still rising as the damage assessment continues. Many areas in my district have not had just one flood but a succession of two or three separate floods this year. The city of Alexandria in the northeast corner of my district was one of the first towns to be flooded and was one of the last cities to have the water recede. For many the only option currently available is to use the money they receive to rebuild in the flood plain either because government programs are not flexible enough to assist them to relocate out of the flood plain and they cannot afford to relocate on their own.

Many of the people that live in the flood plain do not live there because they want to, they live there because it is all they can afford. Many that have had their homes damaged or destroyed by the flood have come forward and said they would move out of the flood plain but they do not have sufficient funds to do so.

Currently, individual and family grants are available from FEMA for up

to $11,900 to help cover the costs of elevating and rebuilding in the flood plain. Federal money for relocation is available from two sources, section 1362 of the National Flood Insurance Program [NFIP] and section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. As it now stands, few people will be able to participate in the section 1362 buy-out because such a low percentage of people are enrolled in the National Flood Insurance Program and the program has stringent requirements that make it difficult to relocate unless a property has suffered damage three or more times in a 5-year period or suffered damage of 50 percent or more once. Use of hazard mitigation grant money in section 404 is limited because many of the areas that have been affected by the flood cannot afford the 50–50 match that is in present law. Total funds available for section 404 are limited to 10 percent of the funds allocated for section 406, public assistance.

H.R. 3445 will amend section 404 of the Stafford Act by changing the current 50–50 Federal-State cost share to a 75–75 Federal-State cost share. It will also raise the current Federal funding for the Hazard Mitigation Grant Program limitation from the current 10 percent of the estimated aggregate amounts to be made under section 406 to 15 percent of the estimated aggregate amounts of grants to be made under the disaster program. I feel that H.R. 3445 will provide an opportunity for the flood victims to move from the flood plain while reducing the continued need for Federal dollars to be spent for emergency services and rehabilitation of personal and public property. If we act now, we can mitigate the damage when future floods come as we know they will. It is very apparent to me that rather than encouraging people to spend Federal money to rebuild in the flood plain it is fiscally responsible to use that money to relocate people out of the flood plain especially when their preference is to leave the flood plain.

□ 1430

Mr. APPLEGATE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. DURBIN], a principal author of this bill.

Mr. DURBIN. Mr. Speaker, I thank the gentleman for yielding time to me.

I want to salute the Committee on Public Works and Transportation, both Democrats and Republicans, for bringing this important bill to the floor.

This last Saturday, I flew over the flooded areas of my district. Many people are surprised to know that we still have flooding. In fact, we do. The aftermath of this flood will be with us for many, many months and perhaps years to come.

The gentleman from Missouri [Mr. VOLKMER] has outlined a way to help the people presently suffering from flood damage to their businesses and homes and to mitigate damages in the future. I support that section of the bill, and I am glad it is part of this package.

The provision which I have included in the bill takes a different approach. Let me give my colleagues a little history, very briefly.

In 1927, a major flood on the Mississippi River led Congress and the President to sign legislation assigning the responsibility for levee protection to the lower Mississippi south of Cape Girardeau, MO, to the Federal Government. The river, of course, is wider and flows more deeply in that part of our Nation.

But, in fact, the Federal Levee System, and 6 billion dollars' worth of Federal expenditures, have protected those folks from the ravages of the flood. And that is why the flood of 1993 and all the damage was virtually north of that Cape Girardeau, MO, location, because of that decision made in Congress 66 years ago.

It was not just God's design. It was also the design of the Federal Government.

What we are asking for is a study by the Army Corps of Engineers to ask priority protection on the Upper Mississippi River and on the Illinois and Missouri Rivers to try to find out where we should invest our funds, Federal, State, and local, to prevent the kind of damage and disaster we have just lived through.

Clearly, transportation is one of the highest priorities. When we knocked out passage across the Mississippi River for cars and trucks and railroads, we literally paralyzed the Midwest and most of the country so that has to be one of our high priorities.

But it also goes beyond that, to toxic waste sites, water supply systems, sewage treatment plants, so many other areas that were threatened by this flood need to be protected in the future. We are asking the Army Corps of Engineers, working with other Federal agencies, making certain that they take into account environmental considerations, to come up with proposals, not only for structural changes in levees but for nonstructural approaches, perhaps the expansion of wetlands.

We think that in the next year the Army Corps of Engineers can produce this study, give guidance to Congress and the administration for the mitigation in future disasters.

I thank the Committee on Public Works and Transportation for their help with this effort.

Mr. APPLEGATE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. BORSKI], chairman of the Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation.

Mr. BORSKI. Mr. Speaker, I wish to express my support for H.R. 3445 which will provide an immediate response to this past summer's flooding along the Upper Mississippi and Lower Missouri River Valleys.

I commend our chairman, the gentleman from California [Mr. MINETA], and the ranking Republican member, the gentleman from Pennsylvania [Mr. SHUSTER], the subcommittee chairman, the gentleman from Ohio [Mr. APPLEGATE], and the ranking Republican member, the gentleman from New York [Mr. BOEHLERT], for their work on the bill.

This bill directly reflects our findings in the Subcommittee on Investigations and Oversight that increased funding should be made available for the buy-out of property in the flood plain. While this past summer's floods produced more interest in the buy-out option, limited funding prevented more widespread use of buy-outs.

Under H.R. 3445, the cap for funds available for buy-outs, the Hazard Mitigation Program, will be increased from 10 percent of the total disaster assistance funds available to 15 percent.

The new FEMA Director, James Lee Witt, who has a long background in the disaster relief program, testified before the Investigations and Oversight Subcommittee that hazard mitigation is among the most signficant—and most overlooked—aspects of disaster relief.

By raising the cap for hazard mitigation, the drafters of H.R. 3445 have recognized that disaster relief starts by looking ahead to potential disasters. The disaster relief program should not be limited to mopping up the last disaster.

Our subcommittee investigation also found that the Upper Mississippi Basin requires a comprehensive study that has input from various perspectives. While the Army Corps of Engineers should have the lead in developing flood control policies, other agencies should have a role as well.

I also commend the committee leadership on the strong direction in the committee report for the Corps of Engineers to consult with other Federal agencies, and State and local governments, on a continuous, cooperative, and comprehensive basis. The studies should be completed as quickly as possible but they must be open throughout the process to all points of view.

H.R. 3445 results from the disaster that was faced by thousands of people along the Mississippi and Missouri Rivers. I hope that the disaster areas that require immediate attention will receive top priority in this national study effort and that the broad nature of the national studies will not prevent compliance with the 18-month deadline.

Mr. Speaker, I urge the passage of H.R. 3445.

Mr. SHUSTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TAYLOR of Mississippi). The question is

on the motion offered by the gentleman from Ohio [Mr. APPLEGATE] that the House suspend the rules and pass the bill, H.R. 3445, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. APPLEGATE Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks on H.R. 3445, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

NEGOTIATED RATES ACT OF 1993

Mr. RAHALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2121) to amend title 49, United States Code, relating to procedures for resolving claims involving unfiled, negotiated transportation rates, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2121

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 "Negotiated Rates Act of 1993".

SEC. 2. PROCEDURES FOR RESOLVING CLAIMS INVOLVING UNFILED, NEGOTIATED TRANSPORTATION RATES.

(a) IN GENERAL.—Section 10701 of title 49, United States Code, is amended by adding at the end the following:

"(f) PROCEDURES FOR RESOLVING CLAIMS INVOLVING UNFILED, NEGOTIATED TRANSPORTATION RATES.—

"(1) IN GENERAL.—When a claim is made by a motor carrier of property (other than a household goods carrier) providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, by a freight forwarder (other than a household goods freight forwarder), or by a party representing such a carrier or freight forwarder regarding the collection of rates or charges for such transportation in addition to those originally billed and collected by the carrier or freight forwarder for such transportation, the person against whom the claim is made may elect to satisfy the claim under the provisions of paragraph (2), (3), or (4) of this subsection, upon showing that—

"(A) the carrier or freight forwarder is no longer transporting property or is transporting property for the purpose of avoiding the application of this subsection; and

"(B) with respect to the claim—

"(i) the person was offered a transportation rate by the carrier or freight forwarder other than that legally on file with the Commission for the transportation service;

"(ii) the person tendered freight to the carrier or freight forwarder in reasonable reliance upon the offered transportation rate;

"(iii) the carrier or freight forwarder did not properly or timely file with the Commission a tariff providing for such transportation rate or failed to enter into an agreement for contract carriage;

"(iv) such transportation rate was billed and collected by the carrier or freight forwarder; and

"(v) the carrier or freight forwarder demands additional payment of a higher rate filed in a tariff.

If there is a dispute as to the showing under subparagraph (A), such dispute shall be resolved by the court in which the claim is brought. If there is a dispute as to the showing under subparagraph (B), such dispute shall be resolved by the Commission. Pending the resolution of any such dispute, the person shall not have to pay any additional compensation to the carrier or freight forwarder. Satisfaction of the claim under paragraph (2), (3), or (4) of this subsection shall be binding on the parties, and the parties shall not be subject to chapter 119 of this title.

"(2) CLAIMS INVOLVING SHIPMENTS WEIGHING 10,000 POUNDS OR LESS.—A person from whom the additional legally applicable and effective tariff rate or charges are sought may elect to satisfy the claim if the shipments each weighed 10,000 pounds or less, by payment of 20 percent of the difference between the carrier's applicable and effective tariff rate and the rate originally billed and paid. In the event that a dispute arises as to the rate that was legally applicable to the shipment, such dispute shall be resolved by the Commission.

"(3) CLAIMS INVOLVING SHIPMENTS WEIGHING MORE THAN 10,000 POUNDS.—A person from whom the additional legally applicable and effective tariff rate or charges are sought may elect to satisfy the claim if the shipments each weighed more than 10,000 pounds, by payment of 15 percent of the difference between the carrier's applicable and effective tariff rate and the rate originally billed and paid. In the event that a dispute arises as to the rate that was legally applicable to the shipment, such dispute shall be resolved by the Commission.

"(4) CLAIMS INVOLVING PUBLIC WAREHOUSEMEN.—Notwithstanding paragraphs (2) and (3), a person from whom the additional legally applicable and effective tariff rate or charges are sought may elect to satisfy the claim by payment of 5 percent of the difference between the carrier's applicable and effective tariff rate and the rate originally billed and paid if such person is a public warehouseman. In the event that a dispute arises as to the rate that was legally applicable to the shipment, such dispute shall be resolved by the Commission.

"(5) EFFECTS OF ELECTION.—When a person from whom additional legally applicable freight rates or charges are sought does not elect to use the provisions of paragraph (2), (3), or (4), the person may pursue all rights and remedies existing under this title.

"(6) STAY OF ADDITIONAL COMPENSATION.—When a person proceeds under this section to challenge the reasonableness of the legally applicable freight rate or charges being claimed by a carrier or freight forwarder described in paragraph (1) in addition to those already billed and collected, the person shall not have to pay any additional compensation to the carrier or freight forwarder until the Commission has made a determination as to the reasonableness of the challenged rate as applied to the freight of the person against whom the claim is made.

"(7) LIMITATION ON STATUTORY CONSTRUCTION.—Except as authorized in paragraphs (2), (3), (4), and (9) of this subsection, nothing in this subsection shall relieve a motor common carrier of the duty to file and adhere to its rates, rules, and classifications as required in sections 10761 and 10762 of this title.

"(8) NOTIFICATION OF ELECTION.—

"(A) GENERAL RULE.—A person must notify the carrier or freight forwarder as to its election to proceed under paragraph (2), (3), or (4). Except as provided in subparagraphs (B), (C), and (D), such election may be made at any time.

"(B) DEMANDS FOR PAYMENT INITIALLY MADE AFTER DATE OF ENACTMENT.—If the carrier or freight forwarder or party representing such carrier or freight forwarder initially demands the payment of additional freight charges after the date of the enactment of this subsection and notifies the person from whom additional freight charges are sought of the provisions of paragraphs (1) through (7) at the time of the making of such initial demand, the election must be made not later than the later of—

"(i) the 60th day following the filing of an answer to a suit for the collection of such additional legally applicable freight rate or charges, or

"(ii) the 90th day following the date of the enactment of this subsection.

"(C) PENDING SUITS FOR COLLECTION MADE BEFORE OR ON DATE OF ENACTMENT.—If the carrier or freight forwarder or party representing such carrier or freight forwarder has filed, before or on the date of the enactment of this subsection, a suit for the collection of additional freight charges and notifies the person from whom additional freight charges are sought of the provisions of paragraphs (1) through (7), the election must be made not later than the 90th day following the date on which such notification is received.

"(D) DEMANDS FOR PAYMENT MADE BEFORE OR ON DATE OF ENACTMENT.—If the carrier or freight forwarder or party representing such carrier or freight forwarder has demanded the payment of additional freight charges, and has not filed a suit for the collection of such additional freight charges, before or on the date of the enactment of this subsection and notifies the person from whom additional freight charges are sought of the provisions of paragraphs (1) through (7), the election must be made not later than the later of—

"(i) the 60th day following the filing of an answer to a suit for the collection of such additional legally applicable freight rate or charges, or

"(ii) the 90th day following the date of the enactment of this subsection.

"(9) CLAIMS INVOLVING SMALL-BUSINESS CONCERNS, CHARITABLE ORGANIZATIONS, AND RECYCLABLE MATERIALS.—Notwithstanding paragraphs (2), (3), and (4), a person from whom the additional legally applicable and effective tariff rate or charges are sought shall not be liable for the difference between the carrier's applicable and effective tariff rate and the rate originally billed and paid—

"(A) if such person qualifies as a small-business concern under the Small Business Act (15 U.S.C. 631 et seq.),

"(B) if such person is an organization which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, or

"(C) if the cargo involved in the claim is recyclable materials, as defined in section 10733.".

(b) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking "In" and inserting "Except as provided in subsection (f), in".

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) of this section shall apply to all claims pending as of the date of the enactment of this Act and to all claims arising from transportation shipments tendered on or before the last day of the 24-month period beginning on such date of enactment.

(d) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Interstate Commerce Commission shall transmit to Congress a report regarding whether there exists a justification for extending the applicability of

amendments made by subsections (a) and (b) of this section beyond the period specified in subsection (c).

(e) ALTERNATIVE PROCEDURE FOR RESOLVING DISPUTES.—

(1) GENERAL RULE.—For purposes of section 10701 of title 49, United States Code, it shall be an unreasonable practice for a motor carrier of property (other than a household goods carrier) providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of such title, a freight forwarder (other than a household goods freight forwarder), or a party representing such a carrier or freight forwarder to attempt to charge or to charge for a transportation service provided before September 30, 1990, the difference between the applicable rate that is lawfully in effect pursuant to a tariff that is filed in accordance with chapter 107 of such title by the carrier or freight forwarder applicable to such transportation service and the negotiated rate for such transportation service if the carrier or freight forwarder is no longer transporting property between places described in section 10521(a)(1) of such title or is transporting property between places described in section 10521(a)(1) of such title for the purpose of avoiding the application of this subsection.

(2) JURISDICTION OF COMMISSION.—The Commission shall have jurisdiction to make a determination of whether or not attempting to charge or the charging of a rate by a motor carrier or freight forwarder or party representing a motor carrier or freight forwarder is an unreasonable practice under paragraph (1). If the Commission determines that attempting to charge or the charging of the rate is an unreasonable practice under paragraph (1), the carrier, freight forwarder, or party may not collect the difference described in paragraph (1) between the applicable rate and the negotiated rate for the transportation service. In making such determination, the Commission shall consider—

(A) whether the person was offered a transportation rate by the carrier or freight forwarder or party other than that legally on file with the Commission for the transportation service;

(B) whether the person tendered freight to the carrier or freight forwarder in reasonable reliance upon the offered transportation rate;

(C) whether the carrier or freight forwarder did not properly or timely file with the Commission a tariff providing for such transportation rate or failed to enter into an agreement for contract carriage;

(D) whether the transportation rate was billed and collected by the carrier or freight forwarder; and

(E) whether the carrier or freight forwarder or party demands additional payment of a higher rate filed in a tariff.

(3) STAY OF ADDITIONAL COMPENSATION.—When a person proceeds under this subsection to challenge the reasonableness of the practice of a motor carrier, freight forwarder, or party described in paragraph (1) to attempt to charge or to charge the difference described in paragraph (1) between the applicable rate and the negotiated rate for the transportation service in addition to those charges already billed and collected for the transportation service, the person shall not have to pay any additional compensation to the carrier, freight forwarder, or party until the Commission has made a determination as to the reasonableness of the practice as applied to the freight of the person against whom the claim is made.

(4) TREATMENT.—Paragraph (1) of this subsection is enacted as an exception, and shall be treated as an exception, to the requirements of sections 10761(a) and 10762 of title 49, United States Code, relating to a filed tariff rate for a transportation or service subject to the jurisdiction of the Commission and other general tariff requirements.

(5) NONAPPLICABILITY OF NEGOTIATED RATE DISPUTE RESOLUTION PROCEDURE.—If a person elects to seek enforcement of paragraph (1) with respect to a rate for a transportation or service, section 10701(f) of title 49, United States Code, as added by subsection (a) of this section, shall not apply to such rate.

(6) DEFINITIONS.—For purposes of this subsection, the following definitions apply:

(A) COMMISSION, HOUSEHOLD GOODS, HOUSEHOLD GOODS FREIGHT FORWARDER, AND MOTOR CARRIER.—The terms "Commission", "household goods", "household goods freight forwarder", and "motor carrier" have the meaning such terms have under section 10102 of title 49, United States Code.

(B) NEGOTIATED RATE.—The term "negotiated rate" means a rate, charge, classification, or rule agreed upon by a motor carrier or freight forwarder described in paragraph (1) and a shipper through negotiations pursuant to which no tariff was lawfully and timely filed with the Commission and for which there is written evidence of such agreement.

(f) PRIOR SETTLEMENTS AND ADJUDICATIONS.—Any claim that, but for this subsection, would be subject to any provision of this Act (including any amendment made by this Act) and that was settled by mutual agreement of the parties to such claim, or resolved by a final adjudication of a Federal or State court, before the date of the enactment of this Act shall be treated as binding, enforceable, and not contrary to law, unless such settlement was agreed to as a result of fraud or coercion.

(g) RATE REASONABLENESS.—Section 10701(e) of title 49, United States Code, is amended by adding at the end the following: "Any complaint brought against a motor carrier (other than a carrier described in subsection (f)(1)(A)) by a person (other than a motor carrier) for unreasonably high rates for past or future transportation shall be determined under this subsection.".

SEC. 3. STATUTE OF LIMITATIONS.

(a) MOTOR CARRIER CHARGES.—Section 11706(a) of title 49, United States Code, is amended by striking the period at the end and inserting the following: "; except that a motor carrier (other than a motor carrier providing transportation of household goods) or freight forwarder (other than a household goods freight forwarder)—

"(1) must begin such a civil action within 2 years after the claim accrues if the transportation or service is provided by the carrier in the 1-year period beginning on the date of the enactment of the Negotiated Rates Act of 1993; and

"(2) must begin such a civil action within 18 months after the claim accrues if the transportation or service is provided by the carrier after the last day of such 1-year period.".

(b) MOTOR CARRIER OVERCHARGES.—Section 11706(b) of title 49, United States Code, is amended by striking ". If that claim is against a common carrier" and inserting the following: "; except that a person must begin a civil action to recover overcharges from a motor carrier subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title for transportation or service—

"(1) within 2 years after the claim accrues if such transportation or service is provided in the 1-year period beginning on the date of the enactment of the Negotiated Rate Act of 1993; and

"(2) within 18 months after the claim accrues if such transportation or service is provided after the last day of such 1-year period.

If the claim is against a common carrier".

(c) CONFORMING AMENDMENT.—Section 11706(d) of title 49, United States Code, is amended—

(1) by striking "3-year period" each place it appears and inserting "limitation periods";

(2) by striking "is extended" the first place it appears and inserting "are extended"; and

(3) by striking "each".

SEC. 4. TARIFF RECONCILIATION RULES FOR MOTOR CARRIERS OF PROPERTY.

(a) IN GENERAL.—Chapter 117 of title 49, United States Code, is amended by adding at the end the following:

"§11712. Tariff reconciliation rules for motor common carriers of property

"(a) MUTUAL CONSENT.—Subject to Commission review and approval, motor carriers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title (other than motor carriers providing transportation of household goods) and shippers may resolve, by mutual consent, overcharge and undercharge claims resulting from incorrect tariff provisions or billing errors arising from the inadvertent failure to properly and timely file and maintain agreed upon rates, rules, or classifications in compliance with sections 10761 and 10762 of this title. Resolution of such claims among the parties shall not subject any party to the penalties of chapter 119 of this title.

"(b) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall relieve the motor carrier of the duty to file and adhere to its rates, rules, and classifications as required in sections 10761 and 10762, except as provided in subsection (a) of this section.

"(c) RULEMAKING PROCEEDING.—Not later than 90 days after the date of the enactment of this section, the Commission shall institute a proceeding to establish rules pursuant to which the tariff requirements of sections 10761 and 10762 of this title shall not apply under circumstances described in subsection (a) of this section.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 117 of title 49, United States Code, is amended by adding at the end the following:

"11712. Tariff reconciliation rules for motor common carriers of property.".

SEC. 5. CUSTOMER ACCOUNT CODES AND RANGE TARIFFS.

(a) CUSTOMER ACCOUNT CODES.—Section 10762 of title 49, United States Code, is amended by adding at the end the following:

"(h) CUSTOMER ACCOUNT CODES.—No tariff filed by a motor carrier of property with the Commission before, on, or after the date of the enactment of this subsection may be held invalid solely on the basis that a numerical or alpha account code is used in such tariff to designate customers or to describe the applicability of rates. For transportation performed on and after the 180th day following such date of enactment, the name of the customer for each account code must be set forth in the tariff (other than the tariff of a motor carrier providing transportation of household goods).".

(b) RANGE TARIFFS.—Such section is further amended by adding at the end the following:

"(i) RANGE TARIFFS.—No tariff filed by a motor carrier of property with the Commission before, on, or after the date of the enactment of this subsection may be held invalid solely on the basis that the tariff does not show a specific rate or discount for a specific shipment if the tariff is based on a range of rates or discounts for specific classes of shipments. For transportation performed on or after the 180th day following such date of enactment, such a range tariff must identify the specific rate or discount from among the range of rates or discounts contained in such range tariff which is applicable to each specific shipment or must contain an objective means for determining the rate.".

SEC. 6. CONTRACTS OF MOTOR CONTRACT CARRIERS.

(a) IN GENERAL.—Section 10702 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(c) CONTRACTS OF CARRIAGE FOR MOTOR CONTRACT CARRIERS.—

"(1) GENERAL RULE.—A motor contract carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title shall enter into a written agreement, separate from the bill of lading or receipt, for each contract for the provision of transportation subject to such jurisdiction which is entered into after the 90th day following the date of the enactment of this subsection.

"(2) MINIMUM CONTENT REQUIREMENTS.—The written agreement shall, at a minimum—

"(A) identify the parties thereto;

"(B) commit the shipper to tender and the carrier to transport a series of shipments;

"(C) contain the contract rate or rates for the transportation service to be or being provided; and

"(D)(i) state that it provides for the assignment of motor vehicles for a continuing period of time for the exclusive use of the shipper; or

"(ii) state that it provides that the service is designed to meet the distinct needs of the shipper.

"(3) RETENTION BY CARRIER.—All written agreements entered into by a motor contract carrier under paragraph (1) shall be retained by the carrier while in effect and for a minimum period of 3 years thereafter and shall be made available to the Commission upon request.

"(4) RANDOM AUDITS BY COMMISSION.—The Commission shall conduct periodic random audits to ensure that motor contract carriers are complying with this subsection and are adhering to the rates set forth in their agreements.".

(b) CIVIL PENALTY.—Section 11901(g) of such title is amended—

(1) by inserting "or enter into or retain a written agreement under section 10702(c) of this title" after "under this subtitle" the first place it appears; and

(2) by striking "or (5)" and inserting "(5) does not comply with section 10702(c) of this title, or (6)".

(c) CRIMINAL PENALTY.—Section 11909(b) of such title is amended—

(1) by inserting "or enter into or retain a written agreement under section 10702(c) of this title" after "under this subtitle" the first place it appears; and

(2) in clause (1) by inserting after "make that report" the following: "or willfully does not enter into or retain that agreement".

SEC. 7. BILLING AND COLLECTING PRACTICES.

(a) IN GENERAL.—Subchapter IV of chapter 107 of title 49, United States Code, is amended by adding at the end the following:

"§10767. Billing and collecting practices

"(a) REGULATIONS LIMITING REDUCED RATES.—Not later than 120 days after the date of the enactment of this section, the Commission shall issue regulations that prohibit a motor carrier subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title from providing a reduction in a rate set forth in its tariff or contract for the provision of transportation of property to any person other than (1) the person paying the motor carrier directly for the transportation service according to the bill of lading, receipt, or contract, or (2) an agent of the person paying for the transportation.

"(b) DISCLOSURE OF ACTUAL RATES, CHARGES, AND ALLOWANCES.—The regulations of the Commission issued pursuant to this section shall require a motor carrier to disclose, when a document is presented or transmitted electronically for payment to the person responsible directly to the motor carrier for payment or agent of such responsible person, the actual rates, charges, or allowances for the transportation service and shall prohibit any person from causing a motor carrier to present false or misleading information on a document about the actual rate, charge, or allowance to any party to the transaction. Where the actual rate, charge, or allowance is dependent upon the performance of a service by a party to the transportation arrangement, such as tendering a volume of freight over a stated period of time, the motor carrier shall indicate in any document presented for payment to the person responsible directly to the motor carrier for the payment that a reduction, allowance, or other adjustment may apply.

"(c) PAYMENTS OR ALLOWANCES FOR CERTAIN SERVICES.—The regulations issued by the Commission pursuant to this section shall not prohibit a motor carrier from making payments or allowances to a party to the transaction for services that would otherwise be performed by the motor carrier, such as a loading or unloading service, if the payments or allowances are reasonably related to the cost that such party knows or has reason to know would otherwise be incurred by the motor carrier.".

(b) CONFORMING AMENDMENT.—The analysis for such subchapter is amended by adding at the end the following new item:

"10767. Billing and collecting practices.".

(c) VIOLATION.—

(1) IN GENERAL.—Section 11901 of such title is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following:

"(l) RATE DISCOUNTS.—A person, or an officer, employee, or agent of that person, that knowingly pays, accepts, or solicits a reduced rate or rates in violation of the regulations issued under section 10767 of this title is liable to the United States for a civil penalty of not less than $5,000 and not more than $10,000 plus 3 times the amount of damages which a party incurs because of such violation. Notwithstanding any other provision of this title, the express civil penalties and damages provided for in this subsection are the exclusive legal sanctions to be imposed under this title for practices found to be in violation of the regulations issued under section 10767 and such violations do not render tariff or contract provisions void or unenforceable.".

(2) VENUE.—Section 11901(m)(2) of such title (as redesignated by paragraph (1)) is amended by striking "or (k)" and inserting "(k), or (l)".

SEC. 8. RESOLUTION OF DISPUTES RELATING TO CONTRACT OR COMMON CARRIER CAPACITIES.

Section 11101 of title 49, United States Code, is amended by adding at the end the following:

"(d) RESOLUTION OF DISPUTES RELATING TO CONTRACT OR COMMON CARRIER CAPACITIES.—If a motor carrier (other than a motor carrier providing transportation of household goods) subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title has authority to provide transportation as both a motor common carrier and a motor contract carrier and a dispute arises as to whether certain transportation is provided in its common carrier or contract carrier capacity and the parties are not able to resolve the dispute consensually, the Commission shall have jurisdiction to, and shall, resolve the dispute.".

SEC. 9. LIMITATION ON STATUTORY CONSTRUCTION.

"Nothing in this Act (including any amendment made by this Act) shall be construed as limiting or otherwise affecting application of title 11, United States Code, relating to bankruptcy; title 28, United States Code, relating to the jurisdiction of the courts of the United States (including bankruptcy courts); or the Employee Retirement Income Security Act of 1974.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from West Virginia [Mr. RAHALL] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

PARLIAMENTARY INQUIRIES

Mr. LIPINSKI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LIPINSKI. Mr. Speaker, I would like to know if the gentleman from Wisconsin [Mr. PETRI] is opposed to this piece of legislation

Mr. PETRI. Mr. Speaker, I am not. It is a good piece of legislation.

Mr. MINETA. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MINETA. Mr. Speaker, it is my understanding that the gentleman from Illinois is opposed to the bill and that the gentleman from Wisconsin is not.

However, I am trying to provide equal treatment to all.

In order to do that, I ask unanimous consent that the debate time on the bill be as follows: 20 minutes to be controlled by the gentleman from Illinois [Mr. LIPINSKI]; 20 minutes to controlled by the gentleman from Wisconsin [Mr. PETRI]; and 20 minutes to be controlled by the gentleman from West Virginia [Mr. RAHALL].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. LIPINSKI] will be recognized for 20 minutes, the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes, and the gentleman from West Virginia [Mr. RAHALL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from West Virginia [Mr. RAHALL].

GENERAL LEAVE

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks in the RECORD on H.R. 2121, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2121 seeks to resolve disputes over the validity of the rates paid by shippers for motor carrier transportation services.

This dispute is framed within the context of efforts by the trustees of failed trucking companies to collect from shippers amounts arising out of the rate that was actually paid, and what is alleged to have been the applicable legal rate.

This bill does this by providing for a procedure under which claims involving less-than-truckload shipments

could be settled at 20 percent of the original claimed amount, and 15 percent for claims involving truckload shipments.

The bill would also provide complete amnesty from claims pending against small businesses, charitable organizations, and scrap recyclers. In addition, provision is made for claims pending against public warehousemen to be settled at 5 percent of the claimed amount.

It is also important to note that the bill, as amended by the committee, prohibits previously settled claims from being reopened and adjudicated under the settlement procedures in the bill.

On other matters, the bill reaffirms that the carrier cost-based factors set forth in section 10701(e) be used to determine rate reasonableness, except with respect to undercharge claims that are the subject of the bill.

And finally, H.R. 2121 includes provisions relating to contracts, off bill discounting, and range tariffs.

Mr. Speaker, it is extremely important, in the view of this gentleman from West Virginia, that any legislation dealing with the pending issue equitably treat those men and women who have been denied their back wages and whose pensions are in jeopardy as a result of trucking company bankruptcies.

I believe that the version of H.R. 2121 approved by the committee is more reflective of these concerns, and is deserving of our support.

In this regard, I want to express my deep appreciation to the chairman of the Committee on Public Works and Transportation, NORM MINETA, for his diligence and flexibility is meeting some of the concerns I originally had with this legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1440

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SHUSTER], our esteemed colleague and the ranking Republican on the full committee.

Mr. SHUSTER. Mr. Speaker, I rise in strong support of H.R. 2121, the Negotiated Rates Act of 1993.

Today, we are considering one of the most important and critical issues facing businesses in America today. It has already affected the lives and economic health of hundreds of thousands of American companies, it has stifled our economy and caused the failure of many businesses and the loss of jobs. The evil force causing all this havoc is the undercharge crisis. And today, this House will do something about it.

I would like to extend my thanks to the leadership of the Public Works and Transportation Committee; Chairman NORM MINETA, subcommittee Chairman NICK RAHALL and ranking minority subcommittee member TOM PETRI for their hard work and dedication to bringing this bill to the floor this year.

Quite simply, the undercharge crisis has been caused by certain trustees of bankrupt trucking companies repudiating the trucking company's own rates for past transportation services, and then trying to benefit from this unseemly conduct in a bankruptcy proceeding.

I would like to give you an example of what has been happening to thousands of American companies and why so many feel so injured and outraged about this issue. I am sure that every single one of you has stacks of letters in your offices with stories every bit as shocking as the one I'm about to describe.

A small wholesale mom-and-pop carpet distributor with only six employees shipped carpet at a rate of 16 cents per yard—exactly the price they had agreed upon with the trucking firm hired to deliver it. The carpet was delivered, they paid the bill. End of story. Right?

Wrong. Two years later the trucker went bankrupt and the trustee who was appointed for the firm found a higher charge for the shipment—a lot higher. This small firm, the kind that makes up the backbone of the American economy, was sued for $16,892 in undercharges for one small shipment. That made the freight charge $32 per yard for carpet that costs $1.79 to $6.99 per yard at the retail level. That amounts to more than a 20,000-percent increase.

The unscrupulous bankruptcy trustees of these carriers have gone after both Fortune 500 companies and the corner druggist alike. There are even cases where they have sued charities and religious groups, even nuns. Virtually no stone has been left unturned in their search for dollars.

Besides the broken lives and dreams of the people who have been forced out of business or lost their jobs because of this situation, there is a cost to all of us. The value of all potential undercharge claims that could be pursued is estimated to be close to $32 billion dollars. That's four time the cost of Desert Storm.

That money could do a lot of good for the American economy. Because it's already in the checking accounts of so many businesses, it could be used to make investments and create new jobs. As William Tucker of the Tucker Co. said at hearings before the Public Works and Transportation Committee last year after having spent $22,000 to fight an undercharge claim:

> That's $22,000 of capital which will never be spent by my firm to hire people, expand our markets, buy a computer, serve a shipper or carrier, or move a pound of freight.

As it is, the money is simply being set aside to pay for administrative costs, legal expenses, and payments to collection agents and trustees. And make no mistake my friends, it is the lawyers and collection agents who are benefiting from this scheme, not employees of these former trucking companies and their pension funds, which some have alleged. From testimony at hearings our committee has held on this issue and a recent GAO study, we know that anywhere from up to 80 percent of undercharge claims already collected have gone to these parties.

I found this situation so incomprehensible and outrageous that I introduced legislation, H.R. 1710, which would wipe out all of these claims permanently. I continue to believe that this is the only truly fair solution to this problem. However, after many discussions with the chairman of our committee and my good friend, NORM MINETA, I became convinced that H.R. 2121 represented the only resolution we could politically achieve and so, in the spirit of compromise, I became an original cosponsor of that bill in May of this year.

Subsequently, the committee adopted an amendment in the nature of a substitute offered by subcommittee Chairman RAHALL which made some changes from the introduced bill. The bill as reported represents a delicate balance of all interested parties with concerns about this issue. We must preserve that balance in order to achieve resolution of this issue this year. Though I would like to make it clear that I would still prefer my bill or the original H.R. 2121 as introduced, I support the bill we are considering today wholeheartedly. The reason is because it represents the best chance we have of achieving a long needed end to this festering problem.

I would like to comment on one section of the bill in particular. The amendment to section 9 of H.R. 2121 in the motion to suspend clarifies the committee's intention that H.R. 2121 does not affect the jurisdiction of the courts of the United States, including bankruptcy courts, to determine any matter regarding a bankrupt carrier, other than determinations statutorily required by H.R. 2121 to be resolved by the ICC. The obligation of the court or bankruptcy court to refer any of these determinations to the ICC in accordance with this statute is mandatory and not discretionary. The committee intends in section 9 that the courts in which the bankrupt carrier's estate is being adjudicated should continue to make all other determinations necessary to fully and finally wind up a bankrupt carrier's estate proceedings.

I will say to my colleagues that in all my years in Congress, I have not encountered a more inequitable situation as this one where honest, hardworking companies are being gouged by overzealous bankruptcy trustees through a simple loophole in the law. What

makes the inequity all the more abominable is the fact that the party extorting payments from innocent victims is the successor to the same party which violated the law in the first place. In recent suits, these carrier's representatives are even trying to disavow rates which were legally filed, but are alleged to have some sort of technical problem. The creativity of these trustees to extract money from innocent victims appears endless.

Today marks a historic step in the long journey to resolving this problem. The House of Representatives will finally speak on behalf of thousands of Americans held economic hostage. Let us take action and resolve this crisis once and for all by passing this legislation today.

I urge all of my colleagues to do the right thing for America and support this bill.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to start off by saying that I appreciate all the work, all the energy that the chairman, the gentleman from California [Mr. MINETA], the gentleman from Pennsylvania [Mr. SHUSTER], ranking member of the full committee, and the chairman of the subcommittee, the gentleman from West Virginia [Mr. RAHALL], and the ranking minority member of the subcommittee, the gentleman from Wisconsin [Mr. PETRI], have put into this piece of legislation.

Mr. Speaker, the gentleman from Pennsylvania [Mr. SHUSTER] mentioned that the figure is $32 billion that is held in a great deal of dispute by people on my side of this issue. We maintain that the figure is closer to $2 billion only. The gentleman from Pennsylvania [Mr. SHUSTER] also mentioned suing charity organizations and religious organizations. Fortunately, this piece of legislation would not allow that to happen. That was part of the bill that I introduced pertaining to this situation.

Mr. Speaker, I rise in strong opposition to H.R. 2121, the Negotiated Rates Act of 1993.

This bill was intended to be a compromise between the concerns of shippers and the former workers of bankrupt motor carriers. The supporters of H.R. 2121 maintain that it is a fair compromise, but I maintain that it is nothing of the sort.

Mr. Speaker, undercharges are the result of unfiled negotiated rates of a bankrupt carrier. Following the financial collapse and eventual bankruptcy of a trucking company, employees are forced to try to collect unpaid wages, pension benefits, and health and welfare contributions from the estates of their bankrupt employer.

Without undercharge settlements, these hardworking men and women will never get what is due to them.

The language in H.R. 2121 provides for settlement of undercharge claims at rates varying from 20 to 5 cents on the dollar. However, section 2(e) of the bill wipes out the majority of undercharge claims.

The bill effectively eliminates 90 to 95 percent of all undercharge claims. This constitutes forgiveness of millions of dollars of liability owed by large Fortune 500 companies.

I believe that H.R. 2121 should be a real compromise which recognizes the legitimate interests of all parties. By eliminating the vast majority of claims, we reject the interests of employees and their pension and health and welfare funds whose only hope of collecting the money owed to them is the recovery of undercharges.

Mr. Speaker, I remind my colleagues that this is a critical labor vote. The International Brotherhood of Teamsters, Transportation Trades Department of the AFL–CIO and the entire AFL–CIO oppose H.R. 2121 because of its unfair treatment of the former trucking employees, many of whom are unemployed or have found jobs at lesser pay.

Mark my words, support of this legislation in its present form would be selling out the American worker.

Last week, along with some of my colleagues, I requested that this bill be removed from the Suspension Calender. This is not an uncontroversial bill. It does not belong on this floor without the opportunity for amendments.

Mr. Speaker, I strongly urge my colleagues to defeat the motion to suspend the rules. American workers are counting on all of us in this Chamber. Let us not sell them short. Please oppose this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BORSKI], the distinguished chairman of the Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation.

Mr. BORSKI. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I wish to express my support for H.R. 2121 as a reasonable and fair way to resolve the undercharges situation which has lasted for far too long.

It is time for Congress to take action to eliminate the cloud which has hung over virtually thousands of businesses that have contracted to ship goods in a good-faith manner.

After making these agreements in the normal business fashion, these businesses then find out they are liable for charges of much more than the amount to which they agreed.

H.R. 2121 establishes a procedure for resolving these claims and a set percentage that businesses can pay as a compromise. Small shipments would require a payment of 20 percent of the difference while large shipments would require 15 percent of the difference.

It is important to note that those settlements that have already been concluded cannot be reopened. Those claims that have been paid will stand as decided.

H.R. 2121 is truly a compromise to resolve a situation in which the shippers lost and the employees of the bankrupt trucking companies were losers as well. The only winners were those few lawyers who understood the very complicated rate filing and undercharge situation.

I commend the chairman, the gentleman from California [Mr. MINETA] and the chairman of the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation, the gentleman from West Virginia [Mr. RAHALL], as well as the ranking member, the gentleman from Pennsylvania [Mr. SHUSTER], and the gentleman from Wisconsin [Mr. PETRI] for their work on this very complicated legislation. I urge passage of H.R. 2121 so the businesses of America will understand that Congress can act to resolve unfair and unjust situations.

The committee has developed a good bill that will help eliminate a $32 billion problem facing the Nation's businesses and it deserves to be approved.

□ 1450

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this legislation, H.R. 2121, the Negotiated Rates Act of 1993.

This legislation will end a long and troubled chapter in transportation history. Today we will finally put an end to the freight undercharges crisis which has had a devastating effect on businesses, large and small, nonprofit organizations, and the American economy.

I want to thank my colleagues on the Public Works and Transportation Committee for their efforts to shepherd this bill through the committee and to the floor today. Chairman NORM MINETA, subcommittee chairman, NICK RAHALL, and ranking minority member BUD SHUSTER have all provided strong leadership to ensure that the Congress addressed this crisis responsibly this year. I would also like to thank the shipping community for their many years of hard work and effort to resolve this problem.

The bill before us will provide various alternatives for shippers to resolve undercharge claims brought against them by representatives of bankrupt motor carriers. Frankly, I would have preferred to see more generous relief offered to shippers along the lines of Congressman SHUSTER'S bill, H.R. 1710, which I have also cosponsored. However, in the interest of compromise and of achieving a resolution, I am lending my full measure of support for H.R. 2121.

I would like to comment on one section of the bill in particular. The

amendment to section 9 of H.R. 2121 in the motion to suspend clarifies the committee's intention that H.R. 2121 does not affect the jurisdiction of the courts of the United States, including bankruptcy courts, to determine any matter regarding a bankrupt carrier, other than determinations statutorily required by H.R. 2121 to be resolved by the ICC. The obligation of the court or bankruptcy court to refer any of these determinations to the ICC in accordance with this statute is mandatory and not discretionary. The committee intends in section 9 that the court in which the bankrupt carrier's estate is being adjudicated should continue to make all other determinations necessary to fully and finally wind up a bankrupt carrier's estate proceedings.

We are all very familiar with the many undercharge horror stories that plague our American businesses. I am especially concerned about the impact this problem has had on small businesses, many of which have faced economic ruin as a result of these claims.

It is imperative that we take action now to relieve these businesses of a heavy burden. I urge all of my colleagues to vigorously support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, I know that the supporters of this legislation, and the subcommittee chairman, and my full committee chairman have sought a fair and reasonable accommodation of the dispute over undercharge claims brought by trustees of bankrupt motor carriers. My own criteria for fairness would say that it must allow for some collection of undercharges so that the former employees of these bankrupt carriers can recover at least some of the back wages, severance, and vacation pay owed them, and unpaid contributions to pension and health and welfare plans. In most cases, undercharges are the only assets available to pay the debts owed to former employees and their pension funds.

Unfortunately, as currently drafted, H.R. 2121 has two critical defects. Most significant is that section 2(e) of the bill effectively eliminates all undercharge claims on shipments moving before September 30, 1990, thereby overruling the Supreme Court's Maizlin decision. Consequently, the bill will effectively deny recovery on thousands of claims filed in bankruptcy proceedings by former employees of motor carriers for underpaid wages, pensions, and related matters.

In addition, the bill's settlement percentages preclude the trustees of bankrupt motor carriers from recovering an adequate portion of the disputed undercharge claims to pay employee-related claims. Large and wealthy shippers are afforded significant relief at the expense of working people.

Over the past dozen years, hundreds of thousands of good paying jobs in the trucking industry have been lost. It should be the goal of this Congress to assist these displaced workers only in securing meaningful and productive employment, but also in recovering the debts owed them for years of dedicated service.

I ask my colleagues to reject H.R. 2121, return the bill to committee for a truly fair and reasonable resolution of the undercharge problem.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I thank the distinguished chairman of the Subcommittee on Surface Transportation for yielding me this time. I rise in strong support of H.R. 2121, the Negotiated Rates Act, and I would like to commend Chairman MINETA and Chairman RAHALL and the distinguished ranking members of the committee for this bipartisan measure that does address the undercharge issue. This is an issue that has created great business uncertainty and economic inefficiency all across the country, and I think we are better off to move very quickly and expeditiously on this matter. And I congratulate the committee again for that.

We do not need to leave this matter to fester in the courts for years and years or to fester before the bankruptcy courts or to wait on the Interstate Commerce Commission to issue its ruling. The resolution of this problem is in the best interests of this country.

I would now like to engage the chairman of the Subcommittee on Surface Transportation in a colloquy.

Mr. RAHALL. Mr. Speaker, if the gentleman will yield, I am happy to engage in a colloquy with my friend, the gentleman from Alabama, who is a member of the Committee on Public Works and Transportation.

Mr. CRAMER. Mr. Speaker, it is my understanding that H.R. 2121 provides that shippers of recyclable materials, as defined in section 10733, will not be liable for the difference between a motor carrier's applicable and effective tariff rate and the rate originally billed and paid. Is that correct?

Mr. RAHALL. Yes, that is correct.

Mr. CRAMER. It is also my understanding that section 10733 defines recyclable materials as waste products for recycling or reuse in the furtherance of recognized pollution control programs and that examples of such material are metal, paper, plastic, glass, or textiles that are diverted, collected, stored, sorted, shredded, sheared, baled, chipped, separated, or sized for use in making new products. Is this correct?

Mr. RAHALL. The gentleman is correct, that is the intent of the provisions of H.R. 2121 regarding recyclables.

Mr. CRAMER. I thank the chairman. That is quite a mouthful, but you have added great clarity to this.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to our distinguished colleague, the gentleman from Arkansas, Mr. TIM HUTCHINSON.

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in support of H.R. 2121, which represents the culmination of months of bipartisan work on a controversial subject.

I have probably been contacted by more constituents in my district on this issue than on any other subject that has come before the Surface Transportation Subcommittee. I have heard phrases like patently unfair, a violation of signed agreements, to describe the situation these companies face as a result of the improper filings of bankrupt carriers.

I might also point out the majority of the companies receiving these back bills are small businesses. Some opportunistic collection agencies have seen the death of small carriers as a chance to produce considerable revenue at the expense of innocent shippers who relied in good faith on carrier representations as to their applicable rates. Because those rates were the prevailing rates in the marketplace and the same as those of viable and profitable carriers, there was no reason to question their validity.

Bankruptcy trustees have retained the collection agencies at no risk and at no cost, only to guarantee a percentage of what has been recovered. Collection agencies have filed tens of thousands of lawsuits alleging that shippers are liable for rates often twice as high as those the bankrupt carriers quoted, billed, and accepted as payment in full for their services.

The threat of undercharge claims is like a cancer in the transportation industry and discourages shippers from using common carriers in order to avoid potential liability. It also burdens the economy with millions of dollars in litigation costs.

If the money and energy now being absorbed by the defense of undercharge claims could be redirected into more productive channels, it would do much in itself to stimulate the economy, and moreover, would do so without any cost to the taxpayers.

Mr. Speaker, I am proud to be a cosponsor of this legislation and I commend Chairmen MINETA and RAHALL, as well as Mr. SHUSTER and Mr. PETRI for their leadership on this measure. I encourage my colleagues to support H.R. 2121.

□ 1500

Mr. LIPINSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the second-ranking member of the Committee on Public Works and Transportation and the chairman of the Subcommittee on Aviation.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the legislation before us is an attempt to resolve the very complex problem resulting from a practice that everyone recognizes is reprehensible, should never have been permitted, but which took place, caused by unfiled negotiated rates that resulted in undercharges.

Thousands of lawsuits have been filed around the country against shippers by the trustees of bankrupt carriers to recover those undercharges. This legislation attempts to deal with and untangle this very complex problem, and it does so very well from the standpoint of the shippers, from the standpoint of the big carriers, but it does not do very much, if anything at all, for the employees, the truck drivers. There is no way for them to recover back wages, severance and vacation pay, unpaid contributions to their pension and health and welfare plans.

That is my objection to this legislation.

Now, these undercharges were the result of shippers paying carriers rates below the legally required and filed tariff. Those rates were sharply discounted, an illegal practice, and that practice contributed in significant part to the instability of the industry and to the very large fallout of independent and even common-carrier trucking companies.

The bankruptcies have proliferated across this country, but when it came to filing claims, the shippers did very well. They filed claims and have been successful, but when the employees came to file claims for unpaid wages, unpaid health benefits, unpaid welfare contributions, which total in the millions of dollars, they were told to go to the back of the line; there is no provision for them. This legislation does not deal with that aspect of the trucking undercharge issue.

The legislation that the gentleman from Illinois has introduced does, in fact, deal with this problem, and I say very responsibly. The gentleman provides, in his legislation, H.R. 2020, for relief for the shippers of very significant amounts of liability. Bankrupt carriers can recover, but they will be able to recover enough money to enable them to pay the significant claims of former employees for their pension funds and their health and welfare and other benefits that I cited a moment ago.

We should not be enacting one-sided legislation that comes down in favor of only one, or largely in favor of only one, class of interests. H.R. 2121 effectively eliminates any possibility of former employees of bankrupt carriers from recovering any portion of their claims in bankruptcy for back pay, severance, vacation, health and welfare and benefit claims.

I think we ought to scuttle this legislation, and we ought to come back with the legislation that the gentleman from Illinois has, I think, so very wisely and, I thought, very persuasively advocated in committee, and that would be legislation that I could very happily support.

I cannot support legislation that throws away the workers, that leaves them aside and does not give them a fair chance. We should not be a party to such consequences in legislation.

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman very much for his remarks.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas [Mr. LAUGHLIN].

Mr. LAUGHLIN. Mr. Speaker, I rise in support of H.R. 2121, and I certainly want to compliment the chairman of our committee, in fact, the entire leadership of my committee, for working so hard to resolve this complex problem that our committee has been faced with.

The chairman, the gentleman from California [Mr. MINETA], the ranking Republican on the committee, the gentleman from Pennsylvania [Mr. SHUSTER], the chairman of the subcommittee, the gentleman from West Virginia [Mr. RAHALL], and the ranking minority member, the gentleman from Wisconsin [Mr. PETRI], have given great leadership on this most unfortunate problem.

Debate on the freight undercharge issue has been going on for over 5 years. In fact, in the last 2 years, our committee has held 4 full days of hearings trying to find solutions to these complex problems.

Most businesses use for-hire freight carriers to ship their products, and it is a common practice for shippers and carriers to negotiate rates for freight transportation services.

Under current law, a carrier is responsible for filing the negotiated rate with the Interstate Commerce Commission. Unfortunately, some carriers failed to comply with the law by not filing the quoted rate, a fact often unknown to the shippers.

Over the past decade, many of these carriers have filed bankruptcy, and their States have filed claims for the difference between the quoted negotiated rate and the higher rate that the carrier had on file with the Interstate Commerce Commission.

To understand the position these businesses now find themselves in, imagine receiving a bill from an airline carrier who had gone into bankruptcy, and you being billed for the difference between the discounted ticket that you had previously purchased and the full price that the airline carried on its books.

The potential liability to American business is estimated at more than $32 billion, roughly $133 for every man, woman, and child, or four times the cost of Operation Desert Shield-Desert Storm.

The Negotiated Rates Act of 1993 provides a fair and equitable approach to solving this crisis by providing procedures under which shippers can settle undercharged claims in an expeditious manner, and perhaps most importantly, it will minimize the legal and administrative costs that are siphoned away in the litigation of these claims in the courts and before the Interstate Commerce Commission.

I urge my colleagues to vote in support of H.R. 2121, and certainly appreciate the leadership given on this issue by the leaders of our committee.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to our distinguished colleague, the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this is simply a matter of common sense.

H.R. 2121, the Negotiated Rates Act of 1993, tries to make some sense out of bankruptcy proceedings which would seek to lay on small employers across this country liabilities for shipments they have long since concluded and forgotten about.

The very real impact of bankruptcy estate actions attempting to reach in this foul fashion into the pockets of these small employers would be to bankrupt the small employers. That does not advance any social purpose for unfunded workers' pensions or anything else.

Just look at some of these very real-life examples across the face of North Dakota: Hansen's Furniture, a small family owned furniture business, $69,000 sought from a bankrupt estate out of North Carolina; Schroeder's Furniture, Langdon, ND; Ron Brown Furniture, Mandan, ND, $13,000 unpaid obligation; Jerry's Furniture in Dickinson, ND, $17,000; and a Toelefson Furniture in Minot, $5,500.

And so it continues. These are small businesses who are working in small towns on the thinnest of margins, and for them to have to face these obligations simply is not fair, and it is not within the reach of their ability to meet these charges.

I am concerned, very concerned, about workers with unpaid obligations from these now-defunct trucking operations, but knowing what I know about bankruptcy actions, I think it is a whole lot more likely that these unpaid charges are going to find their

way into the pockets of bankruptcy lawyers and not meeting the pension obligations of the workers that we are so concerned about.

□ 1510

So for these reasons and the very real interests of the small employers I have mentioned and thousands of others across this country, I ask for support of this resolution and enactment of this bill.

Mr. PETRI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I May consume.

Mr. Speaker, there has been an awful lot of talk here about money going to attorneys, and I have some information here from two of the trustees that is supported by Teamster testimony and documentation before the subcommittee; also, an August 1993 GAO report.

The letters that I have are from the trustees of the two largest bankruptcies, Transcon and PIE, which show that, first, moneys have gone to pay employees' wages and pension claims; second, administrative and professional fees paid or to be paid are reasonable and entirely consistent with or better than the amounts typically paid in collection cases; third, future undercharge collections will unquestionably be used to make payments to former employees.

It is also clear that H.R. 2121 in its present form will result in the elimination of a large percentage of undercharge claims so that no payments to employees or their pension funds will be possible. As I say, these letters are supported by testimony of the Teamsters before the subcommittee and also the August 1993 GAO report on undercharges.

The GAO report shows, first, the legal and audit fees associated with undercharge collections are approximately 44 percent of the amount recovered. Given the amount of litigation and the risk of noncollection, these fees are not unreasonable. Clearly, the amount of such fees will be substantially reduced with the enactment of legislation which eliminates much of the uncertainty regarding these claims. That is in the GAO report, table 1.6.

In addition, trustees for PIE have indicated that audit and legal fees for his estate are currently at 27 percent and will likely not pass 30 percent by the time it is all over.

Second, undercharges represent a sizable portion of the distributions made to date. The table in the GAO report, 3.2, indicates that 32.1 percent of distribution to creditors is from undercharges. This percentage will drastically increase in the future because undercharges represent the only remaining assets in most bankruptcy claims.

Third, the total value of all undercharge claims sought is approximately $1.2 billion. Approximately $984 million of that amount is outstanding. GAO report table 1.1 and 1.2: While this certainly is a large figure, it is far, far, far below the $32 billion that the ICC claims as being sought in undercharges.

I just thought I would like to try to clear up some of these legal expenses that have been talked about here on the floor.

The SPEAKER pro tempore (Mr. TAYLOR of Mississippi). The gentleman from West Virginia [Mr. RAHALL] has 9 minutes remaining, the gentleman from Illinois [Mr. LIPINSKI] has 7 minutes remaining, and the gentleman from Wisconsin [Mr. PETRI] has yielded back the balance of his time.

Mr. PETRI. Mr. Speaker, I ask unanimous consent if I may reclaim the balance of the time which I yielded. I have had additional requests for time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LIPINSKI. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. LIPINSKI. Mr. Speaker, on the basis of the request of my full committee chairman, the gentleman from California [Mr. MINETA], I withdraw my objection.

The SPEAKER pro tempore. The gentleman from Illinois withdraws his objection.

Mr. PETRI. Mr. Speaker, I renew my request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin to reclaim his time?

There was no objection.

The SPEAKER pro tempore. There being no objection to the request, the gentleman from Wisconsin [Mr. PETRI] has 10 minutes remaining.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. VALENTINE], a very valued member of our Committee on Public Works and Transportation.

Mr. VALENTINE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of H.R. 2121, the Negotiated Rates Act of 1993, and suggest to the membership that the situation that brought us in the Congress to a necessity to introduce this legislation indicates that what we should be about is the reform of the Bankruptcy Code in this country.

The freight undercharge crisis is having a chilling effect on thousands of small businesses who are unable to make investment decisions or expand their hiring until it is resolved.

H.R. 2121 provides a fair and equitable approach to solving this crisis by providing procedures under which shippers can settle undercharge claims in an expeditious manner. It would provide specified settlement procedures the company could use if they wanted to avoid protracted litigation and it would provide a new defense against these claims if they chose to contest them.

I urge my colleagues to support H.R. 2121. It is sorely needed.

Mr. PETRI. Mr. Speaker, I yield 2 minutes to my distinguished chairman, the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to respond to a couple of concerns that were raised by the distinguished gentleman from Illinois [Mr. LIPINSKI] in his earlier statement. Let me commend the gentleman from Illinois for his concerns on this issue that are concerns we shared initially together, and I appreciate his valiant efforts. However, I would like to say to him that an issue he raised earlier on in his statement was one in which I said I had an original concern as well. However, based upon new information we received, I would like to state to my friend that section 2(e) of the bill would not wipe out, contrary to his concern, would not wipe out 90 to 95 percent of all undercharge claims as some have alleged.

Section 2(e) deals only with negotiated rate claims. It has nothing to do with the other types of under-charge claims. Only a minority of all undercharge claims are negotiated rate claims as opposed to coded rate claims or disputes over contract and common carriage.

Let me cite two examples: PIE and Transcon, which are the two largest bankrupt trucking companies and have initial under-charge claims that account for more than 40 percent of the total initial claim value of all bankrupt carriers.

Seventy-seven percent of PIE's claims relate to coded rates, not negotiated rates. That means more than three-fourths of PIE's claims are unaffected by section 2(e).

Only 30 percent of Transcon's claims relate to negotiated rates, not 90 percent. More broadly, ICC estimated that no more than 5 percent of all undercharge claims, not just those of PIE and Transcon, relate to negotiated rates. These data alone clearly show that section 2(e) would not wipe out 90 to 95 percent of all undercharge claims. Quite the contrary, section 2(e) would likely affect only a small minority of all claims.

There is another compelling reason why section 2(e) would have only minimal impact, and that is that this bill prohibits reopening claims that are already settled, a provision which I added to the substitute amendment in full committee, and those previously adjudicated claims are locked in, the average settlement has been around 30 percent. So this legislation assures

that they cannot be reopened under any cases except of course where fraud is shown. I appreciate the gentleman from Illinois' work and his concerns. I believe we have addressed them in my bill.

Mr. PETRI. Mr. Speaker, I yield 1 minute to the gentleman from Texas, Mr. PETE GEREN.

Mr. PETE GEREN of Texas. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, as a member of the Public Works and Transportation Committee and a cosponsor of H.R. 2121, I rise in strong support of this legislation and in opposition to the position taken by my good friend the gentleman from Illinois [Mr. LIPINSKI], and urge my colleagues to do the same.

The legislation before us represents a compromise that is due in large part to the untiring efforts of Chairman MINETA of the full Public Works and Transportation Committee, Chairman RAHALL of the Surface Transportation Subcommittee, and Mr. SHUSTER, the ranking member of the committee.

Mr. Speaker, the undercharge issue has been with us for far too long and it is about time that we take the necessary steps to bring about it's end. This legislation represents a compromise that takes into account the interests of all parties concerned and establishes an equitable procedure for settling claims by bankrupt trucking companies or their creditors. Because this is a compromise, no party got everything they wanted. That is the nature of any compromise. But I am convinced that the compromise that was reached in this legislation is the best that we could ever expect given the controversy surrounding this issue.

Mr. Speaker, among its merits, this is a vote for small business.

I urge all of my colleagues to take this long overdue action and support this legislation.

□ 1520

Mr. LIPINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL], a member of the committee.

Mr. BLACKWELL. Mr. Speaker, I rise in opposition to H.R. 2121, the Negotiated Rates Act of 1993. The bill will deny former trucking company employees important benefits they have earned.

This bill seeks to eliminate hundreds of millions of dollars in liabilities owed to the estates of bankrupt trucking companies.

As a result, however, the claims that have been filed by former employees, including their pension, health and welfare funds will be eliminated as well.

Shippers of cargo, over time, violated long-standing requirements of the Interstate Commerce Act, by failing to pay filed tariff rates. Instead, preferential rates were paid, often below the carriers' costs.

Because of this system, many carriers went bankrupt. Former employees of these companies are owed back pay, severance, vacation pay as well as pension, health and welfare funds.

None of these debts owed to the former employees will be paid under H.R. 2121, in its current form.

With so much at stake, Mr. Speaker, this bill should not be on the Suspension Calendar. More and careful thought should be given to its content.

This bill is unfair and should be defeated and returned to committee.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

I would like to comment on a few things that the gentleman from West Virginia [Mr. RAHALL] had to say. I appreciate the work the gentleman from West Virginia [Mr. RAHALL] has done on this bill. I know he has spent a tremendous amount of time on this bill and I know that he has agonized over this compromise greatly.

I simply would like to say that I do not know where the latest information that he received came from. I am sure the gentleman would be happy to supply me with that information. I do not know where it came from. I have great doubts about it at the present time.

If section 2(e) affects this piece of legislation in such a small way, I strongly suggest we just remove it from this legislation and this legislation would gain a great deal more support.

Also, this piece of legislation as it came out of the Senate does not have the section 2(e) in it. So if we were to remove section 2(e) in this bill, it would certainly be more in line with the Senate bill.

Mr. Speaker, we have all said this is an extremely difficult bill. There is no question about that, but because it is such an extremely difficult bill, No. 1, it should not be on the Suspension Calendar. There should be an opportunity for people to put forth amendments to this. There were amendments put forth in the full committee. They were defeated, but I honestly believe that they had a significant amount of support. Those amendments and perhaps some other amendments should be put forth on this House floor.

This is a bill that is opposed by the International Teamsters Union. It is a bill that is opposed by the entire AFL-CIO. It is a bill that is enormously important to labor.

Anyone who is going to vote "no" Tuesday on NAFTA should give great thought and consideration to voting "no" today on this bill, because this bill also affects the American working men and women very, very significantly.

So, Mr. Speaker, I ask my colleague to vote for the American men and women. Vote no on this suspension.

Mr. Speaker, I yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, just to conclude on this side, is H.R. 2121 a perfect bill? No, it is not. It does not represent a perfect piece of effort, but is it better than doing nothing, and the answer is clearly yes. It would be good for small business. It will end a lot of uncertainty. It will save a lot of money that would otherwise be wasted on legal fees and be of benefit to our country.

Therefore, I would strongly urge my colleagues to support this legislation when we vote it later this afternoon.

Mr. Speaker, I yield back the balance of my time.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again I salute our full committee chairman, the gentleman from California [Mr. MINETA], for his patience and fairness in working with me on this legislation. Because of his willingness, we have addressed a number of concerns that affect the working men and women of our country, including their wages and pension benefits.

Mr. Speaker, I yield the balance of my time to our distinguished chairman of the full committee, the gentleman from California [Mr. MINETA].

The SPEAKER pro tempore. The gentleman from California [Mr. MINETA] is recognized for 7 minutes.

Mr. MINETA. Mr. Speaker, first of all, let me say that I rise in strong support of H.R. 2121. I wish to thank the ranking Republican member, the gentleman from Pennsylvania [Mr. SHUSTER], the gentleman from West Virginia [Mr. RAHALL], and the gentleman from Wisconsin [Mr. PETRI] for their work and effort on this bill.

I would also like to thank the gentleman from Illinois [Mr. LIPINSKI] for his efforts in terms of improving the work product that we have.

Mr. Speaker, there are businesses all over America, large and small, which have been put under a financial and legal cloud in the past few years by claims made against them by defunct trucking companies. The story is often the same: The trucking company negotiated a shipping rate with the business, they reached agreement, and the shipping services were performed and paid for as agreed. However, the trucking company then did not file the negotiated rate with the ICC as required by law. Months or years later, the trucking company went into bankruptcy and ceased operation, and trustees operating on behalf of the trucking company brought claims against the shipping business, on the grounds that because the trucking company had never filed the agreed to rate it was not valid. In those claims they demanded the difference between the agreed to rate and whatever rate was on file.

In the case of small businesses, or of any business which relied routinely on

a particular trucking company to ship its products and materials, the undercharge claims made against them often threatened them with ruin. And in fact businesses have failed, closed their doors, and turned their employees out in the streets because they simply did not have the means to pay either these claims or the high costs of defending against them through protracted litigation.

This intolerable situation is creating a heavy drag on our Nation's economy. Current estimates of the total amount of undercharge claims range from $2 to $32 billion. Literally thousands of business and charitable organizations have these claims pending against them, and many more fear they will become targets of undercharge claims. Their ability to make decisions to invest in their own companies, and to expand their hiring, is often wiped out while they try to figure out whether and how to pay the claims or pay the high litigation costs of resisting those claims. They are trapped either way. And they are angry that they have been put in this impossible situation.

They had a valid agreement for the shipping services and the rate, mutually agreed to.

They lived up to their obligations under the agreement.

The trucking company had the legal obligation to file the rate once it had been agreed to.

The hard fact here is that through the trustee, the trucking company is in effect attempting to profit by reneging on its own rate agreement and by its failure to file the rage it agreed to. That is not behavior anyone should profit from, and shipping companies all over America have been justifiably outraged by it.

The risk has fallen to us to resolve the undercharge crisis and to do it in a way that is fair and allows America's businesses to resolve this issue, get it behind them with as little additional legal expense as possible, and get on with the business of investing in their companies, of becoming more competitive, and of spending their money on new hiring rather than on endless legal fees.

H.R. 2121 is the product of that effort. I want to commend the members of our committee for their efforts to sort out this difficult issue. We held our first hearing on this issue in 1990, and we have been at work on it ever since. I particularly want to commend the subcommittee chairman, NICK RAHALL, for the extra effort he has made to assure that this is a fair and equitable settlement of a difficult issue. The substitute amendment he crafted and which was adopted in subcommittee definitely accomplished that goal. We in fact now have a product which enjoys very broad support, including the support of the administration, and the shipper groups, and all the major trucking industry organizations. Not surprisingly, the bill is now cosponsored by over 230 Members of the House.

The bill provides several different options by which these undercharge claims can be resolved.

First, it provides a settlement option of 15 or 20 percent depending on the type of shipment involved, or of 5 percent in the case of warehousemen. It further waives all claims in the case of small businesses, charitable organizations, and recyclers. Shippers may take the settlement option when they believe it to be the most expeditious and practical way to end the costly litigation in which they are now trapped.

Second, it provides shippers with the unreasonable practice defense which the ICC and five circuit courts told them they had, before the Maislin case in 1990 reversed the legal situation. This defense is only offered with respect to a transportation service provided prior to September 1990, and only with respect to negotiated rate cases. This option allows shippers to argue the unreasonable practice issue directly to the ICC in order to achieve a resolution of the case.

Third, the bill provides that potential disputes may be settled through mutual consent and that such settlement resolves any legal liability arising from the case. In some instances this will encourage voluntary settlements.

Fourth, the parties may continue on their costly litigation, as at present. It is our hope, however, that given the more expeditious and lower cost alternatives we have provided, most parties will elect one of these alternatives.

And fifth, the bill clarifies the legality and future requirements with regard to certain other fare practices—such as range rates, contract rates, and coded rates—so that these practices are not allowed to fester as an enormous source of contention as negotiated rates have.

We in the committee have paid special attention to the question of how much of these undercharge claims are ever made available to creditors and, in particular, how much is ever made available to former employees. Some have argued that payment of more claims, or higher settlements of those claims, even though burdensome on shipping companies, would be appropriate so that the additional funds would go to creditors in general and former trucking company employees in particular. Unfortunately, what we have found is that little of what is claimed in these cases goes to creditors, even less goes to former employees, and the only ones who seem to prosper from these claims are the bankruptcy lawyers, trustees, administrators, and others who live off the bankruptcy process.

The fact is, most of the money from claims already settled has gone to lawyers and trustees for legal, collection, and administrative expenses. These types of expenses rank much higher under bankruptcy law in the priority system of estate liability distribution than do wages and pensions of former employees. In the largest cases to date, former employees can expect at most only 2 to 3 cents on each dollar claimed. Legal, collection, and administrative expenses have received far more of the funds than all former employees put together.

It is a cruel hoax by the trustees who mislead former employees into thinking that if only they could get shippers all over America to pay out enormous amounts in claim settlements, more money would come their way for wage and pension distributions. It is this dismal system of extremely paltry distributions to former employees which the bankruptcy trustees would now like to see us preserve to the fullest extent possible, claiming that doing so would be for the good of the employees.

Everyone here, myself included, would like creditors to receive more of what they are owed. We would especially like to see former employees of the bankrupt receive more of what they are owed.

But if you want to put more money into the hands of former employees, channeling more money through undercharge litigation is the worst possible way to do it.

Instead, the bankruptcy process should be reformed to give higher priority to payout to former employees. The bankruptcy process should be streamlined by emphasizing incentives for settlement so that far less of the available funds goes to those who live off the process and more goes to creditors, including former employees.

Trustees, bankruptcy lawyers, and others would not support these changes. But those are the kinds of changes that would make a real difference to the former employees.

Allowing more undercharge claims to be made against more shippers would enrich trustees, lawyers, and whose who live off the bankruptcy process, would do very little for the former employees of the bankrupt companies, and would harm thousands of companies whose growth prospects and employees would suffer.

We should keep in mind that a process which loads billions of dollars of claims, legal expenses, and uncertainty on employers all over America, putting their own futures and the futures of their employees at risk, all in return for a couple of cents on the dollar for another group of employees, has harmed more employees than it has helped.

Finally, Mr. Speaker, I would note that we have made a few technical and clarifying amendments to the bill today. Among them, we are clarifying in section 9 of the bill that we do not

intend in this legislation to affect either the bankruptcy code or the jurisdiction of the bankruptcy courts, matters over which our committee does not have jurisdiction. At present, when a carrier is in bankruptcy, and when in the course of the bankruptcy proceeding an issue arises over which the ICC has particular expertise, the court typically refers that issue to the ICC pursuant to the doctrine of primary jurisdiction. The ICC decides that particular issue, and the ICC's decision is then incorporated by the court into the overall adjudication of the bankruptcy case. Nothing in this legislation would alter the current statutory framework which established the respective jurisdictions of the courts and the ICC.

In conclusion, H.R. 2121 represents a fair solution to a sorry saga in our Nation's trucking industry. It will end the wasteful litigation and dissipation of assets resulting from the charges and countercharges erupting in our business community. The controversy has been with us too long; it has cost too much, and it needs to be resolved now.

It is time to lift this burden of unnecessary cost, inefficiency, and regulatory turmoil from the backs of our businesses and their workers. Everyone involved will be better off if we can quickly and equitably resolve this dispute, rather than let it fester for years in Federal courts, bankruptcy courts, and before the ICC.

America's resources should be spend on growth and on investments in productivity and competitiveness, not on suing each other into the Stone Age. I urge my colleagues to support H.R. 2121 and to help bring this wasteful madness to an end.

COMMITTEE ON THE JUDICIARY,
Washington, DC, November 15, 1993.

Hon. NORMAN Y. MINETA,
Chairman, Committee on Public Works and Transportation, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On November 9, 1993, the Committee on Public Works and Transportation ordered reported H.R. 2121, the "Negotiated Rates Act of 1993."

As you know under Rule X of the House of Representatives, our Committee has jurisdiction over "bankruptcy" and "Federal Courts" [see Rule X, Clause 1(l)(3) & (6)]. Based on this jurisdiction, we are concerned that H.R. 2121, as currently drafted, could be construed to limit or otherwise affect application of Title 28, United States Code, relating to the jurisdiction of the courts of the United States (including bankruptcy courts). On the basis of these concerns and others, our Committee has requested sequential referral of the bill.

However, it is my understanding that as a result of staff discussions on this issue, amended language will be included in the version of H.R. 2121 to be called-up on suspension that will make it clear that nothing in the bill shall be construed as limiting or otherwise affecting application of Title 28, United States Code, relating to the jurisdiction of the courts of the United States (including bankruptcy courts).

Based on these assurances, such a change in statutory language would also create circumstances whereby the Judiciary Committee would withdraw its request for a sequential referral. This particular waiver, however, should not be construed as a relinquishment of our Committee's claim to jurisdiction on matters of this nature. We would also expect to have Members of our Committee named as Members of the Conference Committee on the legislation (on any matters within our jurisdiction).

Lastly, I would request inclusion of our exchange of correspondence on this matter in the Record during House consideration of H.R. 2121, and in any report by the Committee on Public Works and Transportation on H.R. 2121.

Sincerely,

JACK BROOKS,
Chairman.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington DC, November 15, 1993.

Hon. JACK BROOKS,
Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter on H.R. 2121, the "Negotiated Rates Act of 1993."

Because of your Committee's jurisdiction over Federal courts and bankruptcy, I recognize your right to request a sequential referral of H.R. 2121. However, and in accordance with your letter, I am pleased that we were able to agree on language clarifying that we do not intend in this legislation to affect either the Bankruptcy Code or the jurisdiction of the bankruptcy courts. Based on our agreement, it is my understanding that you will not pursue your request for a sequential referral.

I further recognize that in pursuing the referral, your action will in no way be construed as a waiver of any jurisdiction your Committee has relating to this issue. I will gladly include our exchange of correspondence on this matter in the Record during House consideration of H.R. 2121 and in any report by the Committee on Public Works and Transportation on H.R. 2121.

Sincerely yours,

NORMAN Y. MINETA,
Chairman.

Mr. BROOKS. Mr. Speaker, as Mr. MINETA has noted, the Committee on the Judiciary had earlier expressed concern that H.R. 2121, the Negotiated Rates Act of 1993, as ordered reported by the Committee on Public Works and Transportation, could have been construed to limit the jurisdiction of the Federal courts, including the bankruptcy courts. However, pursuant to an understanding between the Committee on the Judiciary and the Committee on Public Works and Transportation, Mr. MINETA has offered an amendment to section 9 of H.R. 2121 clarifying that nothing in the proposed act shall be construed to limit or otherwise affect the jurisdiction of the Federal courts to make determinations in bankruptcy cases and proceedings.

Under current law, the Federal courts (and the bankruptcy courts) have broad jurisdiction to make determinations in cases filed under the Bankruptcy Code. See, for example, 28 U.S.C. 157 and 1334, and Bankruptcy Rule 9019. Moreover, with regard to undercharge claims filed by bankrupt motor carriers, specific recognition has been given to the broad jurisdiction of the courts. *White* v. *United States,* 989 F.2d 643 (3d Cir. 1993). Despite their broad jurisdictional authority, where time permits and pursuant to the doctrine of primary jurisdiction, the Federal courts may choose to defer to the expertise of the Interstate Commerce Commission [ICC] with respect to specific issues. See *Reiter* v. *Cooper,* 113 S. Ct. 1213 (1993). Once the ICC has considered the matter, the applicable Federal court, may choose to incorporate some or all of the ICC's findings into the overall adjudication of the bankruptcy case.

The current procedure permits the Federal courts to assure the timely and fair administration and adjudication of bankruptcy cases. Pursuant to changed language of section 9 of the act from the language reported from the Public Works Committee, the Federal courts including the bankruptcy courts, will continue to have jurisdiction to make determinations in connection with motor carrier undercharge claims and related issues where the motor carrier has sought the protection of the Bankruptcy Code. As a result of this provision, in the event of a bankruptcy filing, reference in the act to resolution by, determinations by, and review and approval by the Commission shall be subject to the original jurisdiction of the Federal courts pursuant to 28 U.S.C. 157 and 1334.

Mr. BALLENGER. Mr. Speaker, I rise in support of the Negotiated Rates Act of 1993 (H.R. 2121).

On June 10, I became a cosponsor of H.R. 2121, which would amend title 49 of the United States Code relating to procedures for resolving claims involving unfilled and negotiated transportation rates. I strongly support this legislation and would like to publicly thank Chairman NORMAN MINETA for introducing this important legislation and for ushering it through the Public Works and Transportation Committee.

When I was elected to Congress in 1986, I stepped aside as president of my family's manufacturing company in Hickory, NC, and relinquished all control of day-to-day activities; however, I have remained on as chairman of the board of directors. Some time ago, I was informed that my company, like many across the country, has $18,000 in undercharge claims pending against it. This figure has since increased to $81,000. Without enactment of legislation to correct this abuse, we had no choice but to seek legal counsel.

During the 102d Congress, long before I had any knowledge of my own company's predicament, this matter was brought to my attention. I agreed then that an inequity existed that needed to be addressed, and cosponsored legislation (H.R. 3243) to fix this problem. However, opposition from the labor unions essentially killed any chances of this bill being considered. Similar legislation, the Negotiated Rates Equity Act of 1991 (S. 1675), died at the end of the last session. It has been reported that the Interstate Commerce Commission [ICC] estimates the total freight undercharge claims against companies like mine to be $27 billion.

I urge my colleagues to pass H.R. 2121 and end this unnecessary attack on American business.

Mr. KYL. Mr. Speaker, as a cosponsor of H.R. 2121, the Negotiated Rates Act, I rise in support of this bill.

Mr. Speaker, this legislation finally resolves a problem that has gone unresolved for far too long, threatening many small businesses with economic calamity.

Small businesses, and some large businesses too, had negotiated in good faith, in some cases many years ago, for discounted rates with trucking companies. Small businesses in Arizona, like Copperstate Automotive Products, Pruitt's Fine Home Furnishings, Sun Control Tile, Bea's Lamps, and Interstate Lumber to name just a few, negotiated special rates, received the agreed-upon services, and faithfully paid their bills—in full and on time.

The problem? Before filing those negotiated rates with the Interstate Commerce Commission [ICC], some trucking companies went bankrupt. And in 1990, the U.S. Supreme Court, in the case of Maislin v. Primary Steel, Inc., ruled that, although unfair, current law allows the bankrupt carriers to collect, from their former customers, the difference between the negotiated rate and the ICC-filed trucking rate.

For many small businesses, the undercharge claims are significant. Some will have difficulty paying the additional fees without risking bankruptcy themselves. Others may choose to litigate. But, in either event, they are faced with charges in excess of those mutually agreed upon prior to services being rendered—and long after the original bills had been paid.

Frankly, I do not believe any additional liability, above and beyond the original negotiated rates, should be imposed on shippers who now find themselves caught in the middle. But, many small businessmen and women have nevertheless urged support for this bill as a compromise; as the best chance of resolving this problem in the near term.

The Negotiated Rates Act provides a mechanism to resolve such undercharge claims. On shipments of 10,000 pounds or less, a person can elect to satisfy the claim by paying 15 percent of the difference between the filed and the negotiated rates. For shipments over 10,000 pounds, the rate is 10 percent. And, for small businesses and charitable organizations, the rate is 5 percent.

Mr. Speaker, I urge my colleagues to do what is right and fair and support this legislation so that the President can sign it before the year is out.

□ 1530

The SPEAKER pro tempore (Mr. MONTGOMERY). All time has expired.

The question is on the motion offered by the gentleman from West Virginia [Mr. RAHALL] that the House suspend the rules and pass the bill, H.R. 2121, as amended.

The question was taken.

Mr. LIPINSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1993

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2884) to establish a national framework for the development of school-to-work opportunities systems in all States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "School-to-Work Opportunities Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes and congressional intent.
Sec. 4. Definitions.
Sec. 5. Federal administration.
Sec. 6. Authorization of appropriations.

TITLE I—SCHOOL-TO-WORK OPPORTUNITIES BASIC PROGRAM COMPONENTS

Sec. 101. General program requirements.
Sec. 102. Work-based learning component.
Sec. 103. School-based learning component.
Sec. 104. Connecting activities component.

TITLE II—SCHOOL-TO-WORK OPPORTUNITIES SYSTEM DEVELOPMENT AND IMPLEMENTATION GRANTS TO STATES

Subtitle A—State Development Grants

Sec. 201. Purpose.
Sec. 202. Authorization.
Sec. 203. Application.
Sec. 204. Use of amounts.
Sec. 205. Allocation requirement.
Sec. 206. Reports.

Subtitle B—State Implementation Grants

Sec. 211. Purpose.
Sec. 212. Authorization.
Sec. 213. Application.
Sec. 214. Review of application.
Sec. 215. Use of amounts.
Sec. 216. Allocation requirement.
Sec. 217. Administrative costs.
Sec. 218. Reports.

Subtitle C—Development and Implementation Grants for School-to-Work Programs for Indian Youths

Sec. 221. Authorization.
Sec. 222. Requirements.

TITLE III—FEDERAL IMPLEMENTATION GRANTS TO LOCAL PARTNERSHIPS

Sec. 301. Purposes.
Sec. 302. Authorization.
Sec. 303. Application.
Sec. 304. Use of amounts.
Sec. 305. Conformity with approved State plan.
Sec. 306. Reports.
Sec. 307. High poverty area defined.

TITLE IV—NATIONAL PROGRAMS AND REPORTS

Sec. 401. Research, demonstration, and other projects.
Sec. 402. Performance outcomes and evaluation.
Sec. 403. Training and technical assistance.
Sec. 404. Amendment to Job Training Partnership Act to provide school-to-work opportunities activities for Capacity Building and Information and Dissemination Network.
Sec. 405. Reports to Congress.

TITLE V—WAIVER OF STATUTORY AND REGULATORY REQUIREMENTS

Sec. 501. State and local partnership requests and responsibilities for waivers.
Sec. 502. Waiver authority of Secretary of Education.
Sec. 503. Waiver authority of Secretary of Labor.
Sec. 504. Combination of Federal funds for high poverty schools.

TITLE VI—SAFEGUARDS

Sec. 601. Safeguards.

TITLE VII—REAUTHORIZATION OF JOB TRAINING FOR THE HOMELESS DEMONSTRATION PROGRAM UNDER THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

Sec. 701. Reauthorization.

SEC. 2. FINDINGS.

The Congress finds that—

(1) three-fourths of all high school students in the United States enter the workforce without baccalaureate degrees, and many do not possess the academic and entry-level occupational skills necessary to succeed in the changing workplace;

(2) a substantial number of youths in the United States, especially disadvantaged students, students of diverse racial, ethnic, and cultural backgrounds, and students with disabilities, do not complete school;

(3) unemployment among youths in the United States is intolerably high, and earnings of high school graduates have been falling relative to those individuals with more education;

(4) the workplace in the United States is changing in response to heightened international competition and new technologies, and these forces, which are ultimately beneficial to the Nation, are shrinking the demand for and undermining the earning power of unskilled labor;

(5) the United States lacks a comprehensive and coherent system to help its youths acquire knowledge, skills, abilities, and information about and access to the labor market necessary to make an effective transition from school to career-oriented work or to further education and training;

(6) students in the United States can achieve high academic and occupational standards, and many learn better and retain more when they learn in context, rather than in the abstract;

(7) while many students in the United States have part-time jobs, there is infrequent linkage between those work experiences and either the student's career planning or exploration, or with school-based learning;

(8) work-based learning, which is modeled after the time-honored apprenticeship concept, integrates theoretical instruction with structured on-the-job training, and this approach, combined with school-based learning, can be very effective in engaging student interest, enhancing skill acquisition, developing positive work attitudes, and preparing youths for high-skill, high-wage careers;

(9) Federal resources currently fund a series of categorical, work-related education and training programs, many of which serve disadvantaged youths, that are not administered in a coordinated manner; and

(10) in 1992 approximately 3,400,000 individuals in the United States ages 16 through 24 had not completed high school and were not currently enrolled in school, a number representing approximately 11 percent of all individuals in this age group, which indicates

that these young persons are particularly unprepared for the demands of a 21st century workforce.

SEC. 3. PURPOSES AND CONGRESSIONAL INTENT.

(a) PURPOSES.—The purposes of this Act are to—

(1) establish a national framework within which all States can create statewide School-to-Work Opportunities systems that are a part of comprehensive education reform, that are integrated with the systems developed under the Goals 2000: Educate America Act, and that offer opportunities for all students to participate in a performance-based education and training program that will enable them to earn portable credentials, prepare them for a first job in a high-skill, high-wage career, and increase their opportunities for further education;

(2) utilize workplaces as active learning components in the educational process by making employers joint partners with educators in providing opportunities for all students to participate in high-quality, work-based learning experiences;

(3) use Federal funds as venture capital, to underwrite the initial costs of planning and establishing statewide School-to-Work Opportunities systems that will be maintained with other Federal, State, and local resources;

(4) promote the formation of partnerships that are dedicated to linking the worlds of school and work among secondary and post-secondary educational institutions, private and public employers, organized labor, government, community-based organizations, parents, students, and local education and training agencies;

(5) promote the formation of partnerships between elementary, middle, and secondary schools and local businesses as an investment in future workplace productivity and competitiveness;

(6) help all students attain high academic and occupational standards;

(7) build on and advance a range of promising school-to-work programs, such as tech-prep education, career academies, school-to-apprenticeship programs, cooperative education, youth apprenticeship, business-education compacts, and promising strategies that assist school dropouts that can be developed into programs funded under this Act;

(8) improve the knowledge and skills of youths by integrating academic and occupational learning, integrating school-based and work-based learning, and building effective linkages between secondary and postsecondary education;

(9) motivate all youths, including low-achieving youths, school dropouts, and youths with disabilities to stay in or return to school or a classroom setting and strive to succeed by providing enriched learning experiences and assistance in obtaining high skill, high wage employment and continuing their education in secondary and postsecondary educational institutions;

(10) expose students to the vast array of career opportunities and facilitate the selection of career majors based on individual interests, goals, strengths, and abilities;

(11) increase opportunities for minorities and women by enabling individuals to prepare for careers which are not traditional for their race or gender; and

(12) further the National Education Goals set forth in title I of the Goals 2000: Educate America Act.

(b) CONGRESSIONAL INTENT.—It is the intent of the Congress that the Secretary of Labor and the Secretary of Education jointly administer this Act in a flexible manner that—

(1) promotes State and local discretion in establishing and implementing School-to-Work Opportunities systems and programs; and

(2) contributes to reinventing government by building on State and local capacity, eliminating duplication, supporting locally established initiatives, requiring measurable goals for performance, and offering flexibility in meeting these goals.

SEC. 4. DEFINITIONS.

For purposes of this Act, the following definitions apply:

(1) ALL STUDENTS.—The term "all students" means male and female students from a broad range of backgrounds and circumstances, including disadvantaged students, students with diverse racial, ethnic, and cultural backgrounds, American Indians, Alaskan Natives, Native Hawaiians, students with disabilities, students with limited English proficiency, migrant children, school dropouts, and academically talented students.

(2) APPROVED STATE PLAN.—The term "approved State plan" or "approved plan" means a State plan to establish a School-to-Work Opportunities system that is submitted by a State to the Secretaries under section 213 and approved by the Secretaries in accordance with section 214.

(3) CAREER GUIDANCE AND COUNSELING.—The term "career guidance and counseling" means programs—

(A) which pertain to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, tends, and opportunities;

(B) which assist individuals in making and implementing informed educational and occupational choices; and

(C) which aid students to develop career options with attention to surmounting gender, race, ethnic, disability, language, or socioeconomic impediments to career options and encouraging careers in nontraditional occupations.

(4) CAREER MAJOR.—The term "career major" means a coherent sequence of courses or field of study that prepares a student for a first job and that—

(A) integrates occupational and academic learning, integrates work-based and school-based learning, and establishes linkages between secondary and postsecondary education;

(B) prepares the student for employment in broad occupational clusters or industry sectors;

(C) typically includes at least 2 years of secondary school and 1 or 2 years of post-secondary education;

(D) results in the award of a high school diploma, a General Equivalency Diploma, or alternative diploma or certificate for those students with disabilities for whom such alternative diploma or certificate is appropriate, a certificate or diploma recognizing successful completion of 1 or 2 years of post-secondary education (if appropriate), and a skill certificate; and

(E) may lead to further training, such as entry into a registered apprenticeship program, or admission into a degree-granting college or university.

(5) COMMUNITY-BASED ORGANIZATIONS.—The term "community-based organizations" has the meaning given such term in section 4(5) of the Job Training Partnership Act (29 U.S.C. 1503(5)).

(6) ELEMENTS OF AN INDUSTRY.—The term "elements of an industry" means, with respect to a particular industry that a student is preparing to enter, such elements as planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, health and safety, and environmental issues related to that industry.

(7) EMPLOYER.—The term "employer" includes both public and private employers.

(8) GOVERNOR.—The term "Governor" means the chief executive of a State.

(9) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(10) LOCAL PARTNERSHIP.—The term "local partnership" means a local entity that is responsible for local School-to-Work Opportunities programs and that—

(A) consists of employers, representatives of local educational agencies and local post-secondary educational institutions (including representatives of area vocational education schools, where applicable), local educators (such as teachers, counselors, or administrators), representatives of organized labor, other representatives of non-managerial employees, and students; and

(B) may include other entities, such as—

(i) employer organizations;

(ii) community-based organizations;

(iii) national trade associations working at the local levels;

(iv) industrial extension centers;

(v) rehabilitation agencies and organizations;

(vi) registered apprenticeship agencies;

(vii) local vocational education entities;

(viii) proprietary institutions of higher education (as defined in section 481(b) of the Higher Education Act of 1965, (20 U.S.C. 1088(b)) which continue to meet the eligibility and certification requirements under section 498 of such Act;

(ix) local government agencies;

(x) parent organizations;

(xi) teacher organizations;

(xii) vocational student organizations;

(xiii) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512);

(xiv) federally recognized Indian tribes, Indian organizations, and Alaska Native villages; and

(xv) Native Hawaiians.

(11) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary education institution" means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) which continues to meet the eligibility and certification requirements under section 498 of such Act.

(12) REGISTERED APPRENTICESHIP AGENCY.—The term "registered apprenticeship agency" means either—

(A) the Bureau of Apprenticeship and Training in the Department of Labor; or

(B) a State apprenticeship agency recognized and approved by the Bureau of Apprenticeship and Training as the appropriate body for State registration or approval of local apprenticeship programs and agreements for Federal purposes.

(13) REGISTERED APPRENTICESHIP PROGRAM.—The term "registered apprenticeship program" means a program registered by a registered apprenticeship agency.

(14) RELATED SERVICES.—The term "related services" includes the types of services described in section 602(17) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(17)).

(15) SCHOOL DROPOUT.—The term "school dropout" means an individual who is no longer attending any school, is subject to a compulsory attendance law, and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(16) SCHOOL SITE MENTOR.—The term "school site mentor" means a professional employed at the school who is designated as the advocate for a particular student, and who works in consultation with classroom teachers, counselors, and the employer to design and monitor the progress of the student's school-to-work program.

(17) SECRETARIES.—The term "Secretaries" means the Secretary of Education and the Secretary of Labor.

(18) SKILL CERTIFICATE.—The term "skill certificate" means a portable, industry-recognized credential issued by a School-to-Work Opportunities program under an approved plan, that certifies that a student has mastered skills at levels that are at least as challenging as skill standards endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act, except that until such skill standards are developed, the term "skill certificate" means a credential issued under a process described in a State's approved plan.

(19) STATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "State" means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

(B) TITLES IV AND V.—For purposes of titles IV and V, the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

(20) STATE EDUCATIONAL AGENCY.—The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(21) WORKPLACE MENTOR.—The term "workplace mentor" means an employee at the workplace who possesses the skills and knowledge to be mastered by a student, and who instructs the student, critiques the student's performance, challenges the student to perform well, and works in consultation with classroom teachers and the employer.

SEC. 5. FEDERAL ADMINISTRATION.

(a) JOINT ADMINISTRATION.—

(1) IN GENERAL.—Notwithstanding the Department of Education Organization Act (20 U.S.C. 3401 et seq.), the General Education Provisions Act (20 U.S.C. 1221 et seq.), the statutory provisions relating to the establishment of the Department of Labor (29 U.S.C. 551 et seq.), and section 166 of the Job Training Partnership Act (29 U.S.C. 1576), the Secretaries shall jointly provide for the administration of this Act, and may issue whatever procedures, guidelines, and regulations, in accordance with section 553 of title 5, United States Code, they deem necessary and appropriate to administer and enforce the provisions of this Act.

(2) SUBMISSION OF PLAN.—Not later than 120 days after the date of the enactment of this Act, the Secretaries shall develop and submit a plan for the joint administration of this Act to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate for review and comment on such plan by such committees.

(b) TERMINATION OR SUSPENSION OF ASSISTANCE.—

(1) IN GENERAL.—The Secretaries may terminate or suspend any financial assistance under this Act, in whole or in part, or not extend payments under an existing grant under this Act, if the Secretaries determine that a recipient has failed to meet any requirements of this Act, including—

(A) reporting requirements under section 402(c);

(B) regulations under this Act; or

(C) an approved plan submitted pursuant to this Act.

(2) NOTICE AND OPPORTUNITY FOR HEARING.—If the Secretaries terminate or suspend financial assistance, or do not extend payments under an existing grant under paragraph (1), with respect to recipient or proposed recipient, then the Secretaries shall provide—

(A) prompt notice to such recipient or proposed recipient; and

(B) the opportunity for a hearing to such recipient or proposed recipient not later than 30 days after the date on which such notice is provided.

(3) NONDELEGATION.—The Secretaries shall not delegate any of the functions or authority specified under this subsection, other than to an officer whose appointment was required to be made by and with the advice and consent of the Senate.

(c) ACCEPTANCE OF GIFTS.—The Secretaries are authorized, in carrying out this Act, to accept, purchase, or lease in the name of the Department of Labor or the Department of Education, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

(d) USE OF VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretaries are authorized to accept voluntary and uncompensated services in furtherance of the purposes of this Act.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Secretaries to carry out this Act $300,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996 through 2002.

(b) RESERVATIONS.—From amounts appropriated under subsection (a) for any fiscal year, the Secretaries—

(1) shall reserve an amount equal to not more than one half of 1 percent of such amounts for such fiscal year to provide grants under sections 202(b) and 212(b) to the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau;

(2) shall reserve an amount equal to not more than one half of 1 percent of such amounts for such fiscal year to provide grants under subtitle C of title II to establish and carry out School-to-Work Opportunities programs for Indian youths that involve Bureau funded schools (as defined in section 1139(3) of the Education Amendments of 1978 (25 U.S.C. 2019(3)));

(3) shall reserve an amount equal to 10 percent of such amounts for such fiscal year to provide grants under section 302(b) to local partnerships located in high poverty areas; and

(4) may reserve an amount equal to not more than 5 percent of such amounts for such fiscal year to carry out title IV.

(c) AVAILABILITY OF FUNDS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

TITLE I—SCHOOL-TO-WORK OPPORTUNITIES BASIC PROGRAM COMPONENTS

SEC. 101. GENERAL PROGRAM REQUIREMENTS.

A School-to-Work Opportunities program under this Act shall—

(1) integrate work-based learning and school-based learning, as provided for in sections 102 and 103, integrate academic and occupational learning, and build effective linkages between secondary and postsecondary education;

(2) provide all students opportunities to complete a career major; and

(3) incorporate the basic program components provided in sections 102 through 104.

SEC. 102. WORK-BASED LEARNING COMPONENT.

The work-based learning component of a School-to-Work Opportunities program shall include—

(1) a planned program of job training and work experiences, including pre-employment and employment skills to be mastered at progressively higher levels, that are relevant to a student's career major and lead to the award of a skill certificate;

(2) paid work experience;

(3) workplace mentoring;

(4) instruction in general workplace competencies; and

(5) broad instruction in a variety of elements of an industry.

SEC. 103. SCHOOL-BASED LEARNING COMPONENT.

The school-based learning component of a School-to-Work Opportunities program shall include—

(1) career awareness and career exploration and counseling (beginning at the earliest possible age, but beginning no later than the middle school grades) in order to help students who may be interested to identify, and select or reconsider, their interests, goals, and career majors, including those options that may not be traditional for their gender, race, or ethnicity;

(2) initial selection by interested students of a career major not later than the beginning of the 11th grade;

(3) a program of study designed to meet the same academic content standards the State has established for all students, including, where applicable, standards established under the Goals 2000: Educate America Act, and to meet the requirements necessary for a student to earn a skill certificate;

(4) a program of instruction and curriculum that integrates academic and vocational learning (including applied methodologies and team-teaching strategies), and incorporates instruction in a variety of elements of an industry, appropriately tied to a participant's career major;

(5) regularly scheduled evaluations involving ongoing consultation with students and school dropouts to identify their academic

strengths and weaknesses, academic progress, workplace knowledge, goals, and the need for additional learning opportunities to master core academic and vocational skills; and

(6) mechanisms which allow students participating in a school-to-work program to transfer to a post-secondary program.

SEC. 104. CONNECTING ACTIVITIES COMPONENT.

The connecting activities component of a School-to-Work Opportunities program shall include—

(1) matching students with employers' work-based learning opportunities;

(2) serving as a liaison among the employer, school, teacher, parent, student, and, if appropriate, other community partners;

(3) providing technical assistance and services to employers, including small and medium sized businesses, and others in designing work-based and school-based learning components, counseling and case management services, and in the training of teachers, workplace mentors, school site mentors, and counselors;

(4) providing assistance to schools and employers to integrate school-based and work-based learning and integrate academic and occupational learning;

(5) providing assistance to participants who have completed the program in finding an appropriate job, continuing their education, or entering into an additional training program, and linking students with other community services which may be necessary to assure a successful transition from school to work;

(6) collecting information regarding post-program outcomes of participants in the School-to-Work Opportunities program and analyzing such information, to the extent practicable, on the basis of socioeconomic status, race, gender, ethnicity, disability, limited English proficiency, school dropouts, and academically talented students; and

(7) linking youth development activities under this Act with employer and industry strategies for upgrading the skills of their workers.

TITLE II—SCHOOL-TO-WORK OPPORTUNITIES SYSTEM DEVELOPMENT AND IMPLEMENTATION GRANTS TO STATES

Subtitle A—State Development Grants

SEC. 201. PURPOSE.

The purpose of this subtitle is to assist States and the territories in planning and developing comprehensive, statewide systems for school-to-work opportunities.

SEC. 202. AUTHORIZATION.

(a) IN GENERAL.—The Secretaries may provide development grants to States in such amounts as the Secretaries determine is necessary to enable such States to complete development of comprehensive, statewide School-to-Work Opportunities systems that may have begun with funds provided under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) and the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(b) GRANTS TO TERRITORIES.—From amounts reserved under section 6(b)(1), the Secretaries shall provide grants in accordance with this subtitle to the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, to complete development of comprehensive School-to-Work Opportunities systems in those territories.

SEC. 203. APPLICATION.

(a) IN GENERAL.—The Secretaries may not provide a development grant under section 202 to a State unless the State submits to the Secretaries an application in such form and containing such information as the Secretaries may reasonably require.

(b) COORDINATION WITH GOALS 2000: EDUCATE AMERICA ACT.—A State seeking assistance under both this Act and the Goals 2000: Educate America Act may—

(1) submit a single application containing plans that meet the requirements of both Acts and ensure that both plans are coordinated and not duplicative; or

(2) if such State has already submitted its application for funds under the Goals 2000: Educate America Act, submit its application under this Act as an amendment to the Goals 2000: Educate America Act application so long as such amendment meets the requirements of this Act and is coordinated with and not duplicative of the Goals 2000: Educate America Act application.

(c) CONTENTS.—Such application shall include—

(1) a timetable and an estimate of the amount of funding needed to complete the planning and development necessary to implement a comprehensive, statewide School-to-Work Opportunities system for all students;

(2) a description of how the Governor, the State educational agency, the State agency officials responsible for vocational education, job training, and employment, economic development, and postsecondary education, the State sex equity coordinator assigned under section 111(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(b)(1)), and other appropriate officials will collaborate in the planning and development of the State School-to-Work Opportunities system;

(3) a description of how the State has enlisted and will continue to enlist the active and continued participation in the planning and development of the statewide School-to-Work Opportunities system of employers and other interested parties such as locally elected officials, secondary and postsecondary educational institutions or agencies, business associations, industrial extension centers, employees, organized labor, teachers, related services personnel, students, parents, community-based organizations, Indian tribes, rehabilitation agencies and organizations, registered apprenticeship agencies, and vocational educational agencies;

(4) a description of how the State will coordinate its planning activities with each local partnership within the State that has received a grant under title III, if any;

(5) a designation of a fiscal agent to receive and be accountable for funds provided from a grant under section 202; and

(6) a description of how the State will provide opportunities for students from low-income families, low achieving students, students with limited English proficiency, and school dropouts to participate in school-to-work programs.

SEC. 204. USE OF AMOUNTS.

The Secretaries may not provide a development grant under section 202 to a State unless the State agrees that it will use all amounts received from such grant to develop a statewide School-to-Work Opportunities system, which may include—

(1) identifying or establishing an appropriate State structure to administer the School-to-Work Opportunities system;

(2) identifying existing secondary and post-secondary school-to-work programs which might be incorporated into the State system;

(3) identifying or establishing broad-based partnerships among employers, labor, education, government, and other community-based organizations and parent organizations to participate in the design, development, and administration of School-to-Work Opportunities programs;

(4) developing a marketing plan to build consensus and support for School-to-Work Opportunities programs;

(5) promoting the active involvement of business (including small and medium sized businesses) in planning, developing, and implementing local School-to-Work Opportunities programs, and in establishing partnerships with elementary, middle, and secondary schools;

(6) identifying ways that existing local school-to-work programs could be coordinated with the statewide School-to-Work Opportunities system;

(7) supporting local School-to-Work Opportunities planning and development activities to provide guidance, training and technical assistance for teachers, employers, mentors, counselors, administrators, and others, in the development of School-to-Work Opportunities programs;

(8) developing training programs for teachers, counselors, mentors, and others on counseling and training women, minorities, and individuals with disabilities for high-skill, high-wage careers in non-traditional occupations;

(9) initiating pilot programs for testing key components of State program design;

(10) developing a State process for issuing skill certificates that is consistent with the work of the National Skill Standards Board and the criteria established under Goals 2000: Educate America Act;

(11) designing challenging curricula in cooperation with representatives of local partnerships;

(12) developing a system for labor market analysis and strategic planning for local targeting of industry sectors or broad occupational clusters;

(13) analyzing the post high school employment experiences of recent high school graduates and dropouts;

(14) preparing the plan required for submission of an application for an implementation grant under subtitle B;

(15) working with localities to develop strategies to recruit and retain all students in programs under this Act, including those from a broad range of backgrounds and circumstances, through collaborations with community-based organizations, where appropriate, and other entities with expertise in working with these students; and

(16) coordinating recruitment of out-of-school, at-risk, and disadvantaged youths with those organizations and institutions who have a successful history of working with such youths.

SEC. 205. ALLOCATION REQUIREMENT.

The Secretaries may not provide a development grant under section 202 to any State in an amount exceeding $1,000,000 in any fiscal year.

SEC. 206. REPORTS.

The Secretaries may not provide a development grant under section 202 to a State unless the State agrees that it will submit to the Secretaries such periodic reports as the Secretaries may reasonably require relating to the use of amounts from such grant.

Subtitle B—State Implementation Grants

SEC. 211. PURPOSE.

The purpose of this subtitle is to assist States and the territories in the implementation of comprehensive, statewide School-to-Work Opportunities systems.

SEC. 212. AUTHORIZATION.

(a) IN GENERAL.—The Secretaries may provide implementation grants to States in such amounts as the Secretaries determine is necessary to enable such States to implement comprehensive, statewide School-to-Work Opportunities systems.

(b) GRANTS TO TERRITORIES.—From amounts reserved under section 6(b)(1), the Secretaries shall provide grants in accordance with this subtitle to the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, to implement comprehensive School-to-Work Opportunities systems in those territories.

(c) PERIOD OF GRANT.—The provision of payments under a grant under subsection (a) or subsection (b) shall extend over a period of 5 fiscal years and shall be subject to the annual approval of the Secretaries and subject to the availability of appropriations for the fiscal year involved to make the payments.

(d) LIMITATION.—A State or territory shall be eligible to receive only 1 implementation grant under subsection (a) or subsection (b), as the case may be.

SEC. 213. APPLICATION.

(a) IN GENERAL.—The Secretaries may not provide an implementation grant under section 212 to a State unless the State submits to the Secretaries an application in such form and containing such information as the Secretaries may reasonably require.

(b) COORDINATION WITH GOALS 2000: EDUCATE AMERICA ACT.—A State seeking assistance under both this Act and the Goals 2000: Educate America Act may—

(1) submit a single application containing plans that meet the requirements of both Acts and ensure that both plans are coordinated and not duplicative; or

(2) if such State has already submitted its application for funds under the Goals 2000: Educate America Act, submit its application under this Act as an amendment to the Goals 2000: Educate America Act application so long as such amendment meets the requirements of this Act and is coordinated with and not duplicative of the Goals 2000: Educate America Act application.

(c) CONTENTS.—Such application shall include—

(1) a plan for a comprehensive, statewide School-to-Work Opportunities system under a State plan that meets the requirements described in subsection (d);

(2) a description of how the State will allocate funds under this Act to local partnerships; and

(3) a request, if the State decides to submit such a request, for 1 or more waivers of certain statutory or regulatory requirements, as provided for under title V.

(d) STATE PLAN.—A State plan shall—

(1) designate the geographical areas to be served by local partnerships, which shall, to the extent feasible, reflect local labor market areas;

(2) describe how the State will stimulate and support local School-to-Work Opportunities programs that meet the requirements of this Act, and how the State's system will be expanded over time to cover all geographic areas in the State, including urban and rural areas;

(3) describe the procedure by which the Governor, the State educational agency, the State agency officials responsible for vocational education, job training and employment, economic development, and post-secondary education, the State sex equity coordinator assigned under section 111(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(b)(1)), and other appropriate officials will collaborate in the implementation of the School-to-Work Opportunities system;

(4) describe how the State has obtained and will continue to obtain the active involvement in the statewide School-to-Work Opportunities system of employers and other interested parties such as locally elected officials, secondary and postsecondary educational institutions or agencies, business associations, industrial extension centers, employees, organized labor, teachers, related services personnel, students, parents, community-based organizations, rehabilitation agencies and organizations, registered apprenticeship agencies, local vocational educational agencies, vocational student organizations, and State or regional cooperative education associations;

(5) describe how the School-to-Work Opportunities system will coordinate with or integrate existing local school-to-work programs and other appropriate programs, including those financed from State and private sources, with funds available from related programs under other provisions of Federal law, such as—

(A) the Adult Education Act (20 U.S.C. 1201 et seq.);

(B) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

(C) the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.);

(D) the Higher Education Act of 1965 (20 U.S.C. 2701 et seq.);

(E) the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.);

(F) the Goals 2000: Educate America Act;

(G) the Individuals With Disabilities Education Act (20 U.S.C. 1400 et seq.);

(H) the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

(I) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

(J) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.); and

(K) the National and Community Service Trust Act of 1993;

(6) describe the State's strategy for providing training for teachers, employers, mentors, counselors, and others, including programs which focus on the counseling and training of women, minorities, and individuals with disabilities for high-skill, high-wage careers in non-traditional occupations, and provide assurance of coordination with such activities in other Acts;

(7) describe how the State will adopt, develop, or assist local partnerships in the development of model curricula and innovative instructional methodologies, to be used in the secondary, and where possible, the elementary grades, that integrate academic and vocational learning and promote career awareness, and that are consistent with academic and skill standards established pursuant to the Goals 2000: Educate America Act;

(8) describe how the State will expand and improve career and academic counseling in the elementary and secondary grades, which may include linkages to career counseling and labor market information services outside of the school system;

(9) describe the resources, including private sector resources, the State intends to employ in maintaining the School-to-Work Opportunities system when funds under this Act are no longer available;

(10) describe how the State will ensure effective and meaningful opportunities for all students to participate in School-to-Work Opportunities programs;

(11) describe the State's goals and the methods it will use, such as awareness and outreach, to ensure opportunities for young women to participate in School-to-Work Opportunities programs in a manner that leads to employment in high-performance, high-paying jobs, including nontraditional employment, and goals to ensure an environment free from racial and sexual harassment;

(12) describe how the State will ensure opportunities for low achieving students, students with disabilities, and school dropouts to participate in School-to-Work Opportunities programs;

(13) describe the State's process for assessing the skills and knowledge required in career majors and awarding skill certificates that is consistent with the work of the National Skill Standards Board and the criteria established under Goals 2000: Educate America Act;

(14) describe the manner in which the State will, to the extent feasible, continue programs funded under title III in the State School-to-Work Opportunities system;

(15) describe how local school-to-work programs, including those funded under title III, if any, will be integrated into the State School-to-Work Opportunities system;

(16) describe the performance standards that the State intends to meet in establishing and carrying out the School-to-Work Opportunities system, including how the standards developed under section 115 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) have been incorporated into such performance standards or are used in coordination with such standards;

(17) designate a fiscal agent to receive and be accountable for funds provided from a grant under section 212; and

(18) describe the means by which students who are involved in a school-to-work program may transfer to a post-secondary program.

(e) APPROVAL OF STATE PLAN.—In developing the State plan that meets the requirements described in subsection (d)—

(1) the Governor shall approve those portions of the plan under the jurisdiction of the Governor; and

(2) other appropriate officials or entities shall approve those portions that address matters that, under State or other applicable law, are not under the jurisdiction of the Governor.

SEC. 214. REVIEW OF APPLICATION.

(a) IN GENERAL.—The Secretaries shall review each application submitted by a State under section 213, including the State plan contained in such application, and shall approve or disapprove such application in accordance with this section.

(b) APPROVAL CRITERIA.—The Secretaries may approve an application only if the State demonstrates in the application—

(1) that the State plan is replicable, sustainable, and innovative;

(2) that the officials listed in section 213(d)(3) will collaborate in the planning and development of the proposed plan;

(3) that other Federal, State, and local resources will be used to implement the proposed plan;

(4) the extent to which such plan would limit administrative costs and increase amounts spent on delivery of services to students enrolled in programs under this Act; and

(5) if the State, according to census data, has at least 1 urban and at least 1 rural area, the State will ensure the establishment of a partnership in at least 1 urban and 1 rural area in the State.

(c) DISAPPROVAL.—If the Secretaries determine that an application submitted by a State does not meet the criteria under subsection (b), or that the application is incomplete or otherwise unsatisfactory, the Secretaries shall—

(1) notify the State of the reasons for the failure to approve the application;

(2) if the application does not meet the criteria under subsection (b), inform the State of the opportunity to apply for a development grant under subtitle A, except that further development funds may not be awarded to a State that receives an implementation grant; and

(3) if the application is incomplete or otherwise unsatisfactory, permit the State to resubmit a corrected or amended application.

(d) USE OF FUNDS FOR REVIEW OF APPLICATIONS.—The Secretaries may use amounts reserved under section 6(b)(4) for the review of applications submitted under subsection (a).

SEC. 215. USE OF AMOUNTS.

The Secretaries may not provide an implementation grant under section 212 to a State unless the State agrees that it will use all amounts received from such grant to implement the State's School-to-Work Opportunities system in accordance with the following requirements:

(1) SUBGRANTS TO LOCAL PARTNERSHIPS.—

(A) AUTHORITY.—

(i) IN GENERAL.—Except as provided in clause (ii), the State shall provide subgrants to local partnerships, according to criteria established by the State, for the purpose of carrying out School-to-Work Opportunities programs described in title I.

(ii) PROHIBITION.—The State shall not provide subgrants to local partnerships that have received implementation grants under title III, except that this prohibition shall not apply with respect to local partnerships that are located in high poverty areas, as such term is defined in such title.

(B) APPLICATION BY LOCAL PARTNERSHIP.—The State may not provide a subgrant under subparagraph (A) to a local partnership unless the partnership submits to the State an application that—

(i) describes how the program will include the basic program components and otherwise meet the requirements of this Act;

(ii) sets forth measurable program goals and outcomes;

(iii) describes the local strategies and timetables to provide School-to-Work Opportunities program opportunities for all students as appropriate for the specific locality;

(iv) provides assurances that, to the extent practicable, school-to-work opportunities provided to students will be in industries and occupations offering high-skill, high-wage employment opportunities; and

(v) provides such other information as the State may require.

(C) DISAPPROVAL OF APPLICATION.—If the State determines that an application submitted by a local partnership does not meet the criteria under subparagraph (B), or that the application is incomplete or otherwise unsatisfactory, the State shall—

(i) notify the local partnership of the reasons for the failure to approve the application; and

(ii) if the application is incomplete or otherwise unsatisfactory, permit the local partnership to resubmit a corrected or amended application.

(D) USE OF AMOUNTS BY LOCAL PARTNERSHIP.—The State may not provide a subgrant under subparagraph (A) to a local partnership unless the partnership agrees that it will use all amounts received from such subgrant to carry out activities to implement School-to-Work Opportunities programs described in title I, and such activities may include—

(i) recruiting and providing assistance to employers, including small and medium sized businesses, to provide the work-based learning components in the School-to-Work Opportunities program;

(ii) establishing consortia of employers to support the School-to-Work Opportunities program and provide access to jobs related to students' career majors;

(iii) supporting or establishing intermediaries to perform the activities described in section 104 and to provide assistance to students and school dropouts in obtaining jobs and further education and training;

(iv) designing or adapting school curricula that can be used to integrate academic and vocational learning, school-based and work-based learning, and secondary and postsecondary education;

(v) providing training to work-based and school-based staff on new curricula, student assessments, student guidance, and feedback to the school regarding student performance;

(vi) designing or expanding and improving career awareness, exploration, and counseling activities, beginning at the earliest possible age, but beginning no later than the middle school grades;

(vii) establishing in schools participating in a School-to-Work Opportunities program a graduation assistance program to assist at-risk students, low-achieving students, and students with disabilities in graduating from high school, enrolling in postsecondary education or training, and finding or advancing in jobs;

(viii) providing supplementary and support services, including child care and transportation;

(ix) conducting or obtaining an in depth analysis of the local labor market and the generic and specific skill needs of employers to identify high-demand, high-wage careers to target;

(x) integrating work-based and school-based learning into existing job training programs for school dropouts;

(xi) establishing or expanding school-to-apprenticeship programs in cooperation with registered apprenticeship agencies and apprenticeship sponsors;

(xii) assisting participating employers, including small- and medium-size businesses, to identify and train workplace mentors and to develop work-based learning components;

(xiii) promoting the formation of partnerships between elementary, middle, and secondary schools and local businesses as an investment in future workplace productivity and competitiveness;

(xiv) designing local strategies to provide adequate planning time and staff development activities for teachers, school counselors, and school site mentors, including opportunities outside the classroom which are in the worksite;

(xv) enhancing linkages between existing after-school, weekend, and summer jobs, career exploration and school-based learning; and

(xvi) coordinating recruitment of dropouts and at-risk and disadvantaged youths by the local partnership with recruitment of these individuals by organizations and institutions which have a history of success in working with these targeted individuals.

(E) PARTNERSHIP COMPACT.—The State may not provide a subgrant under subparagraph (A) to a local partnership unless the partnership agrees that it will establish a process by which the responsibilities and expectations of students, parents, employers, and schools are clearly established and agreed upon at the point of entry of the student into a career major program of study.

(F) ADMINISTRATIVE COSTS.—The local partnership may not use more than 5 percent of amounts received from a subgrant under subparagraph (A) for any fiscal year for administrative costs associated with activities in carrying out, but not including, activities under subparagraphs (D) and (E) for such fiscal year.

(G) ALLOCATION REQUIREMENTS.—

(i) FIRST YEAR.—In the 1st fiscal year for which a State receives amounts from a grant under section 212, the State shall use not less than 70 percent of such amounts to provide subgrants to local partnerships under subparagraph (A).

(ii) SECOND YEAR.—In the 2d fiscal year for which a State receives amounts from a grant under section 212, the State shall use not less than 80 percent of such amounts to provide subgrants to local partnerships under subparagraph (A).

(iii) THIRD YEAR AND SUCCEEDING YEARS.—In the 3d fiscal year for which a State receives amounts from a grant under section 212, and in each succeeding year, the State shall use not less than 90 percent of such amounts to provide subgrants to local partnerships under subparagraph (A).

(2) ADDITIONAL STATE ACTIVITIES.—The State may also—

(A) recruit and provide assistance to employers to provide work-based learning for all students;

(B) conduct outreach activities to promote and support collaboration in School-to-Work Opportunities programs by businesses, organized labor, and other organizations;

(C) provide training for teachers, employers, workplace mentors, counselors, and others;

(D) provide labor market information to local partnerships that is useful in determining which high-skill, high-wage occupations are in demand;

(E) design or adapt model curricula that can be used to integrate academic and vocational learning, school-based and work-based learning, and secondary and postsecondary education;

(F) design or adapt model work-based learning programs and identifying best practices;

(G) conduct outreach activities and providing technical assistance to other States that are developing or implementing School-to-Work Opportunities systems;

(H) reorganize and streamline State systems to facilitate the development of a comprehensive School-to-Work Opportunities system;

(I) identify ways that existing local school-to-work programs could be integrated with the statewide School-to-Work Opportunities system;

(J) design career awareness and exploration activities (that may begin as early as the elementary grades, but beginning no later than middle school grades) such as job shadowing, job site visits, school visits by individuals in various occupations, and mentoring;

(K) design and implement school-sponsored work experiences, such as school-sponsored

enterprises and community development projects;

(L) encourage the formation of partnerships between elementary, middle, and secondary schools and local businesses as an investment in future workplace productivity and competitiveness;

(M) coordinate recruitment of out-of-school, at-risk, and disadvantaged youths with those organizations and institutions who have a successful history of working with such youths; and

(N) conduct outreach to all students in a manner that most appropriately meets their need and the needs of their communities.

SEC. 216. ALLOCATION REQUIREMENT.

The Secretaries shall establish the minimum and maximum amounts available for an implementation grant under section 212, and shall determine the actual amount granted to any State based on such criteria as the scope and quality of the plan and the number of projected program participants.

SEC. 217. ADMINISTRATIVE COSTS.

The State may not use more than 5 percent of amounts received from an implementation grant under section 212 for any fiscal year for administrative costs associated with activities in carrying out, but not including, activities under section 215 for such fiscal year.

SEC. 218. REPORTS.

The Secretaries may not provide an implementation grant under section 212 to a State unless the State agrees that it will submit to the Secretaries such periodic reports as the Secretaries may reasonably require relating to the use of amounts from such grant.

Subtitle C—Development and Implementation Grants for School-to-Work Programs for Indian Youths

SEC. 221. AUTHORIZATION.

(a) IN GENERAL.—From amounts reserved under section 6(b)(2), the Secretaries shall provide grants to establish and carry out School-to-Work Opportunities programs for Indian youths that involve Bureau funded schools (as defined in section 1139(3) of the Education Amendments of 1978 (25 U.S.C. 2019(3))).

(b) ADDITIONAL AUTHORITIES.—The Secretaries may carry out subsection (a) through such means as they find appropriate, including—

(1) the transfer of funds to the Secretary of the Interior; and

(2) the provision of financial assistance to Indian tribes and Indian organizations.

SEC. 222. REQUIREMENTS.

In providing grants under section 221, the Secretaries shall require recipients of such grants to comply with requirements similar to those requirements imposed on States under subtitles A and B of this title.

TITLE III—FEDERAL IMPLEMENTATION GRANTS TO LOCAL PARTNERSHIPS

SEC. 301. PURPOSES.

The purposes of this title are—

(1) to authorize the Secretaries to provide competitive grants directly to local partnerships in order to provide funding for communities that have built a sound planning and development base for School-to-Work Opportunities programs and are ready to begin implementing a local School-to-Work Opportunities program; and

(2) to authorize the Secretaries to provide competitive grants to local partnerships to implement School-to-Work Opportunities programs in high poverty areas of urban and rural communities to provide support for a comprehensive range of education, training, and support services for youths residing in such areas.

SEC. 302. AUTHORIZATION.

(a) GRANTS TO LOCAL PARTNERSHIPS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretaries may provide implementation grants directly to local partnerships in States in such amounts as the Secretaries determine is necessary to enable such partnerships to implement a School-to-Work Opportunities program.

(2) RESTRICTIONS.—A local partnership—

(A) shall be eligible to receive only 1 grant under this subsection;

(B) shall not be eligible to receive a grant under this subsection if such partnership is located in a State that—

(i) has been provided an implementation grant under section 212; and

(ii) has received amounts from such grant for any fiscal year after the 1st fiscal year under such grant; and

(C) that receives a grant under this subsection shall not be eligible to receive a grant under subsection (b).

(b) GRANTS TO LOCAL PARTNERSHIPS IN HIGH POVERTY AREAS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretaries shall, from amounts reserved under section 6(b)(3), provide grants to local partnerships which are located in high poverty areas in States in such amounts as the Secretaries determine is necessary to enable such partnerships to implement a School-to-Work Opportunities program in such areas.

(2) RESTRICTIONS.—A local partnership—

(A) shall be eligible to receive only 1 grant under this subsection; and

(B) that receives a grant under this subsection shall not be eligible to receive a grant under subsection (a).

(3) PRIORITY.—In providing grants under paragraph (1), the Secretaries shall give priority to local partnerships that have a demonstrated effectiveness in the delivery of comprehensive vocational preparation programs with successful rates in job placement through cooperative activities among local educational agencies, local businesses, labor organizations, and other organizations.

(c) PERIOD OF GRANT.—The provision of payments under a grant under subsection (a) or (b) shall extend over a period of 5 fiscal years and shall be subject to the annual approval of the Secretaries and subject to the availability of appropriations for the fiscal year involved to make the payments.

SEC. 303. APPLICATION.

(a) IN GENERAL.—The Secretaries may not provide an implementation grant under section 302 to a local partnership unless the partnership—

(1) submits to the State for review and comment an application in such form and containing such information as the Secretaries may reasonably require; and

(2) submits such application to the Secretaries.

(b) TIME LIMIT FOR STATE REVIEW AND COMMENT.—

(1) IN GENERAL.—The State shall provide for review and comment on the application under subsection (a) not later than 30 days after the date on which the State receives the application from the local partnership.

(2) SUBMISSION WITHOUT STATE REVIEW AND COMMENT.—If the State does not provide review and comment within the 30-day time period specified in paragraph (1), the local partnership may submit the application to the Secretaries without first obtaining such review and comment.

(c) CONTENTS.—Such application shall include—

(1) the designation of a fiscal agent to receive and be accountable for amounts received from a grant under section 302;

(2) the State's comments regarding such application under subsection (a)(1);

(3) information that is consistent with the content requirements for a State plan that are specified in paragraphs (4) through (10) of section 213(d); and

(4) a description of how the partnership will meet the other requirements of this Act.

(d) USE OF FUNDS FOR REVIEW OF APPLICATIONS.—The Secretaries may use amounts reserved under section 6(b)(4) for the review of applications submitted under subsection (a).

SEC. 304. USE OF AMOUNTS.

The Secretaries may not provide an implementation grant under section 302 to a local partnership unless the partnership agrees that it will use all amounts from such grant to carry out activities to implement a School-to-Work Opportunities program described in title I, including the activities described in clauses (i) through (xvi) of section 215(1)(D).

SEC. 305. CONFORMITY WITH APPROVED STATE PLAN.

The Secretaries may not award a grant under section 302 to a local partnership located in a State that has an approved plan unless the Secretaries determine, after consultation with the State, that the plan submitted by the partnership is in accord with the approved State plan.

SEC. 306. REPORTS.

The Secretaries may not provide an implementation grant under section 302 to a local partnership unless the partnership agrees that it will submit to the Secretaries such periodic reports as the Secretaries may reasonably require relating to the use of amounts from such grant.

SEC. 307. HIGH POVERTY AREA DEFINED.

For purposes of this title, the term "high poverty area" means—

(1) a census tract, a contiguous group of census tracts, a nonmetropolitan county, a Native American Indian reservation, or an Alaska Native village, with a poverty rate of 30 percent or more, as determined by the Bureau of the Census; or

(2) an area that has an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

TITLE IV—NATIONAL PROGRAMS AND REPORTS

SEC. 401. RESEARCH, DEMONSTRATION, AND OTHER PROJECTS.

(a) IN GENERAL.—From amounts reserved under section 6(b)(4), the Secretaries shall conduct research and development and establish a program of experimental and demonstration projects, to further the purposes of this Act.

(b) ADDITIONAL USE OF AMOUNTS.—Amounts reserved under section 6(b)(4) may also be used for programs or services authorized under any other provision of this Act that are most appropriately administered at the national level and that will operate in, or benefit more than, one State.

SEC. 402. PERFORMANCE OUTCOMES AND EVALUATION.

(a) IN GENERAL.—The Secretaries, in collaboration with the States, shall by grants, contracts, or otherwise, establish a system of performance measures for assessing State and local programs regarding—

(1) progress in the development and implementation of State plans that include the basic program components and otherwise meet the requirements of title I;

(2) participation in School-to-Work Opportunities programs by employers, schools, students, and school dropouts, including information on the gender, race, ethnicity, socioeconomic background, limited English proficiency, and disability of all participants;

(3) progress in developing and implementing strategies for addressing the needs of students and school dropouts;

(4) progress in meeting the State's goals to ensure opportunities for young women to participate in School-to-Work Opportunities programs;

(5) outcomes of participating students and school dropouts, by gender, race, ethnicity, socioeconomic background, limited English proficiency, and disability of the participants, including information on—

(A) academic learning gains;

(B) staying in school and attaining a high school diploma, or a General Equivalency Diploma, or alternative diploma or certificate for those students with disabilities for whom such alternative diploma or certificate is appropriate, skill certificate, and college degree;

(C) placement and retention in further education or training, particularly in the student's career major; and

(D) job placement, retention, and earnings, particularly in the student's career major; and

(6) the extent to which the program has met the needs of employers.

(b) EVALUATION.—The Secretaries shall conduct a national evaluation of School-to-Work Opportunities programs funded under this Act by grants, contracts, or otherwise, that will track and assess the progress of implementation of State and local programs and their effectiveness based on measures such as those described in subsection (a).

(c) REPORTS.—Each State shall provide periodic reports, at such intervals as the Secretaries determine, containing—

(1) information described in paragraphs (1) through (6) of subsection (a); and

(2) information on the extent to which current Federal programs implemented at the State and local level may be duplicative, outdated, overly restrictive, or otherwise counter-productive to the development of comprehensive statewide School-to-Work Opportunities systems.

SEC. 403. TRAINING AND TECHNICAL ASSISTANCE.

(a) PURPOSE.—The Secretaries shall work in cooperation with the States, the State sex equity coordinators assigned under section 111(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(b)(1)), employers and their associations, secondary and postsecondary schools, student and teacher organizations, organized labor, and community-based organizations to increase their capacity to develop and implement effective School-to-Work Opportunities programs.

(b) AUTHORIZED ACTIVITIES.—The Secretaries shall provide, through grants, contracts, or other arrangements—

(1) training, technical assistance, and other activities that will—

(A) enhance the skills, knowledge, and expertise of the personnel involved in planning and implementing State and local School-to-Work Opportunities programs, such as training of personnel to assist students; and

(B) improve the quality of services provided to individuals served under this Act;

(2) assistance to States and local partnerships in order to integrate resources available under this Act with resources available under other Federal, State, and local authorities; and

(3) assistance to States and local partnerships to recruit employers to provide the work-based learning component of School-to-Work Opportunities programs.

SEC. 404. AMENDMENT TO JOB TRAINING PARTNERSHIP ACT TO PROVIDE SCHOOL-TO-WORK OPPORTUNITIES ACTIVITIES FOR CAPACITY BUILDING AND INFORMATION AND DISSEMINATION NETWORK.

Section 453(b)(2) of the Job Training Partnership Act (29 U.S.C. 1733(b)(2)) is amended—

(1) in subparagraph (C)(ii)(V), by striking the period at the end of such subparagraph and inserting "; and"; and

(2) by adding at the end the following new subparagraph:

"(D)(i) from the amount appropriated pursuant to section 6(a) of the School-to-Work Opportunities Act of 1993, collect and disseminate information—

"(I) on successful school-to-work programs carried out pursuant to such Act and innovative school and work-based curriculum;

"(II) on research and evaluation conducted concerning school-to-work opportunities activities;

"(III) that will assist States and partnerships in undertaking labor market analysis, surveys or other activities related to economic development;

"(IV) on skill certificates, skill standards and related assessment technologies; and

"(V) on methods for recruiting and building the capacity of employers to provide work-based learning opportunities; and

"(ii) from such amount, facilitate communication and the exchange of information and ideas among States and partnerships carrying out school-to-work opportunities programs pursuant to such Act.".

SEC. 405. REPORTS TO CONGRESS.

Not later than 24 months after the date of the enactment of this Act, and every 12 months thereafter, the Secretaries shall submit a report to the Congress on all School-to-Work Opportunities programs carried out pursuant to this Act. The Secretaries shall, at a minimum, include in each such report—

(1) information concerning the programs that receive assistance under this Act;

(2) a summary of the information contained in the State and local partnership reports submitted under titles II and III and section 402(c); and

(3) information regarding the findings and actions taken as a result of any evaluation conducted by the Secretaries.

TITLE V—WAIVER OF STATUTORY AND REGULATORY REQUIREMENTS

SEC. 501. STATE AND LOCAL PARTNERSHIP REQUESTS AND RESPONSIBILITIES FOR WAIVERS.

(a) STATE REQUEST FOR WAIVER.—A State may submit, as a part of the State plan (or as an amendment to the plan) described in section 213(d), a request for a waiver of 1 or more statutory or regulatory provisions described in section 502 or 503 from the Secretaries in order to carry out the School-to-work Opportunity system established by such State. Such request may include different waivers with respect to different areas within the State.

(b) LOCAL PARTNERSHIP REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local partnership that seeks a waiver of any of the laws specified in section 502 or 503 shall submit an application for such waiver to the State and the State shall determine whether to submit the application for such waiver to the Secretaries.

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination to submit the application under paragraph (1) not later than 30 days after the date on which the State receives the application from the local partnership.

(B) DIRECT SUBMISSION.—If the State does not make a determination to submit the application within the 30-day time period specified in subparagraph (A), the local partnership may submit the application to the Secretaries without first obtaining such review and comment.

(c) WAIVER CRITERIA.—The request by the State shall meet the criteria contained in section 502 or section 503 and shall specify the laws or regulations referred to in those sections that the State wants waived.

SEC. 502. WAIVER AUTHORITY OF SECRETARY OF EDUCATION.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Except as provided in subsection (c), the Secretary of Education may waive any requirement under any provision of law referred to in subsection (b), or any regulation issued under such provision, for a State that requests such a waiver and has an approved State plan under section 214—

(A) if, and only to the extent that, the Secretary of Education determines that such requirement impedes the ability of the State or a local partnership to carry out the purposes of this Act;

(B) if the State provides the Secretary with documentation of the necessity for the waiver, including—

(i) the specific requirement that will be waived;

(ii) the specific positive outcomes expected from the waiver and why those outcomes cannot be achieved while complying with the requirement;

(iii) the process which will be used to monitor the progress in implementing the waiver; and

(iv) such other information as the Secretary may require;

(C) if the State waives, or agrees to waive, similar requirements of State law; and

(D) if the State—

(i) has provided all local partnerships in the State, and local educational agencies participating in a local partnership in the State, with notice and an opportunity to comment on the State's proposal to seek a waiver;

(ii) provides, to the extent feasible, students, parents, and advocacy and civil rights groups an opportunity to comment on the State's proposal to seek a waiver; and

(iii) has submitted the comments of the local partnerships and local educational agencies to the Secretary of Education.

(2) APPROVAL OR DISAPPROVAL.—The Secretary of Education shall promptly approve or disapprove any request submitted pursuant to paragraph (1) and shall issue a decision that shall—

(A) include the reasons for approving or disapproving the request, including a response to comments; and

(B) be disseminated by the State seeking the waiver to interested parties, including educators, parents, students, advocacy and civil rights organizations, and the public.

(3) APPROVAL CRITERIA.—In approving a request under paragraph (2), the Secretary Education shall consider the amount of State resources that will be used to implement the State plan.

(4) TIME PERIOD FOR WAIVER.—Each waiver approved under paragraph (2) shall be for a period not to exceed 5 years, except that the Secretary of Education may extend such period if the Secretary determines that the

waiver has been effective in enabling the State or local partnership to carry out the purposes of this Act.

(b) APPLICABLE PROVISIONS OF LAW.—The applicable provisions of law referred to in this subsection are the following:

(1) Chapter 1 of title I of the Elementary and Secondary Education Act of 1965, including the Even Start Act.

(2) Part A of chapter 2 of title I of the Elementary and Secondary Education Act of 1965.

(3) The Dwight D. Eisenhower Mathematics and Science Education Act (part A of title II of the Elementary and Secondary Education Act of 1965).

(4) The Emergency Immigrant Education Act of 1984 (part D of title IV of the Elementary and Secondary Education Act of 1965).

(5) The Drug-Free Schools and Communities Act of 1986 (title V of the Elementary and Secondary Education Act of 1965).

(6) The Carl D. Perkins Vocational and Applied Technology Education Act.

(c) WAIVERS NOT AUTHORIZED.—The Secretary of Education may not waive any requirement under any provision of law referred to in subsection (b), or any regulation issued under such provision, relating to—

(1) the basic purposes or goals of such provision of law;

(2) maintenance of effort;

(3) comparability of services;

(4) the equitable participation of students attending private schools;

(5) parental participation and involvement;

(6) the distribution of funds to State or to local educational agencies;

(7) the eligibility of individuals for participation in a program under such provision of law;

(8) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

(9) prohibitions or restrictions relating to the construction of buildings or facilities.

(d) TERMINATION OF WAIVERS.—The Secretary of Education shall periodically review the performance of any State or local partnership for which the Secretary has granted a waiver under subsection (a) and shall terminate the waiver if—

(1) the Secretary determines that the performance of the State, local partnership, or local educational agency affected by the waiver, as the case may be, has been inadequate to justify a continuation of the waiver; or

(2) the State fails to waive similar requirements of State law as required or agreed to in accordance with subsection (a)(1)(B).

SEC. 503. WAIVER AUTHORITY OF SECRETARY OF LABOR.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Except as provided in subsection (c), the Secretary of Labor may waive any requirement under any provision of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or any regulation issued under such provision, for a State that requests such a waiver and has an approved State plan under section 214—

(A) if, and only to the extent that, the Secretary of Labor determines that such requirement impedes the ability of the State or a local partnership to carry out the purposes of this Act;

(B) if the State provides the Secretary with documentation of the necessity for the waiver, including—

(i) the specific requirement that will be waived;

(ii) the specific positive outcomes expected from the waiver and why those outcomes cannot be achieved while complying with the requirement;

(iii) the process which will be used to monitor the progress in implementing the waiver; and

(iv) such other information as the Secretary may require;

(C) if the State waives, or agrees to waive, similar requirements of State or territory law; and

(D) if the State—

(i) has provided all local partnerships in the State with notice and an opportunity to comment on the State's proposal to seek a waiver;

(ii) provides, to the extent feasible, students, parents, and advocacy and civil rights groups an opportunity to comment on the State's proposal to seek a waiver; and

(iii) has submitted the comments of the local partnerships to the Secretary of Labor.

(2) APPROVAL OR DISAPPROVAL.—The Secretary of Labor shall promptly approve or disapprove any request submitted pursuant to paragraph (1) and shall issue a decision that shall—

(A) include the reasons for approving or disapproving the request, including a response to comments; and

(B) be disseminated by the State seeking the waiver to interested parties, including educators, parents, students, advocacy and civil rights organizations, and the public.

(3) APPROVAL CRITERIA.—In approving a request under paragraph (2), the Secretary of Labor shall consider the amount of State resources that will be used to implement the State plan.

(4) TIME PERIOD FOR WAIVER.—Each waiver approved under paragraph (2) shall be for a period not to exceed 5 years, except that the Secretary of Labor may extend such period if the Secretary determines that the waiver has been effective in enabling the State or local partnership to carry out the purposes of this Act.

(b) WAIVERS NOT AUTHORIZED.—The Secretary of Labor may not waive any requirement under any provision of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or any regulation issued under such provision, relating to—

(1) the basic purposes or goals of such provision of law;

(2) the eligibility of individuals for participation in a program under such provision of law;

(3) the allocation of funds under such provision of law;

(4) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection;

(5) maintenance of effort; or

(6) prohibitions or restrictions relating to the construction of buildings or facilities.

(c) TERMINATION OF WAIVERS.—The Secretary of Labor shall periodically review the performance of any State or local partnership for which the Secretary has granted a waiver under subsection (a) and shall terminate the waiver if—

(1) the Secretary determines that the performance of the State or local partnership affected by the waiver has been inadequate to justify a continuation of the waiver; or

(2) the State fails to waive similar requirements of State or territory law as required or agreed to in accordance with subsection (a)(1)(B).

SEC. 504. COMBINATION OF FEDERAL FUNDS FOR HIGH POVERTY SCHOOLS.

(a) IN GENERAL.—In order to integrate existing school-to-work transition activities with activities under this Act and maximize the effective use of resources, a local partnership may carry out schoolwide school-to-work activities in schools that meet the requirements of subparagraphs (A) and (B) of section 263(g)(1) of the Job Training Partnership Act (29 U.S.C. 1643(g)(1) (A) and (B)) by combining Federal funds under this Act with other Federal funds from among those programs under—

(1) the provisions of law listed in paragraphs (2) through (6) of section 502(b); and

(2) the Job Training Partnership Act (29 U.S.C. 1501 et seq.)

(b) USE OF FUNDS.—A local partnership may use the Federal funds combined under subsection (a) under the requirements of this Act, except that the provisions contained in paragraphs (1) through (6) and paragraphs (8) and (9) of section 502(c), and paragraph (1) and paragraphs (3) through (6) of section 503(b) shall remain in effect with respect to the use of such funds.

(c) ADDITIONAL INFORMATION IN APPLICATION.—A local partnership seeking to combine funds under subsection (a) must include in its application under title II or title III—

(1) a description of the funds it proposes to combine under the requirements of this Act;

(2) the activities to be carried out with such funds;

(3) the specific outcomes expected of participants in schoolwide school-to-work activities; and

(4) such other information as the State, or Secretaries, as the case may be, may require.

(d) DISSEMINATION OF INFORMATION.—The local partnership shall, to the extent feasible, provide information on the proposed combination of Federal funds under subsection (a) to parents, students, educators, advocacy and civil rights organizations, and the public.

TITLE VI—SAFEGUARDS

SEC. 601. SAFEGUARDS.

The following safeguards shall apply to each School-to-Work Opportunities program carried out under this Act:

(1) NONDISCRIMINATION.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, ethnicity, national origin, gender, age, or disability.

(2) PROHIBITION OF WAGES.—Funds appropriated pursuant to section 6 shall not be expended for the wages of youth participants or workplace mentors.

(3) LABOR STANDARDS.—The labor standards contained in section 143 of the Job Training Partnership Act (29 U.S.C. 1553), except for the standards contained in subsection (a)(4) of such section, shall apply to each program.

(4) INDIVIDUALS NOT ENTITLED TO SERVICES.—Nothing in this Act shall be construed to provide any individual with an entitlement to the services authorized by this Act.

(5) SIMILAR AUTHORITY OF OTHER OFFICIALS OR ENTITIES NOT SUPERSEDED.—Nothing in this Act shall be construed to negate or supersede the authority of any official or entity responsible under State or other applicable law for authority that is similar to authority specified under this Act.

(6) SUPPLEMENT NOT SUPPLANT REQUIREMENT.—Funds provided under this Act shall be used to supplement and not to supplant Federal, State, and local public funds expended to provide services for existing school-to-work opportunities systems and programs.

(7) OTHER SAFEGUARDS.—The Secretaries shall provide such other safeguards as they deem appropriate in order to ensure that participants in a program are afforded adequate supervision by skilled adult workers,

or, otherwise, to further the purposes of this Act.

TITLE VII—REAUTHORIZATION OF JOB TRAINING FOR THE HOMELESS DEMONSTRATION PROGRAM UNDER THE STEWART B. McKINNEY HOMELESS ASSISTANCE ACT

SEC. 701. REAUTHORIZATION.

Section 739(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11449(a)) is amended by striking "the following amounts:" and all that follows and inserting "such sums as may be necessary for each of the fiscal years 1994 and 1995."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan [Mr. FORD] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, H.R. 2884, the School-to-Work Opportunities Act of 1993.

At the markup of this bill before the Committee on Education and Labor, I remarked that for those who were wondering when we were going to stop working on higher education matters for a minute and devote ourselves to the majority of young people whose education never reaches that level, this is the when.

The school-to-work bill has been the subject of unprecedented cooperation between the Departments of Labor and Education, which will share responsibility for implementing it. Our first hearing on the bill drew Secretaries Reich and Riley, who presented testimony jointly written. Their appearance was symbolic of the entire process of making this program a reality.

I want to read a couple of lines from an article about the bill in Friday's National Journal. The article first refers to Vice President GORE'S effort to reinvent government, which, as the article says, "boils down to making government make sense." The piece goes on: "That often means tearing down bureaucratic barriers that no longer work and recombining functions in new ways to get the job done."

Of Secretary Reich and Secretary Riley, the article says:

> They elicited from their mutually suspicious bureaucracies an unprecedented degree of collaboration on a plan to help young people who don't get a college degree—three out of four nationwide—acquire the skills and employment experience they need to get good jobs. The scheme would combine the best elements of high school, youth apprenticeships and what has come to be called 'tech prep'—coordinated programs that span the last 2 years of high school and the first 2 years of technical college.

Mr. Speaker, since the bill's introduction on August 6, the Committee on Education and Labor has held three hearings. On November 3, we approved the bill after both Republicans and Democrats offered and supported amendments. Today, on a bipartisan basis, we will move the bill one step closer to the President's desk.

As National Journal reported, the goal of this legislation is to expand career and education options for the 75 percent of high school students who do not receive a college degree. By providing flexibility in establishing school-to-work systems, we expect that States and school districts will be able to build on the many successful, innovative programs they already have implemented.

Under the school-to-work concept, educators, employers, and labor representatives develop partnerships in which high school juniors and seniors attend school part time and go to work part time. Their school course work complements their particular on-the-job experience, enhancing their qualifications in the eyes of potential employers. School-to-work participants receive not only a high school diploma, but a certificate of competency in the set of skills necessary for their chosen field. Alternatively, these young people go on to appropriate postsecondary education or training. At the end, they will have a ready answer for employers whose first question is always, "Do you have any experience?"

The Federal role in school-to-work is to provide grants to States and localities to establish these partnerships, and to establish a flexible framework to ensure that students receive the kind of training that will launch them on successful careers.

The basic components, developed by States, include work-based and school-based learning, and coordination of the two.

Under work-based learning, students would receive job training, paid work experience, workplace mentoring, and instruction in skills and in a variety of elements of an industry. At school, students would explore career opportunities with counselors. They would receive instruction in a career major, selected no later than 11th grade. The study program's academic and skill standards would be those contained in the administration's school reform bill, H.R. 1804, the Goals 2000: Educate America Act. Typically, their coursework would include at least 1 year of postsecondary education and periodic evaluations to identify strengths and weaknesses.

The coordinating activities involve employers, schools, and students, who together match the students with work opportunities. Teachers, mentors, and counselors also will receive program instruction.

States' school-to-work plans, submitted for Federal implementation grants, would have to detail how the State would meet program requirements. They also would explain how the plans would extend the opportunity to participate to poor, low-achieving, and disabled students and dropouts.

This bill is an important blueprint to help us build a high-skilled work force for the 21st century. In line with other proposals developed by the Clinton administration, it does not establish new Federal bureaucracies but makes States and localities partners with the Federal Government in achieving goals crucial to improving the lives of our citizens.

Mr. Speaker, with the leadership of the President and his Cabinet, and the hard work of the department staffs and our committee staff, we are ready to take the next step to assist millions of young people get their fair shot at the American dream—a good wage in return for skilled work that employers need.

I urge my colleagues to support the bill.

□ 1540

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2884, the School-to-Work Opportunities Act of 1993.

This legislation is designed to bring together partnerships of employers, educators, workers, and others for the purpose of building a high-quality school-to-work transition system in the United States.

Such a system would prepare this Nation's youth for careers in high-skill, high-wage jobs. For this reason, I have been happy to work in a bipartisan manner with Chairman FORD and the administration to develop this legislation, with the goal of establishing such a comprehensive school-to-work system in this country.

It has become an all-too-well-known statistic in recent years, that only about 50 percent, or approximately 1.4 million of this Nation's youth enter some form of postsecondary education the fall after they graduate from high school. Of these, only about half successfully complete a baccalaureate degree. For the remainder, representing three out of four U.S. youth, a rough and often painful transition to a career begins.

Yet our U.S. educational system continues to be disproportionately geared to meeting the needs of college-bound youth. There is simply no mechanism in most of our schools to link young people to employers.

While not identical, the legislation we are introducing today, shares many of the key components of a bill that my colleague from Wisconsin, Mr. GUNDERSON and I introduced earlier this year, to create a system of school-to-work transition and youth apprenticeship programs in the United States.

Both measures provide considerable flexibility at the State and local levels, allowing communities to develop programs that meet their individual economic and labor market needs.

Both are built around partnerships at the local level, that bring employers, schools, teachers, workers, students, and the community together to design the system.

Both require the integration of school-based and work-based learning.

Both bills are designed so that the successful completion of a school-to-work program will lead to a high school diploma, a portable certificate of competency in an occupation, a certificate or diploma from a postsecondary institution, if appropriate, and employment in a high-skill, high-paying job.

And both are built on successful efforts in progressive States and communities—such as those programs in my district—found both in the York Youth Apprenticeship Program, and in Project Connections (undertaken by involved employers and the school district of the city of York)—where young students are provided with challenging academic curricula and at the same time engaged in related career development opportunities.

During the hearing process in the Education and Labor Committee, we heard from numerous witnesses, representing such varied constituencies as the business community, educators, organized labor, and community-based organizations—all of whom testified in strong support for this legislation. And as a result, a number of improvements were made in the bill as we moved it through the committee.

We were successful in increasing the emphasis on serving youth through career awareness, exploration, and counseling programs in the middle school years, and even earlier where possible.

We were also successful in maintaining the strong role that employers must play in all aspects and at all levels of this system, if it is to be a success.

Legitimate concern continues to persist that this legislation will result in just one more new program added to the over 150 Federal employment and training programs that already exist in this country.

While this would be true if the bill were an ongoing grant program, with no coordination requirements—it is not.

Probably one of the greatest strengths of this legislation is that while it does not eliminate any existing job training or education programs—it will serve as a coordinating mechanism by which existing education and training programs will be integrated at the State and local levels.

The competitive implementation grants provided to States and local partnerships under the bill, are one-time 5-year grants—or venture capital—that are to be used to leverage change in existing education and training programs.

In order to receive an implementation grant, States and local programs must show how existing programs will be integrated, and how school-to-work activities will continue once Federal money is gone.

Further, a broad use of waivers under the legislation will result in linkages between programs never before possible.

Mr. Speaker, I truly feel that this is an innovative and very important piece of legislation, that will result in positive change in how we educate our youth and prepare them for the world of work.

I am proud to have been a part of its development.

I therefore urge my colleagues to join me in support of its passage.

Mr. FORD of Michigan. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. KILDEE], the chairman of the Subcommittee on Elementary and Secondary Education.

Mr. KILDEE. Mr. Speaker, I rise in strong support of H.R. 2884, the School-to-Work Opportunities Act of 1993.

In today's highly competitive global economy, business performance is increasingly reliant upon the knowledge and skills of its workers.

Changes in business structures and increased use of technology in the workplace require that today's entrants into the work force be better educated and more highly skilled.

Mr. Speaker, I have some exciting school-to-work programs operating in my district which are successfully preparing high school students for the workplace.

A joint partnership among General Motors, the UAW, and Flint schools prepares students to enter skilled trades through a program that offers challenging academic and work-based components.

Students in the manufacturing training partnership are learning skills that will lead to high-skilled, high-wage jobs.

Other students from the Flint area are able to gain skills through a cooperative effort between Hurley Hospital and the Genesee-area Skills Center.

Mr. Speaker, these programs are not only having a positive effect on the students involved in them, they are having a positive effect on the community at large.

In fact, school-to-work programs in Flint are considered an integral part of local economic development.

I am pleased to support this legislation because I have seen the difference school-to-work programs make in students' lives.

H.R. 2884 provides opportunities for high school students to enter the workplace better prepared by establishing, for the first time, a national framework for a school-to-work system.

Programs created under this system through broad-based partnerships in States and communities will enable all students to participate in education and training programs that will better prepare them for a first job, enable them to earn portable credentials, and increase their opportunities for meaningful secondary and postsecondary education.

Mr. Speaker, the School-to-Work Opportunities Act will help communities develop and implement school-to-work programs that will increase opportunities for all students to enter the workplace ready to perform.

Mr. Speaker, I want to extend my gratitude to Mr. Tom Kelley of the Elementary, Secondary, and Vocational Subcommittee staff for his very effective research and work on this bill. I know Secretary Riley and Secretary Reich join with me in extending our thanks and congratulations to Tom Kelley.

Mr. FORD of Michigan. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in strong support of the School-to-Work Opportunities Act of 1993. This bold initiative takes a vital step toward giving all of our Nation's young people the knowledge and skills to make a successful transition from school to a first job, in a higher skill, higher wage career.

In my State of Connecticut, young people are now suffering from record high levels of unemployment. This initiative offers real hope for the first time in a long time to many of these young people and to the 75 percent of our Nation's young who will not, and often do not have the means to achieve a college degree. For these young people, for their families, and for the communities in which they live, the school-to-work initiative promises a rigorous regimen of education and training necessary to allow them to compete successfully for the high skill, high wage jobs of tomorrow.

The School-to-Work Program is also vital for our Nation's security and future economic prosperity. We are entering an age in which the level of education and skill of a nation's workers will determine whether that nation is able to attract the high skill, high wage jobs on which its prosperity and security will increasingly depend. It is time that we joined almost all the nations with which we compete in the global market and institute a school-to-work system that gives our young people and our Nation the ability to compete successfully in this rapidly expanding market.

As a member of the Labor, HHS, and Education Subcommittee, I have had the opportunity to work with my colleagues and with Secretaries Riley and Reich to appropiate sufficient funding to assure a successful launch of this important initiative. This is a program that embodies the type of critical investment in American young people

and workers that will yield our Nation and each of our communities increasingly high dividends for generations to come.

□ 1550

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

I rise to participate in a colloquy with the gentleman from Michigan [Mr. FORD]. The gentleman from Wisconsin [Mr. GUNDERSON] had hoped to be here, and I had hoped he would be here because he has worked long and hard over the years to develop good school-to-work programs and apprenticeship programs.

He is not here so I will enter into a colloquy, if I might, with the chairman.

Mr. Speaker, even with my strong support for this legislation, I am concerned over a change made to the bill that we are considering here today from the version of H.R. 2884 that was reported out of the Education and Labor Committee—dealing with the issue of State governance of school-to-work programs.

Specifically, this change would provide very specific and separate approval authority to the Governor for those portions of a State's school-to-work opportunities plan which fall under the jurisdiction of the Governor, and separate approval authority to other State officials for those portions of a State's plan which fall under the jurisdiction of those State officials, respectively.

While I fully understand the need, and strongly agree that all relevant State agency heads as well as the Governor must be fully involved and committed to the planning and implementation of a State's school-to-work system if this effort is to succeed—I am concerned that this specific language will actually do just the opposite—encouraging individual State agencies and officials to view this school-to-work initiative as a collection of separate activities under the separate jurisdictions of their individual agencies—rather than an integrated, collaborative system.

Am I correct to assume that the chairman agrees that this school-to-work effort must be a collaborative effort on the part of all key State officials?

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, the gentleman is correct. In fact, the bill requires collaboration among the individual State partners in the development and implementation of a State's school-to-work system.

Mr. GOODLING. Mr. Speaker, it is my understanding that the National Governor's Association and the Chief State School Officers are currently trying to work out a compromise on this issue.

Based on these negotiations, and on the understanding that the language that provides this separate approval authority will be changed in conference, I have agreed to support passage of H.R. 2884 today.

May I have the chairman's assurance that he will work with me as we go to conference with the Senate, to replace this language with compromise language that strengthens the bill's collaboration requirements—and that does not encourage the separate development and implementation of school-to-work activities by individual State agencies—or encourage individual State officials to exercise a final veto over the entire State plan?

Mr. FORD of Michigan. Mr. Speaker, if the gentleman will continue to yield, I agree with the gentleman that we will work together to craft a compromise on this language during the conference with the Senate. The inclusion of this language today has facilitated in moving the legislation forward, with the clear understanding that I am committed to reaching an agreeable alternative with the gentleman before the legislation comes back to the House.

Mr. GOODLING. Mr. Speaker, I thank the chairman for his assurance. I, too, want to thank the staff, particularly on my side of the aisle Mary Gardner-Clagett. They worked long and hard to help us produce what I think is a good piece of legislation. I hope all Members will support it.

Mr. BALLENGER. Mr. Speaker, H.R. 2884, the School-to-Work Opportunities Act of 1993 is an attempt to help American students make the transition from high school to the working world smoothly and successfully. I recognize that not all students will have the luxury of attaining a college education. This legislation is for them. The bill emphasizes the importance of combining work-based and school-based learning. By coordinating the instruction received in both places, the students will be better equipped upon graduating to enter the work force.

The concept of mentoring, embodied in this bill, is one that I have long endorsed and recognized as necessary to training young people to be successful competitors in this global economy.

While I am excited about the potential contained within this bill, I am equally concerned about the number of similar job training programs already in place in the Federal Government. According to a GAO study released in 1992, there are 125 Federal job training programs already in existence. Of concern to me are the overlapping responsibilities, duplication of services, and unnecessary costs.

I do not wish to detract from the importance of job training, however, it is unfortunate that this bill does not do a better job of consolidating and improving existing programs. In light of the ever-swelling budget deficit, now is the time to streamline and downsize, to develop better and more efficient programs with less resources. This bill did not rise to that challenge.

Mr. WILLIAMS. Mr. Speaker, as we begin our debate today, I am glad that a number of my concerns with this legislation have been addressed.

The bill that we are considering today responds to the issue of governance of this system by providing the safeguard that:

> Nothing in this Act shall be construed to negate or supersede the authority of any official or entity responsible under State or other applicable law that is similar to authority specified under this Act.

In addition, this point is reemphasized in the committee amendment today which impacts the approval of the State plan. The amendment states that:

> The Governor shall approve those portions of the plan under the jurisdiction of the Governor; and other appropriate officials or entities shall approve those portions that address matters that, under State or other applicable law, are not under the jurisdiction of the Governor.

States like Montana and Michigan, with separately elected superintendents of public instruction, will have their legal decision-making structure protected. This ensures that the chief State school officer will make the relevant decisions under this act as opposed to the single, cookie-cutter approach in the original bill.

The legislation also goes a long way to ensuring that young women will be served equitably under this act and exposed to jobs that they have traditionally been steered away from.

The bill ensures necessary labor standards and ensures that funds under the act will be used to supplement and not supplant existing Federal, State, and local funds.

As we move to conference with the Senate, I am also concerned that we commit to supporting this bill in conference and not cave in to the peculiarities of Senate time agreement in order to have legislation on the President's desk by the time we recess.

Mr. GUNDERSON. Mr. Speaker, I rise in support of H.R. 2884, the School-to-Work Opportunities Act of 1993.

Similar to legislation that my colleague from Pennsylvania, Mr. GOODLING, and I introduced earlier this Congress, this bill is designed to establish high-quality, work-based learning programs throughout the United States, that train youth for skilled, high-wage careers which do not require a 4-year college degree.

Establishment of such a school-to-work transition system in the country would address a serious inadequacy in this Nation's educational system, as well as significantly improve the quality of the U.S. work force, enabling the United States to better compete in the global marketplace.

Demographic trends, technological change, increased international competition, a changing workplace, and inadequacy of our U.S. education and training systems have resulted in shortages of skilled workers and an excess of unskilled, hard-to-employ individuals.

A significant proportion of U.S. youth graduate from high school with indequate basic skills and totally lacking in work-readiness competencies.

Yet the United States is the only major industrial national lacking a formal system for

helping youth make the transition from school to work.

Very little attention is paid in our U.S. educational system to preparing youth for the workplace.

Like our earlier legislation, the bill under consideration today has the goal of expanding the range of education and career options for the 70 to 75 percent of American youth who will not complete a 4-year B.A. degree.

By providing a broad degree of flexibility in establishment of school-to-work systems in States and localities, the legislation builds on successful efforts already undertaken by innovative States and communities—such as those efforts in Wisconsin—while providing Federal guidance on the establishment of a national school-to-work policy.

This legislation would provide development grants to all States for the early planning and development of statewide school-to-work efforts.

The bill further provides one-time, 5-year implementation grants to States who after further along in their school-to work efforts, to aid in the actual establishment and expansion of State and local school-to work programs.

The implementation grants, expected to go out to States in waves, have been aptly described by the administration as venture capital—a one-time infusion of Federal assistance that will leverage change in existing programs—ultimately resulting in broad-based change in the way we teach and prepare our youth for the world of work.

At the heart of this system are local partnerships of employers, educators, workers, students, and the community, who will build local school-to-work programs to meet the economic and educational needs of their individual communities.

The active and vital role of employers is stressed throughout the legislation at the State and local levels.

Under the proposal, school-based and work-based learning must be integrated, with students participating in school-to work programs gaining valuable work experience under the guidance of a workplace mentor.

Career awareness, exploration, and counseling opportunities are encouraged for all students—beginning as early as possible, but no later than in the middle school years—in order that all youth have a sense of the opportunities that lay ahead combined with the right education.

Finally, and most importantly, students completing this program would receive a high school diploma, a certificate of competency in an occupation, entry into appropriate post-secondary education, where appropriate, and/or entry into a skilled, high-paying job with career potential.

Mr. Speaker, I feel that the legislation before us today moves us in the right direction in meeting the needs of non-college-bound youth, whose needs have been so inadequately met in recent years.

I feel it strikes the right balance, involving all the necessary players, at every level; providing maximum flexibility to States and particularly to local programs to craft programs that meet individual community needs; and leveraging change in existing programs through the one-time infusion of new money, and through waivers of regulatory and statutory provisions in existing Federal education and training programs.

This is not business as usual, and as a result, I support passage of H.R. 2884, and urge my colleagues to do the same.

Mrs. UNSOELD. Mr. Speaker, I enthusiastically support H.R. 2884, the School-to-Work Opportunities Act. As an original cosponsor of this bill, I believe it is high time for us to think more creatively about the lifelong process of education. No longer can we expect our students to move in a nice straight line from elementary school to middle school to high school and then on to a job. Students should be able to experience life in the workplace—and in the business community—before they graduate from high school, not after. I believe this bill takes us in that direction.

The bill provides much-needed funding for States and communities to establish programs that serve the 75 percent of our population without a college degree. Under a provision I inserted, this bill also encourages States to help establish business-education partnerships between local businesses and elementary and middle schools. With the amount of Federal funding for education shrinking over the past 12 years, it's time for us to think about new ways to support our public schools. Business-education partnerships and school-to-work programs are two innovations that make sense—both substantively and financially.

Mr. KREIDLER. Mr. Speaker, I would like to voice my strong support for H.R. 2884, the School To Work Opportunities Act of 1993. This program is long overdue. It will help meet the needs of noncollege bound high school students for career education.

About half of America's young people do not go on to college; 75 percent do not achieve a college degree. Our rapidly changing work force requires the improvement of our students' basic skills to compete in a global economy. They should have access to both academic and vocational education in accordance with their interests, needs, and abilities.

In my State of Washington, the school-to-work concept has already been successfully linking high school students with career opportunities. Students in the Bethel School District are using "Career Paths" that emphasize integration of academic and vocational education. These students are able to gain valuable work experience while going to school. Beginning in the eighth grade, students are encouraged to explore their career interests and start taking classes that relate to those fields. The local community is involved as well, by allowing students into the workplace to experience hands-on learning.

I was proud to cast my vote in favor of the School To Work Opportunities Act. It is time that we respond to the changing needs of our global economy by improving our education system as well as our work force, and by providing our students the skills and opportunities they need to compete.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the bill, H.R. 2884, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous material, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM AMENDMENTS

Mr. GONZALEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3321) to provide increased flexibility to States in carrying out the Low-Income Home Energy Assistance Program, as amended.

The Clerk read as follows:

H.R. 3321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASED STATE FLEXIBILITY IN THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.

Section 927 of the Housing and Community Development Act of 1992 (Public Law 102-550) is amended—

(1) in subsection (a)—

(A) by striking the parenthetical phrase; and

(B) by inserting before the period ", except as provided in subsection (d)";

(2) in subsection (b)—

(A) by striking "such" and inserting in lieu thereof "or receiving energy"; and

(B) by inserting before the period "for any program in which eligibility or benefits are based on need, except as provided in subsection (d)"; and

(3) by inserting at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.—For purposes of the Low-Income Home Energy Assistance Program, tenants described in subsection (a)(2) who are responsible for paying some or all heating or cooling costs shall not have their eligibility automatically denied. A State may consider the amount of the heating or cooling component of utility allowances received by tenants described in subsection (a)(2) when setting benefit levels under the Low-Income Home Energy Assistance Program. The size of any reduction in Low-Income Home Energy Assistance Program benefits must be reasonably related to the amount of the heating or cooling component of the utility allowance received and must ensure that the highest level of assistance will be furnished to those households with the lowest incomes and the highest energy costs in relation to income, taking into

account family size, in compliance with section 2605(b)(5) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(5)).".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes and the gentleman from Nebraska [Mr. BEREUTER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3321, as amended, is designed to give States more flexibility in administering the Low-Income Home Energy Assistance Program [LIHEAP], as that program relates to federally assisted housing. This legislation is an amended version of the bill as originally introduced by Congressman BARNEY FRANK on October 20, 1993. H.R. 3321, as amended, needs to be passed quickly so that States can implement this change for the current heating season.

I am submitting for the RECORD a section-by-section analysis and short summary of H.R. 3321, as amended.

This bill clarifies an interpretation of current housing law that has apparently hindered States in carrying out the LIHEAP program. Some States have interpreted the law as requiring them to provide LIHEAP assistance to a tenant of federally assisted housing without taking into account the amount of any utility allowance that the tenant may also be receiving. H.R. 3321, as amended, would clarify the law to permit States to consider the tenant's utility allowance in determining their LIHEAP assistance.

Specifically, the bill amends section 927 of the Housing and Community Development Act of 1992 to allow States to take into consideration the amount of the heating or cooling component of a utility allowance received by a tenant of federally assisted housing, in determining their LIHEAP benefits. The legislation provides, however, that the size of any reduction in LIHEAP benefits to the tenant must be reasonably related to the amount of the heating or cooling component of the utility allowance received by the tenant.

Currently, section 927 of the 1992 Housing Act prohibits States from reducing or denying LIHEAP payments to tenants of federally assisted housing who are responsible for paying heating or cooling bills. In addition, it requires such tenants to be treatedidentically with other low-income families eligible for LIHEAP, including those who do not live in assisted housing and who do not receive utility allowances.

Congressman FRANK specifically amended H.R. 3321 to address my concerns that tenants of federally assisted housing not be unfairly disadvantaged by this change in the law. This was done by adding language to the legislation that strengthens the current law requirement that tenants of federally assisted housing with heating or cooling costs cannot be automatically denied LIHEAP assistance, and by conforming language in the bill to language in the LIHEAP statute that requires that such assistance is to be provided to those households with the lowest incomes and highest energy costs.

I would also like to make clear that this legislation is not intended to permit States, in administering LIHEAP, to establish a priority for funding individuals who do not receive utility allowances, as utility allowances do not always adequately relieve the utility burden of tenants of assisted housing.

As this legislation only amends a housing statute—the 1992 Housing Act—it is within the jurisdiction of the Committee on Banking, Finance and Urban Affairs, which I chair. However, as LIHEAP itself is within the jurisdiction of the Energy and Commerce Committee and the Education and Labor Committee, the respective chairmen of those committees have been advised of this legislation, and they have expressed their support. I would like to introduce into the RECORD at this time letters of support from Chairman DINGELL and Chairman FORD.

Finally, the Congressional Budget Office reviewed H.R. 3321 as introduced and reported that there are no Federal, State, or local costs associated with the bill. I am submitting the CBO estimate for the RECORD at this time.

I therefore urge the adoption of H.R. 3321, as amended.

SECTION-BY-SECTION SUMMARY—H.R. 3321, AS AMENDED

SECTION 1. INCREASED STATE FLEXIBILITY IN THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

Amends section 27 of the Housing and Community Development Act, entitled "Clarification on Utility Allowances," as follows:

(1) Amends section 972(a) to provide that tenants who are responsible for making out-of-pocket payments for utility bills, and who receive utility allowances under certain specified Federally-assisted housing programs, cannot have their eligibility or benefits under other energy assistance programs reduced or eliminated, except as provided for in the new section 927(d) established by this bill.

(2) Amends section 927(b) to provide that tenants described in subparagraph (1) above are to be treated identically with other households eligible for or receiving energy assistance, including in the determination of home energy costs and incomes for any program in which eligibility or benefits are based on need, except as provided in new section 927(d).

(3) Establishes a new section 927(d) to provide that tenants receiving utility allowances under specified Federally-assisted housing programs, who are responsible for paying some or all heating or cooling costs, cannot have their eligibility for the Low-Income Home Energy Assistance Program (LIHEAP) automatically denied.

Allows a State to consider the amount of the heating or cooling component of utility allowances received by such tenants when setting benefit levels under LIHEAP.

Provides that the size of any reduction in LIHEAP benefits must be reasonably related to the amount of the heating or cooling component of the utility allowance received by the tenant, and must ensure that the highest level of assistance will be furnished to those households with the lowest incomes and the highest energy costs in relation to income, taking into account family size, in compliance with section 2605(b)(5) of the Low-Income Home Energy Assistance Act of 1981.

SHORT SUMMARY—H.R. 3321, AS AMENDED

This legislation clarifies current housing law to provide States with more flexibility in the administration of the Low-Income Home Energy Assistance Program (LIHEAP) as that program relates to Federally-assisted housing.

H.R. 3321 amends section 927 of the Housing and Community Development Act of 1992 to allow States to take into consideration the amount of the heating or cooling component of a utility allowance received by a tenant of federally-assisted housing, in determining their LIHEAP benefits.

In order to ensure that tenants of federally-assisted housing are not unfairly disadvantaged by this change in the law, the legislation specifically provides that tenants of federally assisted housing who are responsible for paying some or all of their heating or cooling costs cannot be automatically denied assistance under LIHEAP. In addition, it provides that any reduction in LIHEAP benefits must be "reasonably related" to the amount of the heating or cooling component of the utility allowance. Finally, the legislation conforms with the current LIHEAP statute requirement that assistance is to be provided to those households with the lowest incomes and the highest energy costs.

COMMITTEE ON EDUCATION AND LABOR,
Washington, DC, November 4, 1993.

Hon. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance, and Urban Affairs, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the Committee on Banking, Finance, and Urban Affairs may soon consider and seek House floor consideration of H.R. 3321, a bill to provide increased flexibility to States in carrying out the Low-Income Home Energy Assistance Program. As you are aware, the measure has been jointly referred to the Committee on Education and Labor.

This effort to clarify the intent of amendments included in section 927 of the Housing and Community Development Reauthorization Act of 1992, Public Law 102-550, will permit States to more efficiently allocate limited LIHEAP resources among eligible beneficiaries of the program. While amending section 927 of Public Law 102-550, H.R. 3321 would directly establish rules of construction for determination of LIHEAP eligibility. However, in order to expedite consideration of this legislation, I would have no objection to discharging the Committee on Education and Labor, without prejudice to its continued legislative jurisdiction over the Low-Income Home Energy Assistance Program.

With kind regards,

Sincerely,

WILLIAM D. FORD,
Chairman.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, November 9, 1993.

Hon. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance, and Urban Affairs, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of November 4, 1993 supporting H.R. 3321, a bill to provide states with useful flexibility to efficiently utilize the limited resources of the Low-Income Home Energy Assistance Program (LIHEAP). As you know, I have long been a supporter of LIHEAP and its help in addressing the heating needs of the old, the disabled, and the working poor.

As you noted, the bill amends language included in the Housing and Community Development Act of 1992 that was designed to ensure that residents of subsidized housing who are receiving utility allowances remain eligible for LIHEAP benefits. As studies have shown, utility allowances alone are not always adequate to meet the heating needs of the residents.

I am satisfied that the changes in H.R. 3321, including your suggested changes to the original text, retain this important safeguard while meeting the concerns of Representative Frank who has led efforts to move H.R. 3321 this year.

After review, I support the efforts to move this bill, as amended, expeditiously on the suspension calendar. Thank you for your attention to this important matter.

Sincerely,

JOHN D. DINGELL,
Chairman.

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 25, 1993.

Hon. BARNEY FRANK,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN: The Congressional Budget Office has reviewed H.R. 3321, a bill to provide increased flexibility to states in carrying out the Low-Income Home Energy Assistance Program (LIHEAP), as introduced on October 21, 1993. CBO estimates there would be no federal, state or local costs associated with this bill. Further, we estimate there would be no direct spending effects; therefore, the bill is not subject to the pay-as-you-go procedures of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

This bill would allow states to reduce the LIHEAP benefit for certain individuals by an amount that is reasonably related to the amount of the heating or cooling component of the utility allowance provided by various housing programs. Under current law, states are not allowed to reduce or eliminate LIHEAP benefits to individuals receiving utility allowances through these programs. As a result, states are paying full LIHEAP benefits to some individuals receiving utility allowances, resulting in these individuals receiving more benefits than they need to pay their energy expenses. This bill would give states the option to reduce LIHEAP benefits for these individuals.

LIHEAP provides federal grants to states to assist low-income persons with their energy bills. This bill would not alter the funds made available to states. If states reduce benefits to certain individuals, these states could increase benefits to others. Federal grants would be unaffected.

If you wish further details on this estimate, we will be pleased to provide them. The CBO analyst is Cory Oltman who can be reached at 226-2820.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. FRANK] be permitted to manage the debate and allocate time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

I appreciate the courtesy the chairman of the full committee has shown to me, as he has to other Members in helping us move this.

Mr. Speaker, this bill is necessitated by an error that I made last year. I think I got it right this time.

In the housing bill that we passed, actually not last year but 2 years ago, we meant to give the States flexibility, so that people who lived in assisted housing and who were otherwise eligible for low income heating assistance could get it. The problem has been that the law was being interpreted to say that if one was in public housing, or assisted housing, they could not get any home heating assistance, even if they had to pay part of their heating bill.

Now, where the individual tenant pays none of the heating bill, it seemed unnecessary for them to get this assistance. We wrote legislation, which was intended to give flexibility, but in the drafting process, I made a mistake. And we wound up with too much rigidity.

Fortunately, that was called to our attention by some people. In fact, some of the Legal Services group on whom I rely for information and whom I ask from time to time for an evaluation, pointed this out as have some others.

We now have a situation where, if we do not move quickly and change this, not only will the States be able to give home heating assistance to these who need it, it will be mandated to some people who do not need it. That is, some people who, in fact, get all of their heating bills paid for as part of their public assistance will get a windfall. That windfall will come out of a limited pot that cost other people money.

I should note, by the way, that this will cost the Federal Government nothing. This bill, because it merely deals with how we allocate funds already appropriated, does not add one cent to the appropriation. It simply provides for a fairer way to distributing money already appropriated for the year.

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What this bill does is what we should have done in the first place. It gives the States the flexibility, and what it says is that a State may give partial heating assistance to people who pay part of their bills, or whatever is appropriate. The home heating issue is an important one. It has not gotten, in my judgment, appropriate funds. It is very important that we do it in the right way, so this is a piece of legislation which corrects a mistake and provides, as it says, State flexibility, and it is flexibility which is geared to need.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises in strong support of the bill, H.R. 3321, as amended. I also express the support of the gentlewoman from New Jersey [Mrs. ROUKEMA] whose statement of support will be included.

This Member also compliments the gentleman from Massachusetts [Mr. FRANK] for leading the efforts to fix this inadvertent problem created during consideration of the 1992 Housing and Community Development Act.

The intent of the legislation is very straightforward. It amends section 927 to give the States added flexibility to consider the amount of assistance provided to residents as part of their rental assistance and to set Low-Income Home Energy Assistance Program [LIHEAP] benefits in a manner that relates to the actual cost of utilities.

To explain, low-income families receive a utility allowance as part of their rental assistance payment. This utility allowance is often insufficient to pay the actual cost of utilities. Until 1992, some States denied LIHEAP to families who qualified for the program because they received a utility allowance. Consequently, Congress passed legislation that required States to provide energy assistance payments under the LIHEAP Program regardless of whether families received utility allowances as well.

The unintended consequence of the 1992 legislation, however, is that now States are compelled to pay families the same dollar amount of LIHEAP assistance regardless of circumstances. As a result, some families who receive both the LIHEAP assistance and the utility allowance receive more assistance than they should receive.

The legislation will rectify this situation by giving States authority to reduce the LIHEAP utility subsidy to individuals who also receive utility payments from other housing programs. It is budget neutral, restores equity to the impact of the program, and simply, makes good sense. This Member urges adoption of H.R. 3312.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply want to again thank the chairman of the committee for facilitating this, and I also want to note, as an example of cooperation,

this was jointly referred to the Committee on Banking, Finance and Urban Affairs, to the Committee on Education and Labor, and to the Committee on Energy and Commerce, and I appreciate the willingness of the chairs of the Committee on Energy and Commerce and the Committee on Education and Labor to write, as they have, to us saying they have no objection, and in fact support this bill going forward. The bill was jointly referred, but we have the approval of the two committees.

Mrs. ROUKEMA. Mr. Speaker, I rise in support of H.R. 3321 which would amend the Housing and Community Development Act of 1992 with respect to the Low-Income Home Energy Assistance Program.

I want to first commend the gentleman from Massachusetts [Mr. FRANK] for bringing this particular problem to our attention. I also want to commend the chairman for expediting the consideration of this legislation before the winter heating season kicks into full operation.

H.R. 3321 would allow a State to make a LIHEAP payment to a low income tenant of public housing or section 8 housing, which reflects the difference between the tenant's actual utility bill and the utility allowance the tenant receives as part of their Federal assistance.

Historically, most tenants of federally assisted and public housing paid a fixed percentage of their income as rent. The rent usually included utilities.

In the 1980's, many public housing agencies began to meter individual units and required the tenants to assume payment for their own utilities. To offset these additional costs, HUD allowed the PHA's to grant a utility credit against a tenant's rent. These credits, however, very seldom amounted to the exact utility payment.

When the LIHEAP program first went into effect, many States denied payments to certain tenants in federally assisted housing who received utility credits which the States felt were adequate or nearly adequate to cover the out-of-pocket costs to the tenant. The States felt that with the limited funds available for the LIHEAP Program, these double dippers should be restricted from the program.

In response, last year the Congress added a provision in the housing bill which said that if a low-income person was eligible for the LIHEAP payment, the State could not deny any portion of that payment, even if the tenant received a utility credit. The rationale was simply that the credit still did not equal the total utility payment made by the tenant and therefore the LIHEAP payment was necessary.

Since then, States like Massachusetts, which have many low-income tenants eligible for LIHEAP, and have limited budgets for programs like this, have complained that if a full LIHEAP grant had to be given to each federally assisted tenant, who currently receives a utility credit, there would not be enough funds for families in nonsubsidized housing.

H.R. 3321 would retain the basic requirement of current law but would create a limited exception to permit States greater flexibility in structuring their LIHEAP grants. States would be permitted to consider tenants utility credits when determining or adjusting the amount of LIHEAP benefits provided to eligible tenants who live in federally assisted housing.

In other words, the legislation would permit a State to pay the difference between the utility cost and the utility credit which a tenant receives. The result would be to increase current grant amounts to those already eligible and to make more funds available for eligible families who receive no Federal subsidy at all.

This does have the support of the States and does not appear to be controversial.

I urge the House to pass this legislation.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ] that the House suspend the rules and pass the bill, H.R. 3321, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3321, as amended, the bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3325

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 3325.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BLM EXPANSION OF GENE CHAPPIE SHASTA OHV AREA

Mr. VENTO. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 2620) to authorize the Secretary of the Interior to acquire certain lands in California through an exchange pursuant to the Federal Land Policy and Management Act of 1976, as amended.

The Clerk read as follows:

H.R. 2620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds—

(1) the Bureau of Land Management desires to obtain the lands described in section 3(a) for purposes of an access and staging area being planned in cooperation with the National Park Service;

(2) the lands described in section 3(b) constitute an isolated tract acquired by the United States in 1936 for purposes of a Forest Service fire lookout, but such lands are no longer needed for that or any other National Forest purpose, and all improvements have been removed from such lands;

(3) the lands described in section 3(b) are entirely surrounded by private lands owned by a family one of whose members also owns the lands described in section 3(a); and

(4)(A) the owners of the land described in section 3(a) are willing to transfer those lands to the United States in exchange for the lands described in section 3(b); but

(B) under existing law, such an exchange cannot be accomplished administratively.

(b) PURPOSE.—The purpose of this Act is to authorize the Secretary of the Interior to acquire the lands described in section 3(a) through an equal-value exchange for the lands described in section 3(b).

SEC. 2. AUTHORIZATION FOR EXCHANGE.

Solely for purpose of acquisition by the Secretary of the Interior (on behalf of the United States) of the lands described in section 3(a) through an equal-value exchange pursuant to section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716), the lands described in section 3(b) shall, for the 36-month period beginning on the date of enactment of this Act, be deemed to be public lands, as defined in section 103(e) of such Act (43 U.S.C. 1702(e)).

SEC. 3. LAND DESCRIPTIONS.

(a) OHV AREA TRACT.—The lands whose acquisition through exchange is specifically authorized by this Act are described as follows: S½SW¼ of section 26, township 33 north, range 7 west, Mount Diablo Base and Meridian, Shasta County, California, comprised of 80 acres, more or less.

(b) DELTA POINT LOOKOUT TRACT.—The lands which under this Act are deemed to be public lands for purposes of exchange is a parcel described as follows: Mount Diablo Meridian, township 36 north, range 5 west, section 23, SW¼NW¼SE¼, NW¼SW¼SE¼, SE¼NE¼SW¼, NE¼SE¼SW¼, comprised of 40 acres, more or less.

SEC. 4. ACQUISITION.

Section 104 of the Everglades National Park Protection and Expansion Act of 1989 (16 U.S.C. 410r-8) is amended by adding at the end the following new subsection:

"(k)(1) Notwithstanding any other provision of this Act, the Secretary is authorized to use funds appropriated pursuant to this Act, including any available funds appropriated to the National Park Service for construction in the Department of the Interior

and Related Agencies Appropriations Acts for fiscal years 1991 through 1994 for project modifications by the Army Corps of Engineers, in such amounts as determined by the Secretary, to provide Federal assistance to the State of Florida (including political subdivisions of the State) for acquisition of lands described in paragraph (4).

"(2) With respect to any lands acquired pursuant to this subsection, the Secretary may provide not more than 25 percent of the total cost of such acquisition.

"(3) All funds made available pursuant to this subsection shall be transferred to the State of Florida or a political subdivision of the State, subject to an agreement that any lands acquired with such funds will be managed in perpetuity for the restoration of natural flows to the park or Florida Bay.

"(4) The lands referred to in paragraph (1) are those lands or interests therein adjacent to, or affecting the restoration of natural water flows to, the park or Florida Bay which are located east of the park and known as the Frog Pond, Rocky Glades Agricultural Area, and the Eight-and-One-Half Square-Mile Area.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. CALVERT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2620, the legislation now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2620, introduced by Mr. MATSUI and Mr. HERGER, both of California, would authorize but not require the Secretary of the Interior to carry out an exchange involving lands in northern California. The Natural Resources Committee amended the bill to add provisions dealing with Everglades National Park, in Florida, desired and supported by the entire Florida House and Senate delegations.

The California provisions of the bill involve an isolated tract of nationally owned lands that were acquired a half century ago for use as a forest service fire lookout. They are no longer used for that purpose, all improvements have been removed, and the site is no longer needed for any other national forest purpose.

This tract is located in the middle of private lands owned by a family that also owns another parcel of land which the Bureau of Land Management is considering acquiring, for use in connection with an off-road-vehicle recreation area. The family evidently is willing to consider transferring that parcel to the United States, but would prefer to do so through an exchange for the isolated tract in the middle of the family holdings.

The bill would authorize, but not require, such an exchange by providing that for a 3-year period, and solely for purposes of exchange, the surrounded tract would be considered as being BLM lands. This is essentially a housekeeping measure, and is not controversial.

The Florida provisions would authorize the Secretary of the Interior to use funds appropriated pursuant to the 1989 Everglades Expansion Act—Public Law 101-229—for flood control in the Rocky Glades agricultural area, Frog Pond, and 8½-square-mile area to provide Federal assistance to the State of Florida for acquisition of these lands.

The 1989 act authorized the transfer of funds from the National Park Service to the U.S. Army Corps of Engineers for constructing flood control and water modification projects in the three named areas. Studies now show that acquiring these lands and flooding them to restore the natural water flows to the Everglades National Park and Florida Bay would be the most beneficial in terms of the overall park restoration efforts. Approximately. $17.4 million remains unobligated of the approximately $22.7 million that had been appropriated to the National Park Service for the purposes of the 1989 act. The State of Florida, the south Florida water management district and Dade County have agreed to form a partnership to provide funding for a large part of the proposed land acquisition. Authorizing the use of already appropriated funds to assist in the effort will provide needed funds to ensure that the land acquisition process can go forward and provides the Secretary the ability to require that the lands thus acquired will be managed for the benefit of the park.

Since the enactment of the 1989 legislation, the Everglades and Florida Bay have experienced significant decline. The lack of water flow to and through the park, as well as the nature ofthat flow, has caused severe deterioration of the indigenous plant and animal life in the park and the bay. A field hearing held in the Florida Keys in July 1993 highlighted the urgent need to mitigate the severe damage. Restoring the natural flows through the Everglades to Florida Bay is a priority both for the preservation of this unique resource and for those economically dependent upon a healthy Everglades ecosystem.

The bill stipulates that the Federal contribution may not exceed 25 percent of the total cost of the land acquisition, and requires that the lands so acquired must be managed for the restoration of natural water flows to the park or Florida Bay. The Federal Government will neither acquire the land directly nor hold title to the property, but the Federal interest is protected by the provisions ensuring that these lands will be managed for the benefit of the park and Florida Bay.

I participated in the field hearing in July and was impressed by the willingness of all parties—local, State, and Federal agencies as well as interested business persons and private citizens—to work together to restore the Everglades ecosystem. The participation of the entire Florida delegation has been critical in this effort, particularly in seeking this authorization. Their persistence and hard work certainly speaks to the importance of a healthy Everglades to Florida's environment and economy. I support authorizing the reprogramming of these funds, and I urge my colleagues support this positive first step in restoring the Everglades ecosystem.

Mr. Speaker, I reserve the balance of my time.

Mr. CALVERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2620 and commend the gentlemen from California [Mr. HERGER] and [Mr. MATSUI], for their hard work. As fully explained by the chairman, the gentleman from California [Mr. VENTO], H.R. 2620 will permit an equal-value land trade involving the Forest Service, BLM, and private owners in northern California. This legislation will allow the BLM to add a critical piece of property to the Gene Chappie/Shasta OHV Area that will serve as a staging area for off-road vehicle use. Under current regulations, this three-way trade is not possible and therefore this legislation is necessary to complete this trade.

However, H.R. 2620 also includes a nongermane amendment that was added at full committee which authorizes $25 to $30 million to acquire buffer zones along the eastern edge of Everglades National Park. The committee has never held a hearing on this legislation and we are uncertain regarding the merits and necessity of this proposal.

As a general rule, I oppose establishing buffer zones around parks and I do not see a good reason to spend limited Federal dollars to acquire lands outside of parks when we face a backlog of $1 to $2 billion to acquire previously authorized lands inside of park boundaries.

With the exception of the nongermane amendment, I support H.R. 2620.

Mr. MATSUI. Mr. Speaker, I rise in support of H.R. 2620, legislation providing for the Bureau of Land Management's expansion of the Gene Chappie Shasta OHV Area. Before discussing the merits of this legislation, I would like to begin by thanking Chairman VENTO and the members of the Subcommittee on National Parks, Forests, and Public Lands for their hard work on this legislation. I would also like to thank the committee and subcommittee staff for their hard work, and I would particularly

like to mention Mr. Stanley Sloss, counsel to the subcommittee, for his fine work.

Representative HERGER and I introduced H.R. 2620, legislation which will facilitate a land transfer in northern California. This land transfer will allow the Bureau of Land Management [BLM] to add a critical piece of property to the Gene Chappie/Shasta OHV Area.

The intent of this legislation is to allow a parcel of land which was acquired by the Forest Service to be exchanged by BLM in order to achieve the land exchange. The Forest Service land is an isolated tract which was acquired for the Delta Point Lookout on April 20, 1936, under the Emergency Civil Works Act of March 31, 1933. The lookout is no longer needed, and was removed from the parcel, returning the land to its former unimproved status.

The Forest Service parcel is entirely surrounded by private lands, which are owned by the Cibula family of northern California. Consequently, the Cibulas have long been interested in acquiring this parcel. By the same token, the Cibula family owns the parcel of land sought by BLM for purposes of expanding the Gene Chappie/Shasta OHV Area. The Cibulas will consider giving up their parcel only if they can obtain the Forest Service parcel their property surrounds. They will not accept a cash transaction, nor will they accept other offered lands. Therefore, the only apparent way for BLM to acquire the parcel for the OHV area is to be able to offer the Cibulas the land acquired by the Forest Service.

Although the Forest Service is fully willing and cooperative in the effort, under existing legal authorities the Forest Service is authorized to dispose of the acquired parcel only in return for lands which become part of the National Forest System. Since the Cibula parcel is needed for a BLM public domain project, there is no apparent way to achieve the shared goals of the Forest Service, BLM, and the Cibulas under existing law.

H.R. 2620 will allow the Cibulas to work with the two Federal agencies in order to work out the mutually agreeable transaction: the Cibulas will receive the Forest Service parcel in exchange for their family parcel, which will be received by BLM.

This legislation does not require the exchange to take place; it merely allows the parties to proceed should terms agreeable to BLM, the Forest Service, and the Cibulas be established. Our legislation also recognizes all the Federal legal requirements for land exchanges.

Mr. Speaker, our legislation should not be controversial; it merely serves as a mechanism in order to allow BLM, the Forest Service, and a private citizen to exchange properties to the advantage of all concerned, including the Federal Government. Again, I thank the subcommittee and committee members and staff, and I urge my colleagues to pass this legislation today.

Mr. SHAW. Mr. Speaker, I am pleased that the House has recognized the significance of H.R. 2620, the BLM expansion of the Gene Chappie/Shasta OHV Area, and approved it today. Included in this legislation is an authorization of land acquisition efforts to aid in restoring and protecting Florida Bay. I commend the Committee on Natural Resources for their work on this vital initiative.

The Federal, State, and local partnership plan indicates that land must be purchased in south Dade County, including Frog Pond, the Rocky Glades Agricultural Area, and the 8½-square-mile area. Acquisition of these areas is necessary so that canal stages and groundwater levels can be raised to natural levels, wet season ponding can return, and gradual sheetflow restored over a 6–9 month hydroperiod as compared to the current 0–1 month.

Based on the enormous financial undertaking of this effort, it is imperative that Federal, State, and local agencies collaborate to obtain the funds necessary for land acquisition.

This legislation authorizes the Department of the Interior to transfer funding that originally was intended to be allocated to the Corps of Engineers to build seepage canals and a pump station for flood control to go instead toward land acquisition efforts.

The land acquisition initiative is fundamental to the recovery and sustained health of Florida Bay. I am pleased that we are one step closer to saving what was once—and can be again—a beautiful body of water and one of Florida's most vital natural resources.

Mr. JOHNSTON of Florida. Mr. Speaker. I am pleased to rise today in support of a land acquisition project to halt the environmental crisis in Florida Bay. H.R. 2620 would authorize the use of funds that have been appropriated under the 1989 Everglades National Park Protection and Expansion Act to provide Federal assistance for this plan.

Most scientists agree that Florida Bay's ill health is produced by a synergy of factors that originate farther up in the ecosystem. H.R. 2620 would authorize the Federal Government to contribute 25 percent of the necessary resources to purchase private lands in South Dade County that are commonly known as the Frog Pond, the Rocky Glades Agricultural Area, and the 8½ Square Mile Area. The State of Florida, Dade County, and the South Florida Water Management District will contribute the remaining 75 percent. Moreover, as the Everglades Expansion Act authorizes the Park Service to transfer funds to the Army Corps of Engineers for the construction of flood control structures for these lands, this would provide up to $18.7 million for the Federal share.

Once this acquisition is complete, these lands would be flooded for the purpose of restoring historic water flows into the bay, thus returning healthy hydrologic conditions. The Department of the Interior, the Park Service, and the Army Corps of Engineers agree that this method is the best and most effective plan of action.

Florida Bay is actually the tail end of a system that is plagued with water flow problems, from the Kissimmee River origin to the plankton-choked waters off the Florida Keys. Florida's historically rapid development and our ignorance of the importance of the greater Everglades ecosystem's water flow is the cause of this costly mismanagement. Florida has seen the loss of half its original wetlands and an ongoing dieoff of seagrass meadows, mangrove habitats, sponges, shellfish, and other marine life. When Floridians speak of these changes, they often point to the now-familiar "dead zone" area of the bay, where nothing survives but acres of algae blooms.

The crisis in Florida Bay affects Floridians not only as a tragic environmental loss but as an economic nightmare as well. Loss of the seagrass habitat alone already has impacted many economically important fish and shellfish species; lobster harvests alone have an annual dockside value of $24 million. The bay ecosystem has not only supported the livelihood of thousands of commercial and sport fishermen, but has attracted millions of tourists, promoting hundreds of millions of dollars of spending in the State each year.

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Mr. CALVERT. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 2620, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Secretary of the Interior to acquire certain lands in California through an exchange pursuant to the Federal Land Policy and Management Act of 1976, and for other purposes."

A motion to reconsider was laid on the table.

CONVEYING CERTAIN LANDS IN CAMERON PARISH, LA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 433) to authorize and direct the Secretary of the Interior to convey certain lands in Cameron Parish, LA, and for other purposes, as amended.

The Clerk read as follows:

S. 433

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF LANDS.

(a) IN GENERAL.—Subject to the limitations set forth in this section, the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is directed to convey by quitclaim deed and without monetary consideration, all right, title, and interest of the United States in and to certain lands located in Cameron Parish, Louisiana, described as section 32, Township 15 south, Range 10 West, Louisiana Meridian, as depicted on the official plat of survey on file with the Bureau of Land Management, to the West Cameron Port Commission for use as a public port facility or for other public purposes. As used in this subsection, the term "other public purposes" means governmental or public welfare purposes (including, but not limited, to schools and roads) within the authority of a unit of local government under the laws of the State of Louisiana, and includes a commercial use by the West Cameron Port Authority of lands conveyed by

the United States pursuant to this Act so long as the revenue from such use is devoted to such governmental or public welfare purposes.

(b) RESERVATION OF MINERALS.—The United States hereby excepts and reserves from the provisions of subsection (a) all minerals underlying the lands, including the right to enter and remove same.

(c) REVERSION TO THE UNITED STATES.—If the lands conveyed by the United States pursuant to this Act cease to be operated by the West Cameron Port Authority for use as a public port facility or for other public purposes, such lands shall revert to the United States: *Provided*, That the lands shall revert if the Secretary determines that such lands, or any portion thereof, have become contaminated with hazardous substances (as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 and following)).

(d) RETENTION OF PROPERTY FOR COAST GUARD.—The Secretary, after consultation with the Coast Guard and the West Cameron Port Authority, shall except and reserve from such conveyance all right, title, and interest to approximately 3.0 acres of land known as the Calcasieu Pass Radio Beacon Site used by the Coast Guard, along with any improvements thereon, for the continued use and benefit of the Coast Guard.

(e) RETENTION OF OTHER ENCUMBRANCES.—(1) The Secretary shall not convey any right, title, or interest held by the United States on the date of enactment of this Act in or to the following encumbrances, as identified on the map referred to in section 2—

(A) a permit granted to the United States Army to install and maintain an automatic tide gauge for recording storm and hurricane tides; and

(B) height restrictions in relation to the radio beacon tower.

The Secretary, after consultation with the Coast Guard, may include in the deed of conveyance any other restrictions the Secretary determines necessary for the benefit of the Coast Guard, including, but not limited to restrictions on height of structures, and requirements to shield seaward facing lights.

SEC. 2. LETTERMAN-LAIR COMPLEX AT PRESIDIO.

The Secretary of the Interior is authorized to negotiate and enter into leases, at fair market rental and without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b), for all or part of the Letterman-LAIR complex at the Presidio of San Francisco to be used for scientific, research or educational purposes. For 5 years from the date of enactment of this section, the proceeds from any such lease shall be retained by the Secretary and used for the preservation, restoration, operation and maintenance, improvement, repair and related expenses incurred with respect to Presidio properties. For purposes of any such lease, the Secretary may adjust the rental by taking into account any amounts to be expended by the lessee for preservation, maintenance, restoration, improvement, repair and related expenses with respect to the leased properties.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. CALVERT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 433 as amended would do two things. First, it would direct the transfer of certain lands in Cameron Parish, LA, to a local port authority so that they may be used in connection with development of public port facilities. Second, it would authorize the Secretary of the Interior to lease certain properties at the Presidio, in San Francisco, CA.

The Cameron Parish provisions are similar to ones passed by the House in the last Congress on which legislative action was not completed. That part of the bill involves about 162 acres located approximately 1 mile north of the Gulf of Mexico that were withdrawn in 1875 for use by the Coast Guard, which now uses only a portion of the site and has relinquished the rest back to management by the Bureau of Land Management. Cameron Parish desires to develop a public port facility, including commercial docking facilities, warehouses and offices, and a community industrial park as well as recreational facilities such as boat-launching areas and a marina. Under the bill, the transfer would be limited to the surface estate and would be made without compensation. The transferred lands could be used only as a public port facility or for other public purposes. The United States would retain approximately 3 acres for use by the Coast Guard.

S. 433 was amended by the Natural Resources Committee to authorize the Secretary of the Interior to lease certain buildings at the Presidio of San Francisco. This stop-gap interim authority is needed in order to secure tenants for these buildings and reduce the costs to the Federal Government of operating and maintaining the Presidio.

The Presidio of San Francisco is a 1,400 acre military base located at the base of the Golden Gate Bridge in San Francisco. It contains a wealth of natural, historical, and recreational resources including over 500 historic buildings representing 220 years of military history, beautiful coasts, and rare plant species in the midst of a densely populated metropolitan area. On October 1, 1994, the Presidio will be transferred from the U.S. Army to the National Park Service to be administered as part of the Golden Gate National Recreation Area [GGNRA]. This transfer is a result of a 1972 law which required the Presidio to be transferred to the National Park Service when it was determined to be excess to the Army's needs.

S. 433 as amended would authorize the Secretary of the Interior to negotiate lease agreements and secure tenants for the Letterman-Lair complex of buildings. This complex contains approximately 50 buildings including a hospital and a state-of-the-art biological research institute. These buildings could be leased for a substantial monthly sum and the proceeds could be used for defraying other costs associated with the Presidio. The National Park Service has received inquiries from prospective tenants who are interested in leasing this space but negotiations cannot begin in earnest until the National Park Service has the authority to negotiate and enter into a lease.

Mr. Speaker, the transition of the Presidio from a military base to an urban national park is a challenging task which will require our best efforts in order to make it a success. The Natural Resources Committee will be considering comprehensive legislation next session concerning the future management and financing of the Presidio. The provision in S. 433 is a necessary interim step which has the support from both sides of the aisle and from the administration. I urge its passage today.

Mr. Speaker, I reserve the balance of my time.

Mr. CALVERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 433 which has been fully explained by Chairman VENTO.

S. 433 would direct the Interior Department to transfer lands in West Cameron Parish, LA, to the West Cameron Port Commission. This transfer would allow the development of a public port facility and increased recreational opportunities such as a marina, park areas, and fishing piers.

I would like to thank Congressman JIMMY HAYES for his hard work on this win-win legislation which affects his district. Likewise, I would like to congratulate Chairman VENTO for agreeing to move this legislation forward.

I urge my colleagues to support S. 433.

Mr. HAYES. Mr. Speaker, the passage of this bill, S. 433, the Cameron Parish lands conveyance, is something for which the good people in Cameron Parish, LA, have been waiting a long time.

This area, commonly referred to as Monkey Island, is located 1 mile north of the Gulf of Mexico in southwestern Louisiana, and bordered by the Calcasieu Ship Channel and the Calcasieu Pass. This bill passed both Houses last year, in the Senate, as a stand-alone bill, and in the House, as part of S. 3100, which also included the Bodie Protection Act, and the Cave Creek Canyon Act. Unfortunately, time left at the end of the session did not permit reconciliation of the different House and Senate versions.

I introduced the bill in the House this year as H.R. 1139, and last Congress as H.R. 5712. I have been working with Cameron officials since I came to Congress in 1987 to convey the land.

A small, 3-acre area of the Monkey Island tract once housed a Coast Guard radio beacon station. This area has been unused for over a decade, but, under the bill, would be retained by the Coast Guard. The remaining 155 acres, according to local Cameron officials, has been unused this century. The West Cameron Port Commission would like to develop a public port facility on this land.

Cameron is a town that has been hit particularly hard by the oil and gas slump. The residents of this area have kept their economy above water by relying on the fisheries, and the recreation and tourism industries. Development of a public use port facility would allow Cameron Parish to provide increased recreational opportunities through boat launching facilities, a marina, fishing piers, and park areas.

In addition, the port would provide a strong economic stimulus for the area through the development of a commercial docking facility, port commission offices, port-related cargo warehouse, facilities and a community industrial park.

Cameron Parish has worked since 1983 to obtain this land so that they can put it to good use. The passage of this bill is essential in making the hopes of the people of this area a reality.

I would like to thank Chairman MILLER and Chairman VENTO for their assistance in this effort; I stand ready to assist them in any way necessary to ensure that this bill is signed into law.

Mr. CALVERT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 433, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING ACT ESTABLISHING GOLDEN GATE NATIONAL RECREATION AREA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3286) to amend the Act establishing Golden Gate National Recreation Area to provide for the management of the Presidio by the Secretary of the Interior, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3286

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LETTERMAN-LAIR COMPLEX AT PRESIDIO.

The Secretary of the Interior is authorized to negotiate and enter into leases, at fair market rental and without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b), for all or part of the Letterman-LAIR complex at the Presidio of San Francisco to be used for scientific, research or education purposes. For 5 years from the date of enactment of this section, the proceeds from any such lease shall be retained by the Secretary and used for the preservation, restoration, operation and maintenance, improvement, repair and related expenses incurred with respect to Presidio properties. for purposes of any such lease, the Secretary may adjust the rental by taking into account any amounts to be expended by the lessee for preservation, maintenance, restoration, improvement, repair and related expenses with respect to the leased properties.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. CALVERT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the technical amendment bill that really repeats an earlier action in terms of the Cameron Parish, but we want to put it in two forms, and this is the major bill. We obviously would like it to be passed and considered by the Senate. It is an important provision.

Mr. Speaker, in terms of further explanation of the content and the importance, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI], who has provided such positive leadership in terms of this important land policy issue in her district.

Ms. PELOSI. Mr. Speaker, I thank Chairman VENTO for his diligence and speed in bringing H.R. 3286 before us today. I particularly also want to commend the majority and minority staff for their cooperation in helping make it possible for us to address in a timely fashion the needs of the Presidio base conversion. Also I am especially happy to be joined by my colleague from California [Mr. LANTOS] and I want to thank him for his assistance on this important project. I appreciate all of the support for the Presidio conversion, and particularly the efforts to seek the necessary short-term authority for the National Park Service.

This measure includes language for the purpose of authorizing the National Park Service to lease its major tenant facility at the Presidio—the Letterman-Lair complex. To address the longer term management needs of the Presidio, I have introduced legislation (H.R. 3433) to create a public benefit corporation to achieve maximum potential in real estate management and economic viability. The joint structure would keep essential park activities under the purview of the National Park Service while the corporation would develop and manage real estate and financing activities at the park. H.R. 3286 and S. 433 are considered first steps toward accomplishing this goal.

Early lease of the Letterman-Lair facility at the Presidio would accelerate the pace of conversion from post to park by engaging a high-quality tenant at this site. In order to create an early stream of revenue to sustain the Presidio and to reduce the need for Federal support, it is critical to secure a major tenant at Letterman.

The revenues generated from a major lease, or leases, at the site would generate a sizable income for the park and would also contribute toward the rehabilitation of the facility. It is an important and necessary step at this stage of the park planning process.

The final Presidio plan is expected to be approved by April 1. Ideally, the National Park Service will be prepared to engage a lease for Letterman-Lair coincidental with this date, or by the time of its transfer from the Army next spring.

The primary historic use of the Letterman complex as a science center will continue. Its new focus will be on scientific research and education to improve human and environmental health. Programs will be instituted to create a better understanding of the relationship of health and the environment—in an important emerging field where new approaches are required to meet the human health needs of the next century and to improve our response to difficult environmental problems.

I hope my colleagues will join in supporting this measure. It is essential to generate income from the Presidio and to enhance its self sustainability. I believe we can create at the Presidio a double success: a military base closure that saves money while providing a public benefit. Thank you for supporting H.R. 3286.

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Mr. CALVERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to be recognized on H.R. 3286, a bill to authorize the Secretary of the Interior to lease the Letterman-Lair hospital complex at the Presidio of San Francisco and to retain receipts from such leases to offset Federal costs.

Mr. Speaker, many persons, on both sides of the aisle, have expressed doubt about the $1.2 billion draft plan released by the National Park Service

last month which details their plans for converting the Presidio into a park. Beyond the question of whether the Park Service mission should be expanded to include medical research and international cultural affairs, it is a plan the American taxpayers simply cannot afford.

Unfortunately, because the National Park Service is now well over a year behind on their planning, and the Army is scheduled to depart the Presidio in less than 1 year, we in Congress are facing a crisis of hundreds of vacant buildings in the Presidio next fall with no way to pay for it.

Therefore, I agree that this stopgap measure we are acting on today is essential. Because it does not restrict policy options to address important questions at the Presidio over the long term, I do not intend to oppose it.

I wish to commend both Ms. PELOSI and Chairman MILLER for listening to our concerns on this matter and wish to assure them that we will continue to constructively pursue appropriate long-term options to save important national treasures at the Presidio.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. LANTOS], a supporter of the bill and a leader in working with the problems with the GGNRA just last year.

Mr. LANTOS. Mr. Speaker, I want to thank the gentleman from Minnesota [Mr. VENTO], the distinghished chairman, and the gentleman from California [Mr. MILLER], the chairman, and our Republican friends for cooperating on this matter. I particularly want to express my appreciation and admiration for my colleague, the gentlewoman from California [Ms. PELOSI], who has taken the lead on this issue as, indeed, she has taken the lead on so many San Francisco issues.

I will not repeat the reasons for the importance of passing this legislation. It has bipartisan support. It will be important in terms of saving money for the American taxpayer, and it will provide significant new opportunities for the constructive use of these very important facilities.

I urge all of my colleagues to support the legislation.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wanted to thank the gentleman from California [Mr. LANTOS] for his role in GGNRA, a bill passed in the last session on the Phleger properties, was a very key parcel, and he carried that measure and did very well with it in the House, and finally it was signed into law.

Mr. Speaker, this is a reasonable bill. It is limited to dealing with the likelihood of the Lair-Letterman lease from the University of California. I hope the Park Service is successful with it. They need this authority.

I urge my colleagues to support it.

Mr. Speaker, H.R. 3286 as amended is a bill which provides interim authority to the Secretary of the Interior to lease certain buildings at the Presidio of San Francisco. This stopgap interim authority is needed in order to secure tenants for these buildings and reduce the costs to the Federal Government of operating and maintaining the Presidio.

The Presidio of San Francisco is a 1,400-acre military base located at the base of the Golden Gate Bridge in San Francisco. It contains a wealth of natural, historical, and recreational resources, including over 500 historic buildings representing 220 years of military history, beautiful coasts, and rare plant species in the midst of a densely populated metropolitan area. On October 1, 1994, the Presidio will be transferred from the U.S. Army to the National Park Service to be administered as part of the Golden Gate National Recreation Area [GGNRA]. This transfer is a result of a 1972 law which required the Presidio to be transferred to the National Park Service when it was determined to be excess to the Army's needs. The Golden Gate National Recreation Area is currently the most visited unit of the National Park System, and the addition of the Presidio will provide millions of national and international visitors with the opportunity to enjoy and learn from this truly unique area.

H.R. 3286, introduced by Representative NANCY PELOSI, would provide authority to the Secretary of the Interior to negotiate lease agreements and secure tenants for the buildings at the Presidio. The bill was amended by the Natural Resources Committee to focus that authority on the Letterman-Lair complex of buildings. The Letterman-Lair complex contains approximately 50 buildings including a hospital and a state-of-the-art biological research institute. These buildings could be leased for a substantial monthly sum and the proceeds could be used for defraying other costs associated with the Presidio. The National Park Service has received inquiries from prospective tenants who are interested in leasing this space but negotiations cannot begin in earnest until the National Park Service has the authority to negotiate and enter into a lease.

Mr. Speaker, the transition of the Presidio from a military base to an urban national park is a challenging task which will require our best thinking in order to make it a success. The Natural Resources Committee will be considering comprehensive legislation next session concerning the future management and financing of the Presidio. H.R. 3286, as amended, is a necessary interim step which has bipartisan support of Members and the support of the administration. I urge its passage today.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3286, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Secretary of the Interior to lease certain properties at the Presidio of San Francisco, California."

A motion to reconsider was laid on the table.

OLD FAITHFUL PROTECTION ACT OF 1993

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1137) to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001–1027), and for other purposes, as amended.

The Clerk read as follows:

H.R. 1137

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 "Old Faithful Protection Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) Yellowstone National Park is a unique and irreplaceable national and international treasure and part of one of the few remaining undisturbed hydrothermal systems in the world;

(2) there is a risk that unrestricted groundwater use or hydrothermal or geothermal resource development adjacent to Yellowstone National Park in the States of Montana, Wyoming, and Idaho will interfere or adversely affect the hydrothermal and geothermal features of such Park or the management of relevant mineral resources;

(3) further research is needed to understand the characteristics of the protected systems and features and the effects of development on such systems and features on lands outside of Yellowstone National Park but within the Yellowstone Protection Area, as such area is defined in this Act;

(4) preservation and protection, free from injury or impairment, of the hydrothermal system associated with and the features within Yellowstone National Park is a benefit to the people of the United States and the world;

(5) cooperation between the United States and the States of Montana, Idaho, and Wyoming to protect and preserve Yellowstone National Park is desirable; and

(6) as a settlement of litigation concerning water rights, including the reserved water rights of the United States associated with units of the National Park System in Montana, the Department of the Interior and the Department of Justice, on behalf of the United States, and a Compact Commission, on behalf of the State of Montana, have developed a Compact that, when ratified by the State and signed by the Secretary of the Interior and the Attorney General of the United States, will constitute such a settlement of litigation concerning matters within its scope and which, in Article IV, also establishes a program for regulation of development and use of groundwater in areas adjacent to Yellowstone National Park.

(b) PURPOSES.—The purposes of this Act are—

(1) to require the Secretary to take the necessary actions to preserve and protect the hydrothermal system associated with, and the hydrothermal and geothermal features

within, Yellowstone National Park from injury or impairment by protecting the Federal reserved water rights of Yellowstone National Park;

(2) to provide a framework for management by the States of Montana, Wyoming, and Idaho of regulated resources outside of but significantly related to Yellowstone National Park to the extent such States implement appropriate approved programs for such management that are adequate to preserve and protect, free from injury or impairment, the protected systems and features;

(3) to authorize, as provided in section 8, approval of Article IV of the Compact as such an appropriate State program; and

(4) to require relevant research.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "Yellowstone Protection Area" means the area in Montana, Idaho, and Wyoming identified on the map entitled "Yellowstone Protection Area", numbered 20036, and dated May 1993, and any modifications thereof as may be made under section 7.

(3) The term "protected systems and features" means the hydrothermal and geothermal systems and hydrothermal and geothermal features associated with Yellowstone National Park.

(4) The term "regulated resources" means—

(A) geothermal steam and associated geothermal resources, as defined in section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001(c)); and

(B) hydrothermal resources.

(5) The term "geothermal well" means a well or facility producing or intended to produce regulated resources.

(6) The term "hydrothermal system" means a groundwater system, including cold water recharge and transmission and warm and hot water discharge.

(7) The term "hydrothermal resources" means groundwater with a temperature in excess of 59 degrees Fahrenheit and any other groundwater that, on the basis of research pursuant to section 6, and, in a State with an approved State program, pursuant to the procedures in such approved State program, is determined to have characteristics that indicate it may be directly related to the protected systems and features.

(8) The term "approved State program" means a program of Montana, Idaho, or Wyoming that has been submitted to the Secretary and has been approved pursuant to this Act.

(9) The term "Compact" means the water rights compact ratified in 1993 by the State of Montana through enactment of H.B. 692.

(10) Except as otherwise provided in this Act, terms used in this Act shall have the same meaning as in the Geothermal Steam Act of 1970.

SEC. 4. RESTRICTION ON FEDERAL LANDS.

The Geothermal Steam Act of 1970 (30 U.S.C. 1001 and following) is amended by adding at the end thereof the following new section:

"SEC. 30. (a) The Congress hereby declares that—

"(1) Yellowstone National Park possesses numerous hydrothermal and geothermal features, including Old Faithful geyser and approximately 10,000 other geysers and hot springs, and warrants designation as a significant thermal feature unto itself;

"(2) the establishment of the Park in 1872 reserved to the United States a water right which includes a right with respect to groundwater (including the water in the hydrothermal system supporting such features) necessary to preserve and protect such features for the benefit of future generations; and

"(3) Federal legislation is desirable to protect these Federal water rights from possible injury or damage.

"(b) The Congress hereby declares that any use of, or production from, any existing geothermal well, as such term is defined in section 3(5) of the Old Faithful Protection Act of 1993, or any exploration for, or development of, any new geothermal well or any facility related to the use of geothermal steam and associated geothermal resources within the boundary of the Yellowstone Protection Area, as defined in section 3(2) of the Old Faithful Protection Act of 1993, risks adverse effects on the hydrothermal and geothermal features of Yellowstone National Park.

"(c) The Secretary shall not issue a lease under this Act for lands within the boundary of the Yellowstone Protection Area, as defined in section 3(2) of the Old Faithful Protection Act of 1993. Nothing in this section shall be construed to either affect the ban on leasing referenced under section 28(f) or to apply to any lands not owned by the United States.".

SEC. 5. MORATORIUM ON OTHER LANDS.

(a) PROHIBITION.—(1) Except as provided by sections 7 and 8 of this Act, there shall be no use (except for monitoring by the Secretary or monitoring under an approved State program) of, or production from, any existing geothermal well and no exploration for, or development of, any new geothermal well or any other new facility related to the use of regulated resources within the Yellowstone Protection Area.

(2) Nothing in this subsection shall be construed to affect existing facilities other than geothermal wells.

(b) MANAGEMENT.—The Secretary shall review National Park Service management of Yellowstone National Park and shall take such steps as may be necessary to protect the protected systems and features and the hydrothermal, geothermal, and groundwater resources of such National Park free from injury or impairment.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the ban or prohibitions referenced under sections 28(f) and 30(c) of the Geothermal Steam Act of 1970.

SEC. 6. RESEARCH.

(a) IN GENERAL.—The National Park Service, in consultation with the Forest Service, the United States Geological Survey, and each State agency implementing an approved State program, shall research the characteristics of the protected systems and features, inventory and research the existing and potential effects (including cumulative effects) of hydrothermal, geothermal, mineral, or other resources development (including development of groundwater other than regulated resources) on such systems and features, and periodically inform Congress concerning the results of such inventory and research.

(b) UNDER STATE PROGRAM.—If an approved State program provides for research described in subsection (a), the Secretary, in cooperation with the relevant State, may conduct such research in areas within and adjoining Yellowstone National Park.

(c) NONINTRUSIVE METHODOLOGIES.—Except for research within a National Park System unit approved by the Secretary or elsewhere under a permit issued by a State agency implementing an approved State program, research pursuant to this section shall exclusively use nonintrusive methodologies.

(d) LIMITATION.—Nothing in this Act shall be construed as authorizing any activities within any unit of the National Park System inconsistent with laws or policies applicable to the relevant unit.

SEC. 7. STATE MANAGEMENT PROGRAMS.

(a) DEVELOPMENT.—The States of Montana, Wyoming, and Idaho are encouraged to develop State programs for the management of regulated resources outside of Yellowstone National Park to preserve and protect, free from injury or impairment, the protected systems and features.

(b) PERMIT.—As of the date of enactment of this Act, no person shall engage in any use (including research), production, exploration, or development of any regulated resources on any land located within the Yellowstone Protection Area except to the extent authorized by a permit issued by a State agency implementing an approved State program.

(c) STATE AUTHORITY.—(1) In the implementation of an approved State program, a State may exercise the authority to grant permits under subsection (b) for the use (including research), production, exploration, or development of any regulated resources within the Yellowstone Protection Area.

(2) Notwithstanding any other provision of law, no permit issued prior to the date of enactment of this Act shall be deemed to have been issued in the implementation of an approved State program, but in the event that after the date of enactment of this Act the Secretary, on the basis of research pursuant to section 6, determines that groundwater with a temperature of 59 degrees Fahrenheit or less has characteristics that indicate it may be directly related to the protected systems and features, a permit issued prior to such determination with respect to such groundwater shall not be invalidated unless, pursuant to the procedures in an approved State program it is determined that continued utilization of the groundwater covered by such permit would be inconsistent with the purposes of this Act.

(3)(A) The Secretary shall monitor the implementation of an approved State program (including the State's enforcement thereof) to assure consistency with the requirements of this Act.

(B) The Secretary may suspend implementation of an approved State program if such implementation (including the State's enforcement thereof) is not being exercised in a manner consistent with this Act. During any such suspension, no permit granted under such program shall be effective except to the extent the Secretary determines that the permitted activities would be consistent with the purposes of this Act.

(C) If an approved State program includes procedures for the exercise of the Secretary's authority to suspend such a program's implementation, the Secretary shall follow such procedures.

(d) APPROVAL BY THE SECRETARY.—(1) The Secretary may approve a program submitted by a State if the Secretary determines that such program, when implemented, will fulfill the purposes of this Act regarding the protection of the protected systems and features.

(2) The Secretary shall not approve any State program submitted under this section until the Secretary has—

(A) solicited, publicly disclosed, and considered the views of the heads of other State and Federal agencies the Secretary determines are concerned with the proposed State program;

(B) solicited, publicly disclosed, and considered the views of the public; and

(C) found that the State has the necessary legal authority and qualified personnel for the regulation and management of regulated resources outside Yellowstone National Park consistent with the requirements of this Act.

(3)(A) The Secretary may approve or disapprove a program in whole or in part.

(B) If the Secretary disapproves any proposed State program, in whole or in part, the Secretary shall notify the State in writing of the decision and set forth in detail the reasons therefor. The State may submit a revised State program or portion thereof.

(4) The Secretary shall not approve any State program that does not, at a minimum—

(A) include ongoing scientific review of restrictions, boundaries, and permits applicable to the development of a regulated resource;

(B) require that, in conducting the scientific review referred to in subparagraph (A) and in implementing the State program, any doubt shall be resolved in favor of protection of the protected systems and features;

(C) allow the State agency authorized to administer the program to reject recommendations based on the scientific review referred to in subparagraph (A), to the extent such rejection is necessary to guarantee no adverse effect on the hydrothermal system within Yellowstone National Park; and

(D) enable citizens of such State to obtain judicial review of actions taken by the State agency implementing the program to the extent necessary to assure that such actions are consistent with all applicable law, including this Act.

(e) SCOPE.—Except to the extent an approved State program is being implemented by a State, section 5(a) of this Act shall apply to the Yellowstone Protection Area.

(f) MODIFICATION OF YELLOWSTONE PROTECTION AREA.—(1) The boundaries of the Yellowstone Protection Area in a State may be modified pursuant to an approved State program to the extent such modification is approved by the Secretary.

(2) The Secretary shall not approve any such modification that the Secretary finds would not be consistent with the purposes of this Act.

(3) The Secretary shall revise the map of the Yellowstone Protection Area to reflect any approved boundary modifications.

(4) If an approved State program includes procedures for the exercise of the Secretary's authority to approve modifications of the boundaries of the Yellowstone Protection Area, the Secretary shall follow such procedures.

(g) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with the States of Montana, Idaho, and Wyoming and with the Secretary of Agriculture to fulfill the purposes of this Act.

(h) FEDERAL FINANCIAL ASSISTANCE.—(1) Subject to appropriation, the Secretary may provide financial assistance for the implementation of an approved State program. In providing such assistance, the Secretary may enter into appropriate funding agreements, including grants and cooperative agreements, with a State agency or agencies, upon such terms and conditions as the Secretary deems appropriate.

(2) A recipient State may invest funds provided under this subsection so long as such funds, together with interest and any other earnings thereon, shall be available for use by the State only under the terms and conditions of the approved State program and an agreement entered into with the Secretary under this subsection and shall not be used by the State for any other purpose.

SEC. 8. MONTANA PROGRAM.

(a) APPROVAL.—(1) The Congress finds that Article IV of the compact, when implemented, will fulfill the purposes of this Act regarding the protection of the protected systems and features.

(2) All provisions of section 7 are applicable to this section, except for purposes of section 7(d)(1) the Compact shall be deemed to have been submitted to the Secretary, and, notwithstanding sections 7(d)(2), 7(d)(3), and 7(d)(4), once signed by the Secretary and the Attorney General of the United States, Article IV thereof shall be considered an approved State program for regulation of groundwater resources, including the hydrothermal resources within the Montana portion of the Yellowstone Protection Area. Article IV of the Compact shall not be considered an approved State program for the management of regulated resources within the Montana portion of the Yellowstone protection area other than groundwater resources.

(b) SCOPE.—Nothing in this Act shall be construed as amending the Compact or as altering its status in relationship to any litigation with regard to water rights.

(c) REVIEW PROCEDURES.—For purposes of sections 7(c)(3)(B), 7(c)(3)(C), 7(f)(1), and 7(f)(2), the provisions of the Compact with respect to—

(1) review of administrative decisions under Article IV of the Compact;

(2) enforcement of the Compact;

(3) the discretion of any party to the Compact to withdraw therefrom; and

(4) modification of boundaries and restrictions within the Controlled Groundwater Area,

shall be deemed to be procedures for the exercise of the Secretary's authority to approve modifications of the boundaries of the Yellowstone Protection Area or to suspend the implementation of an approved State program.

SEC. 9. IDAHO PROGRAM.

For purposes of section 7(d)(1), the provisions of Section 42 of the Idaho Code related to geothermal resources shall be deemed to have been submitted to the Secretary for approval as an approved State program.

SEC. 10. WYOMING PROGRAM.

For purposes of section 7(d)(1), the provisions of the laws of the State of Wyoming referenced in the letter from the Wyoming State Engineer included in the Committee report to accompany H.R. 1137 of the 103rd Congress shall be deemed to have been submitted to the Secretary for approval as an approved State program.

SEC. 11. CITIZEN SUITS.

(a) IN GENERAL.—(1) Any person may commence a civil suit on the person's own behalf to enjoin any party, including the United States, except for a State or agency or political subdivision thereof, that the plaintiff alleges—

(A) is in violation of any provision of this Act; or

(B) is using a regulated resource in the absence of, or beyond the scope of the terms or conditions of, a permit issued pursuant to an approved State program, or in violation of regulations issued under the authority of an approved State program.

(2) The Federal district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties—

(A) to require the Secretary or another party to take any steps required or permitted by this Act, if those steps are necessary to fulfill the purposes of this Act; or

(B) to enforce the provisions, prohibitions, permits, or regulations of an approved State program.

(b) VENUE AND INTERVENTION.—(1) Any suit under this section may be brought in any appropriate judicial district.

(2) In any such suit under this section in which the United States is not a party, the Attorney General of the United States, at the request of the Secretary, may intervene on behalf of the United States as a matter of right.

(c) COSTS.—The court, in issuing any final order in any suit brought under this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate.

(d) NONEXCLUSIVE RELIEF.—The injunctive relief provided by this subsection shall not restrict any right which any person (or class of persons) may have under any statute or common law to seek judicial review of actions taken by the State agency implementing an approved State program or to seek enforcement of any standard or limitation or to seek any other relief including relief against the Secretary.

(e) NOTICE.—Before seeking the injunctive relief authorized under this section, notice of intent to sue shall be given to the Secretary, the State agency implementing any relevant approved State program described in section 7, and each intended defendant. Such notice shall allow the minimum period of time necessary for an intended defendant to take those measures that (1) will cure any alleged violations of this Act, or (2) will end any alleged improper use of regulated resources, as described in subsection (a)(1)(B).

SEC. 12. JUDICIAL REVIEW.

(a) ADMINISTRATIVE PROCEDURES.—Except as provided in this section, any Federal agency action or failure to act to implement or enforce this Act shall be subject to judicial review in accordance with and to the extent provided by chapter 7 of title 5, United States Code.

(b) REMEDY.—The sole remedy available to any person claiming deprivation of a vested property right by enactment of this Act or Federal action pursuant to this Act shall be an action for monetary damages, filed pursuant to sections 1491 or 1505 of title 28, United States Code, in the Court of Federal Claims. Any just compensation awards determined by the Court of Federal Claims to be due to a claimant shall be paid consistent with section 2517 of such title.

SEC. 13. REGULATIONS.

No later than two years after the date of enactment of this Act, the Secretary shall promulgate such rules and regulations as are necessary to implement this Act.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

SEC. 15. SCOPE OF ACT.

Nothing in this Act shall be construed as increasing or diminishing any rights of the United States with respect to water, or as affecting any previous adjudication of or any agreement concerning any such rights.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. LEHMAN] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, now, as much as ever, the integrity of the incomparable geothermal features of Yellowstone National Park demand Federal protection. Geologists tell us that we still know very little about the complex interactions within a geothermal system. This evidence supports providing maximum protection to the last fully intact geothermal system in the world. Until we improve our understanding of these systems, virtually no development is acceptable.

I take a personal interest in this legislation. I have three national parks in my congressional district and strongly believe that their protection is essential to the national interest. In 1984, I fought efforts by the city of San Francisco to raise the height of Hetch Hetchy Dam, located within Yosemite National Park in my district. I firmly believed then—as I do now—that the city had no right to further drown pristine park land without approval by Congress.

The situation in Yellowstone is not unlike the situation in Yosemite. Yellowstone Park is a priceless Federal resource, for which there exists a Federal reserved water right dating back to 1872. Development threatens to encroach upon and destroy Yellowstone's natural beauty. In this case, however, the State of Montana, in cooperation with the National Park Service, has negotiated a compact to perfect the park's Federal reserved water rights. The quantification of this right will provide the park with the critical protection it deserves.

The bill we have before us today is the product of a great deal of hard work. I am happy to say it was reported with bipartisan support from the Natural Resources Committee. This is a tribute to the efforts of Mr. WILLIAMS, the chairman of the Subcommittee on National Parks, Forests and Public Lands; Mr. VENTO; Mr. THOMAS of Wyoming; and Mr. LAROCCO of Idaho. This bill accomplishes four major objectives:

First, it provides certain protection for the over 10,000 geothermal features of Yellowstone National Park and the hydrothermal system that supports such features;

Second, it approves and incorporates relevant aspects of the Montana company to quantify the park's Federal reserved water rights into this protection scheme;

Third, it establishes a framework for management of Yellowstone National Park's hydrothermal system within the States of Wyoming and Idaho; and

Fourth, it provides for ongoing research to better understand the complex interactions between development outside the park and the geothermal system associated with the park.

Mr. Speaker, the bill we have before us addresses the concerns of Members in States adjacent to the park, namely, Montana, Wyoming, and Idaho, and I urge this body to expeditiously pass this bill so that Yellowstone can be provided the guaranteed protection it deserves.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in lukewarm support of H.R. 1137, the Old Faithful Protection Act, as amended. On the other hand, I am not steamed about it either. H.R. 1137 would create a zone around Yellowstone National Park, the majority of which lies within my State of Wyoming, with the express purpose of preserving and protecting the geothermal and hydrothermal resources of the park.

There can be no dispute that protecting the park and its unique geothermal features is well within the public interest and highly desirable. This has been my position all along. However, what I have objected to is the mechanism by which this bill sought to provide that protection.

Rather than relying on State water laws and State regulation, the bill sought to give the Secretary of the Interior the power to require each State to formulate a protection plan which is then subject to Federal approval or veto. This was worrisome to me for several reasons.

Water is of critical importance to Wyoming. In fact, the State constitution approved by Congress declares water to be the property of the State. Around that constitutional provision, we have built up a unique and comprehensive body of statutes and regulations governing the use of any water, including hydrothermal and geothermal resources.

H.R. 1137 as introduced, overlooked the fact that State law, such as Wyoming's, can adequately protect the park's resources, and instead constituted an unnecessary Federal incursion into an important State function. While it is important to protect Yellowstone, it is also important to protect the sovereignty of the States.

With that object in mind, and with the cooperation of the Chair and the gentleman from Montana, H.R. 1137 was amended in committee to require the Secretary to review Wyoming State water law relevant to Yellowstone's geothermal and hydrothermal resources. If he finds it to be consistent with the purposes of the act, then those laws would be considered as the equivalent of an approved State program for purposes of the act. This amendment is very similar to a provision already extant in the bill to provide for comparable review of Idaho State law by the Secretary. Montana has already reached an agreement with the Federal Government covering that State's concerns.

Mr. Speaker, although not perfect the bill as amended has removed many of my previous concerns regarding the scope of the Federal intrusion. While in my opinion the Secretary is still vested with too much authority to interfere in what is traditionally a State sphere, I believe the bill as amended has taken an important step toward recognizing the sovereignty of the States. I hope that any remaining differences can be resolved in the other body.

I consequently urge my colleagues to support passage of H.R. 1137.

□ 1630

Mr. Speaker, I reserve the balance of my time.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I strongly support this bill, and join in commending the leadership of the gentleman from Montana [Mr. WILLIAMS] and the gentleman from California [Mr. LEHMAN] on this important matter.

The bill combines very strong protection of the national interest with recognition of the important role that the States involved—especially the State of Montana—can play in connection with management of the spectacular geothermal resources in the Yellowstone area. This special area has been protected since the 1870's when it was set aside as a natural reservation and protected by the U.S. Government.

I also want to thank the gentleman from Wyoming [Mr. THOMAS] for his willingness to work with Representative LEHMAN and the rest of us on this side of the aisle who have been involved in developing this legislation. The committee adopted several amendments offered by Mr. THOMAS to clarify certain points and to lay the groundwork for the State of Wyoming to be in a position to play a role in the management scheme embodied in the bill. The issue of water so important to the Western States and its arid environment run head first into the geothermal hydrological system of Yellowstone National Park.

I am sure, Mr. Speaker, we all agree that protection of Old Faithful and other resources and values of Yellowstone National Park is something that should command bipartisan support and cooperation. I urge the passage of the bill.

Mr. WILLIAMS. Mr. Speaker, I want to thank the Natural Resources Committee and the House leadership for presenting this important legislation today, on a day in which the agenda is obviously very full. This is, of course,

not the first time the House of Representatives has shown its commitment to the protection of Yellowstone National Park and its geothermal wonders. In the face of geothermal drilling, the House of Representatives passed legislation last Congress which the Senate failed to return to us. With increasing jeopardy the threats still exist to the park, and I am hopeful that the extensive work that this body has dedicated to this legislation will have cleared the way for the Senate to join us in our commitment.

With this legislation we are again showing our belief that we must protect Yellowstone National Park. Yellowstone is the last remaining undisturbed geothermal basin on Earth.

In a very real way our struggle to protect Old Faithful and the geysers and hot pools of Yellowstone reflect our basic understanding of nature's importance and value. The Congress' work to preserve these features is a microcosm of the commitment and cooperation necessary if we ever hope to protect our national treasures for future generations. The regular eruptions of Old Faithful and this Nation's investment in their preservation are as much a symbol of the American spirit as the Statue of Liberty or the cowboy, or the first step on the Moon.

This legislation bans the development of geothermal resources on Federal land adjacent to Yellowstone National Park and places a moratorium on private land geothermal resources within a specified area until or unless a certified State-Federal program is in place which accomplishes protection of the park's resources. The legislation clearly states the Federal policy of no risk to Yellowstone and lays out the Secretary of the Interior's role in determining what is an appropriate State program, providing the authority to the Secretary to take whatever actions are necessary to supplement any gaps in State regulation and Federal law. The bill also provides for ongoing research in the area of geothermal protection. The legislation finds that Montana's compact, recently developed, is an approved State program for ground water protection, and it submits the Idaho laws regarding geothermal resources for review, under the provisions of the act, for possible certification.

My goal has not changed since we first discussed the issues facing Yellowstone. I want rock-ribbed, ironclad, copper-riveted, zero risk protection for Old Faithful and all of Yellowstone's world famous geysers and hot water wonders. With this legislation before us today I believe we can also add federally guaranteed to the list of assurances.

When we passed legislation last Congress, the idea was simpler than this year: it was to directly ban any use of hot water adjacent to the park. The intervening months, the permitting of wells, the actions by adjacent States, and most importantly the election of an administration that shared this committee's unwillingness to risk any possible harm to Yellowstone, necessitated that our solution be more comprehensive. In the year since last Congress' action, the Interior Department, the States of Montana, Idaho, and Wyoming, myself and Congressman LEHMAN, the staffs of the Public Lands and Mining Subcommittees, my staff, and numerous conservation organizations have dedicated themselves to crafting the legislation before you today.

Amendments were offered and accepted in committee to clarify our intent and basically reaffirm the approach that Congressman LEHMAN reported from his subcommittee this past summer. This legislation addresses the concerns of the States adjacent to the park. With amendments offered by Congressman LAROCCO and Congressman THOMAS, the States of Idaho and Wyoming agree with this legislation.

The State role is clearly defined in the legislation and yet it also makes clear the Federal policy of no risk to Yellowstone. This legislation is a delicate balancing act between these two principals but I believe each is achieved fairly and firmly.

I also note that the State of Montana and the staff of the Montana Reserved Water Rights Compact Commission deserve particular mention in this discussion today. It was their work with the Department of the Interior that essentially showed us the way to a comprehensive Federal-State approach to the protection of State water rights and Federal resources. By negotiating a compact with the Federal Government, the State of Montana clearly showed that in areas of mutual concern the Federal Government and the States can cooperate and achieve significant results. After negotiating this State compact, it would have been easy for the State to refuse to review those decisions within the discussion of this legislation. Instead, the commission dedicated its staff to assisting in providing legislation that fits with the Federal-State compact and defines a framework that can be adopted to other States as well. This dedication to the protection of Yellowstone deserves our thanks and admiration.

This, of course, is an important point. We are not just legislating for Yellowstone National Park today; we are following through on a Federal policy that was started in 1986 under the amendments to the Geothermal Steam Lease Act. Once the Federal Government developed a policy to allow for the leasing of steam as a resource like any mineral, then it was important to set aside those areas that should not be subject to commercial development. Yellowstone is only the most famous. There are others listed as protected under the Steam Act, and folks concerned about those places, like Crater Lake in Oregon, are looking to this legislation to help clarify how protection can be achieved. This will most certainly not be the last time the Congress will review this type of legislation.

One of the issues that has received a great deal of discussion in the past is the dispensation of the well recently drilled and permitted by the Church Universal and Triumphant in the Corwin Springs KGRA in Montana. This legislation stops the use of any subsurface well in the area including the Church's. The Justice Department reviewed this legislation and deemed that it was likely not a taking of private property rights for two reasons: It does not stop the historic use of the surface flows, and it does not permanently take away use of the well, it only assures that any use meet the test of no impairment or harm to the protected features of Yellowstone.

This is important legislation. It is one of the most important bills of conservation legislation passed this Congress. I urge my colleagues to again join us in voting to save Yellowstone National Park and its natural wonders.

Mr. THOMAS of Wyoming. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEHMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. LEHMAN] that the House suspend the rules and pass the bill, H.R. 1137, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1137, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ACKNOWLEDGING THE 100TH ANNIVERSARY OF THE OVERTHROW OF THE KINGDOM OF HAWAII

Mrs. MINK. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 19) to acknowledge the 100th anniversary of the January 17, 1893 overthrow of the Kingdom of Hawaii, and to offer an apology to native Hawaiians on behalf of the

United States for the overthrow of the Kingdom of Hawaii.

The Clerk read as follows:

S.J. RES. 19

Whereas, prior to the arrival of the first Europeans in 1778, the Native Hawaiian people lived in a highly organized, self-sufficient, subsistent social system based on communal land tenure with a sophisticated language, culture, and religion;

Whereas a unified monarchical government of the Hawaiian Islands was established in 1810 under Kamehameha I, the first King of Hawaii;

Whereas, from 1826 until 1893, the United States recognized the independence of the Kingdom of Hawaii, extended full and complete diplomatic recognition to the Hawaiian Government, and entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875, and 1887;

Whereas the Congregational Church (now known as the United Church of Christ), through its American Board of Commissioners for Foreign Missions, sponsored and sent more than 100 missionaries to the Kingdom of Hawaii between 1820 and 1850;

Whereas, on January 14, 1893, John L. Stevens (hereafter referred to in this Resolution as the "United States Minister"), the United States Minister assigned to the sovereign and independent Kingdom of Hawaii conspired with a small group of non-Hawaiian residents of the Kingdom of Hawaii, including citizens of the United States, to overthrow the indigenous and lawful Government of Hawaii;

Whereas, in pursuance of the conspiracy to overthrow the Government of Hawaii, the United States Minister and the naval forces of the United States caused armed naval forces of the United States to invade the sovereign Hawaiian nation on January 16, 1893, and to position themselves near the Hawaiian Government buildings and the Iolani Palace to intimidate Queen Liliuokalani and her Government;

Whereas, on the afternoon of January 17, 1893, a Committee of Safety that represented the American and European sugar planters, descendants of missionaries, and financiers deposed the Hawaiian monarchy and proclaimed the establishment of a Provisional Government;

Whereas, the United States Minister thereupon extended diplomatic recognition to the Provisional Government that was formed by the conspirators without the consent of the Native Hawaiian people or the lawful Government of Hawaii and in violation of treaties between the two nations and of international law;

Whereas, soon thereafter, when informed of the risk of bloodshed with resistance, Queen Liliuokalani issued the following statement yielding her authority to the United States Government rather than to the Provisional Government:

"I Liliuokalani, by the Grace of God and under the Constitution of the Hawaiian Kingdom, Queen, do hereby solemnly protest against any and all acts done against myself and the Constitutional Government of the Hawaiian Kingdom by certain persons claiming to have established a Provisional Government of and for this kingdom.

"That I yield to the superior force of the United States of America whose Minister Plenipotentiary, His Excellency John L. Stevens, has caused United States troops to be landed at Honolulu and declared that he would support the Provisional Government.

"Now to avoid any collision of armed forces, and perhaps the loss of life, I do this under protest and impelled by said force yield my authority until such time as the Government of the United States shall, upon facts being presented to it, undo the action of its representatives and reinstate me in the authority which I claim as the Constitutional Sovereign of the Hawaiian Islands.".

Done at Honolulu this 17th day of January, A.D. 1893.; Whereas, without the active support and intervention by the United States diplomatic and military representatives, the insurrection against the Government of Queen Liliuokalani would have failed for lack of popular support and insufficient arms;

Whereas, on February 1, 1893, the United States Minister raised the American flag and proclaimed Hawaii to be a protectorate of the United States;

Whereas the report of a Presidentially established investigation conducted by former Congressman James Blount into the events surrounding the insurrection and overthrow of January 17, 1893, concluded that the United States diplomatic and military representatives had abused their authority and were responsible for the change in government;

Whereas, as a result of this investigation, the United States Minister to Hawaii was recalled from his diplomatic post and the military commander of the United States armed forces stationed in Hawaii was disciplined and forced to resign his commission;

Whereas, in a message to Congress on December 18, 1893, President Grover Cleveland reported fully and accurately on the illegal acts of the conspirators, described such acts as an "act of war, committed with the participation of a diplomatic representative of the United States and without authority of Congress", and acknowledged that by such acts the government of a peaceful and friendly people was overthrown;

Whereas President Cleveland further concluded that a "substantial wrong has thus been done which a due regard for our national character as well as the rights of the injured people requires we should endeavor to repair" and called for the restoration of the Hawaiian monarchy;

Whereas the Provisional government protested President Cleveland's call for the restoration of the monarchy and continued to hold state power and pursue annexation to the United States;

Whereas the Provisional Government successfully lobbied the Committee on Foreign Relations of the Senate (hereafter referred to in this Resolution as the "Committee") to conduct a new investigation into the events surrounding the overthrow of the monarchy;

Whereas the Committee and its chairman, Senator John Morgan, conducted hearings in Washington, DC., from December 27, 1893, through February 26, 1894, in which members of the Provisional Government justified and condoned the actions of the United States Minister and recommended annexation of Hawaii;

Whereas, although the Provisional Government was able to obscure the role of the United States in the illegal overthrow of the Hawaiian monarchy, it was unable to rally the support from two-thirds of the Senate needed to ratify a treaty of annexation;

Whereas, on July 4, 1894, the Provisional Government declared itself to be the Republic of Hawaii;

Whereas, on January 24, 1895, while imprisoned in Iolani Palace, Queen Liliuokalani was forced by representatives of the Republic of Hawaii to officially abdicate her throne;

Whereas, in the 1896 United States Presidential election, William McKinley replaced Grover Cleveland;

Whereas, on July 7, 1898, as a consequence of the Spanish-American War, President McKinley signed the Newlands Joint Resolution that provided for the annexation of Hawaii;

Whereas, through the Newlands Resolution, the self-declared Republic of Hawaii ceded sovereignty over the Hawaiian Islands to the United States;

Whereas the Republic of Hawaii also ceded 1,800,000 acres of crown, government and public lands of the Kingdomof Hawaii, without the consent of or compensation to the Native Hawaiian people of Hawaii or their sovereign government;

Whereas the Congress, through the Newlands Resolution, ratified the cession, annexed Hawaii as part of the United States, and vested title to the lands in Hawaii in the United States;

Whereas the Newlands Resolution also specified that treaties existing between Hawaii and foreign nations were to immediately cease and be replaced by United States treaties with such nations;

Whereas the Newlands Resolution effected the transaction between the Republic of Hawaii and the United States Government;

Whereas the indigenous Hawaiian people never directly relinquished their claims to their inherent sovereignty as a people or over their national lands to the United States, either through their monarchy or through a plebiscite or referendum;

Whereas, on April 30, 1900, President McKinley signed the Organic Act that provided a government for the territory of Hawaii and defined the political structure and powers of the newly established Territorial Government and its relationship to the United States;

Whereas, on August 21, 1959, Hawaii became the 50th State of the United States;

Whereas the health and well-being of the Native Hawaiian people is intrinsically tied to their deep feelings and attachment to the land;

Whereas the long-range economic and social changes in Hawaii over the nineteenth and early twentieth centuries have been devastating to the population and to the health and well-being of the Hawaiian people;

Whereas the Native Hawaiian people are determined to preserve, develop and transmit to future generations their ancestral territory, and their cultural identity in accordance with their own spiritual and traditional beliefs, customs, practices, language, and social institutions;

Whereas, in order to promote racial harmony and cultural understanding, the Legislature of the State of Hawaii has determine that the year 1993 should serve Hawaii as a year of special reflection on the rights and dignities of the Native Hawaiians in the Hawaiian and the American societies;

Whereas the Eighteenth General Synod of the United Church of Christ in recognition of the denomination's historical complicity in the illegal overthrow of the Kingdom of Hawaii of 1893 directed the Office of the President of the United Church of Christ to offer a public apology to the Native Hawaiian people and to initiate the process of reconciliation between the United Church of Christ and the Native Hawaiians; and

Whereas it is proper and timely for the Congress on the occasion of the impending one hundredth anniversary of the event, to acknowledge the historic significance of the illegal overthrow of the Kingdom of Hawaii, to express its deep regret to the Native Hawaiian people, and to support the reconciliaton efforts of the State of Hawaii

and the United Chuch of Christ with Native Hawaiians; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACKNOWLEDGMENT AND APOLOGY.

The Congress—

(1) on the occasion of the 100th anniversary of the illegal overthrow of the Kingdom of Hawaii on January 17, 1893, acknowledges the historical significance of this event which resulted in the suppression of the inherent sovereignty of the Native Hawaiian people;

(2) recognizes and commends efforts of reconciliation initiated by the State of Hawaii and the United Church of Christ with Native Hawaiians;

(3) apologizes to Native Hawaiians on behalf of the people of the United States for the overthrow of the Kingdom of Hawaii on January 17, 1893 with the participation of agents and citizens of the United States, and the deprivation of the rights of Native Hawaiians to self-determination;

(4) expresses its comments to acknowledge the ramifications of the overthrow of the Kingdom of Hawaii, in order to provide a proper foundation for reconciliation between the United States and the Native Hawaiian people; and

(5) urges the President of the United States to also acknowledge the ramifications of the overthrow of the Kingdom of Hawaii and to support reconciliation efforts between the United States and the Native Hawaiian people.

SEC. 2. DEFINITIONS

As used in this Joint Resolution, the term "Native Hawaiian" means any individual who is a descendent of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii.

SEC. 3. DISCLAIMER.

Nothing in this Joint Resolution is intended to serve as a settlement of any claims against the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Hawaii [Mrs. MINK] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Hawaii [Mrs. MINK].

GENERAL LEAVE

Mrs. MINK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

Mrs. MINK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is of enormous significance to the people of Hawaii and, more particularly, the native Hawaiians. I want to commend the chairman of the full committee, Mr. MILLER, and the ranking Republican member for allowing this bill to come directly to the floor. This is a matter of commemorating an event that occurred 100 years ago in Hawaii which has very dramatically changed and altered the course of a people who occupied those lands 100 years ago.

Mr. Speaker, 100 years ago the people of Hawaii were a kingdom to themselves and they were recognized by the United States as an independent nation and extended full and complete diplomatic recognition.

Only as a result of events surrounding the overthrow and the failure of the U.S. Congress to recognize the illegality of the overthrow subsequently that the people of Hawaii lost not only their republic and their right to self-governance but that the lands of the kingdom of Hawaii were also transferred without compensation and without consent to the United States.

This has remained a very difficult issue for the State of Hawaii and the people of Hawaii. I believe the adoption of this resolution today will go a long way toward providing that kind of recognition that the natives in Hawaii have sought all these years.

Mr. Speaker, the United Church of Christ was the first movers to bring about a reconciliation because, as we know, the missionaries who first came to Hawaii were very much a part of the movement that finally led to the overthrow.

So the United Church of Christ meeting recently adopted a resolution of reconciliation, urging their members to find ways in which to reflect upon what happened and to bring the people together, and have initiated this process. So one of the important points in the resolution is to acknowledge not only the 100th anniversary but also the fact that the United Church of Christ in its own initiative has taken steps to initiate this process of reconciliation.

I think the most important function that this body and this Congress and the American Government can do is to acknowledge what happened, the serious error that occurred, and to participate in this effort of reconciliation and by so doing adopt this resolution and in it convey an apology for what occurred 100 years ago.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of Senate Joint Resolution 19. The gentlewoman from Hawaii has already explained the provisions of the resolution, so I will be brief.

I find it highly fitting that we consider this legislation this year before we adjourn; 1993 marks the 100th anniversary of the overthrow of the sovereign Kingdom of Hawaii with the assistance of U.S. military forces.

That overthrow brought to an ignoble end this country's recognition of the Kingdom of Hawaii as a sovereign independent nation, a status we repeatedly recognized in treaty and international agreement.

Treaty relations between the United States and the Hawaiian government began with the signing of a bilateral agreement between the parties in 1826 by a Capt. Thomas Jones on behalf of the United States and the Regent Ka'ahumanu on behalf of the Hawaiian King Kau'ikea'ouli. After that date, the United States concluded a series of treaties with the sovereign Kingdom of Hawaii: the 1849 Treaty of Commerce, Friendship, and Navigation; the 1855 Treaty Concerning Rights of Neutrals at Sea; the 1870 Postal Convention; an 1875 Treaty of Reciprocity; the 1883 Convention for the Exchange of Money Orders; the 1884 Treaty of Commercial Reciprocity; and the 1888 Parcel Post Convention.

Because the increased number of rights granted to Americans that accompanied this treaty process and accompanying increase in trade greatly swelled the numbers of whites on the islands, native Hawaiians became a minority in their own land. From a population of approximately 300,000 in 1778, by 1890 the Hawaiian people were reduced to a population of 41,000 that owned a little under one-quarter of the land.

In response to the growing commercial power of the whites and their demands, King Kamehameha III introduced land reforms in 1848 called the Great Mahele in which Hawaiian lands became alienable for the first time. By 1852, thousands of acres were owned by a few westerners—the early land barons—while native Hawaiians owned only a tinyfraction. The white 9 percent of the population owned 67 percent of the taxable land in the Kingdom.

Having asserted economic dominance over the Kingdom by the late 1880's, the westerners turned to establish complete political control as well. The principal white landowners founded the Hawaiian League in 1887 to increase their power at the expense of the monarchy. In consequence, they staged a coup d'état on July 6, 1887, and forced the King to promulgate a new constitution, the Bayonet Constitution of 1887, which supplanted the power of the monarch with that of the white landowners. Under the constitution, the voting class was limited to landowners, a move which disenfranchised 75 percent of the native population.

In 1893, the American merchant community, dissatisfied with its lack of total political control and fearing a diminution of the control it did possess, organized to overthrow the constitutional monarchy that ruled the kingdom. The merchants formed a committee on public safety made up entirely of non-Hawaiians. The fact that the revolt was led solely by non-native mercantile interests was evident even on the mainland at the time; a contemporary article in the Fresno Daily Evening Expositor noted that the uprising was "formulated by the sugar producing elements of the Islands."

The U.S. Minister in Hawaii, John L. Stevens, was openly hostile to the monarchy. as one historian has put it: "He desired that the monarchy should fall, and that the Islands should be annexed to the United States." Stevens conspired with the merchants, and sent a letter to the State Department stating that "the Hawaiian pear is now fully ripe, and this is the golden hour for the United States to pluck it." His letter outlining his intentions would not reach the State Department until several months after the revolt.

On the day the merchants planned their revolt, Stevens unilaterally ordered 162 marines from the U.S.S. *Boston* to land in Honolulu to lend support to the merchants. He had already informed the rebels of his plans, and that diplomatic recognition of their cause would be quickly forthcoming: "the troops * * * would be ready to land any moment * * * and would recognize the existing government whatever it might be."

The rebels overthrew the monarchy and proclaimed a provisional government which Stevens was quick torecognize in the name of the United States, even though he had no authority to do so. The reigning monarch, Queen Lili'uokalani, was forced to surrender her authority in a document stating that she "yield[ed] to the superior force of the United States, whose minister * * * has caused United States troops to be landed at Honolulu and declared that he would support the said provisional government."

The Republic of Hawaii was proclaimed soon thereafter in 1894, and among its official acts was the expropriation of all lands belonging to the crown without compensation to the Queen, Lili'uokalani, or the Hawaiian people. The lands were immediately made available to westerners for purchase.

In 1898, the United States unilaterally annexed the kingdom as a territory, thereby abrogating the independent status of the kingdom that we had recognized in treaty over the preceding 70 years. With that annexation, the United States, without paying any compensation to the native Hawaiian people, took title to the crown and government lands previously expropriated by the Republic.

Mr. Speaker, the responsibility of instrumentalities of the U.S. Government for the overthrow and subjugation of the native Hawaiian government and people is clear. In a report to Congress in 1893, the President stated:

> But for the notorious predilections of the United States Minister for annexation, the Committee of Safety * * * would never have existed. But for the landing of United States forces upon false pretexts respecting the danger to life and property, the Committee would never have exposed themselves to the pains and penalties of treason by undertaking the subversion of the Queen's Government. But for the presence of the United States forces in the immediate vicinity and in position to afford all needed protection and support, the American merchants would not have proclaimed the provisional government. But for the lawless occupation of Honolulu under false pretexts by United States forces * * * the Queen and her government would never have yielded.

Mr. Speaker, in closing let me address some of the arguments made by opponents of this legislation. Some have said that passage of this resolution would be divisive; that it sets part of the Hawaiian population apart from the rest. This contention, however, is nothing more than a canard. I believe that it would have exactly the opposite effect. Senate Joint Resolution 19 is an important first step in closing an unfortunate period in our relations with the Hawaiian people and in commencing a reconciliation between them and the United States. The goal is to bring together, not to divide.

Second, there are some who are worried that the resolution will form the genesis of a call for reparations or a civil lawsuit against the United States. However, anyone with even a passing familiarity with the history of this issue knows full well that a substantial basis for such a suit already clearly exists. This resolution does nothing to tip the scales in favor of the proponents of litigation; if I thought it did, I would not support it.

Mr. Speaker, it is high time that the United States acknowledge its role in this regrettable affair. I urge my colleagues to support passage of Senate Joint Resolution 19—it is the right thing to do, and the right time to do it.

Mr. Speaker, I reserve the balance of my time.

Mrs. MINK. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. I thank the gentlewoman for yielding this time to me.

Mr. Speaker, I wish to acknowledge the ranking member, the gentleman from Wyoming [Mr. THOMAS], our good friend and colleague on the Committee on Natural Resources.

□ 1640

Educating Members of Congress is the key to securing justice for native Hawaiians. Understanding has to precede action. That is why this resolution is so important. That is why we are particularly grateful to our friends and colleagues here for their support.

The resolution lays out in graphic detail what happened to Hawaiians and sounds a compelling call for justice.

So I rise in support of the resolution to acknowledge and apologize to the native Hawaiians on behalf of the United States for its involvement in the overthrow of the kingdom of Hawaii.

I think it is especially appropriate that we take up this resolution in the centennial year of the overthrow.

To native Hawaiians, this act of dispossession is something that has rankled for over 100 years. Native Hawaiians are acutely conscious of their history, and today's action is an important step toward healing a wound which has festered for far too long.

Mr. Speaker, as the resolution says in expressing its commitment to acknowledging the ramifications of the overthrow of the kingdom of Hawaii, this provides a proper foundation for a reconciliation between the United States and the native people of Hawaii.

Mrs. MINK. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from the American Samoa [Mr. FALEOMAVAEGA].

Mr. FALEOMAVAEGA. Mr. Speaker, I would certainly like to commend the distinguished gentlewoman from the State of Hawaii [Mrs. MINK] and also our colleague, the gentleman from Hawaii [Mr. ABERCROMBIE] for bringing this legislation out to the floor.

Certainly I want to commend the gentleman from Wyoming [Mr. THOMAS] for his support of this piece of legislation.

Mr. Speaker, I rise in strong support of Senate Joint Resolution 19 to acknowledge the 100th anniversary of the January 17, 1893, overthrow of the Kingdom of Hawaii, and to offer an apology to native Hawaiians on behalf of the United States for the overthrow of the Kingdom of Hawaii.

Before the illegal overthrow of Queen Liliuokalani in 1893, the Kingdom of Hawaii was a highly organized, civilized sovereign nation which entered into treaties and conventions with many nations, including the United States. Few Americans know that for nearly 70 years, the United States recognized the independence of the kingdom of Hawaii and extended full and complete diplomatic recognition to the Hawaiian government.

Mr. Speaker, there is no doubt in my mind that without the active support and intervention by U.S. diplomatic and military representatives, the overthrow of Queen Liliuokalani on January 17, 1893, would have failed for lack of popular support and insufficient arms.

On December 18, 1893, President Grover Cleveland, in a message to Congress described the overthrow of the Kingdom of Hawaii as "an act of war committed with the participation of a diplomatic representative of the United States without the authority of Congress," and he acknowledged that by such acts, the government of a peaceful and friendly people was overthrown.

To this day, no official apology has ever been made to native Hawaiians, nor has there ever been an attempt at a federal policy addressing their rights.

U.S. Senator DANIEL AKAKA of Hawaii has said, "the deprivation of Hawaiian sovereignty, which began a century ago, has had devastating effects

on the health, culture, and social conditions of native Hawaiians, with consequences that are evident throughout the islands today."

Senator AKAKA, a native Hawaiian whose grandparents were present during the overthrow of the Hawaiian government is absolutely correct when he says that, too often, when American policymakers think about native Americans, they mistakenly consider only native American Indians and Alaska Natives as native peoples of the United States.

Mr. Speaker, native Hawaiians are, indeed, native Americans. While they are culturally Polynesian, they are descendants of the aboriginal people who occupied and exercised sovereignty in the area that now constitutes our 50th State of Hawaii. In addition to a formal apology to the people of Hawaii, it is also time for the Federal Government to develop a comprehensive Federal policy that addresses the needs of the native American people of Hawaii.

Mr. Speaker, to conclude, I would like to close with a plea from Queen Liliuokalani to the American people 100 years ago in which she lamented the plight of her people.

Oh, honest Americans, as Christians, hear me for my downtrodden people. Do not covet the little vineyard of Naboth's, so far from your shores, lest the instrument of Ahab fall upon you, if not on your day in that of your children.

The children to whom our fathers told of the living God . . . are crying aloud to Him in their time of trouble; and He will keep His promise and will listen to the voices of His Hawaiian children lamenting for their homes.

Mr. Speaker, after 100 years, it is time for the U.S. Congress to offer a formal apolgy to the noble people of Hawaii for the overthrow of their legitimate government—it is the least we can do. While this apology will not bring back their land which we stole; bring back their culture which we destroyed; or, bring back their spirit which we broke; Senate Joint Resolve 19 will begin the process of reconciliation with my brothers and sisters of Hawaii.

I ask my colleagues to do the right thing today and support Senate Joint Resolution 19.

□ 1650

Mr. THOMAS of Wyoming. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MINK. Mr. Speaker, I yield such time as he may consume to the honorable gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I thank the gentlewoman from Hawaii [Mrs. MINK] for yielding this time to me, and I just want to take this time to commend my colleagues, the gentlewoman from Hawaii [Mrs. MINK], and the gentleman from Hawaii [Mr. ABERCROMBIE] for their work on behalf of this resolution.

One of the testimonies to the strength of this country is that every now and then we can go back and set the record straight and recognize our errors, recognize our mistakes and recognize our faults, and in this country's long history of dealing with native peoples, native Americans, native Hawaiians, we have had to do that from time to time. I recognize that as an element of strength, of recognition that our Government is not infallible, that men and women in government, in high places, from time to time make mistakes, and clearly, with the overthrow of this sovereign Hawaiian government we made such a mistake and then attempted to later obscure that mistake with formal government actions. This resolution today takes a long and difficult step in educating this Nation as to the true history of the overthrow of the Kingdom of Hawaii. It puts the American people on notice as to the correctness. it does not infer any new rights to native Hawaiians. But it clearly also invokes the name of the U.S. Government in an apology to native Hawaiians for those actions that were taken.

Mr. Speaker, this is long overdue, and I will hope that our colleagues would support this, and I would hope that they would recognize the tireless effort on behalf of this resolution by the gentlewoman from Hawaii [Mrs. MINK] and the gentleman from Hawaii [Mr. ABERCROMBIE], and I would urge my colleagues to support this measure.

Mrs. MINK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with a great deal of honor and humility that I accepted the honor of serving as the manager of this bill that means so much to the people of Hawaii, and I want to especially thank the subcommittee chairman, the honorable gentleman from New Mexico [Mr. RICHARDSON], for giving me this opportunity to record my presence on the floor managing this bill.

Mr. Speaker, I rise in support of the resolution calling for the Government of the United States to issue a formal apology to native Hawaiians for its role in overthrowing the legal Government of the Kingdom of Hawaii in 1893.

During the nearly 1,200 years preceding the European discovery of Hawaii in 1778, native Hawaiians were the only inhabitants of the islands of Hawaii. In those 12 centuries, native Hawaiians developed a self-sufficient and highly structured communal land tenure-based society characterized by a language and culture of great subtlety and a religion of great complexity. While the native Hawaiians were no more able than others at creating a perfect society, they did develop the enduring patterns of relationships and interactions between social groups that are the hallmarks of a successful society.

Although native Hawaiians shared a common language, culture and religion, they did not share a common government until 1810 when the Island of Kauai joined the Kingdom of Hawaii. Established in 1795 by King Kamehameha I after he conquered most of the Hawaiian islands, the Kingdom of Hawaii was accorded full and complete diplomatic recognition by the United States from 1826 to 1893.

Christian missionaries first arrived in Hawaii from New England in the early 19th century and succeeded in transforming the kingdom into a Christian nation within a generation. The sons and grandsons of the missionaries established successful businesses which grew to form the economic backbone of the kingdom. In addition to wielding economic influence, these missionary-descended businessmen, together with American and European-born businessmen, exerted great political influence.

The committee of public safety, an association comprised of these Western businessmen, gained enough political power by 1877 to force Hawaii's seventh monarch, King David Kalakaua, to sign a new Constitution which diminished his power and ousted his Cabinet appointees. The new Constitution also established a ministry responsible to the legislature and not the King.

In concert with this new Constitution, the committee of public safety influenced the legislature into passing a bill which restricted the vote to persons who earned at least $600 a year or owned at least $3,000 worth of property. In this way, the franchise was transferred from native Hawaiians to a small minority of American and European-descended businessmen.

When King David Kalakaua died in 1891, he was succeeded by his sister, Liliuokalani. Intent on reversing the decline of native Hawaiian influence over the affairs of the kingdom, Queen Liliuokalani aligned herself with a group of Hawaiian politicians and activists working to restore the power of the monarchy. Queen Liliuokalani felt a powerful monarchy was the only way native Hawaiians could be given a voice in their government.

On January 13, 1893, Hawaiian members of the legislature succeeded in garnering enough votes to oust the members of the Cabinet. Queen Liliuokalani followed this action by quickly appointing her own Cabinet and drawing up a new Constitution which provided for a strong monarchy.

Just as quickly, the committee of public safety began to plan for the abolition of the monarchy and the formation of a provisional government. Mr. John L. Stevens, the United States Minister to the Kingdom of Hawaii, joined the committee of public safety in planning the overthrow of the Hawaii Government. U.S. Minister Stevens directed armed personnel aboard the U.S.S. *Boston* to enter Honolulu on January 16, 1893, and station themselves near Iolani Palace, the royal residence, and other Hawaiian Government buildings to intimidate Queen Liliuokalani and members of her government.

On January 17, 1893, the committee of public safety proclaimed the abolition of the monarchy, the creation of a provisional government, and its intention to seek the annexation of Hawaii to the United States. U.S. Minister Stevens extended diplomatic recognition to the provisional government without the consent of the native Hawaiian people or the lawful Government of Hawaii.

Faced with armed U.S. military forces and unwilling to place her supporters in danger, Queen Liliuokalani yielded her authority under protest to the provisional government. U.S. Minister Stevens raised the American flag and proclaimed Hawaii to be a protectorate of the United States on February 1, 1893.

It must be noted that when Queen Liliuokalani yielded her authority, she indicated she believed the U.S. Government would return Hawaii to the Hawaiian people once it learned of the actions of its representative, John Stevens, and the injustices committed by the committee of public safety.

An investigation, initiated by President Grover Cleveland and conducted by former Congressman James Blount, concluded that the United States diplomatic and military representatives to the Kingdom of Hawaii had abused their authority and were responsible for the change in government. Minister Stevens was recalled from his diplomatic post and the commander of the U.S. military forces stationed in Hawaii was disciplined and forced to resign his commission.

President Cleveland delivered a message to Congress on December 18, 1893 in which he described the illegal acts of those who participated in the overthrow of the Hawaiian Government as an "act of war, committed with the participation of a diplomatic representative of the United States and without the authority of Congress." He went on to call for the restoration of the Hawaiian Monarchy by noting that a "substantial wrong has thus been done which a due regard for our national character as well as the rights of the injured people requires that we should endeavor to repair."

However, the Senate Foreign Relations Committee, rejected the Blount Report and President Cleveland's call for the restoration of the Hawaiian monarchy after being lobbied by the Provisional Government of Hawaii. The Senate Foreign Relations Committee then announced its intention to conduct its own investigation into the events surrounding the overthrow of the Hawaiian Monarchy.

The Senate Foreign Relations Committee heard from members of the Provisional Government of Hawaii who justified the actions of U.S. Minister Stevens and the need to annex Hawaii. Because of the investigation by the Senate Foreign Relations Committee, no action was taken to restore the Hawaiian Monarchy. At the same time, however, supporters of Hawaiian annexation in the Congress failed to round up the needed two-thirds majority.

As the stalemate over the issue of restoring the Hawaiian Monarchy continued, Queen Liliuokalani was forced to sign a formal statement of abdication and swear allegiance to the Republic of Hawaii on January 24, 1895 while under house arrest in Iolani Palace. And, President William McKinley, President Cleveland's successor, signed the Newlands Joint Resolution, by which the self-declared Republic of Hawaii ceded sovereignty over the Hawaiian Islands to the United States, on July 7, 1898.

As part of the Newlands Joint Resolution, the Republic of Hawaii also ceded to the United States 1,800,000 acres of crown, government, and public lands of the Kindgom of Hawaii, without the consent of or compensation to the native Hawaiian people or their sovereign government. And, through the enactment of the Organic Act by the Congress of the United States, Hawaii became a U.S. territory on April 30, 1900

The loss of sovereignty came at the close of a 100-year period during which the native Hawaiian population had declined precipitously. Because native Hawaiians had lived in virtual isolation for nearly 12 centuries, they had built up no immunity to a variety of Old and New World diseases. As a result, native Hawaiians succumbed to measles and other usually nonfatal illnesses brought to the islands by Americans, Asians, and Europeans. Between the European discovery of Hawaii by Capt. James Cook in 1778 and the late 1800's, the numbers of native Hawaiians declined from an estimated 500,000 to fewer than 50,000. The scale of this population decline was extraordinary, perhaps unprecedented.

Over the course of the 19th century, native Hawaiians witnessed the suppression of their language and culture, their near extermination, and, finally, the loss of their sovereignty. Disenfranchised from their land, culture, and ability to self-govern, the indigenous people of Hawaii suffered a fate shared by other displaced indigenous peoples. Like the aborigines in Australia and native Americans in this country, native Hawaiians are now among the most impoverished and dispossessed people in the State of Hawaii.

Over 100 years ago, representatives of the U.S. government and military abused their authority by helping a small yet privileged and powerful group of American and European businessmen overthrow the government of a sovereign nation, the Kingdom of Hawaii. The U.S. Government subsequently gave its mantle of approval to this illegal action by accepting lands ceded to the United States by the self-proclaimed Republic of Hawaii and by annexing the Hawaiian Islands as a territory.

In spite of the passage of 100 years, the fact that Hawaii is now an integral part of the United States, and the argument that the illegal 1893 takeover of the Kingdom of Hawaii eventually provided citizens of Hawaii with full citizenship in the world's most enduring democracy, none of this erases the fact that the takeover of the Kingdom of Hawaii was an illegal act which transformed native Hawaiians into strangers in their own land.

While history cannot be rewritten, it can—and must—be acknowledged. As such, the United States should—and must—acknowledge its role in overthrowing the legal Government of the Kingdom of Hawaii by issuing an official apology.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. RICHARDSON. Mr. Speaker, I rise in support of Senate Joint Resolution 19, a bill to acknowledge the 100th anniversary of the January 17, 1893 overthrow of the Kingdom of Hawaii, and to offer an apology to native Hawaiians on behalf of the United States for the overthrow of the Kingdom of Hawaii.

The Hawaiian Islands were unified under one government in 1810 under King Kamehameha I. It was an independent, sovereign monarchy which traded and had treaties with several nations including the United States between 1826–1893.

Western businessmen concerned that the monarchy might not look as favorably on them in the future, began a successful campaign which spread back to the United States the word that the safety of U.S. citizens might be in jeopardy. With the assistance of the U.S. Minister, who was our Government's representative in the islands, U.S. Armed Forces invaded Hawaii in January 1893.

A provisional government was quickly established and, under protest, the Queen stepped down from power.

She believed that once the United States conducted an inquiry of the recent actions, she would be reinstated to her proper role.

President Grover Cleveland did conduct an investigation and described the actions in Hawaii as an "act of war, committed with the participation of a diplomatic representative of the United States and without authority of Congress." He called for the reinstatement of the Hawaiian monarchy. The provisional government, however, fought this request and remained in power.

In 1898 President William McKinley signed the resolution annexing the Hawaiian Islands and some 1.8 million acres of land to the United States.

Mr. Speaker, without the assistance of the diplomatic representative of the United States to the sovereign Hawaiian Islands, the overthrow would not have happened.

The purpose of Senate Joint Resolution 19 is to spell out the events which led to the overthrow of the government of Hawaii, annexation, and finally to statehood in 1959. It is foremost an educational document. It is also meant to finally apologize to the people of Hawaii for the improper actions taken by a representative of this government.

I want to thank my colleagues from Hawaii, Mrs. MINK and Mr. ABERCROMBIE, for the work they have done to bring this resolution to the floor today. They have worked tirelessly on behalf of their constituents to educate the Congress as to the history of Hawaii. This resolution is another step in that direction.

Senate Joint Resolution 19 does not infer any new rights to native Hawaiians. It is an apology that is long overdue and I urge my colleagues to support it.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Hawaii [Mrs. MINK] that the House suspend the rules and pass the Senate joint resolution, Senate Joint Resolution 19.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

FRIENDSHIP WITH RUSSIA, UKRAINE AND OTHER NEW INDEPENDENT STATES ACT

Mr. HAMILTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3000) for reform in emerging new democracies and support and help for improved partnership with Russia, Ukraine, and other New Independent States of the former Soviet Union, as amended.

The Clerk read as follows:

H.R. 3000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLES.

This Act may be cited as the "Act For Reform In Emerging New Democracies and Support and Help for Improved Partnership with Russia, Ukraine, and Other New Independent States" or as the "FRIENDSHIP Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short titles.
Sec. 2. Table of contents.
Sec. 3. Definition.

TITLE I—POLICY OF FRIENDSHIP AND COOPERATION

Sec. 101. Findings.
Sec. 102. Statutory provisions that have been applicable to the Soviet Union.

TITLE II—TRADE AND BUSINESS RELATIONS

Sec. 201. Policy under Export Administration Act.
Sec. 202. Representation of countries of Eastern Europe and the independent states of the former Soviet Union in legal commercial transactions.
Sec. 203. Procedures regarding transfers of certain Department of Defense-funded items.
Sec. 204. Soviet slave labor.
Sec. 205. Multilateral Export Controls Enhancement Amendments Act.

TITLE III—CULTURAL, EDUCATIONAL, AND OTHER EXCHANGE PROGRAMS

Sec. 301. Mutual Educational and Cultural Exchange Act of 1961.
Sec. 302. Soviet-Eastern European research and training.
Sec. 303. Fascell Fellowship Act.
Sec. 304. Board for International Broadcasting Act.
Sec. 305. Scholarship programs for developing countries.
Sec. 306. Report on Soviet participants in certain exchange programs.

TITLE IV—ARMS CONTROL

Sec. 401. Arms Control and Disarmament Act.
Sec. 402. Arms Export Control Act.
Sec. 403. Annual reports on arms control matters.
Sec. 404. United States/Soviet direct communication link.

TITLE V—DIPLOMATIC RELATIONS

Sec. 501. Travel restrictions.
Sec. 502. Personnel levels and limitations.
Sec. 503. Other provisions related to operation of embassies and consulates.
Sec. 504. Foreign Service Buildings Act.

TITLE VI—OCEANS AND THE ENVIRONMENT

Sec. 601. Arctic Research and Policy Act.
Sec. 602. Fur seal management.
Sec. 603. Global climate protection.

TITLE VII—REGIONAL AND GENERAL DIPLOMATIC ISSUES

Sec. 701. United Nations assessments.
Sec. 702. Soviet occupation of Afghanistan.
Sec. 703. Angola.
Sec. 704. Self determination of the people from the Baltic states.
Sec. 705. Obsolete references in Foreign Assistance Act.
Sec. 706. Review of United States policy toward the Soviet Union.
Sec. 707. Policy toward application of Yalta Agreement.

TITLE VIII—INTERNAL SECURITY; WORLDWIDE COMMUNIST CONSPIRACY

Sec. 801. Civil defense.
Sec. 802. Report on Soviet press manipulation in the United States.
Sec. 803. Subversive Activities Control Act.

TITLE IX—MISCELLANEOUS

Sec. 901. Ballistic missile tests near Hawaii.
Sec. 902. Emigration from the Soviet Union.
Sec. 903. Nondelivery of international mail.
Sec. 904. Persecution of Christians.
Sec. 905. Murder of Major Arthur Nicholson.
Sec. 906. Soviet Pentecostals.

SEC. 3. DEFINITION.

As used in this Act (including the amendments made by this Act), the terms "independent states of the former Soviet Union" and "independent states" have the meaning given those terms by section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5801).

TITLE I—POLICY OF FRIENDSHIP AND COOPERATION

SEC. 101. FINDINGS.

The Congress finds and declares as follows:

(1) The Vancouver Declaration issued by President Clinton and President Yeltsin in April 1993 marked a new milestone in the development of the spirit of cooperation and partnership between the United States and Russia. The Congress affirms its support for the principles contained in the Vancouver Declaration.

(2) The Vancouver Declaration underscored that—

(A) a dynamic and effective partnership between the United States and Russia is vital to the success of Russia's historic transformation;

(B) the rapid integration of Russia into the community of democratic nations and the world economy is important to the national interest of the United States; and

(C) cooperation between the United States and Russia is essential to the peaceful resolution of international conflicts and the promotion of democratic values, the protection of human rights, and the solution of global problems such as environmental pollution, terrorism, and narcotics trafficking.

(3) The Congress enacted the FREEDOM Support Act (Public Law 102-511), as well as other legislation such as the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102-228) and the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102-484), to help meet the historic opportunities and challenges presented by the transformation that has taken place, and is continuing to take place, in what once was the Soviet Union.

(4) The process of reform in Russia, Ukraine, and the other independent states of the former Soviet Union is ongoing. The holding of a referendum in Russia on April 25, 1993, that was free and fair, and that reflected the support of the Russian people for the process of continued and strengthened democratic and economic reform, represents an important and encouraging hallmark in this ongoing process.

(5) It is important that reformers and democrats in the independent states of the former Soviet Union recognize the resolve of the people of the United States to do business with the independent states in a new spirit of friendship and cooperation, and the support of the people of the United States for continued democratic and economic reform.

(6) Certain statutory provisions that are relics of the Cold War should be revised or repealed as part of United States efforts to foster and strengthen the bonds of trust and friendship, as well as mutually beneficial trade and economic relations, between the United States and Russia, the United States and Ukraine, and the United States and the other independent states of the former Soviet Union.

SEC. 102. STATUTORY PROVISIONS THAT HAVE BEEN APPLICABLE TO THE SOVIET UNION.

(a) IN GENERAL.—There are numerous statutory provisions that were enacted in the context of United States relations with a country, the Soviet Union, that are fundamentally different from the relations that now exist between the United States and Russia, between the United States and Ukraine, and between the United States and the other independent states of the former Soviet Union.

(b) EXTENT OF SUCH PROVISIONS.—Many of the provisions referred to in subsection (a) imposed limitations specifically with respect to the Soviet Union, and its constituent republics, or utilized language that reflected the tension that existed between the United States and the Soviet Union at the time of their enactment. Other such provisions did not refer specifically to the Soviet Union, but nonetheless were directed (or may be construed as having been directed) against the Soviet Union on the basis of the relations that formerly existed between the United States and the Soviet Union, particularly in its role as the leading communist country.

(c) FINDING AND AFFIRMATION.—The Congress finds and affirms that provisions such as those described in this section, including the joint resolution providing for the designation of "Captive Nations Week" (Public Law 86-90), should not be construed as being directed against Russia, Ukraine, or the other independent states of the former Soviet Union, connoting an adversarial relationship between the United States and the independent states, or signifying or implying in any manner unfriendliness toward the independent states.

TITLE II—TRADE AND BUSINESS RELATIONS

SEC. 201. POLICY UNDER EXPORT ADMINISTRATION ACT.

The Export Administration Act of 1979 is amended—

(1) in section 2 (50 U.S.C. App. 2401), by striking paragraph (11) and by designating paragraphs (12) and (13) as paragraphs (11) and (12), respectively; and

(2) in section 3 (50 U.S.C. App. 2402), by striking paragraph (15).

SEC. 202. REPRESENTATION OF COUNTRIES OF EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION IN LEGAL COMMERCIAL TRANSACTIONS.

Section 951(e) of title 18, United States Code, is amended by striking "the Soviet Union" and all that follows through "or Cuba" and inserting "Cuba or any other country that the President determines (and so reports to the Congress) poses a threat to the national security interest of the United States for purposes of this section".

SEC. 203. PROCEDURES REGARDING TRANSFERS OF CERTAIN DEPARTMENT OF DEFENSE-FUNDED ITEMS.

(a) LIMITATION ON CERTAIN MILITARY TECHNOLOGY TRANSFERS.—(1) Section 223 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 2431 note) is amended to read as follows:

"SEC. 223. LIMITATION ON TRANSFER OF CERTAIN MILITARY TECHNOLOGY TO INDEPENDENT STATES OF THE FORMER SOVIET UNION.

"Military technology developed with funds appropriated or otherwise made available for the Ballistic Missile Defense Program may not be transferred (or made available for transfer) to Russia or any other independent state of the former Soviet Union by the United States (or with the consent of the United States) unless the President determines, and certifies to the Congress at least 15 days prior to any such transfer, that such transfer is in the national interest of the United States and is to be made for the purpose of maintaining peace.".

(2) Section 6 of that Act is amended by amending the item in the table of contents relating to section 223 to read as follows:

"Sec. 223. Limitation on transfer of certain military technology to independent states of the former Soviet Union.".

(b) REPEAL OF OBSOLETE PROVISION.—Section 709 of the Department of Defense Appropriations Authorization Act, 1975 (50 U.S.C. App. 2403-1) is repealed.

SEC. 204. SOVIET SLAVE LABOR.

(a) REPEAL.—Section 1906 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 1307 note) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1906.

SEC. 205. MULTILATERAL EXPORT CONTROLS ENHANCEMENT AMENDMENTS ACT.

Section 2442 of the Multilateral Export Control Enhancement Amendments Act (50 U.S.C. App. 2410a note) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

TITLE III—CULTURAL, EDUCATIONAL, AND OTHER EXCHANGE PROGRAMS

SEC. 301. MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961.

The Mutual Educational and Cultural Exchange Act of 1961 is amended—

(1) in section 112(a)(8) (22 U.S.C. 2460(a)(8)), by striking "Soviet Union" both places it occurs and inserting "independent states of the former Soviet Union"; and

(2) in section 113 (22 U.S.C. 2461), by—

(A) amending the section caption to read "EXCHANGES BETWEEN THE UNITED STATES AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—";

(B) by striking "an agreement with the Union of Soviet Socialist Republics" and inserting "agreements with the independent states of the former Soviet Union"; and

(C) by striking "made by the Soviet Union" and inserting "made by the independent states";

(D) by striking "and the Soviet Union" and inserting "and the independent states"; and

(E) by striking "by Soviet citizens in the United States" and inserting "in the United States by citizens of the independent states".

SEC. 302. SOVIET-EASTERN EUROPEAN RESEARCH AND TRAINING.

The Soviet-Eastern European Research and Training Act of 1983 (22 U.S.C. 4501-4508) is amended—

(1) by amending the title heading to read "**TITLE VIII—RESEARCH AND TRAINING FOR EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION**";

(2) in section 801, by striking "Soviet-Eastern European Research and Training" and inserting "Research and Training for Eastern Europe and the Independent States of the Former Soviet Union";

(3) in paragraphs (1), (2), and (3)(E) of section 802, by striking "Soviet Union and Eastern European countries" and inserting "countries of Eastern Europe and the independent states of the former Soviet Union";

(4) in section 803(2), by striking "Soviet-Eastern European Studies Advisory Committee" and inserting "Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union";

(5) in section 804—

(A) in the section heading by striking "THE SOVIET-EASTERN EUROPEAN STUDIES";

(B) in subsection (a), by striking "Soviet-Eastern European Studies Advisory Committee" and inserting "Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union";

(C) in subsection (d), by striking "Soviet and Eastern European countries" and inserting "the countries of Eastern Europe and the independent states of the former Soviet Union"; and

(6) in section 805(b)—

(A) in paragraphs (2)(A), (2)(B), and (6), by striking "Soviet and Eastern European studies" and inserting "studies on the countries of Eastern Europe and the independent states of the former Soviet Union";

(B) in paragraphs (3)(A) and (3)(B), by striking "fields of Soviet and Eastern European studies and related studies" and inserting "independent states of the former Soviet Union and the countries of Eastern Europe and related fields";

(C) in paragraph (3)(A) by striking "the Soviet Union and Eastern European countries" and inserting "those states and countries";

(D) in paragraph (4)—

(i) by striking "Union of Soviet Socialist Republics" the first place it appears and inserting "independent states of the former Soviet Union", and

(ii) by striking "the Union of Soviet Socialist Republics and Eastern European countries" and inserting "those states and countries"; and

(E) in paragraph (5)—

(i) by striking everything in the first sentence following: "support" and inserting "training in the languages of the independent states of the former Soviet Union and the countries of Eastern Europe."; and

(ii) in the last sentence by inserting immediately before the period "and, as appropriate, studies of other languages of the independent states of the former Soviet Union".

SEC. 303. FASCELL FELLOWSHIP ACT.

Section 1002 of the Fascell Fellowship Act (22 U.S.C. 4901) is amended in the section heading by striking "**IN THE SOVIET UNION AND EASTERN EUROPE**" and inserting "**ABROAD**".

SEC. 304. BOARD FOR INTERNATIONAL BROADCASTING ACT.

(a) BALTIC DIVISION.—Section 307 of the Board for International Broadcasting Authorization Act, Fiscal Years 1984 and 1985 (Title III of Public Law 98-164; 97 Stat. 1037) is repealed.

(b) SOVIET JAMMING.—Section 308 of that Act (97 Stat. 1037) is repealed.

SEC. 305. SCHOLARSHIP PROGRAMS FOR DEVELOPING COUNTRIES.

Section 602 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4702) is amended by striking paragraphs (6) and (7) and by redesignating paragraphs (8), (9), and (10) as paragraphs (6), (7), and (8), respectively.

SEC. 306. REPORT ON SOVIET PARTICIPANTS IN CERTAIN EXCHANGE PROGRAMS.

Section 126 of the Department of State Authorization Act, Fiscal Years 1982 and 1983 (Public Law 102-138; 96 Stat. 282) is repealed.

TITLE IV—ARMS CONTROL

SEC. 401. ARMS CONTROL AND DISARMAMENT ACT.

(a) REPORTS ON STANDING CONSULTATIVE COMMISSION ACTIVITIES.—Section 38 of the Arms Control and Disarmament Act (22 U.S.C. 2578) is amended by striking "United States-Union of Soviet Socialist Republics".

(b) LANGUAGE SPECIALISTS.—Section 51 of that Act (22 U.S.C. 2591) is amended—

(1) by amending the section heading to read "SPECIALISTS FLUENT IN RUSSIAN OR OTHER LANGUAGES OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION";

(2) by striking "Soviet foreign and military policies" and inserting "the foreign and military policies of the independent states of the former Soviet Union"; and

(3) by inserting "or another language of the independent states of the former Soviet Union" after "Russian language".

(c) COMPLIANCE WITH AGREEMENTS.—Section 52 of that Act (22 U.S.C. 2592) is amended—

(1) in paragraph (1), by striking "the Soviet Union" both places it appears and inserting "Russia";

(2) in paragraph (3), by striking "Soviet adherence" and inserting "Russian adherence" and by striking "the Soviet Union" and inserting "Russia"; and

(3) in paragraph (5), by striking "the Soviet Union" and inserting "Russia".

(d) ON-SITE INSPECTION AGENCY.—Section 61(4) of that Act (22 U.S.C. 2595(4)) is amended—

(1) in subparagraph (A), by striking "the Soviet Union" and inserting "Russia, Ukraine, Kazakhstan, Belarus, Turkmenistan, Uzbekistan";

(2) in subparagraph (B), by striking "Soviet";

(3) in subparagraph (C), by striking "the Soviet Union" and inserting "Russia"; and

(4) in subparagraph (D), by striking "Soviet".

SEC. 402. ARMS EXPORT CONTROL ACT.

The Arms Export Control Act is amended—

(1) in section 94(b)(3)(B) (22 U.S.C. 2799c(b)(3)(B)), by striking "Warsaw Pact country" and inserting "country of the Eastern Group of States Parties"; and

(2) in section 95(5) (22 U.S.C. 2799d(5))—

(A) by striking "Warsaw Pact country" and inserting "country of the Eastern Group of States Parties"; and

(B) by inserting before the period at the end "or a successor state to such a country".

SEC. 403. ANNUAL REPORTS ON ARMS CONTROL MATTERS.

(a) SOVIET COMPLIANCE WITH ARMS CONTROL COMMITMENTS.—(1) Section 1002 of the Department of Defense Authorization Act, 1986 (22 U.S.C. 2592a) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1002.

(b) ARMS CONTROL STRATEGY.—(1) Section 906 of the National Defense Authorization Act, Fiscal Year 1989 (22 U.S.C. 2592b) is repealed.

(2) Section 3 of that Act is amended by striking the item in the table of contents relating to section 906.

(c) ANTIBALLISTIC MISSILE CAPABILITIES AND ACTIVITIES OF THE SOVIET UNION.—(1)

Section 907 of the National Defense Authorization Act, Fiscal Year 1989 (102 Stat. 2034) is repealed.

(2) Section 3 of that Act is amended by striking the item in the table of contents relating to section 907.

SEC. 404. UNITED STATES/SOVIET DIRECT COMMUNICATION LINK.

(a) CHANGING REFERENCES.—The joint resolution entitled "Joint Resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control," approved August 8, 1985 (10 U.S.C. 113 note) is amended—

(1) in the first section—

(A) by striking "to the Soviet Union" both places it appears and inserting "to Russia"; and

(B) by striking "Soviet Union part" and inserting "Russian part"; and

(2) in section 2(b), by striking "the Soviet Union" and inserting "Russia".

(b) SAVINGS PROVISION.—The amendment made by subsection (a)(2) does not affect the applicability of section 2(b) of that joint resolution to funds received from the Soviet Union.

TITLE V—DIPLOMATIC RELATIONS

SEC. 501. TRAVEL RESTRICTIONS.

Section 216 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4316) is amended—

(1) in subsection (a), by striking everything following "apply" and inserting "appropriate restrictions to the travel while in the United States of the individuals described in subsection (b)." ; and

(2) in subsection (e), by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 502. PERSONNEL LEVELS AND LIMITATIONS.

(a) PERSONNEL CEILING ON UNITED STATES AND SOVIET MISSIONS.—Section 602 of the Intelligence Authorization Act, Fiscal Year 1990 (Public Law 101-193; 103 Stat. 1710) is repealed.

(b) REPORT ON PERSONNEL OF SOVIET STATE TRADING ENTERPRISES.—(1) Section 154 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1353) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 154.

(c) REPORT ON ADMISSION OF CERTAIN ALIENS.—Section 501 of the Intelligence Authorization Act, Fiscal Year 1988 (22 U.S.C. 254c-2) is repealed.

(d) SOVIET MISSION AT THE UNITED NATIONS.—Section 702 of the Intelligence Authorization Act for Fiscal Year 1987 (22 U.S.C. 287 note) is repealed.

(e) SOVIET EMPLOYEES AT UNITED STATES DIPLOMATIC AND CONSULAR MISSIONS IN THE SOVIET UNION.—(1) Section 136 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 3943 note) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 136.

(f) DIPLOMATIC EQUIVALENCE AND RECIPROCITY.—(1) Section 813 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93; 99 Stat. 455) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 813.

SEC. 503. OTHER PROVISIONS RELATED TO OPERATION OF EMBASSIES AND CONSULATES.

(a) CONSTRUCTION OF DIPLOMATIC FACILITIES.—Section 132 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138; 105 Stat. 662) is amended—

(1) by repealing subsections (a) through (d) and subsections (h) through (j); and

(2) in subsection (e)—

(A) by striking "(e) EXTRAORDINARY SECURITY SAFEGUARDS.—";

(B) by striking "(1) In" and inserting "(a) EXTRAORDINARY SECURITY SAFEGUARDS.—In" and by striking "(2) Such" and inserting "(b) SAFEGUARDS TO BE INCLUDED.—Such";

(C) by setting subsections (a) and (b), as so redesignated, on a full measure margin; and

(D) in subsection (b), as so redesignated—

(i) by striking "paragraph (1)" and inserting "subsection (a)"; and

(ii) by redesignating subparagraphs (A) through (E) as paragraphs (1) through (5), respectively, and by setting such redesignated paragraphs on a 2-em indention.

(b) POSSIBLE MOSCOW EMBASSY SECURITY BREACH.—(1) Section 133 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138; 105 Stat. 665) is repealed.

(2) Section 2 of that Act is amended by striking the item in the table of contents relating to section 133.

(c) UNITED STATES-SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.—(1) Section 134 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 4301 note) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 134.

(d) REASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE.—(1) Section 1232 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 102 Stat. 2056) is repealed.

(2) Section 3 of that Act is amended by striking the item in the table of contents relating to section 1232.

(e) DIPLOMATIC RECIPROCITY.—(1) Sections 151 through 153 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1351) are repealed.

(2) Section 1(b) of that Act is amended by striking the items in the table of contents relating to sections 151 through 153.

(f) ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE.—(1) Section 1122 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1149) is repealed.

(2) Section 6 of that Act is amended by striking the item in the table of contents relating to section 1122.

(g) ASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITIES.—Section 901 of the Intelligence Authorization Act, Fiscal Year 1988 (Public Law 100-178; 101 Stat. 1017) is repealed.

(h) FOREIGN ESPIONAGE ACTIVITIES IN THE UNITED STATES.—Section 1364(c) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 4001) is repealed.

SEC. 504. FOREIGN SERVICE BUILDINGS ACT.

Section 4(j) of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295(j)) is repealed.

TITLE VI—OCEANS AND THE ENVIRONMENT

SEC. 601. ARCTIC RESEARCH AND POLICY ACT.

Section 102(a) of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4101(a)) is amended—

(1) in paragraph (2), by striking "as" and all that follows through the comma; and

(2) in paragraph (10), by striking ", particularly the Soviet Union,".

SEC. 602. FUR SEAL MANAGEMENT.

The Act of November 2, 1966, commonly known as the Fur Seal Act of 1966, is amended—

(1) in section 101(h) (16 U.S.C. 1151(h)), by striking "the Union of Soviet Socialist Republics" and inserting "Russia (except that as used in subsection (b) of this section, 'party' and 'parties' refer to the Union of Soviet Socialist Republics)"; and

(2) in section 102 (16 U.S.C. 1152), by striking "the Union of Soviet Socialist Republics" and inserting "Russia".

SEC. 603. GLOBAL CLIMATE PROTECTION.

The Global Climate Protection Act of 1987 (title XI of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989; 15 U.S.C. 2901 note) is amended—

(1) in section 1106—

(A) by striking "**UNITED STATES-SOVIET RELATIONS**" in the section heading and inserting "**UNITED STATES RELATIONS WITH THE INDEPENDENT STATES OF THE FORMER SOVIET UNION**";

(B) by striking "Soviet Union" and inserting "independent states of the former Soviet Union";

(C) by striking "their joint role as the world's two major" and inserting "the extent to which they are"; and

(D) by striking "United States-Soviet relations" and inserting "United States relations with the independent states"; and

(2) in section 1(b), in item in the table of contents relating to section 1106, by striking "United States-Soviet relations" and inserting "United States relations with the independent states of the former Soviet Union".

TITLE VII—REGIONAL AND GENERAL DIPLOMATIC ISSUES

SEC. 701. UNITED NATIONS ASSESSMENTS.

Section 717 of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1549) is amended—

(1) in the section heading by striking "OF THE SOVIET UNION";

(2) in subsection (a)—

(A) in paragraph (2), by inserting "and" after the semicolon;

(B) in paragraph (3) by striking "; and" and inserting a period; and

(C) by striking paragraph (4); and

(3) in subsection (b), by striking "a diplomatic" and all that follows through "including its", and inserting "appropriate diplomatic initiatives to ensure that members of the United Nations make payments of all their outstanding financial obligations to the United Nations, including their".

SEC. 702. SOVIET OCCUPATION OF AFGHANISTAN.

(a) REPEAL.—Section 1241 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1420) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1241.

SEC. 703. ANGOLA.

(a) UNITED STATES POLICY ON ANGOLA.—(1) Section 1222 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1414) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1222.

(b) SOVIET INTERVENTION IN ANGOLA.—Section 405 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2293 note) is repealed.

SEC. 704. SELF DETERMINATION OF THE PEOPLE FROM THE BALTIC STATES.

Paragraph (1) of section 1206 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1411) is amended by striking "from the Soviet Union".

SEC. 705. OBSOLETE REFERENCES IN FOREIGN ASSISTANCE ACT.

The Foreign Assistance Act of 1961 is amended—

(1) in section 501 (22 U.S.C. 2301)—

(A) in the second undesignated paragraph by striking "international communism and the countries it controls" and inserting "hostile countries";

(B) in the fourth undesignated paragraph, by striking "Communist or Communist-supported"; and

(C) in the fifth undesignated paragraph, by striking everything following "victims of" and inserting "aggression or in which the internal security is threatened by internal subversion inspired or supported by hostile countries.";

(2) in section 614(a)(4)(C) (22 U.S.C. 2364(a)(4)(C)), by striking "Communist or Communist-supported"; and

(3) in section 620(h) (22 U.S.C. 2370(h)), by striking "the Communist-bloc countries" and inserting "any country that is a Communist country for purposes of subsection (f)".

SEC. 706. REVIEW OF UNITED STATES POLICY TOWARD THE SOVIET UNION.

Section 24 of the International Security Assistance Act of 1978 (22 U.S.C. 2151 note) is repealed.

SEC. 707. POLICY TOWARD APPLICATION OF YALTA AGREEMENT.

(a) REPEAL.—Section 804 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93; 99 Stat. 449), is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 804.

TITLE VIII—INTERNAL SECURITY; WORLDWIDE COMMUNIST CONSPIRACY

SEC. 801. CIVIL DEFENSE.

Section 501(b)(2) of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2301(b)) is amended by striking the first comma and all that follows through "stability,".

SEC. 802. REPORT ON SOVIET PRESS MANIPULATION IN THE UNITED STATES.

(a) REPEAL.—Section 147 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93; 99 Stat. 426) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 147.

SEC. 803. SUBVERSIVE ACTIVITIES CONTROL ACT.

The Subversive Activities Control Act of 1950 (50 U.S.C. 781 and following) is amended—

(1) by repealing sections 1 through 3, 5, 6, and 9 through 16; and

(2) in section 4—

(A) by repealing subsections (a) and (f);

(B) by redesignating subsections (b) through (e) as subsections (a) through (d), respectively;

(C) in subsection (a), as so redesignated, by striking "or an officer" and all that follows through "section 3 of this title"; and

(D) in subsection (b), as so redesignated, by striking ", or any officer" and all that follows through "section 3 of this title,".

TITLE IX—MISCELLANEOUS

SEC. 901. BALLISTIC MISSILE TESTS NEAR HAWAII.

(a) REPEAL.—Section 1201 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1409) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1201.

SEC. 902. EMIGRATION FROM THE SOVIET UNION.

(a) REPEAL.—Section 1202 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1410) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1202.

SEC. 903. NONDELIVERY OF INTERNATIONAL MAIL.

(a) REPEAL.—Section 1203 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1411) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1203.

SEC. 904. PERSECUTION OF CHRISTIANS.

(a) REPEAL.—Section 1204 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1411) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1204.

SEC. 905. MURDER OF MAJOR ARTHUR NICHOLSON.

(a) REPEAL.—Section 148 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93; 99 Stat. 427) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 148.

SEC. 906. SOVIET PENTECOSTALS.

(a) REPEAL.—Section 805 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93; 99 Stat. 450) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 805.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana [Mr. HAMILTON] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. KYL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the Vancover summit last April, President Yeltsin asked President Clinton to help put United States-Russian relations on a new footing.

President Yeltsin specifically asked that the United States review its laws and regulations. He asked for the United States to repeal or rescind those laws, regulations and policies that had become obsolete following the demise of the Soviet Union.

Russia is one of the legal successor states to the Soviet Union. It is subject to a long series of cold-war restrictions that had been intended for the previous Soviet regime, not the Russian successor state.

Those restrictions impede the ability of the United States and Russia, and the United States and other New Independent States, to build relations on a new basis of friendship. Specifically, these restrictions stand in the way of the development of normal diplomatic and trade relations.

The bill before us, H.R. 3000, was introduced on August 6 by the majority leader and minority leader at the administration's request. Both leaders travelled to Russia this past April and heard the same message as did President Clinton. They share the President's policy stance: it is time to begin the process of repealing cold war restrictions.

Title I of H.R. 3000 is a statement of United States policy of friendship and cooperation with Russia and the New Independent States. Ensuing titles modify or repeal certain provisions of law relating to: Trade and business relations; cultural, educational, and other exchange programs; arms control; diplomatic relations; oceans and the environment; regional and general diplomatic issues; internal security as well as other issues.

H.R. 3000, as introduced, covered many areas of jurisdiction in the House and so it was referred to several committees. The Committee on Foreign Affairs has worked closely with each of them. I want to thank each committee for its cooperation in bringing this bill to the floor. I want to thank: Chairman DELLUMS and the ranking member, Mr. SPENCE, of the Committee on Armed Services; Chairman GONZALEZ and the ranking member, Mr. LEACH, of the Committee on Banking, Finance and Urban Affairs; Chairman BROOKS and the ranking member, Mr. FISH, of the Committee on the Judiciary; Chairman STUDDS and the ranking member, Mr. FIELDS of Texas, of the Committee on Merchant Marine and Fisheries; Chairman CLAY and the ranking member, Mr. MYERS of Indiana, of the Committee on Post Office and Civil Service; Chairman BROWN and the ranking member, Mr. WALKER, of the Committee on Science, Space, and Technology; Chairman GLICKMAN and the ranking member, Mr. COMBEST, of the Permanent Select Committee on Intelligence; and Chairman ROSTENKOWSKI and the ranking member, Mr. ARCHER, of the Committee on Ways and Means.

Above all, I want to thank the leadership. The Speaker, the majority leader, and the minority leader have been driving forces in guiding this legislation through committees and to the House floor.

May I say that I appreciate that the gentleman from California [Mr.

ROHRABACHER] has a concern about a provision in this bill with respect to the captive nations resolution.

I want to assure the gentleman that this bill does not alter the text of the captive nations resolution in any way. The bill simply states that we should look forward, and not construe that resolution as being directed against Russia, Ukraine or the other independent states of the former Soviet Union, connoting an adversarial relationship between the United States and the New Independent States, or signifying or implying in any manner unfriendliness toward the independent states.

I also want to assure the gentleman from California of my support for House Joint Resolution 237, to authorize the construction of an international monument in the District of Columbia to honor the victims of communism.

I will work with the committee of jurisdiction, the House Administration Committee, with respect to this resolution, and work with the other body, to help move this resolution forward.

I also will support this provision should it come back as an amendment to this bill from the other body.

The significance of H.R. 3000 is that the House is going on the record, and taking action. We are starting to clean up the layers of anti-Soviet legislation accumulated over many years, through many Congresses, since the beginning of the cold war. This bill is a first step in the process. There will be other steps in the months ahead, including addressing trade issues. Through a process of regulatory review, the administration will also address COCOM, export controls, and other regulatory restrictions.

This bill is a tangible step toward a new United States relationship with Russia, Ukraine, and the other New Independent States. I hope that the Congress will complete action on this bill expeditiously. I urge my colleagues to support H.R. 3000, as amended.

Mr. Speaker, I reserve the balance of my time.

□ 1700

Mr. KYL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to vote against this particular piece of legislation for both procedural and substantive reasons.

This is an important piece of legislation and should not come before this body late on a Monday afternoon when very few Members are here to participate, let alone observe the debate; when nobody knows what is in the bill; when the bill has not been the subject of hearings in the committees to which it was referred; when there are no findings which call for the provisions of law to be repealed, as is called for in this piece of legislation; and when there are significant questions that remain regarding the appropriateness of the repeal of all of the provisions of law that would be repealed by this bill. So procedurally, this is not the appropriate method for bringing this bill forward.

Specifically, my concerns could be addressed, as were some other concerns earlier in the day, by working with the authors of the bill and cleaning it up. That is what the amendment process is all about. That is what could have been accomplished, had this bill been brought to the floor under the normal procedures.

The chairman of the committee notes that the bill was referred to four committees. One of those committees, the Committee on Armed Services, is the committee on which I sit. And yet our committee did nothing with respect to this bill. The sequential referral was not waived by the Committee on Armed Services, and it was not until today that three specific problems were worked out with certain members on the committee, myself not included.

Mr. Speaker, this is not the way to legislate, where important provisions of law are worked out at the very last minute, Members have no opportunity to understand whether something is in or not in the bill, and have no opportunity to offer amendments, which would be the appropriate way to clean it up.

I have no objection to the intent of this legislation. The intent, of course, is to clean up the laws with respect to the former Soviet Union and clearly to signal to the new leaders of the former States of the Soviet Union our desire to be entirely cooperative with their efforts to proceed with democratization and the development of peaceful relations with the West. In that we all concur.

The question is whether it is wise to repeal all of the pieces of legislation that would be repealed in this bill. There are two general categories of things that are repealed. First, there are historical references; and, second, are remaining operative provisions of law.

It is not wise, in my view, to repeal all of the historical references. There is no reason, for example, to repeal the provisions objecting to the operations of the former Soviet Union in Afghanistan and Angola. The question is, who engaged in those operations? It is the former Soviet Communist regime, the regime that we condemned in this legislation, that engaged in those operations. It is that former regime which the democratic forces have been fighting. It is that regime from which power has been taken. And so it seems to me somewhat problematic as to why it would be in the United States interest or the interest of Boris Yeltsin or other democrats in Russia to wipe from our statutes the United States condemnation of acts of the Soviet Union which have been subsequently condemned by the leaders of Russia and other former States of the Soviet Union themselves.

In other words, why revise history? Why purge the history books, including the statutes of the United States of America, of condemnation of actions that have been condemned by the democrats in Russia themselves? What is the purpose?

This is designed to make Boris Yeltsin feel any better. But, in fact, the two things that Boris Yeltsin wants us to deal with are the Export Administration Act and the Jackson-Vanik amendment, and neither of those two are dealt with in this bill because, obviously, those are too important and need far too much work to be repealed at this point in time.

As a result, what has happened is that several less significant provisions of law were singled out for repeal. But for those parts that are historical references, such as the sense of Congress resolutions or statements of policy withrespect to the invasion of Afghanistan and Soviet assistance to Angola, it can serve no purpose for the democratic leaders of Russia to repeal those provisions; and, clearly, we have no purpose in pleasing the former Communists of the Soviet Union by revising history in this fashion.

Now, another part of this bill repeals the sense of Congress resolutions calling for the end of the persecution of individuals on the basis of their faith, most notably Christians and Jews, and a sense-of-Congress resolution concerning the free immigration of Jews and others. Why would we want to repeal these provisions? Does the Congress no longer believe that freedom of religion and freedom of immigration is important to the states of the former Soviet Union?

As a matter of fact, if you look at the statistics of immigration from the former Soviet Union, you find that from 1990 when 186,815 Jews were allowed to immigrate through the years 1991, 1992, and 1993, those numbers are now down to 136,000.

I do not know why those numbers have declined over time, but each year there has been a decline in the number of Jews immigrating from the former Soviet Union.

There have been continued articles and speeches with respect to difficulties under which minorities, particularly Christian and Jewish minorities in Russia, have suffered. Indeed, in September of this year Senator LUGAR organized a letter with hundreds of signatures from Members of Congress expressing our concern about reports that missionaries were being harassed and detained in Russia.

A report for the Institute of Jewish Affairs says, "Anti-Semitic demonstrations in Moscow, St. Petersburg, and elsewhere were fairly commonplace in 1993."

My point is this: to repeal sections of our law that condemn this kind of

practice sends precisely the wrong message. We are not condemning the actions of Boris Yeltsin. What we are trying to do is to support Boris Yeltsin in his efforts to wipe out this kind of practice. And wiping these things from our statute does not support his efforts in that regard.

The bill also repeals language requiring the United States to apply diplomatic pressure to extract payment of fees for United Nations missions. As the payer of 33 percent of the operating expenses of the United Nations, I would think it in our best interests to ensure that the successor states to the Soviet Union will pay their bill.

Although changes to our export policy supported in this bill are minor, I wonder why the Congress would want to begin the process of reforming our export policies when the New York Times reported just last week that Russia and China have signed a new military agreement for the Chinese, "to purchase Russian know-how and technology relating to rocketry, antisubmarine warfare, and air defense."

This agreement made the news at the same time a headline in the Los Angeles Times carried a warning that China is upgrading its nuclear arms by developing new warheads and better intercontinental ballistic missiles.

On another issue, Mr. Speaker, I object strongly to repealing references in the Foreign Assistance Act which condemn the murder of Maj. Arthur Nicholson in 1985 in East Germany. This was a heinous act of cold blooded murder. Those responsible for Major Nicholson's death should be held accountable. I know of no apology to the major's widow nor any offer of financial restitution. Should not history report and continue to record our condemnation of this murder? Why should the Russians care, if they had nothing to do with it? And, of course, if they did, we should not be repealing the act. If they did not, the condemnation should stand.

The original vision of the bill, Mr. Speaker, contained a provision that repealed the requirement to submit annual reports of noncompliance of arms control agreements by successor states of the Soviet Union, and Russia is currently not complying with either START or the Convention on Biological weapons.

It is my understanding that the Committee on Armed Services did not object to this provision only because the act of the arms control reauthorization bill contains a similar reporting requirement. I think this report is an integral part of formulating our national security strategy and should scrupulously detail each and every arms control violation of all nations, including Russia.

Mr. Speaker, I want to reserve some time for the ranking member of this committee to state his views, and so I will simply conclude this part of my remarks by pointing out that we have to distinguish between the people who used to run the Soviet Union, which was a Communist state engaging in activities antithetical to the interests of the West and of the United States, and the democrat leaders, including Boris Yeltsin, of the State of Russia and the other former states of the Soviet Union today. It takes nothing away from their efforts and our support for those efforts to retain on our books the condemnation of activities of the former Communist Soviet Union which ought to remain on the statutes and ought not be repealed by this legislation.

Mr. Speaker, I yield 6 minutes to the gentleman from New York [Mr. GILMAN], the ranking member of the Committee on Armed Services.

Mr. GILMAN. Mr. Speaker, I rise in support of the motion to suspend the rules and pass H.R. 3000, the Friendship with Russia, Ukraine and Other New Independent States Act.

The bill, H.R. 3000, was, as my colleague, the gentleman from Arizona, pointed out, referred to seven different authorizing committees. As he may know, the Foreign Affairs Committee did in fact meet, marked up and reported those provisions of the bill lying within its jurisdiction. Most of the remaining committees did, in fact, indicate to the Foreign Affairs Committee that they had reviewed their provisions and did not intend to meet on them.

Mr. Speaker, H.R. 3000 is meant to signal a new era in our relations with all of the New Independent States of the former Soviet Union. It had its genesis, however, in our particular concern over events in the Russian Federation throughout 1993.

As the major successor State to the Soviet Union—retaining much of its population, resources and nuclear armaments—Russia is a country in which the cause of democracy and economic transformation is a vital one, not just for the Russian people, but for the whole world.

President Clinton made a commitment to Russian President Yeltsin at his Vancouver summit in April that he would ask the Congress to repeal or revise United States statutes that might be outdated given the end of the cold war.

As a result, the Friendship Act was introduced by the gentleman from Illinois, the distinguished minority leader, Mr. MICHEL and the gentleman from Missouri, the distinguished majority leader, Mr. GEPHARDT, a clear signal of the bipartisan interest in supporting reform not just in Russia, but in Ukraine and the other New Independent States as well.

Mr. Speaker, today we are challenged to start out on a new relationship with each of those New Independent States that once were a part of the communist Soviet Union, our former cold war adversary. I believe that it is time to meet that challenge.

At the same time, however, we cannot forget the many difficulties that we faced during the cold war, especially in the areas of communist espionage and subversion, the diversion of sensitive technology, the arms race, and the communist enslavement of entire nations.

I make this point to underline my belief that, while we are building new relationships with each of the New Independent States, we must nevertheless judge their actions carefully.

Mr. Speaker, I also fully understand the concerns of those who fear that H.R. 3000, by deleting or revising several statutes that have become more or less historical in nature, might send the wrong signal to certain elements within Russia.

I am referring, of course, to those in Russia who seem to believe that a Russian sphere of influence over its neighbors should now succeed the old Soviet Empire, and I have in mind the bill's reference to "Captive Nations Week" and the deletion of findings regarding United States policy.

Mr. Speaker, let me say this. I am confident that this Congress will closely monitor such factions within Russia and that United States foreign policy will be influenced by the degree to which they might exert any concrete influence over Russia's policies toward its neighbors.

At the same time, I believe that we can take this opportunity to underline our determination to build a new relationship with Russia and the other New Independent States—as symbolized by this bill—and that, by doing so, we will help combat the influence of such elements. After all, there is a great deal that is promising in our new relations with Russia. Russian-American exchange programs are being undertaken on a broad scale. American assistance is being provided to economic privatization and political democratization programs.

Our Defense Department is working to build its contacts with their Ministry of Defense and to help it securely store and dismantle nuclear armaments.

Accordingly, Mr. Speaker, I urge my colleagues to support the friendship with Russia, Ukraine, and other New Work States Act as we seek to build new relations with Russia and the other New Independent States.

□ 1710

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to respond to the comments of the gentleman from Arizona. He made a number of expressions of concern with the fact that we had had no hearings, that objections had not been fully considered. I just want to let him know that the

first I knew of his objection to this bill was this afternoon.

This bill was introduced in August, introduced by the minority leader and the majority leader. I have checked with the staff here. We have had no indication of objection to this bill from the gentleman from Arizona.

I have also checked with the Committee on Armed Services, and they do not have any record of any objection. Maybe there was an objection. We just do not have a record of it.

But it does seem to me extraordinarily strange that the gentleman would not let the chairman of the committee handling the bill know of his objections prior to coming to the floor. We have leaned over backward to check with the chairman and the ranking member and the leadership on this bill, and it has been widely circulated and widely discussed.

Believe me, it is not my intention to bypass the gentleman. I just did not know of his objection.

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Speaker, I cannot think of a Member of this body who is more fair, who is more objective than the chairman of the Committee on Foreign Affairs. I know that the chairman would never attempt to "slide one by" anyone. That certainly was not the implication that I intended to create.

But the Committee on Armed Services and I specifically was informed of this first this morning. I did not know that this bill was going to be on the floor of the House. While the bill had been referred to the Committee on Armed Services, our committee had never waived sequential referral, and I would just ask the chairman if it is not correct that it was not until today, this very day that the bill is now going to be voted on, that the objections of the members of the Committee on Armed Services were first dealt with and resolved; is that not correct?

Mr. HAMILTON. Mr. Speaker, it is my understanding that we have been in constant conversation with the staff of the Committee on Armed Services for the past month on this bill and that only in the last few hours have all of those objections been removed. That is my understanding, at least.

In any event, I want to assure the gentleman that it was not my intention to ignore him or to "slide it" by him, to use his words. We did all that we knew we could do to meet the objections.

I also want to emphasize that this bill is here today because the majority and the minority leaders have requested it and pushed it forward. It is their bill. And that bill comes out of their meetings with President Yeltsin and others, which they had in April of this year. We do not want to attach the restrictions that applied to the Soviet Union to Russia.

As the gentleman from New York has said, we are seeking here, with this bill, to be very forward looking. We are not trying to excuse in any way the conduct of the Soviet Union. What we are trying to do is put the relationship with Russia, which, under international law, has responsibility for obligations of the Soviet Union, we are trying to put that relationship on a new footing and new foundation.

I wanted the gentleman from Arizona to understand how diligently we have worked to try to consult with all persons that we knew had an objection to the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. KYL. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, I rise in qualified support for H.R. 3000.

The Soviet Union was a deadly enemy of the United States for many decades, especially for the last four decades. A democratic Russia, on the other hand, is our friend, and we should try to nurture the relationship with a democratic Russia.

□ 1720

Communists who control the Soviet Government were a threat to our way of life and a pariah to our free people. Those reformers who are now struggling to lay the foundation for democracy in Russia are allies of all free people. Actually, they should be heroes to all free people.

Ronald Reagan talked about relegating communism to the dustbin of history. He did not talk about relegating Russia to the dustbin of history. He did not talk about relegating the Russian people anywhere, he talked about communism, Communist tyranny.

The best way to relegate Communist tyranny to where it belongs is to do our best to recognize that it was communism that caused the problems, but the Russian people do not bear the blame, and certainly the current Russian Government that is trying to put communism behind them do not bear that burden of blame.

The faster we move to morally bolster the democratic reformers in the new democratic Russia, the safer this world will be, and this legislation is part of that process. This legislation lays the blame of tyranny and genocide to the Communists, who ran the Soviet Union, and now, by implication, blames the Communists who are the threat to the democratic reformers in the current democratic Russia.

Consistent with that thought, I have struggled and fought and worked to try to put an amendment on this bill, and I have the support of the chairman to try to build a monument to the victims of communism over these last seven decades, a monument that would be built right here in Washington, DC, with private money, done by private people.

Mr. Speaker, that would be very apropos. It would be something that would be symbolic for this, the land of freedom, to have a memorial to the victims of communism. We are going to try to get this in an amendment in the bill coming back from the Senate, but another way to build a memorial to those many millions of people who died at the hands of Communist tyranny would be to pass this legislation, because this legislation is itself a memorial to those people who died under Communist tyranny, by recognizing the changes in a new democratic Russia.

Mr. KYL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think that the gentleman from California [Mr. ROHRABACHER], while qualifiedly supporting the bill, has put his finger on the key point here. That is that I doubt that there is anyone in this body who does not want to try to support the democrats who lead and are attempting to lead the states of the former Soviet Union today. Part of that support is to demonstrate to them that we understand that they had little or nothing to do with the acts of the leaders of the Communist regime during the cold war when the Soviet Union engaged in activities which were contrary to the interests of the West and the United States, and that in keeping provisions of law that condemn the actions of the former officials of the Soviet Union, we in no way denigrate the efforts of those democrats who are attempting to bring about freedom and democracy and free markets in the former States of the Soviet Union today.

It seems to me unnecessary to repeal those provisions of law, and in fact, in a strange, ironic twist, almost in opposition to their efforts to fight the Communist regime, because there are still Communist elements left in Russia and in the other former States of the Soviet Union.

Mr. Speaker, for example, when in our statutes we condemned the murder of Maj. Arthur D. Nicholson, Jr., and that statute is on our books today, and we called upon the people who were responsible for that murder to apologize, and to indemnify the family of Major Nicholson, why should that provision not be left in U.S. statute? Why should we repeal that? Clearly, Boris Yeltsin had nothing to do with that. Clearly, the people in his regime and those responsible for the leadership of the other now democratic former States of the Soviet Union were not responsible for the murder of Maj. Arthur D. Nicholson, Jr.; so why should not our condemnation of that act remain in our statutes?

Mr. Speaker, under this bill, this is wiped from the face of U.S. law. It is

torn out. It will not exist any more. That does nothing to advance the cause of democracy in Russia, because I do not think any of us are suggesting that it is the Russian leaders who were responsible for this act. That is, in effect, what I am trying to say here today.

Mr. Speaker, if this bill had come up under regular procedure, rather than under suspension—and I doubt that anybody on our side, until the very latter part of last week, knew that this bill was coming up on suspension—if it came up under the regular rules we could amend out sections such as this, so these would be left in our law, and it would do no harm whatsoever to our relationship with President Yeltsin and others.

However, because this is a bill coming up on suspension, we cannot amend it. I suspect there are other provisions that even my colleague, the chairman of the committee, would like to clean up in this bill, so I would simply suggest this to my colleagues: we ought to defeat this bill on suspension today, allow it to go back and be cleaned up and come back before us and it can be done very easily before we adjourn. Then pass the bill, which I will gladly support when these provisions can be cleaned up, and we can pass the bill with appropriate amendments.

Until then, Mr. Speaker, I must oppose this bill on suspension, because it sends exactly the wrong message to the fores for freedom around the country, including those people in the former Soviet States that are trying so desperately to gain freedom in their countries and to put the past of the Communist regime of the Soviet Union behind them.

Mr. Speaker, I yield back the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, I want to first congratulate the chairman of the committee and the ranking member and all the members who were involved in developing this legislation. When President Yeltsin met with President Clinton, the first and most important request that he made was that we take the action, or at least some of the actions, that we are talking today. This is a matter of building confidence among the reformers in Russia that we believe what they are doing is the right thing to do. They are saying to us: We need a sign of assurance from America that the cold war is indeed over, that these matters no longer apply and are relevant to the relationship between the two countries, and that we want to open up more commerce and trade and a stronger relationship.

Mr. Speaker, when the gentleman from Illinois, BOB MICHEL, and I, and the gentleman from Georgia [Mr. GINGRICH] and the gentleman from New York [Mr. SOLOMON] were in Russia earlier this year, it was a matter of discussion again with President Yeltsin. He feels very strongly that this should be done substantively, and I think he feels very strongly that it would be a sign of confidence that the people in America and the Representatives of the people in America believe that what is happening in Russia is positive, and that we want the moves to democratization, the moves to private property, the moves to capitalism to continue.

Mr. Speaker, I think this is a very important piece of legislation. I believe it would have been even optimal if we could have passed it earlier in the year, but later is better than never. The Russians face a tough set of circumstances this winter, and the reformers are not yet out of the woods. They have a long way to go. President Yeltsin is right now trying to write a constitution for his country. He is trying to incorporate into that constitution the concept of private property, which is probably the most important reform that they can make, so that the collective farms can be privatized.

I urge Members to support this legislation. It will help the reformers in Russia; it will advance the cause of democracy and capitalism in Russia, and it will stand behind all of the rhetoric that we have made over the years about what we want to have happen in the former Soviet Union.

I commend the Members who have developed this legislation, and ask the Members on both sides of the aisle to support this very important legislation.

Mr. HAMILTON. Mr. Speaker, might I ask of the Chair how much time I have remaining?

The SPEAKER pro tempore (Mr. LAUGHLIN). The gentleman from Indiana [Mr. HAMILTON] has 7 minutes remaining.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH], the distinguished Republican whip.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I very much respect what my friend, the gentleman from Arizona [Mr. KYL] is doing today. I think he has raised some issues that need to be dealt with. In discussing just now with the gentleman from New York [Mr. GILMAN], our ranking member, and with the gentleman from Indiana [Mr. HAMILTON], the chairman of the committee, I think I can assure my good friend, the gentleman from Arizona [Mr. KYL] that there will be a serious effort made in the other body to continue to improve and clean up any language which is involved.

□ 1730

But I want to take just a minute to reinforce what the majority leader just said and express to the House why we are trying to get this to the other body as quickly as we can.

Frankly, it has been a little embarrassing, given our long process of legislation here, to have the Soviet empire gone, and to be blocked by our own laws from offering the kind of help and doing the kind of things particularly in the private sector which we want to do to help those parts of the former Soviet empire which are trying to become democracies, and which are trying to be in a position to have a greater opportunity to seek prosperity through free enterprise. And often various totally legitimate laws that we passed during the cold war now have become not only obsolete, but actively harmful to the process of trying to help democracy.

This bill is an effort to clean up that sort of legislative undergrowth that is left over from the cold war. It will now go to the other body where our hope is that action can be quick enough that prior to our leaving at the end of this session we can finally pass this bill, get it to the President to be signed, so that as we go home for Thanksgiving we also create a greater opportunity for the people of Russia and Ukraine and elsewhere in the former Soviet empire to have an opportunity for the people of Russia and Ukraine and elsewhere in the former Soviet empire to have an opportunity to work toward their own thanksgiving and their own better future.

So I urge a yes vote. I appreciate very much what my friend from Arizona has done in bringing these questions to our attention. I very much appreciate the chairman and the ranking member's agreement to work to improve this bill in the other body.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentleman from Georgia.

I just wanted to respond to the concern of the gentleman from Arizona [Mr. KYL] with respect to the language of provisions regarding Lt. Col. Arthur D. Nicholson. He expressed two or three times his concern, I think appropriately. I want to let him know, as he may or may not know, that there were two provisions in the law relating to Arthur Nicholson's murder. This bill does strike one of those provisions, but one remains, and I will quote that language which remains to the gentleman.

I am quoting only part of the language, but I think it is the most pertinent part.

The death of Lieutenant Colonel Nicholson was an untimely, unnecessary, cold-blooded murder committed against a United States military officer in pursuit of his official duties by a member or members of the Armed Forces of the Soviet Union, in a painful and degrading manner.

The Congress deplores and condemns the cold-blooded murder of Lieutenant Colonel Arthur D. Nicholson, Jr. It is the sense of Congress that the Government of the Soviet

Union should apologize for and renounce the murder of Lieutenant Colonel Nicholson; and indemnify the family of Lieutenant Colonel Nicholson financially.

So in this bill, as amended, one of the provisions condemning the murder of Lt. Col. Arthur D. Nicholson will indeed remain in existing law, and I think it is appropriate that that is done, and it is done at the request of the Armed Services Committee.

Let me just simply reiterate what the minority leader and the minority whip and the majority leader have said. What we are trying to do with this bill is to create a forward-looking relationship with Russia. President Yeltsin has requested it, President Clinton has requested it, the majority leader has requested it, the minority leader has requested it.

We want to build a new basis of friendship. It is important that this bill go forward if that new basis is to be sustained and to continue.

Mr. ROSTENKOWSKI. Mr. Speaker, H.R. 3000, as introduced by request by Majority Leader GEPHARDT and Minority Leader MICHEL, contained four provisions that fell within the jurisdiction of the Committee on Ways and Means First, section 201—Eligibility for Generalized System of Preferences [GSP]; second, section 203—Prohibitions and Restrictions on Importations of Strategic and Critical Materials into the United States; third, section 206—Lend Lease; and fourth section 207—Soviet Slave Labor. Three of these sections, 201, 203, and 206, were revenue provisions, and the Committee on Ways and Means therefore did not believe it was timely to include them in the amended version of H.R. 3000 the House is considering today. I would note that the revenue provision on GSP was identical to one that was signed into law in August as part of the Omnibus Budget Reconciliation Act of 1993.

The Committee on Ways and Means did not object to the inclusion, in the version of H.R. 3000 being considered by the House this afternoon, of the provision on Soviet slave labor since this is not a revenue measure. This provision would repeal section 1906 of the Omnibus Trade and Competitiveness Act of 1988. Section 1906 states the sense of the Congress that the President should express to the U.S.S.R. America's strong moral opposition to Soviet slave labor policies, and should instruct the Secretary of the Treasury to enforce the provisions, under section 307 of the Tariff Act of 1930, relating to the import of items produced by forced labor.

In an effort to expedite the legislative processing of H.R. 3000, the Committee on Ways and Means, in lieu of holding a formal markup of this bill, requested in writing that the Committee on Foreign Affairs not include the revenue provisions on GSP, the importation of strategic and critical materials, and lend lease in the amended version of H.R. 3000 on today's calendar. The Committee on Foreign Affairs agreed to drop these provisions, and I would like to take this opportunity to thank the distinguished chairman of this committee as well as its members for accepting the Committee on Ways and Means' recommended changes to H.R. 3000.

Mr. HAMILTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAUGHLIN). The question is on the motion offered by the gentleman from Indiana [Mr. HAMILTON] that the House suspend the rules and pass the bill, H.R. 3000, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2401, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 305 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 305

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2401) to authorize appropriations for fiscal year 1994 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1994, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume. All time yielded during the consideration of this resolution is for the purpose of debate only.

Mr. Speaker, House Resolution 305 is a simple rule facilitating the consideration of the conference report to accompany H.R. 2401, the Department of Defense Authorization Act. The rule waives all points of order against the conference report and its consideration. The rule also provides that the conference report shall be considered as read.

Mr. Speaker, as Members know, the Congress sent the appropriations bill for the Department of Defense to the President last week. This rule will allow the House to take up the authorization for DOD so that it too may be sent to the President for his signature.

The chairman of the Armed Services Committee, Mr. DELLUMS, is to be congratulated for bringing this carefully crafted conference report back to the House. The chairman and his colleagues on the Armed Services Committee have fashioned a bill which reflects the national security needs of our Nation in this post-cold war world, as well as the necessity of cutting spending. I urge adoption of this resolution in order that we may proceed to the consideration of this conference report.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Once again, I rise to join my friend from Texas in urging all Members to support the rule, but not necessarily the conference report that will follow it.

As the gentleman from Texas has indicated, this rule waives all points of order against the conference report for the national defense authorization and all points of order against its consideration.

This type of rule was requested by the appropriate Members from both sides of the aisle, and so Members can feel comfortable in supporting it.

Mr. Speaker, I must take this opportunity today to address many of the same thoughts I expressed last week when the conference report for Defense appropriations was considered.

First, I believe we must commend the work done by the new chairman and the new ranking Republican member of the Armed Services Committee.

They have some of the most difficult assignments of any Members in this House, and they truly do an outstanding job.

They have performed their tasks very well and have done the best they could under some extraordinarily challenging circumstances.

We must also be very appreciative of the fact that the authorizers on one hand and the appropriators on the other kept in contact with each other throughout their respective conferences and they both produced conference reports which are reasonably consistent and harmonious with each other.

All of that said, Mr. Speaker, I must state again my profound concern about the slippery slope down which our Nation is heading.

A moment ago I referred to extraordinary challenges that were presented to the conferees on this bill.

And I cannot repeat it often enough: The Clinton administration is proceeding with a 4-year plan of Defense spending which comes in far below what the administration's own bottom-up review has defined as the minimum amount necessary to protect the security of the country.

Mr. Speaker, that simple fact of life is going to come back someday and haunt this House and every Member in it—not to mention the other body and the White House itself.

And I am going to keep repeating it and challenging this House every chance I get—as a warning that our Nation is becoming increasingly unprepared to deal with a major crisis abroad and to protect our essential interests.

I refer right now to the Washington Post story in Sunday's edition entitled

"Army Challenges Clinton Defense Cuts." That is our U.S. Army challenging our President's defense cuts. The first paragraph of this article, Mr. Speaker, says,

The Army has mounted a vigorous challenge to the Clinton administration's program of defense cuts, warning in an internal document that planned reductions will leave the service "substantially weakened" and ultimately threaten national security.

□ 1740

Now, how does all that happen?

Here is another article from the New York Times, and I am including these articles, Mr. Speaker, at this point in the RECORD. The other article is entitled, "Pentagon's New Somalia Bill Is $300 Million."

Mr. Speaker, I have heard you on this floor, I have heard good Democrats like the gentleman from Missouri [Mr. SKELTON], who is the chairman of the Armed Forces Subcommittee on Personnel, talk about the serious problems we are going to have with our national defense because of the drain that is taking place in Somalia and many other places around this world where we are involved in U.N. operations.

This is putting a severe drain on our national defense preparedness, Mr. Speaker, and something has got to be done about it.

I have grave doubts about the capacity of this administration to deal with a significant crisis that is taking place right now at the 38th parallel in a place called Korea, or in the former Soviet bloc, or the Middle East, just for examples. If the present trend continues, who knows what potentially disastrous situations a new administration will inherit in 1997 or whenever the inevitable crisis is finally at our doorstep.

I do not want anybody coming back here and saying they did not know.

Mr. Speaker, I urge Members to support the rule. The rule is a fair rule. We want to expedite the business of this House. I would ask for a "yes" vote on the rule when the time comes.

[New York Times, Sunday, Nov. 14, 1993]

PENTAGON'S NEW SOMALIA BILL IS $300 MILLION

(By Eric Schmitt)

Washington.—The Pentagon plans to ask Congress for an additional $300 million to pay for the military operation in Somalia through next March, when American forces are to withdraw, a senior Defense Department official said on Friday.

The official, who spoke on condition of anonymity, said the extra money was needed because the Somalia operation was being paid for with money earmarked for other activities, like routine training, in the 1994 fiscal year.

The request, which still needs White House approval, is in addition to the $261 billion 1994 military budget approved on Wednesday and signed by President Clinton on Thursday. That budget sets aside no money for the Somalia mission.

The Pentagon has historically paid for military operations—war-fighting as well as peacekeeping—through an account called operations and maintenance. The Pentagon sometimes recoups the costs of specific military missions through a supplemental appropriation.

Last year, for example, Congress approved $750 million to help offset the $981.5 million in incremental costs the military incurred in Somalia from December 1992, when the operation started, to September 1993.

The senior official said that if Congress did not approve the extra spending for this year, the Pentagon might be forced to reduce routine training and combat exercises, a step that Congress has vigorously opposed.

"The services are paying for Somalia by borrowing money they planned to spend in the third and fourth quarters of this fiscal year." the official said.

For that reason, Pentagon and Congressional officials say lawmakers would probably approve the extra financing. The United States now has about 7,450 troops in Somalia and 8,600 on ships offshore.

Combat readiness has become an increasingly important concern, both at the Pentagon and on Capitol Hill. Senior commanders recall with anguish that the military reductions after the Vietnam War in the late 1970's drastically cut training time and resulted in combat units fielded at levels well below full strength.

The Army, in particular, has complained that the Pentagon's long-term budget plan does not include enough money to execute the kind of missions that civilian policy makers envision.

The senior Pentagon official criticized the Army for not paring its costs in the same way the Navy and Air Force have.

U.S. WORKER IN U.N. IS SLAIN IN MOGADISHU

MOGADISHU, SOMALIA.—An American worker with the United Nations was killed and two other foreigners were wounded today in a carjacking as United Nations officials warned of possible terrorist attacks by a Muslim group.

The American, Kai Lincoln, was fatally wounded in a shootout when four gunmen stopped a vehicle carrying him and two other workers. One attacker was killed and the other foreigners, a Liberian woman and a Norwegian man, were wounded. The assailants sped off with the car.

Mr. Lincoln, who was 23, arrived in Mogaduishu in May and had worked in the United Nations information and operations center.

Regarding possible attacks by Muslim terrorists, the United Nations military force said Gen. Mohammed Farah Aidid, the clan leader who controls southern Mogadishu, "will be held responsible."

Intelligence reports indicate "the presence in Mogadishu of an unspecified number of individuals, possibly Hezbollah fundamentalists, with expertise in car bombings," Maj. Dave Stockwell, spokesman for the United Nations force, said.

Neither Major Stockwell nor the American military spokesman, Col. Steve Rausch, would specify which country might be behind the threats.

[From the Washington Post, Nov. 14, 1993]

ARMY CHALLENGES CLINTON DEFENSE CUTS

(By John Lancaster)

The Army has mounted a vigorous challenge to the Clinton administration's program of defense cuts, warning in an internal document that planned reductions will leave the service "substantially weakened" and ultimately threaten national security.

The memorandum approved by Army Chief of Staff Gordon R. Sullivan identifies 57 major weapons and spending programs that will be eliminated and 63 that will be scaled back if the administration follows through on plans to cut the defense budget by $88 billion over five years. "The outcome of these reductions may be a future force which does not possess the technological superiority required to prevail over all potential conflicts arising from the changing world order," said the document, which was completed last month and forwarded to the Pentagon's civilian leaders.

"The Army requires additional resources if it is to meet continual demands for a technologically superior response and, at the same time, maintain the ability to respond to" the likely range of threats.

Although some grousing from the military is inevitable given the scope of planned defense cuts, the Army document is noteworthy both for its strident tone and for its explicit warning that the reductions threaten the nation's ability to fight and win wars.

In that regard, the document is an explicit challenge to Defense Secretary Les Aspin, who recently unveiled the administration's plan for a smaller, more mobile post-Cold War military of 1.4 million uniformed men and women, compared with 1.6 million under the Bush administration's proposed "base force" plan. Aspin has said repeatedly that in spite of the cuts, the nation's military will retain its "combat readiness" and ability to fight and win two nearly simultaneous regional conflicts.

Aspin has described the "bottom up" review as a collegial, "broadly collaborative" effort in which the military services had substantial say. The memorandum makes clear, however, that the Army feels slighted by the process in comparison with the other services, especially the Marine Corps, which fares better under Clinton's plan than it did under President George Bush's proposal. The internal document was included as an unclassified addendum to the Army's secret Program Objective Memorandum, which outlines the service's proposed spending plan for the years 1995 through 1999. Portions of the addendum have begun to leak out in the defense trade press, and a copy was obtained by The Washington Post.

"We're not only on the razor's edge but in danger of falling off the razor's edge," said an officer on Sullivan's staff who asked not to be named. "I think there is a lot of recognition not only within the Army but outside the Army, on [Capitol Hill], that the bottom up review is flawed, that you can't get there from here."

A senior defense official, who also spoke on condition of anonymity, disputed such claims. He suggested the Army is feeling the pain of defense cuts more acutely than other services because it has not matched their successes in paring unneeded bases and overhead.

"I don't think the Army has done as much as the Navy and Air Force in looking at their infrastructure," the official said. "They haven't done as much in retooling their overhead. * * * Why does the Army still have to have 17 separate branches. * * * These are basically people who work in offices."

Most of the hard choices, in any event, have been postponed. On Wednesday, Congress passed a $261 defense spending plan for fiscal 1994, shaving a modest $2.5 billion from the administration's request but deferring serious debate on the recommendations in the bottom-up review until next year. The

budget is about $12 billion smaller than the 1993 spending plan, Bush's last.

In a statement yesterday, Aspin thanked Congress for producing a budget that "largely protects the readiness of our forces."

Pentagon officials acknowledge, however, that over the long term Aspin will have a tough time fulfilling his pledge to maintain readiness, a broad category that includes everything from steaming hours logged by Navy ships to the availability of bullets and spare parts. At a briefing yesterday on the 1994 defense budget, a senior official said continuing military operations in places such as the Persian Gulf region and Somalia are draining operating funds that normally would be used to promote readiness. As a result, he said, the administration will ask Congress for a supplemental appropriation of $300 million to cover U.S. military operations in Somalia through March 31, the planned withdrawal deadline for U.S. troops in that country.

"I'm going to have readiness problems if we keep having contingencies and I have to eat it out of operating funds," the official said. "I'm having to make hard choices right now which brigades go to the National Training Center in the Mojave Desert, where the Army conducts armored warfare exercises".

"Is there a readiness problem that we have right now?" the official added. "I don't think so. But I sure worry about it."

The Army memo is especially gloomy on the prospects for modernizing the force. "Army modernization * * * is driven by a severely constrained fiscal policy," the document said. "It forces the soldier's war-fighting capability far below the level of the Army's technological potential."

Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Speaker, I thank the gentleman for yielding me this time, and I commend him for his excellent statement, a statement with which I concur. I shall not oppose the rule, either.

Mr. Speaker, I am opposing the defense authorization conference report because I am greatly disappointed in the overall course this bill and the Clinton defense plan sets for the future direction of our national defense. With all due respect to the chairman, who allowed a fair debate on the issues, this bill and the Clinton defense plan are failures.

The administration began the year by plucking a defense number out of thin air and then attempted to craft a national security strategy around it. The result is a number that can't be justified, a strategy that does not fit the funding profiles, and missions that cannot be carried out. That leaves this Nation with a defense plan that seriously undermines our ability to maintain a robust and effective fighting force.

I am also very dismayed that the defense bill now routinely funds nondefense activities at the expense of the men and women of the Armed Forces, and potentially at the expense of our national security. For example, $1.1 billion was provided for dismantlement assistance to Russia despite the fact not one single missile has been disassembled and only 5 percent of the $800 million authorized in previous years has been spent. To support the aid for Russia, $300 million was transferred from DOD's Drug Interdiction Program.

Other examples of nondefense expenditures include an increase of $300 million above the administration's request for the Technology Reinvestment Program [TRP] and language that allows nonnational security-related technologies to be funded with defense conversion dollars. Additionally, community roads, ponds, sewers, and a plethora of other development projects are funded through this bill as well as duplicative medical research on everything from irritable bowel syndrome to Lyme disease. The Department of Defense is even paying for security at the World Cup Games and Olympics.

Increases in nondefense expenditures at the expense of defense research, production, acquisition, and manpower. This kind of defense mismanagement must not continue.

Finally, I am very disappointed that the conferees dropped a House provision which would have required notification to Congress prior to placing U.S. troops under U.N. command. In 1918, during World War I, Gen. John Pershing set a precedent that U.S. soldiers should remain in large units under U.S. command. The historical success of that precedent speaks louder than words we can utter today. Prudence dictates that we heed the lessons of history. The Clinton administration, however, is reportedly considering changing this precedent in Presidential Decision Direction No. 13, by allowing as a matter of formal policy the placement of U.S. forces under U.N. command for peacekeeping operations.

On its face, this policy projects a sense of gross indifference for the lives of American servicemembers. Such an indifference, whether real or perceived, risks undermining the very essence of our Armed Forces—their morale. We should all heed Gen. Douglas MacArthur's admonition that "morale will quickly wither and die if soldiers come to believe themselves the victims of indifference or injustice on the part of their government." I strongly oppose PDD 13 and believe that Congress should immediately address this issue.

For these and other reasons, I will not vote for the fiscal year 1994 defense authorization bill.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DELLUMS. Mr. Speaker, pursuant to House Resolution 305, I call up the conference report on the bill (H.R. 2401) to authorize appropriations for fiscal year 1994 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.

The Clerk read the title of the bill.

The Speaker pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 305, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Wednesday, November 10, 1993, at page 28625.)

The SPEAKER pro tempore. The gentleman from California [Mr. DELLUMS] will be recognized for 30 minutes, and the gentleman from South Carolina [Mr. SPENCE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 2401, the national defense authorization bill for fiscal year 1994.

This report, this conference report, will provide $261 billion for defense, some $2.5 billion below the President's request, $3.2 billion below the House-passed bill.

I believe my colleagues can support this conference agreement for several reasons: First, it puts people first by funding a 2.2-percent pay raise.

Second, it provides a significant installment on American economic security by authorizing $2.9 billion for economic conversion.

And, third, it reallocates operation and maintenance spending to improve force readiness.

The agreement also reshapes tactical aircraft modernization and improves major procurement programs.

For example, the conferees agreed to end the debate between the B–2 and the B–1 by providing the necessary funds to allow the B–1 to become fully operational and to cap the B–2 at 20 aircraft at $44.4 billion.

In exchange for the cap, the conferees agreed to use this conference report as the second vote to authorize additional aircraft.

Mr. Speaker, in my humble opinion, we have finally come to the end of the debate on the B–2 bomber. It is this gentleman's considered opinion that the conference agreement entered into will also end the discussion of the further need for the procurement of any additional bombers for the foreseeable future.

Mr. Speaker, in addition, the bill authorizes the continuation of the C–17 aircraft, a program, as you well know,

that was in significant difficulty. We did so at a production rate of no more than six a year, four this year with the ability for two more if certain production and test milestones are met.

There are a number of other limitations on this program. As you well know, it is a program in great difficulty.

We asked the Department of Defense to come back and give us their program for how they would put this program on track and how they would deal with the issue of airlift into the foreseeable future. They did that.

The House agreement, the conference agreement, is an installment on the Pentagon's effort to get a handle on that program.

The conference agreement allocates approximately $197 million for a shipbuilding initiative and about $10 billion for environmental cleanup.

The conferees also agreed to establish a commission on the roles and missions of the military and a Presidential study on controlling nuclear arms proliferation.

In research and development, the conference report funds the ballistic missile defense, formerly known as SDI, at $2.7 billion, a reduction of almost $1 billion from the President's request.

□ 1750

The conferees are particularly upset over the amount of earmarking that has taken place in the past and, frankly, continues to take place. Therefore, agreement was reached to urge the administration to use competitive and cost-sharing procedures wherever possible.

In this year's bill it is permissive, it went from shall to may. However, the House and the Senate agree strongly that we would jointly sponsor legislation next year to require that contracts and grants be awarded on the basis of merit, based upon competitive procedures, and to prohibit legislation earmarking the awards.

It is this gentleman's hope, Mr. Speaker, that not only will the Committee on Armed Services come to grips with the issue of earmarking but all authorizing committees in this House will come to terms with the issue of earmarking. It is a practice that has to be behind us; it is not, in this gentleman's opinion, good government.

In operations and maintenance, the conference report authorizes $88.5 billion, including $900 million in readiness enhancements.

Mr. Speaker, there were also two other provisions, one that passed the House overwhelmingly, known as the Andrews amendment, an amendment that would provide for a prohibition against using defense conversion funds to support weapons sales abroad. However, there was also, as we went into conference, an amendment offered by the other body, known as the Kempthorne amendment. This provision on defense export funding, known as the Kempthorne amendment, would have provided the President authority to allow the Department of Defense to guarantee loans for the sale of defense products.

Frankly, Mr. Speaker, this was not palatable to this gentleman and many of us in the conference.

There were three options available to us. One option was that the other body would recede to the House on the Andrews amendment, a meritorious and noteworthy amendment that would not allow defense conversion funds to be used for the purposes of promulgating arms sales, and that this body would recede to the other body regarding the Kempthorne amendment. The position that we took was that this was too high a price to pay in order to maintain support for the Andrews amendment.

There were two other options. One was to throw both amendments over the side and agree to come back next year. Frankly, Mr. Speaker, that was an option that this gentleman would have preferred. In my opinion, the Kempthorne amendment does violence to the whole concept of arms proliferation, something that we need to get our hands on.

The problem was that in the context of the dynamics between this body and the other body, that option was not available because Members of the other body felt strongly that some compromise version of the Kempthorne amendment should be in this bill, which then led us to the third option, and that was, on the one hand the acceptance of the Andrews amendment and some compromise version of the Kempthorne amendment.

The conferees agreed to incorporate a House provision using defense conversion funds to support weapons sales abroad into a provision authorizing the President to provide $25 million in loan guarantee in support of commercial weapons sales under certain conditions.

Because the administration opposed such authority, and frankly because we oppose such authority, the conferees agreed in the spirit of comity between the two bodies to make the funding contingent upon the President's certification to Congress that, one, he intended to exercise the authority; and, two, that such authority would be exercised with specific reference to the Arms Export Control Act; and, three, the exercise of such authority would be consistent with the policy of the United States in the areas of conventional arms sales and counter-proliferation efforts.

The President would have up to 180 days to make such a certification before any funds could be utilized. And if the President did not so certify, the authority would elapse.

I might point out, interestingly enough, Mr. Speaker, that the other day when this body passed the conference report on appropriations for the Department of Defense, they did not appropriate one dime for this provision. It is this gentleman's hope that that would be the way that this provision eventually gets dealt with.

Finally, Mr. Speaker, in other areas the bill also authorized $10.6 billion for military construction and family housing, $12 billion for the Department of Energy defense activities.

On balance, Mr. Speaker, the conference report reflects a well-reasoned and prudent approach to funding defense programs for the coming year. It has turned a very significant corner, has put significant dollars into economic conversion, significant dollars into environmental restoration, significant dollars in the hands of military forces by virtue of family quality-of-life issues, pay raise issues.

We have gotten a handle on tactical air. It seems to me we finally put a cap on the B-2 bomber. It is this gentleman's hope we have ended the debate on the bomber so we can use funds for other purposes.

There are a number of goods things in this bill I think worthy of support.

Mr. Speaker, with those comments, I reserve the balance of my time.

Mr. SPENCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to take this opportunity to express my thanks to my chairman, the gentleman from California, for his cooperation, fairness, and willingness to allow all sides to be heard during our many deliberations over the course of this past year.

I look forward to working with him in the future as we try to fulfill our responsibilities to provide for the national security needs of this country.

Mr. Speaker, having said that, this conference report cuts $2.6 billion in budget authority and $2.7 billion in outlays below President Clinton's request, a request that was already too low, in my opinion. The cuts in this bill reflect only about 10 percent of the 5-year defense cuts proposed by this administration. I do not see how it will be possible to cut an additional $100 billion-plus during the next 4 to 5 years.

I remind my colleagues that these proposed defense cuts follow 9 consecutive years of reductions in defense spending.

We have already closed hundreds of bases in this country and abroad. We have cut back on people, weapons systems, readiness, procurement, and research and development.

Again, I repeat, Mr. Speaker, this year's DOD authorization bill will keep us in business. It could have been worse. During the next few years we are facing disaster if we carry through with the proposed budget of this administration.

I believe that people, readiness, and a strong industrial base have been responsible for the "second-to-none" U.S. military that has evolved over the past decade.

Yet personnel endstrengths continue to plummet, morale is down, recruiting is suffering, career uncertainty is up.

Despite the Clinton administration's opposition, we managed to provide the troops with a 2.2 percent pay raise.

In the area of readiness, deployments are up, non-traditional missions are increasing, elements of the force are stretched, and the military's ability to meet U.S. global commitments is suffering.

In readiness, we managed to reallocate approximately $1 billion into "readiness enhancements" such as training dollars, maintenance backlogs, and European retrograde.

On the "people" and "readiness" fronts, the trends are not encouraging. As former Chairman of the JCS, General Powell, has indicated, the little "yellow warning lights" are beginning to blink. These are warning lights we should pay close attention to.

Relative to our industrial base. Excess capacity in the defense industrial base was already being aggressively reduced under the Bush defense cutbacks. For example, Secretary Cheney proposed, and Congress endorsed, termination of more than 100 weapons systems.

The procurement budget has been reduced by almost 50 percent in the past 4–5 years.

This very conference report cuts almost $4 billion from the Research and Development account.

The heart and soul of a viable industrial base is its skilled workforce, which has been decimated by the past nine years of spending cutbacks. Not only are jobs being lost, but they are well-paying jobs encompassing unique engineering and manufacturing skills.

The Clinton administration's own Bureau of Labor Statistics estimates that the Clinton defense spending reductions will result in the loss of an additional 1.2 million defense-related jobs over the next 4–5 years.

The fiscal year 1994 defense budget has been referred to as a "treading water" budget—a budget that transitions from the Reagan-Bush defense reductions to the more dramatic Clinton cutbacks.

If this bill's $15 million outlay reduction from last year's spending levels is merely a "transition" bill, we should all sit up and take notice of where President Clinton thinks our military ought to transition.

There are already indications that Secretary Aspin's recommended future force structure will be too small to meet U.S. defense strategy—and that even if it could, this smaller force structure is probably too expensive to maintain under Clinton-proposed defense spending levels.

Reducing defense spending is dangerous enough in my opinion. Perpetuating a gap between political rhetoric and military reality is criminal.

I repeat, this next year's DOD authorization bill will keep us in business, it could have been worse. However, during the next few years we are facing imminent danger if we carry through on the proposed defense budget cuts proposed by this administration.

Mr. Speaker, I reserve the balance of my time.

Mr. DELLUMS. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of the conference report on H.R. 2401, the fiscal year 1994 DOD authorization bill. It is a balanced bill that meets the minimum needs of the military while recognizing the realities of the changing world and the realities of the Federal budget.

Mr. Speaker, I certainly commend our chairman, the gentleman from California [Mr. DELLUMS], and the ranking minority member, the gentleman from South Carolina [Mr. SPENCE], and their staffs for a job, as I say, a job well done.

Mr. Speaker, it has many provisions that are good for the military and I support them. It approves as requested in the budget, the strength levels for all components except the Marine Corps Reserve and the Navy Reserve, which wereincreased slightly. It sets a minimum force structure for the Army National Guard and provides about $1 billion in procurement authorization to modernize the Guard and Reserves. It expands the reserve GI bill to authorize use for graduate studies, a provision I have been seeking for several years now. It is a good bill for the National Guard and Reserve.

Mr. Speaker, as I have said before, I believe we are going too far and too fast in reducing our military forces. We included in this bill a provision that requires a certification that the Army can meet its mission requirements before the active Army can be reduced below 550,000 in end strength.

I still believe that the defense budget is as low as it can go and still meet our national security needs. There are several items that eat up defense funds that are not strictly defense items, such as defense conversion, environmental cleanup, aid to the former Soviet Union, and counterdrug activities that total about $15 billion. When you combine these programs with the required funding for the humanitarian relief operations such as in Somalia, Bosnia, and so forth, the real spending power of the defense budget is greatly reduced.

As we begin looking at the fiscal year 1995 budget, I will be working hard to ensure we maintain a strong defense and don't damage our capability to provide for our national security. I urge my colleagues to support this conference report on the DOD authorization bill for fiscal year 1994.

Mr. SPENCE. Mr. Speaker, I yield 6 minutes to the gentleman from California [Mr. DORNAN]

□ 1800

Mr. DORNAN. Mr. Speaker, first of all I want to sincerely thank both of our leaders. I want to thank the committee chairman, the gentleman from California [Mr. DELLUMS], not only for his hard work, but a fairness that has become his middle name in letting the minority or any dissenting Democrats have some impact on the process here.

Of course, I want to thank Captain U.S. Navy, retired, the gentleman from South Carolina [Mr. SPENCE] for his great leadership on our side.

In thanking them for all their hard work, it gives me a heavy heart to announce that, of course, I will be voting against this because of all the things the bill was unable to accomplish.

Over the weekend I flew to Dallas to talk to some doctors who live in fear about what the administration is going to do to make them second-class citizens. All the way there I had a chance to absorb about four national newspapers and what kind of new disorderly world we live in.

Is everybody in this House aware that 10,000 people have died in Kashmir in the northern provinces of India in the last few years, and we still have a U.N. peacekeeping force there since 1948 that we are paying about 35 percent of the bill for?

Do you know the death toll in Bosnia is now reaching into the tens of thousands and there is more mortaring of children and killing of women over the weekend, and we still talk about putting 25,000 troops in there, while we cut our defense budget, and the savage cuts are to come over the next 3 years.

Is everybody aware that over 35,000 people have died in Dushanbe—where the heck is that? Oh, it is Tajikistan. Does that help?

But we wonder if there is a U.N. peacekeeping role where we will do the dirty work. It will be our men doing the fighting, and now we are putting women into combat positions.

No, no; this is not the ideal defense bill.

But let us talk about the good stuff. There is a 2.2-percent pay raise restored. I say, "Thank you, Mr. Chairman." Thanks to the gentleman from South Carolina [Mr. SPENCE]. I had the first free standing bill in to accomplish that.

We do not start putting our young people in harm's way, and some of them not so young, all around the world and then chop their pay.

Homosexual ban maintained. This one I will have to go to the leadership on our side for hanging tough.

Ask the men that I have met recently in Fort Benning, Cairo West Airport, Mogadishu itself. It came up everywhere I went, Fort Bragg, Fort Campbell.

Let the fighting men and women in the field dictate this, or at least listen to them as we, the civilian rulers, make the decisions. I am very pleased that the ban in the main has stayed.

Of course, it is idiotic not to ask people to do recruiting, when after you have shaved his head and put him in baggy fatigues, you get some big grizzled sergeant saying, you better not be, because if you are, we don't want you, and you better go see the sergeant and get an administrative discharge, and we waste all that money.

Ask them like a gentleman or a lady up front, are you, or are you considering being homosexually active? It is not compatible with military service.

Six C–17 Globemaster–III aircraft, a true defense system of the post-cold war world, but every bit as dangerous and bloody a world, requested and approved. Great.

Single stage rocket technology. Revolutionary new space launch system, additional funding. Great.

There is $900 million additional funding for readiness enhancements, including equipment repair. We are not going back to the Carter hollow army with ships that cannot sail and airplanes that you fly at your own risk. Check your G-suit and check your ejection equipment, because you may be using them, Lieutenant.

Now, many of these positive provisions should not have even been considered, the C–17, six of them, pay raises, homosexual ban, unless the committees were forced to deal with issues because of action or inaction by the current administration. We had to push and advance most of these things within the committee.

Despite these positive measures by the conference, many vital areas of defense have remained dangerously underfunded or totally ignored. Let us tick off some.

I went down to the Redstone Arsenal, Huntsville, AL, the home of the U.S. Army Space and Missile Defense Command.

Ballistic missile defense continues to be cut, leaving deployment of any system, the theater systems that we brag we support here or strategic systems, in doubt.

I reiterate again that a single wild missile with a nuclear warhead coming at this country anytime in the next 10 years, if not the foreseeable future beyond that, this country is utterly indefensible. We have no defense.

I repeat what I said, as the townspeople march on the fictitious mad Dr. Victor Frankenstein's castle to burn it down because of what he had done, citizens of this country will burn down this building, the way the British did in August of 1814, if a nuclear missile ever takes out a chunk of North Dakota or New York or Miami or Los Angeles or Seattle or a big chunk of Alaska. They will burn this place down, because we are leaving our country without a deployable defense against any type of errant nuclear-tipped missile for all the rest of this century and probably years beyond. This is a disgrace.

Continued funding of nondefense pork type programs, such as the Olympic games support. The Olympic games in Atlanta have about 10 or 11 multibillion dollar corporation sponsors. Why did they not get one more sponsor to save our fellow Americans the tax dollars which snuck by me in my own city of L.A., which had great gains, to have our G.I.'s on our tax dollars going around having security and picking up paper to boot, which is what they did in L.A., at taxpayers' expense because we want to get this thing through conference and cannot stand up to certain good-guy Senators. That is pork.

A Women's Health Research Center, that should be NIH or CDC. Do not put this burden on the Defense Department.

We gave them $210 million for breast research last year. I had a scare a couple years ago with my own wife on that. Of course I want money in this research, but the military was not prepared to spend 3 out of $210 million.

So what does my own Republican colleague say in the other body? Just transfer it over it NIH. We decided we would on our own, transfer this money out of the Defense budget. That is not only pork, it is playing games with the appropriations and the authorizing process around here.

Inaction on desperately-needed modernization programs, such as the CV–22. That is the special operations area variant of the Marine Corps Osprey, the exciting tilt-rotor technology for the future.

When you have been plucked out of the water, as I was, 6 miles off the coast by a little HUP–1 Piasaki Guardian Angel helicopter, you tend to think in terms of rescue, and this long-range high-speed variant of a Czar bird to go in and rescue captured or shot-down pilots, to not have money in there is sad; but the program is alive. Maybe we can get it next year.

Suffice it to say, President Clinton plans to cut defense spending by over $126.9 billion from 1994 through 1998.

The cuts in this budget are the tip of the iceberg in drastic defense reductions.

These are in addition to all the Reagan-Bush cuts which were approved, as difficult as they were, by this House from 1986 through 1989. This is about the 9th or 10th year of direct hard cuts to the military.

The Reagan-Bush cuts amounted to about a 27-percent reduction in defense spending. Had the Bush plan through 1997 been implemented, the real decline would have been 32 percent. Now under Clinton we are planning to cut defense at least by 45 percent, almost in half, and still put people in Aideed's way, in harm's way, and not give them the gunships or the ground armor backup.

Mr. Speaker, I vote against this Defense bill without any problem at all, but with great admiration for my chairman and my Republican leader.

I believe this committee took some very important steps to ensure that our military remains highly motivated and well equipped to deal with the broad spectrum of national security contingencies this Nation may face for the rest of this decade and well into the next century. However, despite these very specific steps to ensure the combat readiness of our armed forces, there are still some alarming shortcomings which could prove unacceptably dangerous to our troops in the future.

These shortcomings must be immediately addressed by both the Congress and the administration if we are to fulfill our obligation to these troops, and their families, who have volunteered to defend this Nation. I also am very concerned that despite some very positive action on specific areas of the defense budget, we as a committee seem to continue to ignore the obvious warning signs of drawing down the armed forces too far, too fast. If we do not immediately recognize this danger and take aggressive steps to preserve the readiness of our military, we will be unable to avoid the hollow forces of the past, which history has taught us make us unable to achieve victory on the battlefield without great loss of military and civilian life.

I would like to commend the committee first and foremost for the steps taken to maintain the high morale of our troops—the soldiers, sailors, airmen, and Marines who must deploy on a moment's notice to anywhere in the world in harm's way. After initially accepting the President's recommendation to freeze military pay in fiscal year 1994, members finally agreed to accept the recommendations of my legislation, H.R. 1670, The Military Pay Raise Act, and fully restored the 2.2-percent cost-of-living pay increase for members of the military.

Additionally, efforts by the administration to lift the ban against homosexuals in the military were soundly defeated as the committee adopted the goal of my bill, H.R. 667, The Military Readiness Act, which sought to codify the ban into public law. Both House and Senate Armed Services Committees included language which recognizes that homosexuality is incompatible with military service, allows commanders in the field to continue to use their own discretion in the investigation and enforcement of policies necessary to maintain good order and discipline, and seeks to prevent costly litigation in the courts. The primary purpose of the armed forces remains to prepare for and to prevail in combat, not social experimentation. Truly we have codified Ban +.

In the area of equipment modernization, I would like to commend the committee for fully embracing three high technology systems vital to preserving our future ability to project power.

First, the committee accepted the recommendations of myself and Congressman PETE GEREN of Texas to provide additional funding for the procurement of 36 OH–58D Kiowa Warrior Army helicopters. Despite a clear requirement for at least 100 additional aircraft, the Department of Defense failed to request any more OH–58D's. This advanced armed scout helicopter finally gives Army aviators the long-range optics and armament necessary to adequately perform the armed reconnaissance mission in low intensity, high intensity, and even counternarcotics operations.

Next, the committee accepted the recommendations of myself and my colleagues from California, Congressmen BROWN, ROHRABACHER, and MINETA, to transfer the promising single stage to orbit rocket technology [SSRT] program from the Ballistic Missile Defense Organization [BMDO] to the Advanced Research Projects Agency [ARPA] adding over $75 million in new funding. Besides the obvious application to national security space launch requirements, SSRT is also a prime example of a dual use technology that is equally valuable to the civilian sector. SSRT has the potential, in the form of the Delta Clipper rocket, to make space launches as reliable and as inexpensive as air travel with the legendary DC–3 transport aircraft.

Finally, the committee clearly recognized the pressing requirement of immediately upgrading naval strike aviation by fully funding the F/A–18 C/D and E/F Hornet programs. Despite the clear need for these aircraft, Congress has failed in the past to aggressively fund replacement aircraft for the aging Navy and Marine air fleets. Combat proven in Operation Desert Storm, the F/A–18 will provide Marine and Navy forward deployed squadrons with the same flexibility and firepower as the fabled F4U Corsair and F4 Phantom II strike fighters of World War II, Korea, and the Vietnam conflict.

Despite these very positive moves, I am very disappointed that other very important proposals were not included in the bill. With regards to troop morale and readiness, the committee did not accept my amendment which would have required the discharge of noncombat assignable, nondeployable, HIV-positive servicemembers within 90 days. The retention of these members is not fair to other fully fit soldiers who must be deployed in their place and go in harm's way at an increased tempo. This does nothing to improve combat readiness, and is not a proper use of precious declining resources. Fortunately, Mr. DELLUMS and Mr. SKELTON agreed to hold prompt, future hearings on the issue.

The committee also rejected the request of both the Air Force and Department of Defense to proceed forward with the immediate development of advanced precision guided munitions [PGMs] for the B–2 Shadow intercontinental stealth bomber. Conventional upgrades to aircraft such as the B–2 are a very inexpensive but effective method of modernizing our military forces. Unfortunately, the committee rejected this request and instead continued to limit all funding for the overall program.

Both the committee and the administration continue to ignore the revolutionary capabilities of the V–22 Osprey tiltrotor aircraft. Although the V–22 was funded at requested levels, the committee failed to provide modest funding or language directing that a special operations variant, the CV–22, be developed. Such action not only risks ignoring the speed and range requirements of special forces and search and rescue operations, but also ignores the revolutionary capability a fully developed V–22 could bring to Marine amphibious operations.

Finally, I am quite concerned that the committee did little to recognize the coming disaster in military readiness if we do not immediately address problems with maintenance and training. Without proper and adequate funding of specialized training schools such as the Air Force's Red Flag advanced fighter pilot flying unit, or proper and adequate equipment maintenance such as readily available spare parts, the greatest military force in the history of combat, the U.S. military, could suddenly come to a bloody and grinding halt on the battlefields of tomorrow.

Mr. DELLUMS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER], the distinguished chairwoman of the Subcommittee on Research and Technology of the Committee on Armed Services.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding this time to me, and I thank him for his very hard work on this Defense authorization.

I want to say that I think everybody worked very, very well and we really owe a tremendous sense of gratitude to the gentleman from California who has worked tremendously hard to try to put together as fair an overall package as we could.

I am proud to say that even though $4 billion came out of my account, and that was very painful, we have retained and added to the most pork-resistant program in the Defense Department $300 million, and that is the conversion TRP program.

Now, you know and I know that nobody wants a pork resistant program. Everybody says they do, but when push comes to shove, they do not.

I am very, very pleased that we have been able to withstand all of this and for all the hits we took on earmarking and everything, it is not our committee that was doing it.

We have really retained the best pork resistant program I think yet to be found where we are building on the terrific research base that has been put out there for the Armed Services, and I am very proud of that.

I am also very proud of the women's health part. I heard the gentleman before say, "Why don't they just give it to the National Institutes of Health?"

I will tell you why, because women in the military have unique and very different problems. Women moving into the military are major players in the military. If you do not constantly focus on this, they tend to forget women are in the military, a big example being this whole issue around the gulf war syndrome.

□ 1810

We are all very concerned about the gulf war syndrome, but they are about to go into testing on that without gender coding it, and women appeared to be having very different symptoms because of their metabolical differences than men were having. Well, if it is not gender coded, it does not make any sense. When do we start treating women as full participants and people we are very proud of? We put them in uniform, we send them everywhere, we have them taking care of everyone else's health care, and we are finally trying to catch up, so I am very proud that we have done that, and I think it is long, long overdue, and I thank the gentleman from California [Mr. DELLUMS] for his hard work in this whole area.

The fiscal year 1994 Defense Authorization Act authorizes the Secretary of Defense to establish a Defense Women's Health Research Center, to coordinate research on women's health issues related to service in the Armed Forces.

This provision builds upon two significant facts: the growing number of women in the military, and the historical underrepresentation of women in medical research protocols. Because the military health care system has a unique ability to track research subjects over long periods of time, the Women's Health Research Center can play a major role in advancing women's health care research.

Although the House provision made the center a mandatory program, at the insistence of the Senate, it is within the discretion of the Secretary of Defense whether to establish the center, or to use the authorized funds for women's medical research at existing DOD medical centers. Our intent is clear, however, that the purpose of this funding is to provide for a multidisciplinary, multiinstitutional research program coordinated under a single coordinating agent within DOD.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER], a real hard-working new member of our committee.

Mrs. FOWLER. Mr. Speaker, I rise today in support of the conference report on the Defense authorization bill. I want to congratulate Chairman DELLUMS and our ranking Republican member, FLOYD SPENCE, for their excellent work on this large and complex bill.

There are a number of important achievements in this year's bill. We have provided a much-deserved cost-of-living increase to our service personnel, enhanced critical logistics capabilities, and moved forward on our next generation of submarines. I am also especially pleased that we have opened up many new opportunities to women in the military.

At the same time, I must voice my deep concern about the severe cuts

that our national defense budget has sustained. This year's bill provides some $13 billion less than the Bush administration had budgeted for this fiscal year, and it is clear there will be renewed efforts to cut defense spending even further next year. I want to stress that I will give my most careful scrutiny to the Bottom-Up Review and oppose plans to cut defense spending too deeply in the days ahead.

Mr. DELLUMS. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON], chairman of the Subcommittee on Military Forces and Personnel.

Mr. SKELTON. Mr. Speaker, on behalf of the Subcommittee on Military Forces and Personnel, I am pleased to report to the House on the personnel portions of H.R. 2401, the conference report on the Defense Authorization Act for fiscal year 1994.

At the outset, I want to commend all the members of the conference—especially the ranking members, JON KYL and DAN COATS and my counterpart in the other body, RICHARD SHELBY—for their diligence and hard work on the difficult issues before us this year. A special congratulations to our chairman, the gentleman from California [Mr. DELLUMS], for the first DOD bill under his leadership, plus a thank you to our ranking member, the gentleman from South Carolina [Mr. SPENCE].

In the middle of the conference, the Subcommittee on Military Forces and Personnel held a hearing on "The Impact of Peacekeeping on Army Personnel Requirements." Conducting such a hearing during conference was quite out of the ordinary. It may have been a first, yet the importance of the topic merited holding the hearing when we did. Among those who testified were retired Generals John Vessey, Carl Vuono, and Max Thurman, respectively former Chairman of the JCS, former Army Chief of Staff, and former Commander U.S. Southern Command. As a result of the hearing, we altered our work in mid-conference on Army end strength. We have serious concerns about Army force reductions and the two war strategy the administration says the Army can carry out, especially with forces engaged in peacekeeping. In effect, we have put the administration on notice.

Elsewhere, I am especially pleased with action taken on the matter of funding a full 2.2 percent military pay raise. It was done in a responsible fashion by finding offsets in the fiscal year 1994 Defense budget request. Many in the military have come to view a pay raise as symbolic of Congress' support for maintaining anadequate quality of life. This action will help maintain morale of service members in a time of turbulence.

On the issue of DOD policy on homosexuals, the conference elected to support the men and women of the Armed Forces on this issue. I am very cautious about any change that threatens the morale and cohesion of our fighting force. We must not risk undermining the best military force in our Nation's history. Second best is not an acceptable option on the battlefield.

Based on the testimony of the Secretary of Defense, the Joint Chiefs, the general counsel of the Department of Defense, and the services' senior enlisted members during our hearings this past summer, I am convinced that the heart and soul of the pre-January 1993 policy has been preserved. The result is a policy that will change very little of the day-to-day life of service members. The bottom line remains the same as it always has been, homosexuals will be separated if they demonstrate conduct that is disruptive to morale and unit cohesion.

The language in the conference report codifies the critical elements of the old policy. The language includes a statement of congressional support for reinstating the practice of asking applicants about their sexual orientation if the Secretary of Defense determines that is necessary in the future.

I know we are all anxious to put this issue behind us and get on with the many other challenges ahead. I believe codification essential if we hope to put this divisive issue behind us. The language approved by the conference allows us to achieve that purpose.

On the issue of end strengths, the conference figures represent an active duty reduction of 104,800 below fiscal year 1993 levels, and a reserve reduction of 55,630.

Here are some other highlights. The conference report: directs the Army to develop a plan to test small unit integration; approves the Secretary of Defense's request to repeal the statutory restriction on the assignment of women to combatant vessels; and authorizes funding for an improved pharmaceutical benefit for dependents and retirees.

THOUGHTS ON DEFENSE IN GENERAL

Allow me now to address the overall defense picture. Quality people, modern weapons and equipment, tough training, and intelligent, well-educated leaders are the key elements that make for strong, capable and flexible armed forces. The investments of the early 1980's allowed us to raise, equip, train, and maintain military forces second to none.

The following facts should be kept in mind as we go through this examination of the fiscal year 1994 conference report. First, this is the ninth year of a real decline in defense spending. The current request of $250.7 billion in budget authority is almost $30 billion less than what had been planned for in fiscal year 1994 only two years ago. Second, over 120 major defense programs have been cut since the 1990 budget agreement. Third, we are reducing the size of our forces and the people who man them. Over the past 3 years the Army has eliminated four active Army divisions (from 18 to 14), the Navy 99 ships (547 to 448), and the air Force 20 active duty squadrons (76 to 56). This year alone, personnel reductions will total 104,800 in the active component and 55,630 in the reserve component. Fourth, as many of our colleagues know, bases are being closed or consolidated at home and abroad, over 800 prior to this year. In Europe, our forces have come down from 314,000 in 1990 to 160,000 by the end of this year. Fifth, the resources freed for other needs in our society have been considerable. Outlays devoted to defense as a percentage of GNP reached 6.5 percent in fiscal year 1986. The figure for fiscal year 1993 is 4.6 percent, a drop of almost 2 percentage points. This is one way to measure the peace dividend. Another way to measure the peace dividend, the way I measure it, is in the war that was never fought—World War III with the Soviet Union.

As I noted earlier quality people are an important element, the most crucial element, in any military force. There are signs, however, that we are not maintaining the high standards ofthe past few years. High school graduates entering the services have dipped from 97 percent at the time of Desert Storm to 94 percent today. The comparable figure in 1980, the low point of the post-Vietnam era, was 68 percent. Similarly there has been some deterioration in enlistment test results. Today the figure for those who score in the upper half is 70 percent. During Desert Storm it was 75 percent. In 1980, it was 37 percent. Yes, we are in much better shape than we were in 1980, but there are some warning signs that we would be imprudent to ignore.

Last year I was concerned about the cuts in the operations and maintenance accounts [O&M]. These are the accounts that fund the kind of tough operational training our forces need if they are to maintain their readiness. I remain concerned but am reassured to some extent that measures are being taken in the fiscal year 1994 budget to protect direct readiness of units by the reallocation of funds to increase operating tempo and training for operational units. We will have to monitor this matter closely year by year.

My real concern relates to the size of the defense budget and the size of the force structure in future years. We have seen what has come out of Secretary Aspin's Bottom-Up Review. We still need the details. I understand the desire of some to shift resources from defense to domestic needs. My fear is that those who would urge accelerated cuts in defense spending and force structure will lead us to the same place we have found ourselves on past occasions in our history—with military forces ill-prepared to fight. This was

the case in Korea in the summer of 1950 and in the deserts of Iran in the spring of 1980. We need not repeat these sad experiences yet again in some other distant location, and I will work to the best of my ability to ensure that, at least in this era, past is not prologue. Americans want a reduction in defense spending, but they don't want to undo the great investments in time, effort, and money that have resulted in the finest military force in our Nation's history.

It is far better to maintain a larger military force than a smaller one if the larger force reduces the likelihood the nation will have to be used in a general war. George Washington was right: "To be prepared for war is one of the most effectual means of preserving peace." And in the long run cheaper, too.

Earlier this year, in a speech at West Point, President Clinton warned about cutting defense too much. "The budget cuts that have come at the end of the cold war were necessary, even welcome," he said. "But we must be mindful," he continued, "that there is a limit beyond which we must not go." In a press interview that same day the President described his intent as sending "a cautionary note to the House and Senate." He continued, "I think we have cut all we should right now." I believe the President is right on target.

Despite the cuts in both spending and force structure, I shall vote for this measure because I believe it maintains the strong, capable, and flexible armed forces for the 1990's and beyond that this Nation requires. The committee members have done their homework on the bill before you today, and I request that the House take great care in its efforts to re-fashion the committee's work.

I close by expressing my genuine pleasure with the work of the new committee chairman, the new ranking member, and the committee staff for the fine work done on the fiscal year 1994 defense bill. This committee continues to do first class work in a variety of important defense issues. The new chairman has led the committee in a manner that does credit to his well-deserved reputation for fairness. As did his predecessor, he has attempted to raise the sights of committee members from the line-item trees to the policy forest. He is having a fair measure of success. While there are still disagreements on line items and policies among the members, and between the Congress and the administration, the differences are to a greater degree based on well-articulated policy choices. This is how the work on national defense should be done, especially in the years ahead as the choices become tougher.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, I would like to highlight one aspect of this legislation which I believe will have a positive impact on many of our Nation's veterans.

Since I was elected to the House of Representatives in the 98th Congress, I have been working to enact legislation that would eliminate a 19th-century provision of law that requires a disabled career military veteran to waive the amount of his retired pay equal to the amount of his VA disability compensation.

Nationwide, more than 300,000 disabled military retirees must give up their retired pay in order to receive their VA disability compensation. In effect, they must pay for their military retirement, something no other Federal retiree is required to do.

For those of you who are not familiar with this offset, let me give you an example of its inequitable effect on military retirees. It is possible that two Federal retirees with the same service-connected disability suffered in the same battle, who have worked the same number of years in Federal service, will be treated differently. Why? Because one served all his years in the military and the other served only 2 years in the military and the remainder in civil service.

The military retiree must pay for his disability benefits from his retirement check. But the civil service retiree may receive both his civil service retirement and his VA disability in spite of the fact that his military service is included in calculating his civil service retirement, and in spite of the fact that he had been receiving VA disability during all his years as a civil servant.

The military retiree is unjustly penalized by the fact that he chose military service as his career. In effect, the military retiree is singled out solely because of his career choice.

Probably the most frustrating fact to me is that we have asked these brave men and women to serve during a time of need, under tremendous duress and danger, and yet the Government fails to abide by its commitment to provide full military retirement. How can we possibly expect to maintain a viable national defense if servemembers realize that if they experience a service-connected disability, they cannot receive VA disability compensation and military retired pay?

In the House of Representatives, my legislation to eliminate the offset has received widespread bipartisan support. Moreover, this legislation is backed by the Nation's veterans organizations. Given this overwhelming support in Congress and in the veterans community, Congress should be compelled to take action on this matter.

Therefore, I am pleased that the conference report to H.R. 2401 takes the first step toward eliminating this discriminatory offset. The conference report provides that retires with a 100-percent disability rating would be eligible to receive retirement pay and disability compensation concurrently. This important provision will be effective January 1, 1994, unless the Department of Defense issues a report that Congress requested in the fiscal year 1993 Department of Defense Authorization Act.

While I would have preferred the language that was contained in the Senate bill, S. 1298, I believe that conference report is an important step forward toward correcting an unfair law.

The time has come to make sure that we keep our promises to those who have shouldered the burden of our Nation's defense. Retired veterans should be rewarded rather than penalized for having served their country for 20 plus years. I hope that soon they can receive the compensation they have earned.

Mr. DELLUMS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Oklahoma [Mr. MCCURDY], chairman of the Subcommittee on Military Installations and Facilities, who negotiated all the military construction programs in the conference report.

Mr. MCCURDY. Mr. Speaker, I am pleased to rise in support of the conference report to H.R. 2401, the Defense Authorization Act for fiscal year 1994. I would like to compliment the chairman of the full committee, the Gentleman from California [Mr. DELLUMS], and the gentleman from South Carolina [Mr. SPENCE], the ranking Republican, for their leadership of the committee and the conference report we bring to the floor today which should be commended to the body. With the completion of the Bottom-Up Review by the Department of Defense in the midst of the committee's markup process, the committee had no easy task in crafting a bill which comprised the basic tenets of the win-win strategy articulated by the administration.

Two key components of this new strategy are the conferee's support for the C–17 and the agreement to not reduce Army end strength without Presidential certification.

I have been a supporter of the C–17 for many years, and had the opportunity recently to fly in one of the test aircraft. The Bottom-Up Review has convinced me even more about the need for the C–17's capabilities. I share the concerns that my colleagues have with respect to performance and management issues associated with this plane and have been encouraged by the actions of the Department of Defense in undertaking a thorough review of this program. I am hopeful that this review will be able to put the C–17's problems behind us. The conferees' actions protect this option without prejudging the outcome of the review and I encourage my colleagues to support it.

I firmly believe that with the growing number of peacetime missions and

the need to effectively carry out the win-win strategy, the Army must not be placed in a position of not being able to effectively respond to these contingencies. I strongly support the conferees' decision not to reduce Army end strength to drastically reduced levels. We must ensure that our military leadership has the necessary resources available to carry out its missions.

The Subcommittee on Military Installations and Facilities, which I chair, has authorized over $10 billion in much-needed active and reserve military construction projects for fiscal year 1994. Even with the decline in the defense budget, we must all understand the need for a modernized infrastructure in order that our All Volunteer Force can live and work in a decent environment. The conferees are also recommending a base closure assistance package, title 29, which comes to grips with the economic malady faced by local communities when a base closure is undertaken. The title provides for a uniform property conveyance process which will enable local entities to acquire property on closing installations in a quicker fashion and provides discretion to the Secretary of Defense to convey this property at less than fair market value if needed. This will greatly aid communities in their prospects for robust economic redevelopment. The conferees have also provided for fast track environmental cleanup and greater Federal interaction in further complementing the property reuse process.

Mr. Speaker, I would like to thank the gentleman from California [Mr. HUNTER], the ranking Republican, and all the members of my subcommittee, the conference panel, and my Senate counterpart, Senator GLENN, Ms. Alma Moore and John Reskovac on staff, for their hard work in providing a conference report which responds to the call for a strong national defense. I urge its adoption.

□ 1820

Mr. SPENCE. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in support of the conference agreement and urge our colleagues to support this effort. I want to start off by applauding the committee chairman for doing, I think, a fine job in his first year as chairman and working in a true bipartisan way to allow us to reach a decision and an agreement on a final Defense bill, and certainly our ranking member, the gentleman from South Carolina [Mr. SPENCE], for his leadership in working with members on the Republican side to reach an agreement in what was in many people's minds an impossible situation. I think we did the best we could, Mr. Speaker, in an impossible or very difficult situation.

My concerns about the final Defense bill that is before us today and before the other body is that the numbers were basically pulled out of the air. The original numbers were not based on a real net threat assessment in terms of where we face problems around the world. Rather, this number was given to us and we were told to try to fit defense spending into that picture.

There are some in this country who have the mistaken impression that somehow we have increased defense spending dramatically over the last several decades. In fact, if we look at the current trend in defense spending and what we are currently spending this year, we are running a little bit above 3 percent of gross national product, which is down from a high of 9 percent of gross national product during the 1960's when John Kennedy was President.

If you look at defense spending as a percentage of total Federal dollars in outlays, it is about 17 cents of every Federal dollar this year, when back in the sixties it was somewhere over 50 cents of every Federal dollar. We in fact are decreasing defense spending. And, in fact, in this current environment where we are concerned about job loss, the Office of Technology Assessment and the Congressional Budget Office have both estimated that if we continue on the current trend that President Clinton has put out for us, and that is cutting defense spending by $128 billion over 5 years, we will see a loss of somewhere between 1.5 and 2 million real jobs. These are both jobs in the military as well as jobs in the private sector in those companies that are doing defense contract work.

Mr. Speaker, I happen to think that we are on the wrong course. We should be basing our defense numbers on the problems that are out there, on the problems in the Soviet Union, the 64 hostile situations that are occurring around the world at this very moment.

We in this body want to commit our troops all over the world, whether it is Bosnia, whether it is Haiti, or whether it is in the Somalia situation, or whether it is in Macedonia. Unfortunately, these young men and women are feeling the impact of the cuts we are making already in this first year budget.

Earlier this year I was over in Somalia with some of our colleagues on a trip to meet with our troops and to get an assessment for how well the mission was going. What we heard from our young marines on the ground in Somalia was that they had been deployed three of the last four holiday seasons. And the reason is because we have cut back the marines, we have cut back our military so dramatically already that we are forcing these young people to stay deployed for longer lengths of time at more deployments around the world, which destroys their quality of life, and which ultimately impacts morale.

Mr. Speaker, we have to be aware of these things. We haveto be aware that if we continue on the trend established by this President, ultimately I think our military preparedness is going to suffer.

So I urge my colleagues in supporting this bill, which is a bipartisan conference report, as I said before, worked out by our chairman and ranking member and the other body, to keep in mind in future years that our defense budget numbers need to be based on the real threat, not some arbitrary number handed to us. Our job as members of the committee is to assess the threat to the security of this Nation, not to take a number out of the air and try to force in our national security needs in some artificial way. That is in fact what we did this year, and we are going to pay the price for that unless we can turn this around in the outyears.

Mr. Speaker, I will be back next year, along with many of my colleagues on both sides of the aisle, to make sure that we truly respond to the needs that are out there in terms of what our defense spending numbers should be. But again I urge support for this conference agreement, and I applaud the leaders on both sides for the hard work and the coordination of the efforts among both sides of the aisle.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. HUTTO], the chairman of the Subcommittee on Readiness, who negotiated all the operations and maintenance matters in this conference agreement.

Mr. HUTTO. Mr. Speaker, I rise in support of the conference report on the fiscal year 1994 National Defense Authorization Act.

We worked hard this year in crafting a bill that protects the readiness of the Armed Forces in an austere budget. We added funds to ensure our forces would be effective and safe on the battlefield. At the same time, the conferees continued to attack waste and inefficiency.

Mr. Speaker, while some of us have concerns that we are drawing down our defense too much too soon, I congratulate Chairman DELLUMS for his leadership through the difficult deliberations this year. This conference report represents a good compromise on major issues affecting the national security of our Nation, and I urge my colleagues' support.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I want to thank the ranking member for recognizing me and letting me say a few words. I just want to compliment the gentleman from South Carolina [Mr. SPENCE] and our chairman, the gentleman from California [Mr. DELLUMS], for their excellent management of this conference.

I would classify this conference and the leadership that they exhibited and

my colleagues, the gentleman that just spoke, the gentleman from Florida [Mr. HUTTO], and our ranking members on the Republican side and my chairman on the Subcommittee on Military Construction, the gentleman from Oklahoma [Mr. MCCURDY], and all of the members who attended the conference and worked the conference, I would classify this conference as excellent management of inadequate dollars.

Mr. Speaker, it is funny, a lot of us get up and continually make the case, fell that we need to make the case for a strong national defense. Yet our words are always superseded by events, because world events make a case for a strong national defense.

I think some of the euphoria that attended the falling of the Berlin Wall had died away now and we realize that large parts of this world are burning today.

So I want to say that I look on the dollars that we are cutting this year as a down payment on a $219 billion cut in national security that the President has advocated, and I hope that this Congress reverses that course next year.

Just a few things in particular, I think the fact that we live in an age of missiles, we are going to see enemy missiles directed at ourselves or our allies in the near future. I think that is something we can count on. Yet our missile defense system is moving along with the same sense of urgency as a highway project. We are not going to see a capability until late in this decade, maybe early in the next century.

So I want to commend all my colleagues for their very hard work. I want to urge them to relook at the President's recommendation and reverse this course that we are presently on.

Mr. DELLUMS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Tennessee [Mrs. LLOYD], who did an admirable job in negotiating and heading up the acquisition panel in the context of this conference.

Mrs. LLOYD. Mr. Speaker, it gives me great pleasure to rise in support of this conference report. The chairman is to be congratulated on his leadership. In his first conference as chairman, he was confronted with several controversial issues in need of resolution. The gentleman rose mightily to the task and it was inspiring to serve under him as one of his panel chairs. The chairman was fair, listened and gave all the members of the committee a chance to participate. To Chairman DELLUMS, my thanks. The staff, who perhaps put in even more hours, are equally deserving of our respect and thanks. In particular, Doug Necessary, Steve Thompson, Cathy Garman, Bruce MacDonald, Joan Rohlfing, Sharon Storey, Jim Anton, and Marilyn Elrod.

The acquisition panel was tasked with making many difficult procurement decisions. While there were many areas in which the House and Senate were in agreement, there were equally as many that required negotiation. I would like to discuss some of the programs of interest to the Members.

The C–17. As many of my colleagues already know, the Department of Defense is facing a shortage of airlift capability when it comes to outsized cargo, landing space and overall airframe endurance. The C–17 aircraft was envisioned as the solution to this shortfall. However, program delays, missed milestones, failed wing tests, and poor program management—both from the contractor and the Air Force, have plagued this once promising program.We on the committee were faced with deciding its future.

After significant deliberations, we authorized the six aircraft requested. At the same time, we created a C–17 alternative program should the existing program continue to be problematic. Now, of the six aircraft authorized, two are linked to specific DOD milestones. If milestones are not met, the Under Secretary of Defense for Acquisition, may choose not to procure the remaining two aircraft in favor of some alternative. Congress is to be notified of any actions in this regard. We on the committee believe this approach yields the appropriate balance of flexibility and accountability so that we can salvage this program while also ensuring that our future airlift needs are met.

Many of my colleagues have been around for previous debates on the B–2 Stealth bomber. Like the C–17, this program has had a high profile media life. With past problems and cost overruns Congress attempted, in earlier defense bills, to gain control of this critical program. Specifically, Congress asked that certain criteria or hooks be addressed before we would consider funding the last five B–2 aircraft. DOD has responded to our request. The GAO, upon preliminary review, has concluded that the requirements at this point in the program have been met. Accordingly, with passage of this bill, the funding for the last five aircraft will be obligated. We have also included a $44.4 billion cost cap on the B–2, effectively terminating the program at 20 aircraft.

With the B–1 adopting a conventional role, the committee fought for and won significant funding for the conventional upgrades to the B–1—the backbone of the bomber force. With over 90 aircraft in our inventory and a cap on the B–2 program at 20, the importance of the conventional bomber platform is stressed.

In the area of tactical aviation, several decisions have been made. In accordance with the Bottom-Up Review, the Navy AF/X and the Air Force multirole fighter [MRF] have been terminated. We fully funded the F/A–18E/F, the F–22, and we have authorized the final 12 F–16 fighters. The committee also approved significant funding to develop a modified F–14 to replace the aging A–6 deep strike aircraft on our carrier decks. With the cancellation of the AF/X, this program takes on added importance.

Acquisition reform is every bit as important to the future of our national defense as the programs mentioned above are. For far too long we have asked vendors to navigate their way through a sea of duplicative, onerous, and archaic acquisition regulations to make a simple sale to the Department of Defense. Many of the conclusions and suggestions contained in the section 800 acquisition reform report are embodied in this bill.

Mr. Speaker, there is much more to the fiscal year 1994 Defense authorization than I have mentioned here. In my opinion, this legislation represents the best that we have to offer. It strikes that very delicate balance between what is right for our national security and what is right for our wallets. I urge support for this bill.

□ 1830

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I want to thank my colleague, the gentleman from South Carolina [Mr. SPENCE], who is one of the most decent and hardworking individuals in this institution, for yielding time to me for these brief remarks.

I also want to congratulate our chairman, the gentleman from California [Mr. DELLUMS], for his outstanding job on this bill. I think it is a bill which the House can certainly support and one that I think he has handled masterfully for his first bill as chairman of this committee.

Over the last decade, I have always been concerned about airlift and mobility. As we bring America's troops back to the United States, I think we all have to be concerned that we have the airlift and the sealift in order to redeploy them.

I want to commend the committee and the conference for adopting one of the most creative approaches to dealing with our airlift responsibilities. I have always supported the C–17 Program. And yet, I think every one of us worries about that program.

I think what the conference did, in creating an alternative, in calling for a competition and saying that we want them to go out and look at a nondevelopmental aircraft, either military or a commercial derivative.

I had the opportunity to be with Mr. Don Deutsch, our Assistant Secretary for Acquisitions, this weekend. He has told me that he has followed what the committee has done. He is going to start a program. We are going to have a competition, and I think it is going to be good for everyone involved.

I think we need to have an alternative to the C–17. I think we need to have an airplane to replace the C–141's, and I see this as a supplement, as a complement to the C–17.

I hope we can build a significant number of them, but I think we can take a commercial, off-the-shelf aircraft, like the 747 freighter, which, by the way, carriers more in tons and pounds than does the C–5, and use it as a viable alternative for airlift purposes.

I commend the committee for their creative actions.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, I rise in support of the conference report on the 1994 Defense authorization bill. I commend Chairman DELLUMS for his leadership in crafting a defense budget that preserves combat effectiveness while easing the transition to a civilian economy.

I regret the outcome of the debate over gays in the military, but the committee advanced the cause of equality by providing for the permanent assignment of women to Navy combat ships.

I also applaud the conferees for their foresight in authorizing $2.9 billion for defense reinvestment and economic conversion activities, and $562 million to clean up military installations. This funding is critical to communities like those surrounding Fort Devens, an Army base in my district that is about to close.

Another area of significant interest to me is funding for industrial base and technology programs. Massachusetts has a strong high-technology, highly skilled work force, and we must ensure a smooth transition from defense to commercial markets for some 296,000 workers in defense or defense-related jobs. That is why the $624 million authorized in the conference report for the Technology Reinvestment Project is vital to economic recovery in Massachusetts. The conferees were wise to reject proposals to allow defense conversion funds to be used for arms sales.

I am pleased that the conferees adopted my language requiring the Secretary of Defense to develop and submit to Congress a detailed plan to coordinate development and implementation of theatre missile defense programs with our allies. This represents a reasonable first step in getting our allies to share in the cost of theatre missile defense research and development programs.

Finally, I want to express my appreciation to the chairman and his extremely capable staff for their hard work on this bill.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Speaker, I rise in strong support of the conference report.

My colleagues on and off of the Armed Services Committee all know how much hard work has gone into forging the agreement between the House and Senate. This agreement is the first step toward right-sizing the defense budget.

Congress has done many important things in this bipartisan bill. We have: Made tough choices among key tactical aircraft programs; reshaped missile defense programs to meet postcold war threats; increased defense conversion funding by two-thirds above last year's level; continued the Nunn-Lugar program and provided additional aid to the former Soviet Republics; opened new opportunities for women in the armed forces; and met our airlift needs by putting the C–17 Program on track and developing fallback options.

Mr. Speaker, the gentleman from California [Mr. DELLUMS] deserves great credit for these achievements.

During this long, hard process he has paid attention to detail and kept the committee focused on its top goal: shaping a rational, affordable and strong national defense. It is an honor to serve with him on the committee and in the conference.

Mr. Speaker, I urge my colleagues to support the conference report, which is an important reflection of his leadership.

Mr. DELLUMS. Mr. Speaker, for the purposes of entering in a colloquy with my distinguished colleague, the gentleman from California [Mr. FARR], I yield myself 2 minutes.

Mr. FARR of California. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from California.

Mr. FARR of California. Mr. Speaker, in the interest of clarifying the provisions of title 29—which are now part of this conference report before us today—and how those provisions apply to the conveyance needs of the University of California and the California State University System at Fort Ord, I have several questions. I believe that the University of California and the California State University System are public entities and should be considered eligible as public entities and should be considered eligible as public entities for conveyance of property under title 29 of the conference report. Am I correct in this interpretation.

Mr. DELLUMS. The gentleman from California is correct and the conference report confirms the intent of Congress in this regard. I believe the intent of Congress in enacting this legislation is to reduce the complexity of the existing system by promulgating regulations which allow for innovative reuse programs. Therefore, I believe the gentleman from California is correct.

Mr. FARR of California. Mr. Speaker, if the gentleman will continue to yield, am I correct in my understanding that the conferees support the commitment by the Department of Defense to convey the lands at Fort Ord to the California State University System and the University of California and that the conferees direct the Secretary of Defense to make this a priority item under the terms agreed to in a letter dated October 21, 1993?

Mr. DELLUMS. The gentleman from California is correct. The conferees are firm in their support of the commitment by the Department of Defense to convey the lands at Fort Ord as you have stated. Furthermore, the conferees believe that this transfer should be accomplished according to the terms of the letter you referenced and should be a priority item.

□ 1840

Mr. FARR of California. Mr. Speaker, am I correct when I state that you concur with the rationale for the withdrawal of the House language as embodied in my amendment, but remain prepared to pass specific legislation which would allow conveyance of lands at Fort Ord to the California State University System and the University of California under the same terms and conditions as outlined in the legislation which I have withdrawn?

Mr. DELLUMS. That is correct. The gentleman from California may be assured that I will move such legislation if the process to be established under title XXIX or the process allowed under existing statutes fails to provide the requisite vehicle to allow conveyance of lands at Fort Ord to the two universities as provided in your legislation.

Mr. FARR of California. Mr. Speaker, if the gentleman will continue to yield, may I express my appreciation for the efforts of the Department of Defense to find a means of supporting the conveyance needs of the University of California and the California State University System at Fort Ord. I am pleased with the progress made toward a successful reuse effort at Fort Ord and am impressed with the willingness of the Department of Defense to work for a reasonable and practical solution of our problems.

Mr. DELLUMS. Mr. Speaker, I join with the gentleman from California in expressing appreciation for the effort and commitment of the Department of Defense to find a solution to this problem.

Mr. FARR of California. I would like to commend the chairman for his outstanding work on this legislation and to again thank the distinguished chairman of the Armed Services Committee for his participation in this colloquy.

Mr. DELLUMS. Mr. Speaker, I yield myself such time as I may consume, for the purpose of entering into a colloquy with my distinguished colleague, the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Speaker, first, I want to offer my sincere thanks to the gentleman for his cooperation with the leadership of the Committee on Merchant Marine and Fisheries in developing the National Shipbuilding and Shipyard Conversion Act of 1993, which is included in the conference report. This act is a superb example of how two committees can work closely together. This initiative will be extremely beneficial to revitalizing American shipyards and employing American shipyard workers.

I would like to confirm my understanding on one aspect of the initiative having to do with new loan guarantees under title XI of the Merchant Marine Act, 1936, for shipyard modernization. In guaranteeing these loans, the Secretary of Transportation must give priority to shipyards that have engaged in naval ship construction.

Mr. Speaker, the Fore River Shipyard in Quincy, MA, has had a long and admirable history of naval ship construction. It has built such prestigious naval vessels as the U.S.S. *Lexington* and the U.S.S. *Salem*. Am I correct that Quincy Shipyard would qualify for shipyard modernization loan guarantees based on its past construction of Navy ships?

Mr. DELLUMS. Mr. Speaker, the gentleman from Massachusetts is correct. A shipyard such as Quincy which built ships for the Navy in the past would be one of those yards which should have priority for shipyard modernization loan guarantees to be provided under the conference agreement.

Mr. STUDDS. Mr. Speaker, I thank the gentleman for this confirmation, and urge my colleagues to support the conference report.

Mr. Speaker, I want to express my personal thanks to the chairman of the committee for working so closely with my committee.

Mr. DELLUMS. Mr. Speaker, I would like to say that I thank my distinguished colleague, the gentleman from Massachusetts [Mr. STUDDS]. It was a wonderful opportunity to work with this gentleman. I believe that the provisions we are discussing now will redound to the benefit of millions of people in this country.

Mr. STUDDS. Mr. Speaker, I thank the gentleman.

Mr. DELLUMS. Mr. Speaker, I yield myself such time as I may consume, for the purposes of entering into a colloquy with the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Speaker, I thank the distinguished gentleman for yielding time to me.

Before engaging in a colloquy with the chairman of the committee, I want to commend him for his distinguished service in bringing this legislation to the floor. I am honored to be engaged in a colloquy with him on this, his first DOD authorization bill as chairman of the committee. Congratulations, Mr. Chairman.

Mr. Speaker, I would say to the gentleman, it is my understanding that subsection (1) of section 2856 is simply a confirmation of Public Law 92-589 authored by Phillip Burton in 1972—that Presidio lands excess to the needs of the Department of Defense would be transferred for management by the National Park Service a part of the Golden Gate National Recreation Area. Is this your understanding?

Mr. DELLUMS. The gentlewoman is indeed correct.

Ms. PELOSI. Mr. Speaker, if the gentleman will continue to yield, it is my further understanding that this language is intended to be in keeping with the Base Closure Commission recommendations of 1989 and 1993, in which the Presidio was initially slated for closure, and in which the 6th Army was allowed to negotiate with the National Park Service for the retention of the 6th Army Headquarters at the Presidio.

Is that the gentleman's understanding?

Mr. DELLUMS. The gentlewoman is indeed correct.

Ms. PELOSI. I thank the gentleman.

Mr. DELLUMS. Mr. Speaker, might I inquire as to the remaining time on both sides of the aisle?

The SPEAKER pro tempore (Mr. CARDIN). The gentleman from California [Mr. DELLUMS] has 2 minutes remaining, and the gentleman from South Carolina [Mr. SPENCE] has 8 minutes remaining.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. MCCURDY] for the purposes of entering into a colloquy with one of our distinguished colleagues.

Mr MCCURDY. Mr. Speaker, I thank the gentleman for yielding time to me.

I yield to the distinguished gentlewoman from Virginia [Ms. BYRNE].

Ms. BYRNE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I also thank the chairman and subcommittee chairman for the fine work they have done on this conference report.

Mr. Speaker, the Senate-passed Defense authorization bill for fiscal year 1994 contained a provision, section 2841, that would direct the Secretary of the Army to transfer, without reimbursement, approximately 580 acres comprising the Harry Diamond Army Research Laboratory to the Secretary of the Interior for incorporation into the Marumsco National Wildlife Refuge in Virginia. It is my understanding that this provision is not contained in the final conference report. I would appreciate an explanation of the reasons the conferees did not accept this provision and would request the assistance of the Conferees in encouraging this particular transfer.

Mr. MCCURDY. The conferees agreed that Senate section 2841 was a response to a provision in the Appropriations bill that would have transferred, contrary to the Defense Base Closure and Realignment Act, a portion of the Woodbridge facility to the Library of Congress. Since that time, we understand that an alternative site has been selected making this provision unnecessary. Let me assure the gentlewoman that the conferees believe that property affected by closure and realignment must be disposed of in a uniform fashion. The conferees have provided in title 29 of the conference report a conveyance process where property on closing installations can be obtained in a more expeditious manner. This legislation will allow the Secretary of the Interior the opportunity to obtain this property more quickly under the auspices of the Base Closure and Realignment Act. With respect to the transfer at the Woodbridge Research Facility, I can assure the gentlewoman of the conferees, support of the Interior Secretary's intention to obtain this property at the earliest possible day and urge the Secretary of the Army to be supportive of this transfer.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. DELLUMS].

The SPEAKER pro tempore. The gentleman from California [Mr. DELLUMS] now has 2 minutes remaining.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I just want to take this minute to thank the committee, both the majority and the minority side, for how they handled all the competing interests they had this year. I especially want to thank the chairman, my colleague, the gentleman from California [Mr. DELLUMS], for the manner in which he has handled the issue of the base closures and the military conversion in the San Francisco Bay area.

Whether it was his negotiations with the President of the United States or the negotiations in this committee, in this conference committee, the passage of this legislation, he has treated the problem of base closures as a problem that affects the entire San Francisco Bay area, and he has made a determination that this is a problem and a predicament that the entire bay area is going to have to survive, because it makes little difference where our constituents live, we will suffer the largest civilian job loss of any of the base closure recommendations this year.

Mr. Speaker, there are many things that need to be done to make these

properties valuable for re-use and an important part of the communities in which they reside. We took our first step with the passage of this legislation, with the shepherding of a number of provisions that affect both the base in my district, Mare Island, Alameda Naval Air, Treasure Island in the San Francisco Bay area. I just want to say on behalf of the Mare Island community, the residents of Vallejo, and the residents of the bay area, we want to say thank you very much to the chairman for how he has handled this, with dignity for all of us who were involved.

Mr. DELLUMS. I thank the gentleman.

The SPEAKER pro tempore. The gentleman from California [Mr. DELLUMS] has 1 minute remaining, and has the right to close debate.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DELLUMS].

The SPEAKER pro tempore. The gentleman from California now has 3 minutes remaining.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I thank the gentleman for yielding time to me.

In this bill, Mr. Speaker, is the final verbiage concerning the stealth B–2 bomber. I wish to congratulate the chairman and the conferees for making this the final provision. This, of course, authorizes some 20 B–2 bombers for $44.4 billion.

□ 1850

It also incorporates the fact that this vote on this conference report is comparable and is the same as the second vote that was required in last year's bill. That of course is a big plus.

Let me mention to the chairman and to this body that the first B–2 bomber will arrive in proper ceremonies at Whiteman Air Force Base near Knob Noster, MO, on the 17th day of December. That of course will be a major day not just for the people in the Pettis and Johnson County area of Missouri, but it will be a major day for the U.S. Air Force and for the national security of our country.

Mr. DELLUMS. Mr. Speaker, I yield myself the balance of our time.

Mr. Speaker, we come to the end of our discussion on the conference report on the bill, H.R. 2401. At this time I first would like to thank all of my colleagues for their very generous remarks. Second, I would like to thank the gentleman from South Carolina [Mr. SPENCE], a very easy person to work with, an extraordinary gentleman, easy to communicate with. It has been a great opportunity to serve with the gentleman in this first year in my capacity as full committee chair.

I am proud of the fact, Mr. Speaker, that over 95 percent of the issues were resolved at the panel level. This is, as I understand it, unprecedented. We also had freshmen Members on the conference, and I think what we brought back to the body is in the spirit of what left this House. We worked very hard to maintain the integrity of the House position, and I think those Members who voted for the bill as it left the House going into conference can indeed vote for it as it returns.

Mr. FARR. Mr. Speaker, I rise today in support of the conference agreement to H.R. 2401, the fiscal year 1994 DOD Authorization Act, and to commend the distinguished chairman of the House Armed Services Committee, Mr. DELLUMS for his hard work, and outstanding stewardship of the committee in his first conference as chairman. This conference agreement we are about to vote on is an excellent example of the direction that our Nation needs to take in the post-cold-war era. While authorizing $2.6 billion less than the administration's fiscal year 1994 request, and $12 billion less than fiscal year 1993 appropriations, the conference agreement continues to allow for sound investment in our post-cold-war military needs.

I want to take this opportunity to call your attention to an extremely important provision of the bill which would allow for the transfer of surplus real property at military bases to the local communities for the purposes of economic development. I commend the Department of Defense for its efforts to work out a suitable agreement for transferring the requested parcels of land at Fort Ord, CA, between all parties, and I thank the distinguished chairman of my committee for his guidance and assistance in this process, as well as for his strong support for seeing this initiative through, as illustrated in our earlier colloquy. The conference agreement before us will make possible the transfer of certain parcels of property at Fort Ord, CA, to the California State University [CSU] and the University of California [UC], for the purposes of developing a 4-year campus at the Fort Ord site, with a focus on the marine and environmental sciences, in conjunction with a science, research, policy and development center, focusing on the development of environmental remediation technology for use in the cleanup of former military bases. This provision in the conference agreement will make it possible to lay the foundation for the development of the Monterey Bay region as a world center for marine and environmental science and technology. While highlighting the marine environment of California's central coast, including the newly established Monterey Bay National Marine Sanctuary, this provides unparalleled opportunities to use our region's natural resources including the sanctuary, as a marine laboratory. In addition to providing viable economic growth opportunities for the impacted Fort Ord region, this project is evolving into a model success of defense base reuse, through a joint education/research venture which will provide for the development of public/private partnerships and alliances, through facilitating collaborative research opportunities and providing an interface between science, technology and policy, a most worthwhile endeavor.

Ms. SNOWE. Mr. Speaker, I rise in support of the Defense Department authorization conference report, and would like to specifically point out several provisions under the defense conversion title that will help ensure that the Federal Government lives up to its responsibility to assist communities adversely impacted by the base closure and realignment process.

Everyone in this body understands the terrible economic dislocation which results from military base closures. Many of our bases are located in rural areas whose economies are largely dependent on the stimulus provided by the base. I speak from firsthand experience in this matter. Loring Air Force Base, in the district which I represent in northern Maine, is one of these bases.

The language approved by the conferees on the conveyance of base property is based on my amendment that was adopted by the House. My amendment allowed the Department of Defense to convey the property at closing military bases—specifically naming Loring Air Force Base, the military installations in Charleston, SC, the Naval Air Station and Depot in Alameda, CA, and Gentile Air Force Station in Ohio, in a pilot project—to the local redevelopment authorities without consideration. It would have permitted those designated organizations responsible for the reuse of a base to negotiate and/or solicit contracts for post-closure activities confident in the knowledge that the base will be turned over to them after it closes.

The conferees amended my language to give the Secretary of Defense the discretion to transfer some or all of a closing military base property that would provide special help for rural communities in facing their economic redevelopment challenges. The new conveyance language contained in this conference report is intended to allow the Secretary of Defense to transfer Loring's base property at no cost to the Loring Development Authority for the purpose of community redevelopment.

The language also requires the Secretary to develop criteria to be looked at—including the economic impact of closure on the community, the financial condition of the community and the prospects for redevelopment. When Loring closes in September of 1994, the local economy will lose $70 million a year. This is about 25 percent of the economic activity in Aroostook County. The loss of Loring will be economically devastating and nearly 10,000 jobs will be at risk or simply lost. About 900 civilian and 3,000 military personnel are employed at the base, funnelling more than $130 million annually into the Maine economy. Another 6,000 civilian jobs are supported by the base, generating a total of $240 million annually in personal income.

The language in the conference report will maintain the ability of rural communities facing base closure, like Loring, to help plan for their own future. After all, it is the local community that bears the brunt of closure and they should be given the tools—which in some cases includes the base property—to rebuild their economy.

Another critical provision of this bill establishes a contracting preference for local businesses in the vicinity of bases facing closure or realignment.

There are currently no laws or regulations which require the Defense Department to give preference for closure-related contracts to

local contractors. Thus, under the status quo, the DOD cannot legally give special consideration to businesses near a base selected for closure, even if the business is fully capable of performing the work at a competitive price.

DOD regulations, as well as the Small Business Act, do establish small business set asides on certain jobs, but small businesses everywhere can apply for these contracts. There is no provision in the DOD's current regulations that explicitly gives preference to local businesses on small business set-asides.

The result of the present regulations on contracting is that perfectly qualified local businesses lose out on contracts to firms outside of the State. In fact this has happened at Loring. Earlier this year, a contract for constructing a landfill cover—a basic construction contract—was awarded to a firm in Michigan despite the presence in Northern Maine of several contractors who were capable of doing the work competently at a fair price. This kind of contracting policy makes no sense and it is grossly unfair to qualified local businesses facing the dire economic prospects of base closure.

To remedy the problems inherent in DOD contracting policy, I offered an amendment to the House version of H.R. 2401 which would establish a primary preference for local businesses in the vicinity of bases scheduled for closure or realignment; small businesses were also mentioned for special consideration. This amendment was accepted by the House.

Recognizing the problems with current DOD contracting policy, the conference has wisely retained my provision on local contracting preference. The conference report gives primary preference for contracts related to closure or realignment to businesses located in the vicinity of the installation. Small businesses and small disadvantaged businesses will also receive special consideration, but the language gives qualified local businesses the first preference.

The specific intent of the language is to avoid situations in the future where qualified local businesses lose out on closure-related contracts to businesses located far from the installation, not because these businesses are incapable of competently performing the work at a reasonable price, but because of flawed DOD contracting policy. With passage of H.R. 2401 and its provision on local contracting preferences, qualified local businesses—and in particular small and small disadvantaged businesses in the vicinity of the installation—will now have meaningful opportunities to win contracts. This provision will help local businesses survive the aftermath of base closure.

Base closure, or the impending closure of a base, is a traumatic experience for local economies and businesses. Communities that suddenly lose their economic lifeline need help to adjust and recover. The property conveyance and local contracting provisions of H.R. 2401 will reaffirm the Federal Government's responsibility to communities affected by base closure and help them weather the difficult economic transition.

Mr. HANSEN. Mr. Speaker, as the world's focus shifts away from super power military confrontation, America's role in humanitarian efforts around the world is in the spotlight. The C–17 Globemaster III airlifter substantially enhances this country's ability to lend assistance on a global basis.

In Somalia, for example, the C–17 could have used more airfields than the existing long-range airlifters—C–5 and C–141. It also could have allowed more cargo to be unloaded at major airfields such as Mogadishu, because four C–17s could have maneuvered into and parked on the same ramp that could only accommodate one C–5 and one C–141.

In the Alaskan oilspill, 17 C–5s and 2 C–141s were used to move oil cleanup equipment to Elmendorf Air Force Base near Anchorage. That equipment then had to travel 9 to 14 hours on the road to Valdez, a lengthy delay when the first 24 hours after a spill is critical to containing environmental pollution. Twenty-one C–17s could have delivered the same equipment directly into Valdez airport, eliminating the delays for ground travel time, and potentially preventing much of the spilled oil from spreading to the shoreline.

In Bosnia and Herzegovina, the airport at Mostar is normally long enough to accommodate any United States airlifter. However, the fighting there has cratered the runway, effectively cutting the runway in half, leaving less than 3,700 feet for operations. The C–17 could be able to deliver humanitarian aid and outsize equipment to assist relief operations to Mostar. Only the much smaller C–130 could operate at Mostar, and is not capable of delivering outsize equipment.

In the Armenian earthquake, C–17s could have been used to fly rescue teams and relief supplier directly to Armenia, rather than stopping in Turkey and unloading C–5s and loading C–141s for the final flight into Armenia. That capability would have gotten rescue teams on site on the first critical day to save lives, rather than 1 day later. The cargo and supplies could have been moved in 13 C–17 missions rather than the 32 missions that were flown with the C–141 and C–5s.

The C–17 is well suited to humanitarian operations. In the case of disaster relief operations such as earthquakes and floods, the C–17 could deliver large earthmovers and bulldozers too large for the C–130 and C–141 into small airfields—or damaged airfields—near the disaster area that are denied to the larger C–5. On the same mission, the C–17 could be quickly reconfigured to carry injury victims out of the area on the return flight, eliminating the need for a separate medical evacuation aircraft.

Because it was designed to operate from small, austere airfields, the C–17 could use landing strips without substantial ground support facilities that would be needed for other large aircraft. In addition, the designed-in reliability and maintainability would make it less likely that the C–17 would suffer a breakdown while on a humanitarian/disaster relief mission.

In addition, the C–17 is less expensive to fly—36 percent less per million ton-mile delivered than the C–141 and 19 percent less than the C–5. It requires fewer air crew and maintenance personnel, which means less additional cost for support of personnel during an operation. Lower maintenance costs mean the C–17 can be used more often and for more hours without increasing maintenance costs compared to current airlifters.

Whether for humanitarian efforts to save starving people in less developed nations of the world or to carry large equipment to react quickly to natural disasters, the C–17 is an ideal aircraft. Its ability to carry large equipment and cargo loads directly to small fields or primitive landing areas enhances the Nation's ability to respond to humanitarian needs in this country and abroad. It can perform these missions at less cost to the taxpayer.

Mr. STARK. Mr. Speaker, the 1994 National Defense Authorization Act, H.R. 2401, contains three important amendments on nuclear nonproliferation.

First, the McCloskey-Stark-McCurdy amendment establishes a comprehensive integrated strategy to stop the spread of nuclear weapons. Today, the United States faces many new nuclear dangers, including:

North Korea refuses international nuclear inspections and may have enough plutonium for several nuclear weapons;

Ukraine continues to refuse to accede to the Nuclear Non-Proliferation Treaty [NPT] as it promised to do when it signed the Lisbon Protocols to the Start I treaty, potentially undermining the extension of the NPT in 1995;

Rumors persist about leakage of nuclear materials and technology from the New Independent States of the former Soviet Union;

China continues to assist nuclear and missile programs in countries like Pakistan and Iran, in violation of its repeated promises. The PRC recently conducted a nuclear test, ending the international testing moratorium;

Iran is aggressively seeking a nuclear weapons capability. Tehran is acquiring an advanced nuclear infrastructure, despite its immense reserves of oil and natural gas;

Iraq refuses to fully comply with the UN inspectors' demands on dismantling its nuclear weapons program;

India and Pakistan, who have fought three wars in the past, both have small nuclear arsenals that they can assemble on short notice; and

Britain, France, Japan, and Russia plan to produce hundreds of tons of plutonium for nuclear power over the next several decades, a costly energy policy that will create proliferation opportunities for terrorist groups and rogue-states like Iran and Libya.

All of this occurs at a crucial time, with the NPT coming up for review and extension in 1995. The United States needs a comprehensive nonproliferation policy to ensure a lengthy extension of the NPT and to address the treaty's weaknesses. The McCloskey-Stark-McCurdy amendment is the Congressional vision of how to accomplish these goals. The amendment had the bi-partisan support of the House Committees on Armed Services and Foreign Affairs. It sets forth a series of policy goals, including—

Successfully concluding all pending nuclear arms control agreements with all republics of the former Soviet Union;

Strengthening the International Atomic Energy Agency and improving nuclear export controls;

Utilizing diplomatic and regional security initiatives to reduce the incentives for non-nuclear countries seeking to acquire nuclear weapons;

Supporting indefinite extension of the Nuclear Non-Proliferation Treaty and conclusion of a comprehensive nuclear test ban treaty [CTB];

Reaching agreement with the Russian Federation to not produce new types of nuclear warheads and supporting a global ban on production of weapons-usable fissile material; and

Pursuing a multilateral agreement to significantly reduce the strategic nuclear arsenals of all nuclear powers.

The amendment also requires a report from the administration that addresses the policy implications of an adoption of a United States policy of no-first-use of nuclear weapons and of a verifiable bilateral agreement with the Russian Federation, to be extended to all nuclear weapon states, under which both countries would dismantle all tactical nuclear weapons.

Together, these policies will close dangerous loopholes in existing international efforts against proliferation, while helping to garner the political support necessary from developing countries to extend the NPT.

The amendment calls for the Clinton administration to pursue a permanent fissile material production ban for military or civilian purposes, with all stockpiles placed under bilateral or international controls and all nuclear facilities of all countries placed under IAEA safeguards. This would cost millions of dollars but is far cheaper than the billions some propose spending on ballistic missile defense.

The only real barrier to building the bomb is getting the necessary few pounds of plutonium or highly enriched uranium. The more fissile material in circulation, the greater chance some will wind up in the hands of rogue-states or terrorists. A fissile material cut-off would close the NPT loophole that allows a North Korea or Iraq to produce bomb-usable material legally, and then withdraw from the treaty on short notice.

Last year, President Bush announced a unilateral fissile material production halt for U.S. weapons. A ban on fissile materials would not adversely effect the United States which long ago gave up plans to use plutonium in nuclear power reactors as dangerous and uneconomical. But India, for instance, which objects to the NPT as discriminatory, would have a hard time not joining such a universal agreement that treats all countries equally.

The amendment requires the President to report on the issue of "no first use." Keeping the option of nuclear "first use" open may have made sense during the cold war, when NATO feared being overrun by the Warsaw Pact's tanks. Today, the United States is the world's only conventional military superpower. Waving our nukes at Saddam or North Korea's Kim only demonstrates to these tyrants the bomb's value—i.e., if they had it, the United States would not feel so free to threaten them.

The United States should propose a multilateral agreement formally binding all nuclear weapons states not to be the first to use nuclear weapons. At the same time, positive assurances of aid in case of nuclear attack should be offered but only to NPT parties, creating strong incentive to join the treaty.

The McCloskey-Stark-McCurdy amendment once again puts Congress on record supporting a CTB and emphasizes the importance of a test ban in achieving our other nonproliferation goals. The CTB is critical to selling nonnuclear powers on a long-term extension of the NPT. The essential deal in the 1960's treaty was that the nuclear weapons states would eventually eliminate their nuclear arsenals in exchange for the rest of the world not developing them. At previous NPT review conferences, many developing nations argued that a test ban is the minimal step required for the nuclear states to meet their end of the bargain.

The amendment also calls for further strategic nuclear reductions. After START I & II are ratified, the administration should seek a multilateral START III agreement to cut United States and Russian strategic arsenals to lower levels, perhaps in the range of 1000–2000 each, with lower levels for other nuclear countries. This level, proposed by the National Academy of Sciences in 1991, would retain strategic stability while reducing the risks of an accidental nuclear launch—and save billions of dollars as well. Finally, we should make clear that we will seek further verifiable reductions as international relations improve.

While many of these agreements have been elusive individually, they are easier to negotiate as part of a package in which all nations take on some additional restraints. If pursued seriously over the next 1½ years, these agreements should generate sufficient international support for a long-term and possible indefinite extension of the NPT, for a bolder and more aggressive IAEA—which could catch potential nuclear cheats like Iraq or North Korea, and for more stringent nuclear export controls to hinder would-be proliferators like Iran.

President Clinton has embraced many of the goals set forth in this amendment. I am hopeful that he will heed the call of Congress, and pursue a truly comprehensive strategy on stopping the spread of nuclear weapons.

A second amendment in H.R. 2401 addresses the immediate proliferation threat of North Korea. The amendment urges President Clinton, United States allies, and the U.N. Security Council to keep pressure on North Korea until it comes clean on its nuclear program. It also calls for the international community to press for more talks between North and South Korea to denuclearize the Korean peninsula, which will help reduce tensions in the region.

Finally, the Defense Authorization Act focuses on one other pressing nuclear proliferation issue—the plans of Britain, France, Japan, and Russia to produce tons of plutonium for commercial nuclear power. In the next few weeks, Britain will decide whether to start up its Thermal Oxide Reprocessing Plant [THORP]. THORP is expected to produce 59 tons of plutonium over the next 10 years. There is heated debate on this issue in Britain because the plant is uneconomical after the first decade and may require taxpayer subsidies even before then. The United Kingdom's energy and budget policies are not our business, but the United States does have the right to express concern about the proliferation and environmental threats posed by THORP. Leading scientists have pointed out that international safeguards cannot detect thefts or diversions of even large amounts of plutonium from a plant the size of THORP. There is the very real possibility that a terrorist group or rogue-state, working with a contact inside the plant, could acquire enough plutonium for several dozen nuclear bombs and no one would know. The President should let the British know that THORP is an unreasonable and unacceptable threat to United States national security.

The Kennedy-Pelosi-Stark amendment in H.R. 2401 calls on President Clinton to do just that. The amendment says the President should take action to encourage Britain and other countries from starting up plutonium production facilities. President Clinton himself recently acknowledged the dangers of plutonium in a letter to Congress. The President said: "The United States does not encourage the civil use of plutonium. Its continued production is not justified on either economic or national security grounds, and its accumulation creates serious proliferation and security dangers." Given the President's concerns and the strong statement of Congress on the dangers of plutonium, I am hopeful that the administration will forcefully address this issue.

Mr. Chairman, I wish to thank the distinguished chairman of the Armed Services Committee, the gentleman from California, the distinguished ranking member of the committee, the gentleman from South Carolina, the distinguished chairman of the Foreign Affairs Committee, the gentleman from Indiana, and the distinguished ranking member of that committee, the gentleman from New York, for their support for these amendments and leadership on this important issue.

Mr. PICKLE. Mr. Speaker, I have high regard for the Defense authorization bill conference report, however, I want to make known my concern for a certain provision. I signed the report as a House Ways and Means Committee conferee on section 653, 705, and 1087 of the Senate amendment, and modification committed to conference. My concern is for the provision that ties the President's hands on trade embargoes to Serbia and Montenegro. I do not think it is right to restrict our President in making such decisions in foreign policy. I am aware that there is a waiver provision allowing the President to remove the sanctions only if our national security is threatened and other specified waiver conditions are met. I would hope that this type of restrictive action does not set a precedent because the President needs as much latitude as possible when dealing in foreign policy.

Mr. HAMILTON. Mr. Speaker, I rise in support of the conference report to accompany H.R. 2401, authorizing appropriations for the Department of Defense for fiscal year 1994.

The Committee on Foreign Affairs has jurisdiction over many of the provisions incorporated in this conference report. I would like to commend my good friend from California [Mr. DELLUMS] the chairman of the Armed Services Committee, and the ranking minority member [Mr. SPENCE] for their extraordinary efforts in working out the literally thousands of issues that were in disagreement between the House and the Senate in the context of this bill.

I would note, however, that there are several provisions in the conference report that remain of some concern to the Committee on Foreign Affairs. I insert a letter detailing these provisions in the RECORD at this point:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, November 15, 1993.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: We write in reference to H.R. 2401, the Department of Defense Authorization Act, Fiscal Year 1994, which was approved by the House on September 29, 1993, and the Senate amendment thereto, which was approved on September 7, 1993.

As you know, the Committee on Foreign Affairs has legislative jurisdiction over multiple provisions in this legislation. As conferees, we have signed the conference report on the bill, but we do so with reservations about the process, as well as several provisions. As outside conferees, we are vastly outnumbered on the conference committee. Thus, attempts to make changes in legislation in areas of importance to us, and well within our committee's jurisdiction, were difficult.

Specifically, we are concerned about the final language in the conference report on sections 547 and 1041 of the Senate amendment and sections 1041, 1047, and 1056 of the House bill. We address each below in the order of priority.

Senate section 1041 provides authority for the United States to use Department of Defense funds to pay U.S. peacekeeping assessments to the United Nations. The provision maintains language, included in existing law last year, that is intended to preclude use of this transfer authority. In conference, the provision was revised to include additional limitations on the use of such funds, without clarification that the United States is one of the U.N.'s largest debtors. In short, none of our suggested changes on the provision in the bill most important to United States foreign policy were accepted.

House section 1041 requires a detailed report to the Congress 30 days before U.S. forces were to be placed under the operational control of a foreign commander. Wesought changes in this provision, removing the requirement for a prior report and adding expressions of the sense of the Congress that consultation and notification by the executive branch should occur before such decisions were made. These provisions incorporate our views on the necessity for timely consultations as prerequisite for the making of a better U.S. foreign policy. Yet, in the end, the provision was dropped in its entirety and replaced by report language discussing planned war powers reviews by the House and the Senate. While we support the war powers reviews both Houses will undertake, we do not see those reviews as a substitute for this provision.

Section 1056 of the House bill requires a report by the Secretary of Defense on the effect of the increased use of dual-use and commercial technologies on the ability of the United States to control exports of such items. This section was part of an amendment that Chairman Dellums offered on the floor during consideration of the bill (Amendment No. 112). The Committee did not separately request conferees for this item because it considered its request covered by the request for conferees on the Dellums' amendment. We were not named as conferees, however, on section 1056, which was further expanded in conference. Thus, the Committee on Foreign Affairs had no role at all in the crafting of legislative language which will affect areas solely within its legislative jurisdiction.

Section 1047 of the House bill expresses the sense of Congress regarding U.S. plutonium policy. We specifically requested conferee status on this section. Our request was denied because the language, on its face, did not reference U.S. policy toward foreign countries that processed plutonium and thus could be construed as an entirely domestic provision relating only to plutonium processing in the United States. We argued at that time that the section should be interpreted to reference plutonium processing plants worldwide. In conference, the section was changed to make explicit its reference to plutonium processing activities in foreign countries and the effect of such activities on weapons proliferation. Again, the Committee on Foreign Affairs was denied any opportunity to affect such language because we were not named as conferees to this section.

Finally, Senate section 547 provides congressional consent to service by retired members of the U.S. Armed Forces in the military forces of newly democratic nations. We requested that this provision require that the executive branch notify the Congress before it makes its decisions on individual cases. The provision includes a notification requirement, but does not specify that such notification must precede the final executive branch determination on the case.

We understand that there is no specific action that can be taken at the time to address these concerns. We wish in this letter to record our concerns with a process that has hampered our ability to influence foreign policy issues of intense interest to our committee.

We believe that the Committee on Foreign Affairs should have sole conferee status on future defense authorization bills on issues in the sole jurisdiction of the Committee on Foreign Affairs and an equal number of conferees when the Committee on Foreign Affairs Committee and the Committee on Armed Services are joint conferees. Only in such a manner can foreign affairs issues be addressed satisfactorily in future years. We hope that we can work together in support of a better outcome in the next legislative cycle.

Thank you for your consideration of this matter.

With best regards,

Sincerely,

LEE H. HAMILTON,
Chairman.

BENJAMIN A. GILMAN,
Ranking Member.

Ms. WOOLSEY. Mr. Speaker, I rise today to vote against this conference report because I object to the excessive levels of defense spending—spending that is wasteful in the post-cold-war era. I am also opposed because of the offensive language restricting gays and lesbians in the military.

Twenty-five years ago, as a human resources director of a high-technology manufacturing firm, I instituted a strict policy of nondiscrimination on the basis of sexual orientation.

I am appalled that, all these years later, I find myself in the Halls of Congress trying to do the same thing—preparing Congress for the 21st century.

I do not support the don't-ask/don't-tell/don't-pursue policy. I say don't ask me to support it, don't tell me that it's fair, and don't pursue it without rewriting it.

I say to my colleagues that this is an issue of civil rights at its most basic level. Until every man and woman has the same opportunity to serve their country unencumbered by the prejudices of others, America is not truly the land of the free.

Ms. FURSE. Mr. Speaker, as a member of the Armed Services Committee, I want to comment on the fiscal year 1994 Defense Authorization Act which the House has just passed. As a new Member of Congress, I was involved in a number of initiatives in my first authorization bill.

I am particularly pleased that the conference report contains a provision I authored banning research and development of low-yield nuclear weapons, commonly referred to as mininukes. I especially appreciated the support of Chairman DELLUMS, Military Application of Nuclear Energy Panel Chairman SPRATT, and Representative STARK in gaining passage of this historic prohibition. This is the first time the United States has established a permanent unilateral ban of an entire class of nuclear weapons.

In addition, I am pleased that this bill contains three other provisions I initiated. One establishes the goal that 5 percent of Department of Energy defense programs' contracts be granted to small disadvantaged businesses and historically black colleges and universities and minority institutions. Another provision provides $1.75 million in ARPA funding to complete development and conduct an evaluation and test of the advanced landing system, which will make smaller airports and remote locations instrument accessible. Finally, the national shipbuilding initiative is an important step to spur activity in our shipyards. It was a pleasure to work on this section as a member of the Merchant Marine and Fisheries Committee, and I spearheaded an effort to enable broader participation in the Loan Guarantee Program by reducing the tonnage limitation to 5,000 gross weight tons.

It is a real pleasure to serve on the Research and Technology Subcommittee with Chairwoman SCHROEDER. I was pleased to cosponsor and advocate for her provision establishing the Defense Women's Health Research Center. It is high time we make the investments necessary to support the women who now make up 11 percent of our Armed Forces.

The field of supercomputing is one that is vital to future growth and development; it is especially important in my district, known as the Silicon Forest with its multitude of high-technology firms. I am pleased that, in great part due to my efforts on the House side, this bill enables open competition for funding among the vendors of various architectures. We need to have maximum flexibility and allow buyers to choose the supercomputer type most suited to their requirements.Another important item which I advocated for in this bill is the establishment of a pilot program to use National Guard personnel in medically undeserved communities. My State, Oregon, would be one site for this pilot program.

Important arms control items in the bill I worked for include Representative EVANS' 3-year extension of the export moratorium on antipersonnel land mines and $10 million to assist nations in clearing land mines; Representative MEEHAN's provision withholding 20 percent of the funding for theater missile defense until the President certifies that he has asked our allies to share in those development

costs; Representative STARK's nonproliferation policy guidelines calling for further reductions in nuclear weapons, a strengthened International Atomic Energy Agency, and achievement of a comprehensive nuclear test-ban treaty; and Representative DANNER's ban on funding for the Safeguard-C Program which conducts atmospheric, space, and oceanic nuclear tests prohibited by the 1968 Limited Test Ban Treaty.

I am pleased with the $3.3 billion we provided in this bill for economic conversion. However, I am disappointed that my House-passed proposal that defense contractors be urged to develop conversion plans was not accepted in the final bill. I will introduce additional legislation next year addressing the need to diversify our defense-dependent industrial base to move viable work in the post-cold-war era.

The emphasis in this bill on environmental cleanup—with its $10.8 billion in funding—is consistent with my focus on the importance of environmental technology. The improvements we made in quality-of-life programs for our personnel, including a pay raise, are also important.

At the end of day, however, I still believe that this bill's price tag is too high. The Department of Defense accounts for over half our discretionary spending. The cold war has ended, and we must establish a more appropriate balance between defense spending and our Nation's other pressing needs. I am willing to spend every penny necessary for a sound national defense, but I am not willing to spend 1 penny more. This budget does not yet accurately address the real security needs of the United States for the 21st century.

In addition, I am disappointed that this bill codifies the ban on gays 'serving in the military. We know gays and lesbians serve with distinction now, and we have the most capable Armed Forces in the world. We need to be realistic and recognize the great contribution being made by all the members of our Armed Forces.

I have tremendous respect for Chairman DELLUMS, and I look forward to working with him in future years as we continue to bring about affordability in our defense spending.

Mrs. SCHROEDER. Mr. Speaker, as chairwoman of the Research and Technology Subcommittee of the House Armed Services Committee, I want to comment further on one aspect of the fiscal year 1994 Defense Authorization Act. The act includes funding for technical risk reduction and engine development for the Marine Corps advanced amphibious assault vehicle program. The conferees consider this program central to providing an enhanced amphibious assault capability for the Marines. The propulsion system is one of the primary areas of risk to the system's successful development.

For several years, the authorizing committees have strongly supported the development of advanced engine technology for the advanced amphibious assault vehicle in the form of the stratified charge rotary engine. The conference report on the fiscal year 1994 defense authorization includes an increase of $5.9 million to continue this development. Regardless of the funding level established for the advanced amphibious assault vehicle program, we believe that the Marine Corps must continue work on the stratified charge rotary engine and other engine technologies until a choice among the competing propulsion systems can be made on the basis of actual testing of the full scale propulsion system. It is too early in the development, the required engine testing has not been completed, and the risk is too great to reduce the program to consideration of a single engine candidate.

Mr. DELLUMS. Mr. Speaker, I yield back the balance of my time.

Mr. SPENCE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CARDIN). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DELLUMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 273, nays 135, not voting 25, as follows:

[Roll No. 565]

YEAS—273

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Ballenger
Barca
Barcia
Barrett (WI)
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Camp
Cantwell
Cardin
Carr
Castle
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (MI)
Condit
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gonzalez
Goodling
Gordon
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Hoyer
Hughes
Hutto
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McHale
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Miller (FL)
Mineta
Mink
Moakley
Montgomery
Moran
Murphy
Murtha
Natcher
Neal (MA)
Neal (NC)
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rangel
Ravenel
Reed
Reynolds
Richardson
Ridge
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sangmeister
Sarpalius
Saxton
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spratt
Stark
Stenholm
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Weldon
Whitten
Williams
Wilson
Wyden
Wynn
Yates

NAYS—135

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Calvert
Canady
Coble
Collins (GA)
Collins (IL)
Combest
Conyers
Cox
Crane
Crapo
Cunningham
DeFazio
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (CA)
Everett
Ewing
Fawell
Fields (TX)
Fish
Franks (CT)
Franks (NJ)
Gallo
Gilman
Gingrich
Goodlatte
Goss
Grams
Hamburg
Hancock
Hansen
Hastert
Hefley
Herger
Hoekstra
Hoke
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Johnson, Sam
Johnston
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Margolies-Mezvinsky
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Minge
Molinari
Moorhead
Morella
Myers
Nadler
Nussle
Oberstar
Obey
Packard
Paxon
Penny
Petri
Pombo
Rahall
Ramstad
Regula
Roberts
Rogers
Rohrabacher
Santorum
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Thomas (WY)
Walker
Washington
Wolf
Woolsey
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—25

Barlow	Foglietta	Sawyer
Brooks	Furse	Shuster
Callahan	Gillmor	Slattery
Chapman	Glickman	Stokes
Clement	Hayes	Thomas (CA)
Cooper	Mollohan	Wheat
Engel	Payne (NJ)	Wise
Fingerhut	Roukema	
Flake	Sanders	

□ 1911

The Clerk announced the following pairs:

On this vote:

Mr. Wheat for with Mr. Sanders against.

Mr. Foglietta for with Mr. Thomas of California against.

Mr. Glickman for with Ms. Furse against.

Ms. DUNN and Mr. FISH changed their vote from "yea" to "nay."

Mr. CLAY changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, I was unavoidably detained for rollcall vote 565. If I was present, I would have voted "yes."

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 2401.

The SPEAKER pro tempore (Mr. CARDIN). Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on the motion to suspend the rules on which further proceedings were postponed earlier today.

NEGOTIATED RATES ACT OF 1993

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2121, 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 West Virginia [Mr. RAHALL] that the House suspend the rules and pass the bill, H.R. 2121, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LIPINSKI. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 292, noes 116, not voting 25, as follows:

[Roll No. 566]

AYES—292

Ackerman	Gibbons	McKeon
Allard	Gilchrest	McMillan
Andrews (TX)	Gingrich	Meehan
Applegate	Gonzalez	Meyers
Archer	Goodlatte	Mica
Armey	Goodling	Michel
Bacchus (FL)	Gordon	Miller (FL)
Bachus (AL)	Goss	Mineta
Baesler	Grams	Minge
Baker (CA)	Grandy	Molinari
Baker (LA)	Greenwood	Montgomery
Ballenger	Gunderson	Moorhead
Barca	Hall (TX)	Moran
Barcia	Hamilton	Morella
Barrett (NE)	Hancock	Murphy
Barrett (WI)	Hansen	Murtha
Bartlett	Harman	Myers
Barton	Hastert	Natcher
Bateman	Hefley	Neal (NC)
Beilenson	Hefner	Nussle
Bentley	Herger	Obey
Bereuter	Hinchey	Ortiz
Bevill	Hoagland	Orton
Bilbray	Hobson	Oxley
Bilirakis	Hoekstra	Packard
Bliley	Hoke	Parker
Blute	Horn	Pastor
Boehlert	Houghton	Paxon
Boehner	Huffington	Payne (VA)
Bonilla	Hunter	Penny
Borski	Hutchinson	Peterson (FL)
Boucher	Hutto	Petri
Brewster	Inglis	Pickett
Browder	Inhofe	Pickle
Brown (CA)	Istook	Pombo
Bunning	Jacobs	Pomeroy
Burton	Johnson (CT)	Porter
Buyer	Johnson (GA)	Portman
Calvert	Johnson (SD)	Price (NC)
Camp	Johnson, Sam	Pryce (OH)
Canady	Kanjorski	Quillen
Cantwell	Kasich	Quinn
Castle	Kennelly	Rahall
Clinger	Kim	Ramstad
Clyburn	King	Ravenel
Coble	Kingston	Reed
Collins (GA)	Kleczka	Regula
Combest	Klein	Richardson
Condit	Klink	Ridge
Cox	Klug	Roberts
Cramer	Knollenberg	Roemer
Crane	Kolbe	Rogers
Crapo	Kreidler	Rohrabacher
Cunningham	Kyl	Ros-Lehtinen
Darden	Lambert	Rose
de la Garza	Lancaster	Roth
Deal	LaRocco	Rowland
DeLay	Laughlin	Royce
Derrick	Lazio	Santorum
Diaz-Balart	Leach	Sarpalius
Dickey	Levin	Saxton
Dingell	Levy	Schaefer
Dixon	Lewis (CA)	Schenk
Dooley	Lewis (FL)	Schiff
Doolittle	Lightfoot	Schroeder
Dornan	Linder	Sensenbrenner
Dreier	Livingston	Sharp
Duncan	Lloyd	Shaw
Dunn	Long	Shays
Edwards (TX)	Machtley	Shepherd
Emerson	Maloney	Sisisky
English (OK)	Manzullo	Skaggs
Eshoo	Margolies-Mezvinsky	Skeen
Everett	Markey	Skelton
Ewing	Martinez	Slaughter
Fawell	Matsui	Smith (IA)
Fields (TX)	Mazzoli	Smith (MI)
Fish	McCandless	Smith (NJ)
Ford (TN)	McCollum	Smith (OR)
Fowler	McCrery	Smith (TX)
Frank (MA)	McCurdy	Snowe
Franks (CT)	McDade	Solomon
Franks (NJ)	McDermott	Spence
Gallegly	McHale	Spratt
Gallo	McHugh	Stearns
Gekas	McInnis	Stenholm
Geren		Studds
Stump	Thurman	Waxman
Sundquist	Torkildsen	Weldon
Synar	Torricelli	Whitten
Talent	Traficant	Williams
Tanner	Tucker	Wolf
Tauzin	Upton	Woolsey
Taylor (MS)	Valentine	Young (AK)
Taylor (NC)	Volkmer	Young (FL)
Tejeda	Vucanovich	Zeliff
Thomas (WY)	Walker	Zimmer
Thornton	Walsh	

NOES—116

Abercrombie	Gejdenson	Nadler
Andrews (ME)	Gephardt	Neal (MA)
Andrews (NJ)	Gilman	Oberstar
Becerra	Glickman	Olver
Berman	Green	Owens
Bishop	Gutierrez	Pallone
Blackwell	Hamburg	Pelosi
Bonior	Hastings	Peterson (MN)
Brown (FL)	Hilliard	Poshard
Brown (OH)	Hochbrueckner	Rangel
Bryant	Holden	Reynolds
Byrne	Hoyer	Rostenkowski
Cardin	Hughes	Roybal-Allard
Carr	Hyde	Rush
Clay	Inslee	Sabo
Clayton	Jefferson	Sangmeister
Coleman	Johnson, E. B.	Schumer
Collins (IL)	Johnston	Scott
Collins (MI)	Kaptur	Serrano
Conyers	Kennedy	Stark
Coppersmith	Kildee	Strickland
Costello	Kopetski	Stupak
Coyne	LaFalce	Swett
Danner	Lantos	Swift
DeFazio	Lehman	Thompson
DeLauro	Lewis (GA)	Torres
Dellums	Lipinski	Towns
Deutsch	Lowey	Unsoeld
Dicks	Mann	Velazquez
Durbin	Manton	Vento
Edwards (CA)	McCloskey	Visclosky
English (AZ)	McKinney	Washington
Evans	McNulty	Waters
Farr	Meek	Watt
Fazio	Menendez	Wilson
Fields (LA)	Mfume	Wyden
Filner	Miller (CA)	Wynn
Ford (MI)	Mink	Yates
Frost	Moakley	

NOT VOTING—25

Barlow	Foglietta	Sawyer
Brooks	Furse	Shuster
Callahan	Gillmor	Slattery
Chapman	Hall (OH)	Stokes
Clement	Hayes	Thomas (CA)
Cooper	Mollohan	Wheat
Engel	Payne (NJ)	Wise
Fingerhut	Roukema	
Flake	Sanders	

□ 1929

Mr. HYDE, Mr. HUGHES, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. DICKS changed their vote from "aye" to "no."

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.

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the Senate bill (S. 412) to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, 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. MENENDEZ). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 412

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 "Undercharge Equity Act of 1993".

SEC. 2. DETERMINATIONS OF REASONABLENESS OF CERTAIN RATES.

Section 10701 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Subject to paragraph (10) of this subsection, when a claim is made by a motor carrier of property (other than a household goods carrier) or by a nonhousehold goods freight forwarder, or by a party representing such carrier or freight forwarder, regarding the collection of rates or charges in addition to the rates or charges originally billed and collected by the carrier or freight forwarder, the person against whom the claim is made may elect to satisfy such claim under paragraph (4) or (5) of this subsection, upon showing that—

"(A) such carrier or forwarder is no longer transporting property or is transporting property for the purpose of avoiding the application of this subsection; and

"(B) as to the claim at issue, (i) the person was offered a transportation rate or charge by the carrier or forwarder other than the rate or charge legally on file with the Commission for that shipment, (ii) the person tendered freight to the carrier or forwarder in reasonable reliance upon the offered transportation rate or charge, (iii) the carrier or forwarder did not properly or timely file with the Commission a tariff providing for such transportation rate or charge or failed to execute a valid contract for transportation services, (iv) such transportation rate or charge was billed and collected by the carrier or forwarder, and (v) the carrier or forwarder demands additional payment of a higher rate or charge filed in a tariff.

Satisfaction of the claim under paragraph (4) or (5) of this subsection shall be binding on the parties, and the parties shall not be subject to chapter 119 of this title.

"(2) If there is a dispute as to paragraph (1)(A) of this subsection, such dispute shall be resolved by the court in which the claim is brought. If there is a dispute as to paragraph (1)(B) (i) through (v) of this subsection, such dispute shall be resolved by the Commission. Pending the resolution of any such dispute, the person shall not have to pay any additional compensation to the carrier or forwarder.

"(3) In the event that a dispute arises as to the rate or charge that was legally applicable to the shipment, such dispute shall be resolved by the Commission within 1 year after the dispute arises.

"(4) A person from whom the additional legally applicable tariff rate or charge is sought may elect to satisfy such claim if the shipment weighed 10,000 pounds or less, by payment of 20 percent of the difference between the carrier's or forwarder's legally applicable tariff rate or charge and the rate or charge originally billed and collected.

"(5) A person from whom the additional legally applicable tariff rate or charge is sought may elect to satisfy such claim if each shipment weighed more than 10,000 pounds, by payment of 10 percent of the difference between the carrier's or forwarder's legally applicable tariff rate or charge and the rate or charge originally billed and collected.

"(6) Notwithstanding paragraphs (4) and (5) of this subsection, when a claim is made by a carrier or forwarder described in paragraph (1)(A) of this subsection, or by a party representing such carrier or forwarder, regarding the collection of rates or charges in addition to the rate or charge originally billed and collected by the carrier or forwarder, and the person against whom the claim is made is a small-business concern or charitable organization, that person shall not be required to pay the claim and the claim shall be deemed satisfied. Satisfaction of the claim under this paragraph shall be binding on the parties, and the parties shall not be subject to chapter 119 of this title.

"(7) When a person from whom the additional legally applicable rate or charge is sought does not elect to use the provisions of paragraph (4), (5), or (6) of this subsection, the person may pursue all rights and remedies existing under this title.

"(8)(A) When a person proceeds under paragraph (7) of this subsection to challenge the reasonableness of the legally applicable rate or charge being claimed by the carrier or forwarder in addition to the rate or charge originally billed and collected, the person shall not have to pay any additional compensation to the carrier or forwarder until the Commission has made a determination (which shall be made within 1 year after such challenge) as to the reasonableness of the challenged rate or charge as applied to the shipment of the person against whom the claim is made. Subject to subparagraph (B) of this paragraph, the Commission shall require the person to furnish a bond, issued by a surety company found acceptable by the Secretary of the Treasury, or to establish an interest bearing escrow account.

"(B) The surety bond or interest bearing escrow account required under subparagraph (A) of this paragraph shall be set or established in an amount equal to—

"(i) 20 percent of the amount claimed by the carrier or forwarder for the additional rate or charge, in the case of a shipment weighing 10,000 pounds or less; and

"(ii) 10 percent of such claimed amount, in the case of a shipment weighing more than 10,000 pounds.

"(9) Except as authorized in paragraphs (4), (5), and (6) of this subsection, nothing in this subsection shall relieve a motor carrier or freight forwarder of the duty to file and adhere to its rates, rules, and classifications as required in sections 10761 and 10762 of this title.

"(10) If a carrier or forwarder or party representing such carrier or forwarder makes a claim for additional rates or charges as described in paragraph (1) of this subsection, the person against whom the claim is made must notify such carrier, forwarder, or party as to the person's election to proceed under paragraph (4) or (5) of this subsection. Such notification—

"(A) with respect to a claim made before the date of enactment of this subsection, shall be not later than the 30th day after such date of enactment; and

"(B) with respect to any claim not described in subparagraph (A) of this paragraph, shall be not later than the 60th day after the filing of an answer to a complaint in a civil action for the collection of such rates or charges, or not later than the 90th day after the date of enactment of this subsection, whichever is later.

"(11) In this subsection—

"(A) 'charitable organization' means an organization which is exempt from taxation under section 503(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 503(c)(3)); and

"(B) 'small-business concern' means a person who would qualify as a small-business concern under the Small Business Act (15 U.S.C. 631 et. seq.).".

SEC. 3. STATUTE OF LIMITATIONS.

(a) MOTOR CARRIER CHARGES.—Section 11706(a) of title 49, United States Code, is amended by striking the period at the end and inserting in lieu thereof the following: "; except that a common carrier providing transportation or service subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title—

"(1) must begin, within 24 months after the claim accrues, a civil action to recover charges for such transportation or service if such transportation or service is provided by the carrier on or after the date of enactment of this exception and before the date that is 1 year after such date of enactment; and

"(2) must begin such a civil action within 18 months after the claim accrues if such transportation or service is provided by the carrier on or after the date that is 1 year after such date of enactment.".

(b) MOTOR CARRIER OVERCHARGES.—Section 11706(b) of title 49, United States Code, is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "; except that a person must begin within 24 months after the claim accrues a civil action to recover overcharges from a carrier subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title for transportation or service taking place on or after the date of enactment of this exception and before the date that is 1 years after such date of enactment, and for transportation or service taking place on or after the date that is 1 year following such date of enactment, a person must begin such a civil action within 18 months after the claim accrues.".

(c) CONFORMING AMENDMENT.—Section 11706(d) of title 49, United States Code, is amended by striking "3-year period" each place it appears and inserting in lieu thereof "limitations period".

SEC. 4. TARIFF RECONCILIATION RULES FOR MOTOR COMMON CARRIERS OF PROPERTY.

(a) IN GENERAL.—Chapter 117 of title 49, United States Code, is amended by adding at the end the following new section:

"§ 11712. Tariff reconciliation rules for motor common carriers of property

"(a) Subject to Interstate Commerce Commission review and approval, motor carriers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title and shippers may resolve, by mutual consent, overcharge and undercharge claims resulting from billing errors or incorrect tariff provisions arising from the inadvertent failure to properly and timely file and maintain agreed upon rates, rules, or classifications in compliance with sections 10761 and 10762 of this title. Resolution of such claims among the parties shall not subject any party to the penalties of section 11901, 11902, 11903, 11904, or 11914 of this title.

"(b) Nothing in this section shall relieve the motor carrier of the duty to file and adhere to its rates, rules, and classifications as

required in sections 10761 and 10762, except as provided in subsection (a) of this section.

"(c) The Commission shall, within 90 days after the date of enactment of this section, institute a proceeding to establish rules pursuant to which the tariff requirements of section 10761 and 10762 of this title shall not apply under circumstances described in subsection (a) of this section.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 117 of title 49, United States Code, is amended by adding at the end the following:

"11712. Tariff reconciliation rules for motor common carriers of property.".

SEC. 5. EFFECTIVE DATE; APPLICABILITY.

(a) GENERAL RULE.—Except as provided in subsection (b), the provisions of this Act (including the amendments made by this Act) shall take effect on the date of enactment of this Act.

(b) APPLICABILITY OF SECTION 2.—The amendments made by section 2 shall apply to any proceeding before the Interstate Commerce Commission, and to any court action, which is pending or commenced on or after the date of enactment of this Act and which pertains to a claim arising from transportation shipments tendered any time prior to the date that is 18 months after such date of enactment. Unless Congress determines a continuing need for section 2 and enacts additional legislation, section 2 shall not apply to any such proceeding which pertains to a claim arising from transportation shipments tendered on or after the date that is 18 months following such date of enactment.

(c) REPORT.—The Interstate Commerce Commission shall submit a report to Congress, within 1 year after the date of enactment of this Act, regarding whether there exists a justification for extending the applicability of section 2 beyond the limitation period specified in subsection (b).

MOTION OFFERED BY MR. RAHALL

Mr. RAHALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. RAHALL moves to strike all after the enacting clause of the Senate bill, S. 412, and to insert in lieu thereof the provisions of H.R. 2121, 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.

The title of the Senate bill was amended so as to read: "A bill to amend title 49, United States Code, relating to procedures for resolving claims involving unfiled, negotiated transportation rates, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2121) was laid on the table.

PERSONAL EXPLANATION

Mr. CLEMENT. Mr. Speaker, as one of the first cosponsors of the original legislation when it was introduced in the 101st Congress, and as a cosponsor and strong supporter of H.R. 2121, had I been present I would have voted "yea" on final passage.

PERSONAL EXPLANATION

Mr. FINGERHUT. Mr. Speaker, due to personal family business, I was delayed in returning from the Veterans Day holiday. Accordingly, I missed two rollcall votes.

Mr. Speaker, I would ask that the RECORD reflect that on rollcall No. 565, I would have voted "aye," and on rollcall No. 566, I also would have voted "aye."

PERSONAL EXPLANATION

Ms. FURSE. Mr. Speaker, travel problems resulting from inclement weather prevented me from being present on the House floor for rollcall vote 565 and rollcall vote 566. Had I not been unavoidably detained, I would have voted "no" on rollcall 565 and "yes" on rollcall 566.

□1930

BUYING VOTES FOR NAFTA IS A NATIONAL DISGRACE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, this week here in Washington a very important debate about the future of jobs in North America and the United States will occur here in this House Chamber, and this debate should be on the merits of the agreement, whether it is what is right for our people, whether it is what is right for democracy building on the continent, whether it is right for the future of our country. In spending time in reading the legislation that is before us, however, what is truly tragic are the number of special deals that have been cut to literally buy votes in this institution. We, as a Nation, need to do better than this.

Tonight, Mr. Speaker, for the RECORD I am submitting the names of several individuals who have lobbied to cut these special deals from an article entitled, "Distorted Democracy. NAFTA, Revolving Doors and Deep Lobbying." Let me go through a few of these special deals tonight. These should not be in this agreement because basically what they represent is bought votes in this institution.

On page 183 of the agreement, lines 7 through 14, we hear about a new southwest regional animal health bio-containment facility, and such sums as are necessary to carry out this subsection are indicated. We are going to have to find the money for it somewhere down the road. I would like to know in which congressional district this new facility is going to go, how much it is going to cost and who is going to pay for it.

Then on page 271 of the agreement we have a new center for the study of Western Hemisphere trade. I do not know why we need a center. We have already passed a bill, if this thing goes through, to take care of trade. I would like to know in whose district in Texas this is going, and how much it is going to cost and where we are going to get the money.

And here is one that is really close to my heart because for years we have been trying to get the Japanese to pay their fair share of taxes in this country, and in this bill there is $17 million of tax forgiveness for Honda Motor Corp. Now my colleagues will remember when they did not follow the customs laws and they paid penalties, but all of a sudden on page 48 of the bill, and I cannot understand why this is in a trade bill, we have a nice little special deal where Honda Motor Corp. will have $17 million forgiven.

Now I say, "You have to be a pretty good attorney to understand this provision, but what is interesting is who happened to lobby it through: Howard Baker and Peter Wallison." Some estimate the firms could have been paid up to $1 million to get things fixed. What happened to candidate Clinton's promise to collect taxes from foreign multinationals, and why is this in this legislation if this is supposed to be a trade agreement?

Mr. Speaker, I hope Honda Motor Corp. writes me a letter tomorrow because I do not think the debate this week should have to do with who is able to cut special deals in this institution. We ought to have a clean bill. The Committee on Ways and Means ought to send a clean bill to this floor. This is outrageous, and the kind of stuff that is going on over at the White House is a disgrace to this Nation.

Mr. President, if you can't win votes on the merits, stop buying them.

[From the Multinational Monitor, October 1993]

DISTORTED DEMOCRACY—NAFTA, REVOLVING DOORS AND DEEP LOBBYING

(By Charles Lewis)

From 1989 to the present, Mexican government and business interests have spent at least $25 million in Washington to promote the development and enactment of NAFTA. Mexico has employed a veritable phalanx of Washington law firms, lobbyists, public relations companies and consultants. This number is conservative—the cumulative total as reported to the U.S. Department of Justice. Based on statements made to the Center for Public Integrity by the most knowledgeable Mexican NAFTA official in Washington, Mexican interests will spend an additional $5 million to $10 million to promote NAFTA in 1993, bringing Mexico's total NAFTA-related expenditures in Washington to more than $30 million by the time the dust settles.

Ironically, this massive effort has been waged by a country not known for its financial robustness. Before 1990, Mexico's spending on representation in Washington was mostly to promote tourism. In the context of lobbying by foreign interests on a specific issue, Mexico has mounted the most expensive, elaborate campaign ever conducted in the United States by a foreign government.

To comprehend the sheer dimension of this effort, it should be noted that to date, pro-NAFTA expenditures by Mexican interests already exceed the combined resources of the three largest, and best-known foreign lobbying campaigns waged in Washington during

the past quarter century: the operations mounted by South Korea during Koreagate, by Japanese interests during the Toshiba controversy, and by Kuwait following the Iraqi invasion.

Since 1989, to achieve maximum access to the U.S. political process, Mexican interests have hired at least 33 former U.S. government officials with experience throughout the federal government, from Congress to the White House, from the State Department to the Treasury Department. Some of those former officials include:

Bill Brock of the Brock Group. This former U.S. Trade Representative testified about trade issues before a Senate committee in 1991, made favorable comments about Mexico, but did not mention his financial ties to the Mexican government.

Timothy Bennett of SJS Advanced Strategies. This former Assistant U.S. Trade Representative who worked on U.S.-Mexican trade issues subsequently was retained by Mexican business interests regarding NAFTA.

Ruth Kurtz—This former International Trade Commission and Senate trade analyst was hired by Mexican business interests. She has had frequent contact with her former Capitol Hill colleagues, and organized several all-expense-paid trips for them to Mexico.

As a part of the unprecedented NAFTA campaign, during the past two years Mexican business interests have taken at least three members of Congress, a governor, and 48 congressional staffers on a dozen separate "fact-finding" trips to Mexico.

Two high-level appointments to the Clinton Administration, Charlene Barshefsky and Daniel Tarullo, have been paid by Mexican interests to do NAFTA-related work. But those are only the most recent Mexican connections to the Clinton administration.

After Mexico discovered George Bush might not win re-election, Bill Clinton and his thinking about NAFTA suddenly gained new urgency. Mexico began talking to Clinton campaign officials in the summer of 1992. Weeks after the election, two Clinton transition officials met with Mexico President Carlos Salinas' chief of staff, and on January 9, 1993, Salinas and Clinton met in Texas. The Mexican leader was the only head of state the President-elect saw during the transition period. At least two paid lobbyists for Mexico were on the Clinton transition team:

Joseph O'Neil of Public Strategies. This former top aid to Senator Lloyd Bentsen assisted the Treasury Secretary during the transition process. At the same time, he and his firm were on a six-figure retainer to Mexico.

Gabrielle Guerra-Mondragon of Guerra & Associates and TKC International. This former special assistant to the U.S. Ambassador to Mexico has been lobbying the Congress on behalf of Mexico, and while on retainer was also a Clinton transition advisor on national security issues.

Just as Mexican companies are aggressively promoting NAFTA, so too are U.S. companies. The U.S. business community has created a handful of new organizations and tapped some old ones to work on gaining support for the NAFTA. Because the disclosure laws are weak, it is difficult to calculate how much U.S. corporations and trade associations are spending in their effort to gain support for NAFTA. These groups are in contact with Mexican Embassy offices in Washington, and one key organization alone, USA*NAFTA, expects to spend at least $2 million.

Canada, despite its traditionally strong lobbying presence in Washington, has not been particularly aggressive or active in its efforts to promote NAFTA. Canada, of course, already has a trade agreement with the United States. Other factors that help explain Canada's "silent partner" role in NAFTA include the political fallout that Prime Minister Brian Mulroney suffered in the aftermath of the U.S.-Canada Free Trade Agreement and Canada's current recession.

By any measure, the anti-NAFTA forces have been financially "out-gunned" by the Mexicans and the U.S. business community in this lobbying effort—because of the poor quality of existing public records and lax disclosurerequirements it is impossible to gauge by precisely how much. But this motley collection of environmental and consumer groups, labor unions and conservative business organizations to date have spent a fraction of what NAFTA proponents have spent. In terms of grassroots organization NAFTA's opponents have millions of people's names on mailing lists, but it is unclear to what extent they have been contacted or organized regarding NAFTA. Meanwhile, the AFL-CIO has organized a few trips to Mexico for members of Congress, and three organizations which receive at least some labor money—the Economic Policy Institute, the Economic Strategy Institute and the Congressional Economic Leadership Institute—have sponsored fact finding trips to Mexico for members of Congress. Finally, in terms of both money and organization, the entry into the fray of billionaire former presidential candidate Ross Perot has markedly shifted the power equation and makes the legislative outcome of NAFTA somewhat less predictable.

At the most superficial level, as a general matter, when huge sums of money are injected into the political process, democracy usually becomes distorted. People or groups without the wherewithal to obtain influence and access to the corridors of power find themselves in effect disenfranchised.

Author William Greider has written about a sophisticated form of political planning he calls "deep lobbying," the purpose of which is to define public argument and debate. "It is another dimension of mock democracy—a system that has all the trappings of free and political discourse but is shaped and guided at a very deep level by the resources of the most powerful interests."

How does all of this relate to NAFTA? For starters, the debate is about something called the North American Free Trade Agreement. Not only have powerful interests managed to make their agenda America's agenda, they've even been able to help define public perceptions by labeling it with a positive-sounding name.

For years, the logic, the assumptions and the seeming inevitability of NAFTA have been carefully constructed—by prominent business interests in the three respective countries, their elected, responsive government officials and their legions of paid representatives. Getting presidents and prime ministers to think and talk about NAFTA, getting the trade negotiators together to hammer out the logistics, controlling how the actual agreement will be disseminated and thus described to the public and girding for battle legislatively, all require substantial sums of money and hired Washington insiders. But for the NAFTA proponents, it has been worth it, because the parameters of the political discourse and debate have been set, leaving the other side at a serious disadvantage.

Except for some token memberships on a few trade advisory committees, the more modestly-funded anti-NAFTA forces frequently have been ignored, reduced to the reactive role of eleventh-hour yammering naysayers. Because of deep lobbying, the NAFTA opponents automatically become trivialized as almost caricature-like figures, mere props in the trading game.

In the end, not only has the massive infusion of money once again distorted democracy, it has undermined the public's confidence and trust in the integrity of the decision-making process.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind Members that comments should be addressed to the Chair.

NAFTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. PORTER] is recognized for 5 minutes.

Mr. PORTER. Mr. Speaker, if the economy of the United States were as strong and growing today as it was in the 1980's, there would be no doubt whatsoever that the NAFTA, the North American Free-Trade Agreement, would be easily adopted in both the House and the Senate.

□ 1940

It is the insecurity that is a result of the end of the cold war with adjustments from an economy that has been virtually on a wartime basis for the last 45 years, to a peacetime basis, that has led us to question our ability to face a free-trade future.

Mr. Speaker, anyone who looks at NAFTA honestly understands that on a trade basis, NAFTA is a win-win-win situation: A win for the United States of America creating new jobs, export jobs that pay better salaries than other jobs; a win situation for Mexico; and a win situation for the Canadian economy and people as well.

We must ask ourselves whether the United States, the most productive economy on Earth, the largest exporting economy in the world, the economy with the world's most productive workers, can trade with a weak economy to ourself and a teeny economy to our north freely. Can we afford as a people to do that? And the answer is obviously easily. Easily, Mr. Speaker.

There is nothing that we have to fear, and NAFTA is an agreement that is in our national interest. We give up far, far less under the agreement than does Mexico, whose trade barriers are far higher than our own and will be brought down under this agreement.

Protectionism is not what makes economies work. Protectionism does not create jobs. It robs the future, as a matter of fact, in exactly the same way

that deficits rob the future. It robs our children and grandchildren of the jobs that would be created through freedom.

We have to only look back in our own history, Mr. Speaker, and what we attempted to do at the beginning of a frightening period at the end of the 1920's and the early 1930's, to see what protectionism did to rob our future at that time.

We decided that what we had to do was to protect American workers and American jobs, and we passed the Smoot-Hawley tariff. It actually robbed us of a future, because we should have understood, but apparently did not, that other countries would put in the same kinds of protections in retaliation for ours, and as they did so, the lights went out all over Europe, all over the Far East, all over the United States, and jobs ceased to exist. It took us until the beginning of World War II to regain those jobs.

The kind of anti-NAFTA thinking that we see today is the same kind of thinking that said years and years ago that we cannot have new technologies, because new technologies will rob us of jobs in the future. This is the Ludite thinking. Had we followed that at the time, Mr. Speaker, we would have had sweat shops dominating our economy today instead of the growing economy that we have and are capable of having and will have under NAFTA.

People say, well, yes, it will create a net increase in jobs. But won't it mean some job losses?

Mr. Speaker, of course it will mean some job losses. The very understanding that we ought to have coming out of the end of the Cold War is that what works for people is freedom, and that State central bureaucracies that guarantee jobs for everyone really guarantee nothing but mediocrity and stagnation. In a dynamic economy you have winners and losers because you take risks. And, yes, we should not guarantee every single job, because that means stagnation. What we have to do is guarantee opportunity, take risk. And, yes, it is tough stuff, but we have had it throughout our history of freedom. People will have to train for better jobs that are created through exports. As we have seen over and over again, these are the good jobs, and Americans will have to work hard in order to compete and have them.

Mr. Speaker, on the environment, the Sierra Club and Friends of the Earth are wonderful organizations, but they are short-sighted organizations. Almost all the major organizations understand that there will be a net gain for the environment as a result of NAFTA; that our resources will be committed for the improvement of the environment on the border with Mexico; that Mexico will be led to enforce its environmental laws.

Mr. Speaker, this is a time for leadership. This is a time when, after urging the world for 45 years that we must be free traders for the betterment of all peoples on Earth, we will lose that leadership, we will lose our values for democracy and human freedom and the rule of law if we do not pass NAFTA. If we turn away from our path of free trade and open markets by defeating NAFTA we lose credibility in the eyes of the world, and with it our ability to project our values of freedom democracy, human rights, the rule of law, and free markets overseas at the very moment our ability to influence positive change should be at its zenith.

I urge Members that they must vote for it.

ON NAFTA

The SPEAKER pro tempore (Mr. MENENDEZ). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise tonight to place in the RECORD a summary of the three separate individual hearings that the Committee on Banking, Finance and Urban Affairs under my direction called very early on the so-called North American Free-Trade Agreement. The reason for it was that up to the time we called the hearings, there was no mention at any time that this agreement contained anything but supposedly trade matters, much less very complicated and extensive banking, finance, and even securities sections. Chapter 14, for example, on banking and financial services, is very comprehensive and very far-reaching.

We thought that in order to inform the Members, at least of the committee, and as far as possible citizens, who up to now and even now have not had the benefit of knowing of these hearings, that they should be held. We were more or less blanked out by the media. Even the last hearing which we had some 10 days ago was not covered, other than incidentally in the foreign press.

So today I want to place in the RECORD a summary of the three hearings, because I think the Members should know when they vote on Wednesday exactly what in this area is involved.

Now, in a more comprehensive way, I deplore the pressure and emotionalism, and in fact I join the previous speaker, the gentlewoman from Ohio [Ms. KAPTUR], in condemning what otherwise would be out and out bribery attempts, when the President trades out such things as favors and pork and banks even for a vote. Why, if a businessman were to do that, he would have been accused of bribery, and it is very disturbing.

But the reason for it and the reason for the passion that has developed on this issue, which should be considered dispassionately and openly, is that the whole process over the course of 14 months that led to the formulation of these agreements was in total and absolute secrecy. You cannot get your hands on minutes or a record of the transcript, if they have one.

Who was it that shaped the agreements? When we had the first hearing of the Committee on Banking, Finance and Urban Affairs, we had the Assistant Secretary of the Treasury, who said that he had participated in the negotiations on Chapter 14 on banking and financial services.

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And I asked him how many members of the banking and financial community participated. He said, "Quite a number."

And I said, "Well, did they actually take part in the discussions?"

And he said, "Yes."

"Has anybody known who they are?"

"No."

I said, "Would you make the list available?"

He said, "Well, all right, I will do that, as far as that particular section is concerned."

So just 2 weeks ago, he sent the list. It has all the leading, most powerful megabanks and theirattorneys. These are the guys that wrote that section.

Now, if anybody thinks that as a Member of this House he or she can delegate to that class to protect the general interest, then they are either very naive or willfully irresponsible. That has not been our experience in our oversight duties, as members of the Banking Committee.

But leaving that aside, if this has worked in secrecy, and there are other sections that are far more insidious in nature, in which, in effect, the whole basis of our Government since colonial times, based on representation, will be sacrificed for, my colleagues, if this is approved, we will be delegating to over a dozen commissions, quasi-judicial in nature, who will have the power to sue American business concerns in their courts and who will have an intrusive and an interfering force in what ought to be matters debated and carried out in open and free debate in the Congress.

Mr. Speaker, I include for the RECORD the summaries to which I referred:

A SUMMARY OF HEARINGS HELD BY THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS ON THE NORTH AMERICAN FREE-TRADE AGREEMENT

(Prepared by the Committee Staff, November 9, 1993)

Most of the debate surrounding the North American Free Trade Agreement ("NAFTA") has focused on its impact on labor and environmental concerns, with little consideration of the far reaching financial services provisions. As a result, the Committee held hearings on September 8 and 28, and November 8, 1993 on the financial services provisions (Chapter 14) of NAFTA and the ramifications for U.S. financial service providers,

namely banks, insurance companies and securities firms. The committee focused on the U.S.-Mexico relationship since the U.S.-Canadian trade relationship was previously negotiated in the U.S.-Canada Free Trade Agreement. During these hearings the Committee heard from a diverse group of witnesses, including U.S. financial services regulators, financial consultants and analysts, academics and American businesspersons and investors doing business in Mexico.

BACKGROUND

Chapter 14 of NAFTA sets out rules governing the treatment that each government must accord to those financial institutions in its territory that are owned by investors from other NAFTA countries. In general, U.S. banks and other financial services providers will be permitted to operate wholly-owned subsidiaries (by establishing a new subsidiary or purchasing existing Mexican firms) and will be able to operate under the same terms as their Mexican counterparts.

NAFTA calls for a transition period running from 1994 to 2000 during which time U.S. and Canadian banks would be able to grow in aggregate market capitalization from 8% to 15% of the capitalization of the Mexican banking system. Each individual bank's market share would be capped at 1.5% throughout this period. After the year 2000, all caps would be removed. However, Mexico could impose an optional one-time, three year moratorium on any further U.S. or Canadian bank expansion, should they attain a 25% share of the Mexican market before the year 2004.

SEPTEMBER 8, 1993: HEARING ON THE FINANCIAL SERVICES CHAPTER OF NAFTA

(Witnesses: Steven Davison, Senior Vice President of Ferguson and Company; Jack Guenther, Vice President and Senior International Affairs Officer, Citicorp/Citibank; Christopher Whalen, Senior Vice President, The Whalen Company, and Editor, *The Mexico Report;* Nikos Valance, economist and professor, Queens College of the City University of New York, Andres Penaloza, economist and Parliamentary Advisor of the Staff of the Commission on Budget and Planning of the Mexico Chamber of Deputies)

Summary: The volatility of the Mexican economic and political systems, along with broader bank powers, and an aggressive lending environment pose substantial safety and soundness risks to U.S. financial services firms operating in Mexico.

The Committee heard testimony from several witnesses about the possible risks associated with doing business in Mexico. The risks identified for banks include: greater potential credit exposure due to broader bank powers, and an aggressive and volatile lending environment. This environment has resulted in rising levels of troubled assets, not unlike the lending environment in the U.S. during the 1980s which caused problems for many banks. In addition, these witnesses identified several broader concerns which would apply to all financial service providers. Specifically, the volatility of the Mexican economy and its political system, and corruption which permeates Mexico's political and regulatory institutions.

During the debt crisis of the 1980s, the peso was devalued 30 percent and Mexico nationalized its entire banking system. Billions of dollars in deposits held by Mexican and foreign nationals were illegally seized and converted to dollars at the lower exchange rate. Recently the banks were returned to private hands under the direction of the government of President Salinas. Eighteen Mexican banks currently operate in Mexico. Private investors paid an average of over three times the current book value or 21 times the book value of the institution at the time of nationalization. The prices were driven by investor perception that this was a unique opportunity considering the Mexican economy and the "underbanked" condition of the Mexican market. Mr. Stephen Davidson testified that the high cost of privatizing the banks has left these institutions thinly capitalized. The need to generate an adequate return for investors and justify the substantial acquisition premiums has created an incentive for risk taking by Mexican banks. In addition, Mr. Christopher Whalen testified that the privatization of the Mexican banking system simply converted state owned "monopolies" into private hands, while essentially leaving in place the highly cartelized industry. Mr. Whalen also expressed concern about the lack of public accounting for where the funds were obtained to buy these banks or how funds raised overseas in stock and bond offering have been deployed. Since the use of nominees to hold stock in Mexican companies is common, it is impossible to know who exactly owns these stocks.

Many of the witnesses agreed that U.S. banks would be entering an already aggressive and speculative Mexican banking environment, which includes rapid loan growths, with large non-performing assets ratios, reminiscent of the banking environment in the U.S. during the 1980's. U.S. bank subsidiaries operating in Mexico will have powers not currently available in the United States under the constraints of the Glass-Steagall Act. Banks will be permitted to underwrite securities, and engage in bond derivative product trading in Mexico through securities affiliates. Underwriting is generally considered to pose greater credit exposure than lending and is thus generally considered to represent a higher risk activity, especially in a volatile Mexican securities market. Mr. Davidson testified that there has been a steady increase in the problem loans held by Mexican banks. Analysts believe that the Mexican banks' non-performing loan ratios are anywhere between 7% to 30%, very high compared with that of the United States. In addition, Mr. Davidson expressed concerns that unless Mexican bank profits continue to be strong, it will be difficult to maintain aggressive growth and increase the bank capital ratios. Currently it is widely held that Mexican banks are thinly capitalized.

One of the most important aspects of U.S. financial institutions entrance into the Mexican banking system is the adequacy of regulatory supervision. Due to the recent privatization of the banking system, the regulatory system itself has simply been untested, especially in a crisis situation. According to Mr. Whalen, Mexican banks are essentially unregulated when it comesto activities and investments and are self-regulated with regard to disclosure of financial data, since private auditors hired by the banks, and not the regulators, perform assessments of loan portfolios and other aspects of bank operations. These audits are essentially "rubber stamped" by the Mexican National Banking Commission. Mr. Whalen notes that some Mexican banks are well managed, but contends for the most part the industry is characterized by management practices that are unacceptable in the U.S. such as unsafe accounting practices, high concentrations of loans to single borrowers, and dependence on dollar financing for peso activities. Mr. Jack Guenther testified on behalf of Citibank that the Mexican regulatory structure is "strict and well regulated." However, it is important to note that the Mexican system of self-regulation would be unacceptable in the United States. In addition, while Mexico is considering a deposit insurance system, there is currently no deposit insurance for Mexican deposits. Again, the American experience shows that in a worst case scenario, a crisis of confidence can result in a potential risk to the banking system.

Because of political corruption Mexico, Mr. Whalen contends that approval of NAFTA will expose American banks and financial companies to an environment in which they cannot succeed. A bank cannot reliably determine who owns a given financial asset or real property which is pledged as collateral.

Another issue of concern is the omission in NAFTA of an exchange rate stabilization mechanism. The European countries first efforts to unify focused on ways to stabilize their currencies. Both Mr. Nikos Valance and Mr. Andres Penaloza testified that the omission of an exchange rate stabilization mechanism in NAFTA was deliberate and a mistake. Mr. Valance argues that without an established exchange rate stabilization mechanism it is possible for foreign corporations to exert pressure on the Mexican government to devalue the peso, thus lowering wages in terms of other currency. In addition, Mr. Davidson cautions that the relatively volatile currency in Mexico poses increased potential exchange and interest rate risks to U.S. financial institutions. The fact that these issues are not addressed in NAFTA was of considerable concern to many of the witnesses.

U.S. financial services providers face considerable risks upon entering the Mexican market. These issues should be considered carefully by institutions seeking to enter Mexico and by U.S. regulators, most importantly the Federal Reserve, which is solely responsible for the supervision of foreign subsidiaries of U.S. banks.

SEPTEMBER 28, 1993: HEARING ON THE FINANCIAL SERVICES CHAPTER OF NAFTA

(Witnesses: John P. LaWare, Member of the Board of Governors of the Federal Reserve; Mary Schapiro, Commissioner, U.S. Securities and Exchange Commission; Alene Evans, Member of the Texas Board of Insurance, and Chairperson of NAFTA Working Group of the National Association of Insurance Commissioners; Barry Newman, Deputy Assistant Secretary for International Monetary Affairs, Department of Treasury; Ira Shapiro, General Counsel, Office of the U.S. Trade Representative)

Summary: The regulatory agencies have expressed little concern regarding the potential risks faced by the U.S. financial services industry post-NAFTA. The negotiating process of NAFTA raises serious concerns about the agreement.

The Committee heard testimony from U.S. government officials, including bank, securities and insurance regulators regarding the possible risks for U.S. financial services corporations entering the Mexican market. In addition, the Committee requested information on the negotiating process and participation of public and private individuals in the development of NAFTA.

Governor John LaWare of the Federal Reserve Board testified on the implications of NAFTA for the banking industry. An important component of NAFTA, which all the regulators agree, allows each country to grandfather certain provisions of existing law that do not conform to national treatment or most favored nation ("MFN") principles. Accordingly, the United States has

reserved a number of provisions of federal law that limit the national treatment available to foreign banks or individuals. The degree of discrimination in these laws cannot be increased and any future measures must conform to the national treatment and MFN principals.

Under NAFTA, a country would have right to a hearing on whether another country is abiding by its obligations under the agreement through the dispute settlement mechanism. If the dispute arbitration panel finds that a country's law or regulation violates NAFTA, the country may change the offending measure. If it does not, the complaining country has the right to suspend benefits to firms of the offending country that are commensurate with the harm suffered by the firms of the complaining country.

In addition, Governor LaWare outlined the "prudential carve-out" which provides that nothing in the services provisions of NAFTA shall be construed to prevent a country from adopting or maintaining reasonable measures for prudential reasons, which include among other things, the protection of consumers of financial services and the maintenance of the safety and soundness. Governor LaWare testified that NAFTA would not in any way diminish the ability of the U.S. to apply sound prudential standards to financial institutions from Mexico or Canada operating in the U.S. nor would it in any way affect the requirements imposed on U.S. banks in operations outside the U.S. In addition, he states that NAFTA cannot be used as a back door to engage in impermissible activities in the United States. Despite testimony received at the September 8th hearing, Governor LaWare did not identify issues regarding potential risks to U.S. financial institutions operating in Mexico after NAFTA.

Commissioner Schapiro testified concerning the securities aspects of NAFTA. U.S. securities laws and rules generally do not discriminate against or among firms or investors from other nations, including Canada and Mexico. Thus, U.S. securities laws essentially already provide the national treatment and MFN treatment required by NAFTA. Commissioner Schapiro also pointed to the "prudential carve-out" as an important aspect of NAFTA, which will allow the SEC to continue to regulate the U.S. securities markets in the current manner. Commissioner Schapiro's testimony did not address issues concerning potential risks for securities firmsoperating in Mexico post-NAFTA.

Alene Evans testified on the provisions and principles of NAFTA that relate to the business of insurance. Ms. Evans explained that the NAFTA Working Group has had particular concerns about State participation in the dispute resolution process. NAFTA does not provide for state participation in dispute resolution, leading to the potential for the undermining of State regulation on insurance. This is especially important in the area of insurance, since the states, and not the Federal government, are the primary regulators of the business of insurance.

Ms. Evans outlined a number of possible risks to U.S. and Mexican policy holders in purchasing insurance from an insurer operating under the laws of another country, including possible difference in asset value at the time of replacement, possible currency devaluation or currency cost, and differing legal standards and judicial systems. Under current Mexican law and after NAFTA, a Mexican policy holder would be forced to sue a U.S. company in the U.S. rather than in Mexico.

In addition, Mexico does not have a guaranty fund, as many States do in the event of insurer insolvency. Thus a resident of the U.S. who purchased an insurance policy from a Mexican insurance company would not be protected by a guaranty fund if the company went insolvent.

Information provided to the Committee by Mr. Newman, and Mr. Schapiro on the negotiating process raises considerable cause for concern. Over 100 private sector firms and their representatives were not just consulted, but were allowed to review drafts of the agreement while the negotiations were in progress. In light of the case of Mr. Robert Bostick (see November 8, 1993 hearing), a reason for concern exists about the possibility that one or more of these individuals and their firms may have sought to profit on the confidential information they received. No information was provided to the Committee about what, if any, ethical restrictions were placed on those individuals. In addition it is interesting to note that the agreement was negotiated in part at the Watergate Hotel.

NOVEMBER 8, 1993: HEARING ON ABUSES WITHIN THE MEXICAN POLITICAL, REGULATORY , JUDICIAL AND BANKING SYSTEMS AND IMPLICATIONS FOR THE NORTH AMERICAN FREE TRADE AGREEMENT

(Witnesses: Honorable Sarah Vogel, North Dakota Commissioner of Agriculture; Kaveh Moussiva, formerly IBM Corporation's Political Agent in Mexico; Alex Argueta, Developer from Tucson, Arizona; Lucia Duncan, Coordinator, American Investors in Mexico)

Summary: Corruption runs deep in Mexico's political, regulatory, judicial and banking systems. American investors and businesspersons doing business in Mexico face overwhelming dangers and risk to their investments and well-being.

The Committee's third hearing on NAFTA examined the nature and scope of corruption in the Mexican political, regulatory, judicial and banking systems. This topic is very relevant and important to the consideration of the agreement. The purpose of the hearing was to inform American investors and businesspersons of the dangers created by the pervasive corruption in Mexico's public and private institutions. Given the lack of attention given to this important issue in the public debate on NAFTA, the Committee invited individuals to testify who could discuss their experiences in or knowledge of corruption in Mexico.

Commissioner Sarah Vogel described to the Committee how Mexican banks are improperly profiteering off of a U.S. loan program administered by the Department of Agriculture. Under the GSM-102 loan program, U.S. banks offer federally insured loans to Mexican banks at 7-9% interest for a three year term. $1.25 billion is insured annually under the program. The Mexican bank is then supposed to lend those funds to Mexican importers under the same terms for the purchase of American agricultural products. This benefits American farmers by supplying Mexican importers with a source of credit to purchase American agricultural products.

However, Mexican banks abuse the program by extending credit to the importers for only 180 days, instead of three years. The banks then take the repaid principal and loan it to other customers for two and a half years at 25% to 30% interest. During this period, the loan is still insured by the U.S. government and the Mexican bank makes a large profit on the interest rate spread. At any one time there are loans totaling approximately $5 billion which are outstanding and insured by the Federal government under the GSM-102 program. Thus, the Mexican importers, who have trouble with a 180 day repayment schedule, and American farm exporters, are not benefiting from the program, while the Mexican banks get rich off the program.

The corruption which confronts American businesspersons is not limited to the banking system. Mr. Kaveh Moussavi, who represented IBM Corporation in its bid for the contract to modernize Mexico's air traffic control system, testified as to the pervasive abuses within the government. Officials of the Salinas Government solicited a bribe from IBM through him in exchange for their assistance in securing the contract for IBM. When he refused to pay, the government canceled all bids and issued a new solicitation designed to ensure awarding of the contract to a different company.

IBM and Mr. Moussavi went public with their story and filed suit against Mexico in an English court. Soon thereafter, the government of Mexico sought to buy his silence by offering to help him win any other contract he was involved with in Mexico. When he refused this bribe, the Mexican government began a campaign of smear and intimidation. More troubling, he and his family have had their lives threatened. Currently, the Mexican government claims to be investigating the matter, and the air control system remains as unsafe as ever.

Another disturbing case involves the mistreatment of Mr. Alex Argueta. Mr. Argueta was an Arizona-based real estate developer who invested in some land and a processing plant in Mexico. The investment was financed through a Mexican bank, which sought to take an equity interest in the project. He declined their offer and soon his troubles began. The bank accused him of misusing loan proceeds and tried to take control of his investments. While such a dispute would be a civil matter in the United States, the bank and officials of the Mexican Attorney General's office colluded to bring criminal charges against Mr. Argueta.

While in Mexico seeking to respond to the claims against him, he was taken in the middle of the night from his hotel room and detained on false pretenses. The Mexican agents held him for two days, threatened him with bodily harm, and publicly defamed and humiliated him. He was eventually locked in a Mexican prison for sixteen months and deprived of assets worth approximately $20 million. He has sought justice in the Mexican court system, but to no avail. He decided to publicize his plight out of hope that the Mexican government would be forced to compensate him and to warn future American investors of the dangers of doing business in Mexico.

In addition, the Committee heard testimony from Ms. Lucia Duncan, coordinator for American Investors in Mexico (A.I.M.). This group consists of American investors who in various and unrelated instances found themselves being mistreated by the corruption permeating Mexico's institutions. The investments members of AIM have at risk in Mexico ranged from a few thousand to many millions. She cautioned all potential investors that an American has few safeguards and many dangers in Mexico. She is opposed to NAFTA since if contains no safeguards or guarantees for American investors.

Finally, the Committee invited representatives of both the Justice Department and the Labor Department to testify on the case of Mr. Robert Bostick. Mr. Bostick was a high level Labor Department official who recently pled guilty to illegally seeking to profit from

NAFTA while he was a negotiator for the agreement. The Committee sought to determine whether or not American interests were compromised during the negotiations as result of Mr. Bostick's activities. The Committee also asked the Justice Department to provide information on any other such investigations of individuals involved in the NAFTA negotiations. Both agencies refused to appear and testify, and Mr. Bostick's plea agreement has been sealed by the Court. Ironically, Mr. Bostick is scheduled to be sentenced on November 17, the day the House is scheduled to vote on NAFTA.

NORTH AMERICAN FREE-TRADE AGREEMENT IMPLEMENTATION ACT

Mr. GONZALEZ, from the Committee on Banking, Finance and Urban Affairs, submitted the following Adverse Report:

[To accompany H.R. 3450 which on November 4, 1993, was referred jointly to the following committees for a period ending not later than November 15, 1993: Ways and Means, Agriculture, Banking, Finance and Urban Affairs, Energy and Commerce, Foreign Affairs, Government Operations, the Judiciary, and Public Works and Transportation]

[Including cost estimate of the Congressional Budget Office]

The Committee on Banking, Finance and Urban Affairs, to whom was referred the bill (H.R. 3450) to implement the North American Free Trade Agreement, having considered the same, reports unfavorably thereon and recommends that the bill do not pass.

H.R. 3450

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "North American Free Trade Agreement Implementation Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

SECTION X SECTION OF THE PRINCIPAL PROVISIONS WITHIN THE JURISDICTION OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

H.R. 3450, North American Free Trade Agreement Implementation Act

TITLE V, SUBTITLE D, PART 2

Sec. 541. North American Development Bank.

Authorizes the President to accept membership for the U.S. in the North American Development Bank. The U.S. may subscribe up to 150,000 shares of the capital stock of the Bank for which $1,500,000,000 is authorized ($225,000,000 of which may be used for paid-in capital and $1,275,000,000 may be used for callable capital) without fiscal year limitations.

Limits funding for fiscal year 1995 to $56,250,000 for the paid-in portion of U.S. capital stock and up to $318,750,000 for the callable capital portion of the U.S share of the capital stock of the Bank.

Sec. 542. Status, Immunities, and Privileges.

Clarifies that Article VIII of Chapter II of the Cooperation Agreement shall have full force and effect in the U.S., its territories and possessions, and the Commonwealth of Puerto Rico upon entry into force of the Cooperation Agreement.

Sec. 543. Community Adjustment and Investment Program.

Authorizes the President to enter into an agreement with the Bank that facilitates implementation by the President of a program for community adjustment and investment in support of the Agreement. Establishes a Community Adjustment and Investment Program Advisory Committee.

Sec. 544. Definition.

Definition of Border Environment Cooperation Agreement.

EXPLANATION OF PROVISIONS WITHIN THE JURISDICTION OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

TITLE V, SUBTITLE D, PART 2, NORTH AMERICAN DEVELOPMENT BANK

The committee believes the Administration proposal to authorize a North American Development Bank (NADBank) is seriously defective and therefore reported out the proposal unfavorably.

The committee notes the fundamental problems with the proposal that were raised at the hearing organized by the Subcommittee on International Development. A major concern of the committee—highlighted by the testimony of Rep. David Obey—is the uncertainty as to how the proposal would be funded, especially in view of the fact that the United States is in arrears on authorized commitments to existing international financial institutions by about $819 million. The committee is also extremely concerned that NADBank financing would need to be more concessional than the Administration assures and that the capital contribution would therefore not support the $2 to $3 billion of loans anticipated by the Administration.

The committee is also troubled by the logic and precedent of allowing an institution with substantial representation of foreign interests to participate in determining how the United States would use funds within its own borders. The committee also questions the proposal's focus on water pollution and municipal solid waste and neglect of other environmental problems such as air pollution and toxic waste dumps. Finally, the committee is concerned that much of the pollution in the area is attributable either directly or indirectly to the maquiladoras and that they would assume an appropriate degree of responsibility for mitigating their impact on the environment.

STATEMENTS MADE IN ACCORDANCE WITH HOUSE RULES

In accordance with clauses 2(l)(2)(B), 2(l)(3) and 2(l)(4) of Rule XI of the Rules of the House of Representatives, the following statements are made.

COMMITTEE VOTE

(Rule XI, Clause 2(l)(2)(B))

On November 10, 1993. The Committee on Banking, Finance and Urban Affairs, with a quorum present, ordered H.R. 3450, reported adversely by voice vote.

OVERSIGHT FINDINGS AND RECOMMENDATIONS

(Rule XI, Clauses 2(l)(3) (A) and (D), and Rule X, Clauses 2(b) (1) and (2) and 4(c)(2))

On October 27, 1993, the Subcommittee on International Development, Finance, Trade and Monetary Policy held a hearing on the proposed North American Development Bank and other issues within the jurisdiction of the Banking Committee.

Accordingly, the Committee recommends that the House not enact any provisions of H.R. 3450 within the jurisdiction of the Committee on Banking, Finance and Urban Affairs.

ADVISORY COMMITTEE STATEMENT

(Section 5(b) of the Federal Advisory Committee Act)

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

INFLATION IMPACT STATEMENT

(Rule XI, Clause 2(l)(4))

The Committee finds that the bill will not have any impact on any inflationary trends in the national economy.

COST ESTIMATE OF THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SECTION 403 OF THE CONGRESSIONAL BUDGET ACT OF 1974

(Rule XI, Clause 2(l)(3)(C))

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown in part 1 the report, filed by the Committee on Ways and Means.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 15, 1993.

Hon. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance, and Urban Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3450, the North American Free Trade Agreement Implementation Act.

Enactment of H.R. 3450 would affect direct spending and receipts. Therefore, pay-as-you-go procedures would apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 3450.

2. Bill title: North American Free Trade Agreement Implementation Act.

3. Bill status: As ordered reported by the House Committee on Banking, Finance and Urban Affairs on November 10, 1993.

4. Bill purpose: H.R. 3450 would approve the North American Free Trade Agreement (NAFTA) entered into on December 17, 1992, with the governments of Canada and Mexico. It would provide for tariff reductions and other changes in law related to implementation of the agreement. The bill also would create a transitional adjustment assistance program for affected workers, require the use of an electronic fund transfer system for collecting certain taxes, and increase certain customs user fees. It also would authorize appropriations for a number of agricultural and other programs.

5. Estimated cost to the Federal Government: The following tables summarize CBO's estimate of the budgetary impact of H.R. 3450. Table 1 shows the impact of the bill on direct spending and revenues. Table 2 details the estimated costs that depend on future appropriation actions.

TABLE 1.—CBO ESTIMATES OF CHANGES IN REVENUES AND DIRECT SPENDING ASSOCIATED WITH H.R. 3450

[By fiscal year, millions of dollars][1]

	1994	1995	1996	1997	1998	5-year total
CHANGES IN REVENUES (Net)						
Reduction in tariff rates	−214	−489	−547	−609	−672	−2,531
Electronic Federal Tax Deposit System:[2]						
On-budget	49	262	272	371	1,207	2,161
Off-budget	23	116	135	146	701	1,121
Customs Enforcement Initiative	17	22	22	23	23	107
Customs Modernization Provisions	−3	−3	−3	−3	−3	−15
CHANGES IN OUTLAYS						
Increases in Customs fees (offsetting receipts)	−93	−203	−221	−241	0	−758
Increased spending for Current Trade Adjustment Assistance Program[3]	10	25	25	20	25	105
New trade adjustment assistance benefits	([4])	7	8	9	9	33
Effects on agricultural price support programs	−64	−86	−66	−1	33	−184
North American Development Bank	0	54	2	0	0	56
Customs modernization provisions	−5	−5	−5	−5	−5	−25
EFFECT ON DEFICIT						
Net increase or decrease (−) in deficit:						
On-budget	−1	0	−1	0	−493	−495
Off-budget	−23	−116	−135	−146	−701	−1,121

[1] This table does not include any discretionary spending that would be associated with NAFTA.

[2] Estimate provided by the Joint Committee on Taxation.

[3] Trade adjustment assistance (TAA) for training costs is currently limited by law to a maximum of $80 million a year. This estimate assumes that this cap is maintained. If it were raised or eliminated, CBO estimates that TAA costs resulting from NAFTA would be a total of $25 million higher over the 1994–1998 period than shown above.

[4] Less than $500,000

TABLE 2.—CBO ESTIMATES OF AUTHORIZATIONS OF APPROPRIATIONS ASSOCIATED WITH H.R. 3450

[By fiscal year, in millions of dollars]

	1994	1995	1996	1997	1998	5-year total
Agriculture programs:						
Estimated authorizations	96	22	22	22	22	184
Estimated outlays	18	61	34	37	22	172
North American Development Bank:						
Estimated authorizations	0	0	56	56	56	168
Estimated outlays	0	0	56	56	56	168
Other authorizations:						
Estimated authorizations	21	16	11	11	11	70
Estimated outlays	16	18	10	11	11	66
Total authorizations:						
Estimated authorizations	117	38	89	89	89	422
Estimated outlays	34	79	100	104	89	406

Basis of Estimate:

CHANGES IN REVENUES

Tariff rate reductions: Under NAFTA, all tariffs on U.S. imports from Mexico would be eliminated by 2008. Tariffs would be phased out for individual products at varying rates according to one of six different timetables from immediate elimination to elimination over 15 years for some goods. Based on the composition of imports from Mexico in 1991, tariffs would be eliminated on about 60 percent of dutiable goods on January 1, 1994, and tariff revenue would be reduced by about 65 percent in calendar year 1994. By 1998, duties on about 70 percent of goods that are currently subject to duty would be eliminated, and tariff revenue would be about 85 percent lower than under current law.

Goods currently afforded duty-free treatment under the Generalized System of Preferences (GSP) would receive permanent duty-free treatment under NAFTA. Under current law, the GSP program is scheduled to expire after September 30, 1994. Therefore, this estimate includes the revenue loss from extending duty-free treatment in GSP goods imported from Mexico past the GSP's expiration date under current law.

CBO estimates that the provisions of NAFTA that reduce tariff rates would reduce revenues by $2.5 billion over 1994 through 1998, net of income and payroll tax offsets. This estimate is based on Census Bureau data for 1991 and 1992 on imports from Mexico. This estimate includes the effects of increased imports from Mexico that would result from the reduced prices of imported products in the U.S.—reflecting the lower tariff rates—and has been estimated based on the expected substitution between U.S. products and imports from Mexico. In addition, it is likely that some of the increase in U.S. imports from Mexico would displace imports from other countries. In the absence of specific data on the extent of this substitution effect, CBO assumes that an amount equal to one-half of the increase in U.S. imports from Mexico would displace imports from other countries.

Electronic Federal Tax Deposit System: The new federal tax deposit system would electronically transfer tax deposits to the Treasury, eliminating the need for banks to process paper coupons and checks. The change, which would be phased in gradually over several years, would allow deposits to be credited to the Treasury on the day of deposit instead of the day after deposit. Adoption of this system would not change the amount of taxes paid by taxpayers, but would shift the receipt by the Treasury of certain tax revenues from the beginning of one fiscal year to the end of the preceding year. The Joint Committee on Taxation has estimated that these changes would increase on-budget receipts by $2.2 billion and off-budget receipts by $1.1 billion over the fiscal years 1994 and through 1998.

Customs Enforcement Initiative: The bill would allow Customs Service auditors to access IRS income tax return information. This would allow auditors to use businesses' tax information on the valuation of imports and is expected to result in higher customs duty audit assessments. CBO estimates, net of income and payroll tax offsets, that the access to the information would result in increased receipts of $107 million over fiscal years 1994 through 1998.

Customs Modernization: Title VI of H.R. 3450 would expand the base of goods eligible for customs duty drawbacks and would allow increased exemptions from duty on certain personal articles, decreasing customs duties by $7 million each year. Title VI also would require payment of interest on merchandise revaluations after entering an item through U.S. Customs, increasing receipts by $4 million each year. CBO estimates, net of income and payroll tax offsets, these provisions would decrease receipts by $3 million each year.

CHANGES IN DIRECT SPENDING

Customs User Fees: H.R. 3450 would make several changes to user fees charged by the U.S. Customs Service, which are recorded in the budget as offsetting receipts. For the fiscal years 1994 through 1997 only, the current $5 passenger fee would be increased to $6.50 and the exemption granted to passengers arriving in the United States from Canada, Mexico, and the Caribbean would be removed. For fiscal years 1999 through 2003, customs user fees would be extended at the current $5 rate. (Under current law, these fees sunset at the end of fiscal year 1998.) CBO estimates that the $1.50 passenger fee increase and the removal of the exemption would result in additional fee collections of $758 million over the fiscal years 1994 through 1997.

Current Trade Adjustment Assistance (TAA) Program: Under current law, the TAA program provides cash assistance and training to workers who can demonstrate that increased imports contributed importantly to the loss of their job. If NAFTA were to be approved, CBO estimates that approximately 4,500 additional workers annually for fiscal years 1995 through 1998 would become eligible for TAA. The additional workers would not qualify for TAA immediately because workers must exhaust their unemployment benefits prior to collecting TAA. The fiscal year 1994 estimate assumes approximately 1,000 workers would qualify for TAA, assuming that NAFTA becomes effective January 1, 1994. Under current law, TAA recipients are required to participate in job training unless they receive a waiver. Currently, about 60 percent of the recipients train and 40 percent receive waivers. The average training cost is approximately $4,000 per person. Based on an average cash benefit of $4,800, CBO estimates the additional TAA cash assistance would be $5 million in 1994 and $20 million each year for fiscal years 1995 through 1998, and we estimate the additional TAA training benefits would be $5 million in 1994 and $10 million each year for fiscal years 1995 through 1998, if all newly eligible workers were to receive their full training benefit.

Nevertheless, the TAA training program is a capped entitlement. The training benefits are capped at $80 million in fiscal years 1994, 1995, 1996, and 1998. In fiscal year 1997, the cap on funding for TAA training is $70 million. Because CBO's baseline is $5 million below the cap in fiscal years 1994, 1995, 1996, 1998 and equal to the cap in fiscal year 1997, the estimated increase in TAA training costs with the existing caps would be $5 million each year in fiscal years 1994, 1995, 1996, 1998 and zero in fiscal year 1997.

New Trade Adjustment Assistance Benefits: The bill would add a new subchapter to the TAA program to allow workers who lose their job because their firm shifts production to Mexico or Canada to qualify for TAA. In addition, workers would be required to enter a job training program by their sixteenth week of unemployment or their sixth week of TAA certification, whichever is later, to be eligible for benefits. Unlike the current TAA program, beneficiaries under this subpart could not receive a waiver from training and still collect cash assistance. TAA cash and training benefits under this amendment would be available to those who are displaced from their jobs between January 1, 1994, and September 30, 1998. CBO estimates

that fewer than 1,000 workers annually would qualify for TAA payments under this provision. The average training benefit would be $4,000 per person, and the average cash benefit would be approximately $6,000 per person. CBO estimates that total TAA payments under this new subpart would be less than $500,000 in fiscal year 1994, $7 million in fiscal year 1995, $8 million in fiscal year 1996, and $9 million in each of the fiscal years 1997 and 1998.

Effects on Agricultural Price Support Programs: Gradual reductions in tariff and nontariff barriers on agricultural products under the North American Free Trade Agreement are expected to result in increased trade between the United States and Mexico. An estimated net increase in U.S. exports of commodities currently supported by agriculture programs would result in higher market prices and a reduction in government support payments. While lower acreage reduction program (ARP) requirements (to compensate for increased demand) would mitigate some of the price increase, the ARP level could not be reduced in some years.

The bill also would require end use certificates for imports of wheat and barley. Such certificates would tend to discourage imports and raise the price for domestically produced grain, resulting in slightly lower program payments.

CBO estimates that increased exports and higher prices, combined with the requirement for end use certificates on imports of wheat and barely, would reduce federal expenditures on agricultural programs by $184 million during 1994 through 1998. The majority of these savings would be derived from higher prices and lower program payments for feed grains. The dairy sector and other grains would benefit noticeably from increased exports, leading to a reduction in federal support purchases and lower program costs.

North American Development Bank: Section 542 would authorize the President to accept membership in a North American Development Bank. The bank would be a multilateral bank with stock held by member states. The bill would authorize the United States to subscribe to 150,000 shares of capital stock and the appropriation of $1,500 million to purchase the stock. It would appropriate $56.25 million in 1995 for the first paid-in, stock subscription, and would provide an authorization of appropriations for the remaining amount without fiscal year limitation.

The North American Development Bank would have the same structure as other regional development banks. Only 15 percent of the bank's stock would be paid-in or purchased, by the member states. The balance would be callable capital. Callable capital would secure borrowing by the bank in private capital markets. The bank would relend the funds. Member states would make payments on callable capital subscriptions only to the extent that the bank could not service its debt from earnings on its investments.

The estimate assumes the U.S. government would subscribe to the capital stock in four equal annual installments. The first installment would be funded by the $56.25 million appropriated for paid-in capital and the authorization for callable capital subscriptions provided in section 541(a)(3) of this bill. The estimate assumes that the final three installments of paid-in capital would be provided in appropriations acts in 1996, 1997, and 1998. The estimate assumes that the appropriation for paid-in capital would represent outlays in the year provided. The authorization to subscribe to the callable capital stock is not expected to result in any appropriations or outlays during the period of the estimate.

Section 543 authorizes the President to enter into an agreement with the Bank to receive 10 percent of the paid-in capital actually paid to the Bank by the United States. The bill would authorize the President to use these funds, without further appropriation, to make loans or loan guarantees through existing federal programs to support the community adjustment and investment program defined in the Cooperation Agreement. CBO estimates this provision would result in a receipt to the government from the Bank of $5.6 million in 1995, and subsequent spending of the same amount through existing community development loan and loan guarantee programs.

Customs Modernization: H.R. 3450 would make several changes in the administrative procedures of the Customs Service. Customs would be allowed to release unclaimed merchandise for sale or destruction after six months rather than the one-year period mandated by current law. CBO estimates that this provision would decrease storage costs by $6 million annually. In addition, the number of entries that could be filed informally would be increased. Informal entries are assessed a lower customs user fee, and we estimate that this provision would decrease fee collections by $1 million annually. The net effect of these changes would be an outlay reduction of about $5 million a year.

SPENDING SUBJECT TO APPROPRIATIONS ACTION

Agriculture: Sections 321 and 361 of the bill would authorize a number of program changes that could increase federal outlays in agricultural programs by an estimated $172 million over the 1994–1998 period. The majority of costs would reflect authorizations for assistance for farm workers in markets adversely affected by increased trade with Mexico ($20 million per year) and the construction of a containment facility for agricultural products from Mexico. Other provisions would require the Secretary of Agriculture to provide information and reports on various agriculture markets and to monitor end use certificates.

North American Development Bank: Beyond the amount appropriated for 1994, H.R. 3450 would authorize additional appropriations of $168 million for paid-in capital of the bank.

Section 543 would authorize the President to enter into an agreement with the Bank to receive 10 percent of the paid-in capital paid to the Bank by the United States. The bill would authorize the President to use the 10 percent portion to make loans or loan guarantees through existing federal programs to support the community adjustment and investment program defined in the Cooperation Agreement. CBO estimates this provision would result in a receipt to the government from the Bank of $5.6 million annually over the 1996–1998 period, and subsequent spending of the same amount through existing community development loan and loan guarantee programs.

NAFTA Secretariat: Title I would authorize the appropriation of up to $2 million to fund the United States section of the secretariat established by the agreement. These funds would be used to pay for the activities of the secretariat, as well as the commission, several committees and subcommittees, and various working groups subordinate to the secretariat. It also would allow the U.S. section to retain and spend reimbursements from the Mexican or Canadian section. We assume that the U.S. section of the secretariat would be established within the International Trade Administration of the Department of Commerce (DOC), and that the secretariat and the various committees under its jurisdiction would use the full $2 million authorized to pay for personnel and other costs.

Commerce Department Fees: Title III (subtitle E) would require the DOC to make available to the public certain information relating to sanitary procedures and would permit the DOC to charge reasonable fees for this information. Such fees would raise $1 million to $2 million annually and would be available for spending under existing authority.

Customs Automation Program: H.R. 3450 would establish the National Customs Automation Program, an automated and electronic system for processing information on commercial imports. We estimate that this program would cost $3 million in fiscal year 1994, assuming appropriation of the necessary funds.

Tax Collection Expenses: The bill would authorize the Harbor Maintenance Trust Fund to use, for the first time, up to $5 million annually to cover the administrative costs of collecting the harbor maintenance tax. We estimate that this would result in costs of $5 million annually, assuming appropriation of the necessary funds.

Commissions: Section 532 would authorize an annual appropriation of $5 million for 1994 and 1995 for the United States contributions to the annual budget of the Commission for Environmental Cooperation. This commission is described in article 43 of the North American Agreement on Environmental Cooperation; its purpose is to address environmental issues affecting the continent. Section 533 would authorize annual appropriations of $5 million, starting in 1994, for the Border Environment Cooperation Commission (BECC) that is established by the Border Environment Cooperation Agreement. This commission would assist in developing solutions to environmental problems in the U.S.-Mexico border region. The BECC would certify environmental construction projects for the North American Development Bank (established by section 541) and other financial institutions.

International Trade Commission: Various provisions of the bill would require the International Trade Commission to monitor certain imports and to investigate and determine petitions for relief from imports benefiting from the agreement. Based on information supplied by the commission, CBO estimates that these duties will require an additional authorization of less than $1 million per year.

6. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that enactment of H.R. 3450 would affect direct spending and receipts. Therefore, pay-as-you-go procedures would apply to the bill. The following table summarizes CBO's estimate of the pay-as-you-go impact of H.R. 3450. These figures represent the direct spending estimates in Table 1, excluding the effects on off-budget revenues.

[By fiscal year, in millions of dollars]

	1994	1995	1996	1997	1998
Change in outlays	−152	−208	−257	−218	62
Change in receipts	−151	−208	−256	−218	555

7. Estimated cost to state and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: On November 4, 1993, CBO prepared an estimate, based on draft language, of the direct spending and revenue effects of the North American Free Trade Agreement Implementation Act. That estimate of revenues and direct spending is identical to the estimate for H.R. 3450.

10. Estimate prepared by: Kim Cawley, Mark Grabowicz, Mary Maginniss, Eileen Manfredi, Ian McCormick, John Webb, and Robert Sunshine (226-2860), Cory Oltman (226-2820), Melissa Sampson (226-2720), Linda Radey (226-2693) and Joseph Whitehill (226-2940).

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

ANOTHER BIG NEWS STORY

The SPEAKER pro tempore (Mr. MENENDEZ). Under a previous order of the House, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON. Mr. Speaker, over this past weekend, where we celebrated Veterans Day, many of us were involved with our constituents. There were two news stories regarding manipulation of minority voters in the recent election of November 2.

One of these stories had unbelievable national coverage. I saw the news stories on Sunday in which the news commentators were talking about the outrageous comments and supposed, alleged actions, although he has now denied it, of the consultant, Ed Rollins, to Christine Todd Whitman in winning the New Jersey gubernatorial race.

Let me say at the outset that I was appalled by his comments and feel that if he did anything remotely near what he said that he should be subject to the proper action of our legal system.

I heard commentator after commentator alleging that Republicans typically try to suppress ethnic votes and in all elections. I saw Jesse Jackson and Al Sharpton with a major national news conference standing up and, with the Democratic Party in New Jersey, saying how outrageous it was that these alleged actions would take place, although to this day no specific instances of these actions have been brought forth.

There was a second story, Mr. Speaker, that was on the front page of the Philadelphia Inquirer on Sunday, which was not the subject of national news media stories and analysis. This had to do with the race for the Second Senatorial District in Pennsylvania in the city of Philadelphia, which will determine the political control of our State senate.

On election night, when the machines were opened, Republican Bruce Marks, out of 40,000 votes, won the election by 562. However, when the absentee ballots were opened, there were 1,391 Democrat votes and 366 Republican votes, which switched the tide of that election, and, even though it is being challenged in our State courts, indicate that now Bill Stinson is, in fact, the winner.

The Philadelphia Inquirer, last week, spent 3 days in the Latino areas of the Second Senatorial District. They have documented cases that are outlined in detail naming people in this front page story with the headline across the paper directly under the banner, where people admitted to voting twice, where people were approached and told they could vote at home, where people were told to put their X by the Democrat place on the ballot because they thought they were announcing they were members of the Democratic Party when, in fact, they admitted in statements given to the Inquirer that they wanted to vote for Bruce Marks but ended up voting, by absentee ballot, for Bill Stinson.

Manipulation of Latino, Hispanic voters in Philadelphia, why is there no national outrage? Why is there no calling for a Federal investigation? Why is there no outrage on the part of Jesse Jackson and Al Sharpton in Philadelphia saying we should investigate this?

Manipulation of any minority voter is wrong, whether it is by Ed Rollins or whether it is by the Democratic candidate for the Senate seat in Philadelphia.

Mr. Speaker, I, today, call for a full Federal investigation of the Second Senatorial election in the city of Philadelphia and the State of Pennsylvania. There are factual details of people who have given statements to the Philadelphia Inquirer that their vote was manipulated, that they were told one thing. Committee people, Democratic committee people who said they had never seen such fraud in an election. I ask this body, as it debates the issue of fairness for all people in the election process, to be fair in terms of what party we are talking about. Manipulating black or Hispanic voters is wrong when it is done by either party, and we as a people should stand up against the allegations against Ed Rollins, as we should the allegations, as documented by the Philadelphia Inquirer on Sunday.

I urge my colleagues, Mr. Speaker, to focus some attention on the two major stories that broke this past weekend and to get the facts and to follow through with the appropriate justice in both cases, regardless of the political party involved.

A NEW NAFTA AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Mr. Speaker, NAFTA government and NAFTA corporate culture are two phrases I learned in reading the Washington Post Outlook section on Sunday. The proponent of the North American Free-Trade Agreement [NAFTA] claim the agreement is about free trade and nothing more.

That myth was been laid to rest yesterday in an article by William A. Orme, Jr., entitled "NAFTA Is Just One Facet of a Growing Economic Cohesion." Mr. Orme has excellent credentials for his subject. He was a special correspondent to the Washington Post in Mexico City from 1981 to 1988. He is the author of "Continental Shift: Free Trade and the New North America."

I believe that some of the statements in the Orme article are so important that I will quote them without editorializing and let you judge for yourself just what is means. His article is a condensation from his book, "Continental Shift." He stated:

When NAFTA was first proposed, critics in all three countries—Canada, Mexico and the United States—claimed that its hidden agenda was the development of a European-Style common market.

Yet the critics were essentially right. NAFTA lays the foundation for a continental common market, as many of its architects privately acknowledge.

Part of this foundation, inevitably, is bureaucratic: The agreement creates a variety of continental insitutions—ranging from trade dispute panels to labor and environmental commissions—that are, in aggregate, an embryonic NAFTA government.

Border environmental and public works problems are being addressed by new regulatory bodies, and new financial mechanisms are being developed within the NAFTA framework. These institutions won't be just concepts, or committees, but large buildings with permanent staff.

The environmental commission is to be housed in Canada, the labor commission in the United States, and the coordinating NAFTA Secretariat in Mexico. With their trinational personnel and a mandate to work collectively and independently, these agencies should develop a distinctive NAFTA corporate culture.

NAFTA would be a consortium of 92 states, and provinces, plus scattered federal districts, territories and dependencies.

More important than formal trade reforms will be the informal progress toward market unification, with revamped transportation networks, new trade corridors and population centers, and new industrial specializations.

NAFTA would restructure the continent, with lines of people and goods running north-to-south as well as east-to-west, and once-fixed borders blurring in overlapping spheres of economic influence and political power.

You may draw your own conclusions from the article, but the glossary of terms is interesting. I saw the terms:

Foundation for a Common Market—bureaucratic—continental institutions—embryonic NAFTA government. I also saw new financial mechanisms—new regulatory bodies—large buildings with permanent staffs—market unification—and restructure the continent.

This sounds like something more extensive than just lowering tariffs so free trade can flow.

As I read this story, I questioned who would knowingly vote to set in motion

a new government, as Mr. Orme indicated. What we do on NAFTA could forever change the face of America. Something of this gravity for the country should be fully debated, not only in Congress, but in every town meeting hall across America. No longer can supporters of NAFTA point a finger of protectionism at their opponents. We have the true story now.

□ 2000

A CALL FOR A FAIR AND JUST SETTLEMENT IN NORTHERN IRELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. NEAL] is recognized for 60 minutes.

Mr. NEAL of Massachusetts. Mr. Speaker, tonight for the next hour we are going to have an opportunity, Democrats and Republicans alike, to renew our call for a fair and just settlement in Northern Ireland. It is hard to imagine in this tiny northeast corner of Ireland, where 1.5 million people live in an area that is approximately the size of the State of Connecticut, that we could witness the longest standing political dispute in the history of the Western World. Just think of it. Think of what has happened during the last 4 years internationally. We have witnessed the demise of the Soviet Union, the yoke of Marxism has been lifted from the necks of the people of Eastern Europe, the Berlin Wall has been dismantled in front of our very eyes, Russian troops are leaving Lithuania, and majority rule is coming to South Africa.

Yet, in this small province of six counties in Northern Ireland, the killing and the maiming goes on and on. Tonight we are going to speak of one certain fact, and that is that there is no wisdom in the status quo.

From all that I see, Ireland may well be at a crossroads. There now exists a real opportunity for peace. The pain and suffering have gone on for too long. The continuing death and destruction is more than any small community anywhere in the world should have to bear. It is not surprising, therefore, that there is a great current of opinion in Ireland and here in the United States as well which insists that this opportunity must not be allowed to pass. The time must be grasped. To do so will require political courage and political conviction.

Albert Reynolds, the Irish Prime Minister, asked the question clearly last week: Who is afraid of peace? The answer to this question is equally clear. Peace is in the interests of everybody. It is in the interests of the people of Ireland, North and South. It is in the interests of the British people, and it is something that we in the United States have been yearning for for many decades.

If there is even a glimmer of hope that peace can be achieved, that prospect must be relentlessly pursued. John Hume is a deeply respected democrat, much admired across Ireland, in Europe, and throughout the United States. In recent sad decades in Northern Ireland's troubles there is no one who has stood taller or more authoritative and no one who has commanded such a breadth of vision. His recent talks with Gerry Adams may yet prove to offer a real chance of lasting peace in Ireland. The Hume-Adams talks have opened a door, and it is the responsibility of all those involved to keep that door open and to ensure this initiative, which was so courageously embarked on by John Hume, is developed to the full.

Mr. Speaker, I yield to the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Speaker, I am pleased to join in this special order to discuss prospects for a united Ireland. At the outset, I want to commend Mr. NEAL for reserving time to discuss this important issue. The recent surge in sectarian violence in Northern Ireland serves to remind the international community that while Northern Ireland may not be a front page story, the intractable conflict which has cost countless lives, both Catholic and Protestant, through violence, despair, and hunger strikes, still rages on.

Mr. Speaker, although efforts to bring peace to Northern Ireland have been launched many times during recent years, the British Government has used its power to block most meaningful efforts. Recently Gerry Adams, president of Sinn Fein, and John Hume, leader of the SDLP Party who together represent the majority of Catholic voters in Northern Ireland, proposed a peace initiative which was designed to bring peace to the six counties of the North. Unfortunately, the Hume-Adams plan was quickly dismissed by the British Government.

The British Government continues to stick by its long-held view that the problems of Northern Ireland should be solved by bilateral negotiations between the British Government and the Government of the Republic of Ireland. Not only has this approach failed to achieve even a modicum of success the many times it has been tried before, it is based on the unreasonable assumption that the problems of Northern Ireland can be solved without the input of the people who live in Northern Ireland playing a significant role. To me, the British approach to solving the Northern Ireland problem smacks of a colonial mindset. They simply believe they know what is best for the people of Northern Ireland.

While the British Government continues to believe they can lead Northern Ireland, by any unbiased standard, the more than 20-year tenure of direct British rule in Northern Ireland, which has transformed the six counties of the North into a virtual British colony, has been a failure. Even if we discount the political and moral arguments against continued British rule, it is clear that ending the status quo is an economic necessity. It is clearly time for the British to go.

According to Patrick Mayhew, Britain's Secretary of State for Northern Ireland, the province costs the British 3 billion pounds, or $4.44 billion, a year. Mayhew also acknowledges that England has no economic or strategic interests there. Mayhew has stated however, that as long as the majority wishes to remain in the United Kingdom, the British Governmentwill continue to pay the steep annual costs without complaining.

While the British Government may be willing to continue this spending without complaint, the British public is not. All public opinion polls in Britain for more than 20 years have shown a majority of the British favor withdrawing troops from Ireland. The public also fails to share the British Government's unwavering interest in controlling peace negotiations there. Around 80 percent favor peace talks that would bring all parties in the North and South to the table to negotiate peace.

In addition to financial support, the British currently provide considerable military commitment to the six counties of the North; 19,000 troops are currently stationed in Northern Ireland. These soldiers are not peacekeepers but rather participants in a war that has lasted 25 years, and cost more than 3,000 lives, created in excess of 31,000 injuries and untold billions of dollars in property damage. If the same proportion of the populations of England, Scotland, and Wales had been affected, it would have left 100,000 dead and well over 1 million injured and maimed.

Mr. Speaker, it is clear that every policy the British Government has tried to exert its rule in Northern Ireland has failed. This thesis is not just the view of the Catholic minority but is supported by formidable independent authorities. According to Amnesty International, the European Commission, and European Court of Human Rights, the United Kingdom has the worst human rights record in Europe. What has become routine practice by the British, the founders of our own system of jurisprudence, in Northern Ireland may shock some Americans. In Northern Ireland, the British practice: internment without trial, have eliminated the right to a jury trial and an accused's right to silence, and impose state-sponsored censorship. According to these respected human rights organizations, British rule is also responsible for a series of unjustified killings by members of security forces, police sponsored torture, and the inhuman and degrading treatment of prisoners.

The pattern of violence in the North of Ireland has almost overwhelming repercussions in the Republic of Ireland. There, an already struggling economy must spend four times as much per capita as the United Kingdom on security costs related to Northern Ireland to contain the conflict to the North. As a result of the toll this struggle has taken on the Republic's economy, the principal export of the Republic is its educated young people.

After a quarter century of conflict and economic disaster, a substantial peace dividend would accrue to all involved parties if this war could be ended. Not only would military security and other related expenditures be available to help reconstruct Ireland's economy, but a well-educated work force would benefit from foreign investment in enterprises that would prosper in a peaceful climate.

Mr. Speaker, the decision of how the whole of Ireland should be governed is a question which should be decided not by foreign governments, but by the people of Ireland. But to say this is not enough. To realize this goal, the people of the Republic and Northern Ireland, just like the South Africans and Namibians, and Palestinians and Israelis need help and encouragement from abroad. The United Nations, the Conference on Security and Cooperation in Europe, the European Community, the International Monetary Fund, the World Bank, and most of all the United States must work to demonstrate to all the parties including the Unionists in the North that a united Ireland makes economic, social, and political sense. I hope we have begun this effort today.

□ 2010

Mr. NEAL of Massachusetts. I thank the gentleman from New York.

Mr. Speaker, I yield to another gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I would like to take this opportunity to commend my colleague from Massachusetts, Mr. RICHARD NEAL, for organizing this special order on the problems in Northern Ireland.

At a time in history when the world has experienced such extraordinary events as the fall of the Berlin Wall, the breakup of the Soviet Union, Nelson Mandela being released from prison, and the recent signing of a peace agreement between the PLO and Israel, this is the time to redouble our efforts in trying to resolve the hostility in Northern Ireland. We in the United States have the moral responsibility to speak out on human rights wherever they may be violated throughout the world, and clearly Northern Ireland falls into that tragic category.

Last year, it was gratifying to note that the Irish agenda took a prominent place in the Presidential campaign. Now our job is to make certain that it retains that priority, and to ensure that the Congress continues to do all it can to bring about peace and justice in Northern Ireland.

In September, I was pleased to join with the gentlemen from New York, Mr. MANTON and Mr. FISH in chairing a meeting between the Ad Hoc Committee for Irish Affairs and the leaders of the major Irish organizations, including the Ancient Order of Hibernians. One theme which was repeated throughout that meeting was that we must take advantage of and harness the energy and enthusiasm generated by the peace treaty for the Middle East, and translate that momentum for peace into a new beginning for Northern Ireland.

Our priorities must continue to include the MacBride principles, seeking a special envoy to Northern Ireland, and working toward the end of human rights abuses both in Northern Ireland and, as many Irish-American nationalists can attest to in our own country.

Moreover, let us also focus on the recent Hume-Adams initiatives. While the details of their discussions have remained closely guarded, we all hope that their talks will lead to a positive change in Northern Ireland. We must work to see that this window of opportunity does not close. In particular, I urge the British Government to remain open to those discussions, and not dismiss them out of hand.

As my colleagues may know, the current situation in Northern Ireland is tense, and may become worse before it becomes any better. With the Unionists reacting to the Hume-Adams talks with terrorist attacks in Northern Ireland, and the IRA conducting a stepped-up bombing campaign, the situation is highly explosive. Nevertheless, the majority in Northern Ireland truly is longing for peace. This opportunity must not be thrown away because of the tragic acts of a few.

Be assured that our House Ad Hoc Committee on Irish Affairs will continue to work toward peace and justice in Northern Ireland. And I encourage our colleagues who are not members of the ad hoc committee to join with us in pursuing this problem, actively seeking solutions to this far too long conflict.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I yield to another gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Speaker, permit me to commend the distinguished gentleman from Massachusetts [Mr. NEAL] for calling this important and timely special order.

For as long as I have served in the Congress, the violence which continues to beset Northern Ireland has deeply troubled me. Children are forced to grow up surrounded by fear, never knowing whether today is the day that they or a friend, or a relative will accidently be caught in a fracas of bullets.

These children cannot help but wonder why they have been singled out, to live in a country occupied by soldiers, in a land forced to subordinate its own self-determination to archaic remnants of imperialism.

A place where tanks roam the streets, and where children witness the humiliation of their parents being searched and harrassed by foreign troops as they go through certain sections of their own town on their way to their own homes.

Those of us who follow Northern Ireland closely were elated to learn that John Hume and Gerry Adams were willing to talk to each other. We were dismayed to learn that the hopes such talks represented were diminished by a British Government which refuses to deal with those whom they refer to as terrorists.

Mr. Speaker, even Yitzhak Rabin and Yasir Arafat are talking to each other. None of us ever expected to see that happen. Why cannot this intolerable situation in the north of Ireland see the beginning of an end as well? Why can't we do more to encourage dialog among the parties involved? And if we indeed want that dialog and if we want the parties to talk to each other, why did we not give a visa to Gerry Adams? Is it not entirely un-American to prevent an individual from presenting their views, and hypocritical at that, considering our other utterances?

In just a few days, Irish Deputy Prime Minister and Foreign Minister, Richard Spring will visit the House Foreign Affairs Committee. He has presented a white paper outlining six key principles for achieving peace in Northern Ireland. I believe these principles should be seriously considered.

It is paradoxical to note that the beautiful towns of Northern Ireland are often the names used to denote the death and destruction that has occurred there. It is tragic that this land of lush greenery is so often thought of in terms of blood and death and destruction. We must do what we can to end this.

Let me conclude by commending my friends and colleagues in this body who have shared this interest and concern over conditions in Northern Ireland. It is time to end the occupation of Northern Ireland. It is time to allow the people of that land to pursue their own course without fear, and it is time for the violence to end.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from New York.

I yield to another gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I would like to thank my distinguished colleague and good friend and classmate,

the gentleman from Massachusetts [Mr. NEAL] for requesting the time for this very important special order.

□ 2020

As an American legislator of Irish descent, in my career, I have supported the disinvestment of our Nation's businesses in South Africa to end apartheid. I have supported Lech Walesa in his quest to make Poland a free country again. I have cheered watching Estonia, Latvia, Lithuania, and the Ukraine rebuild and be reborn as free nations. I have supported the discussions between the Palestinians and the Israelis which may lead to peace. I have supported democracy movements in Nepal where I served in the Peace Corps and watched the kingdom end and an elected government take shape, and in Nicaragua.

Now, my colleagues, it is Ireland's turn.

The Catholic minority in Northern Ireland is suffering from the bigotry and prejudice that has existed in many countries including our own for centuries. We cannot as a people or as a nation erase all prejudice from the minds of others, but we can conduct our Nation in a way that encourages military allies, friends such as NATO, as well as our foes, to work toward alleviating the poverty that is so often spawned by government action or inaction. In Northern Ireland, there needs to be an initiative. I believe one has been proposed and I believe the United States should undertake our own initiative, if only to complement the current Adams-Hume initiative.

There has never been an American initiative. We have been successful in helping other nations, such as South Africa to eliminate apartheid. We should look to one of our strongest allies, Great Britain, and to our own people, roughly 15 percent of whom have their Irish ancestors to thank for their American citizenship, for ideas and pledges of cooperation. The spotlight of attention needs to shine on this troubled land. If for nothing else than for the children who are growing up only to be bitter, if they are growing up at all.

As we encourage the Israelis and Arabs to come together, so too should we encourage good people in Northern Ireland to ignore the bombings, the terror, the insidious hatred espoused so publicly by the parties bent only on personal gratification and revenge, to come together and find a way to succeed.

We in the United States get sidetracked by many issues. When news is of Somalia, we, being good people, want to help. We motivate our leaders to send aid. In some cases, to send the military. We are not now talking about sending military aid. We may be talking about sending the right signals to all parties involved, and that may involve money in the long run, but right now we can do the most good by sending the signal that we are paying attention. That we know of the Adams and Hume proposal. And that we expect results. The message needs to go out to the American people as well. The focus is peace, how we can help, and that there is hope.

It's not often that we can accomplish something so important coming on the heels of the Berlin Wall falling, the death of communism, apartheid, and Israeli-Arab animosity in the Middle East. We can do something that will not create a single job, will not garner a single vote nor maybe even create a single headline. But our support, however directly or indirectly we can deliver it, may leave us gratified that we contributed to solving an ancient struggle, a solution which has evaded problem-solvers for generations.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I now yield to the gentlewoman from Connecticut [Mrs. KENNELLY], one of the distinguished leaders of our party.

Mrs. KENNELLY. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. NEAL] for bringing us here tonight. I so well remember the evenings that our former chairman of our Irish group, Congressman Brian Donnelly, would gather us in this well to speak about Ireland, to talk about what might be done that the people there and in our forefathers' country could have peace. I thank the gentleman from Massachusetts [Mr. NEAL] for continuing this tradition. And as we all know, former Congressman Brian Donnelly is now Ambassador Donnelly and is carrying on this fight and is having his own time of being able to represent what we have all tried to represent and what we are trying to do tonight.

Mr. Speaker, in this ever-changing post-cold war world, the international spotlight has focused on the situations in Russia, Bosnia, Somalia, and Haiti, to name several. The attention we have given to these countries has allowed developments in other regions of the world to go largely ignored. One such example is the continued strife in Northern Ireland. I would like to take a few moments to share some of my thoughts on this situation with my colleagues.

In the past 24 years, an estimated 3,000 lives have been lost in the conflict in Northern Ireland. Over the years Congress has continuously introduced resolutions addressing issues relating to Northern Ireland. United States administrations have traditionally avoided the issue because our country's close relationship with Britain. I was pleased to hear then-candidate Bill Clinton discuss possible policy changes toward Northern Ireland, including a proposal to send a United States peace envoy to Northern Ireland.

I am encouraged by the discussions which began earlier this year between John Hume, leader of the Social Democratic Labor Party [SDLP], and Sinn Fein leader Gerry Adams. These talks have been widely criticized because of Sinn Fein (Sinn Fenn)/Irish Republican Army [IRA]violence. However, after years of stalemate which have led to massive loss of life, such discussions are at least a step in the right direction and should not be dismissed out of hand.

I urge the Clinton administration and Congress to support continued discussions between British Prime Minister John Major and Irish Prime Minister Albert Reynolds. Irish Foreign Minister and Deputy Prime Minister Dick Spring, who will be on Capitol Hill tomorrow, recently introduced a six-step peace plan to end the violence in Northern Ireland. The United States should seize this opportunity to publicly pledge its assistance in furthering peace efforts in Northern Ireland.

I am very aware of the cultural, religious, and political difference which tear this region apart. However, earlier this year I sat on the White House lawn and watched Israeli Prime Minister Rabin and Palestinian Liberation Organization Chairman Arafat shake hands and agree to work toward Arab/Israeli peace. I remember thinking on that day, that if these ancient enemies can come together for the common good of their people and the world, then anything is possible.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield to the gentleman from New York [Mr. KING] who, again, like the rest of us, has had a longstanding interest in this issue.

Mr. KING. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, at the very outset, I want to commend the gentleman from Massachusetts [Mr. NEAL] for the outstanding job he has done in scheduling this special order this evening, and I think, more importantly, for the dedication and effort that he has given to the cause of peace and justice in Ireland.

Because, very frankly, it is not a popular issue. It is not a particularly politically correct issue, but it is one that all of us who are concerned about human rights should rally behind.

I want to emphasize that this is not a partisan issue. It is not a Republican or Democrat issue, not is it a Catholic or Protestant issue. Indeed, it is a human issue, and it is an issue which troubles the conscience of all people concerned about the violations of human rights.

I think I should state at the outset that when we are talking about the situation in Northern Ireland that it is very important to emphasize what the gentleman from New York [Mr. MANTON] said earlier this evening, and that

is that the British Government has been cited by the European Commission on Human Rights, the European Court of Human Rights, and Amnesty International as having the worst record for human rights violations of any country in Western Europe, and that is the basic cause of the violence.

In the past 25 years since this latest round of troubles began in Ireland, British policies have only exacerbated and caused an increase in the violence in the north of Ireland, and it is the British who are carrying out state terrorism against the people in the occupied six counties.

That is why it is so essential that we get away from conventional diplomacy, that we get away from letting the British determine who it is that is going to come to the peace table, because it is the British who are the cause of the problem, and because they are the cause of the problem, they cannot be the solution to it.

It is so important that we, the United States and, indeed, all governments throughout the world, encourage the recent peace initiative by John Hume and Jerry Adams. These two gentlemen together represent the Irish Catholic constituency in the north of Ireland, and how outrageous it is for the British Government to say that they are not going to sit down with Jerry Adams.

□ 2030

Who are they to decide who should sit at the peace table when it is their policies which are ultimately responsible for the violence in the north of Ireland?

Mr. Adams represents a party which, in the last local elections, received more votes than any other party in Belfast. It is the British who have said we should turn to democracy rather than to violence. And yet, when we have a political leader such as Mr. Adams, who was elected three times to the British Parliament and represents a party which has such a wide range of support in the north, now they say they will not allow him to come to the peace table.

Well, the British do not have clean hands; they do not have the moral standing to deny anyone the right to come to the peace table. Indeed, I would say that, if I were Mr. Adams, I would be reluctant to sit down with the British because they are the ones who have the blood of thousands of innocent people on their hands.

The fact is all of us want to reach a resolution of this crisis. I have been to the north of Ireland a number of times and I have never met more decent people than the people who live in the occupied six counties, and that applies to Catholics and Protestants alike. All of them suffer under the yoke of British oppression.

So I would urge our Government, I urge the President, I would urge the State Department, I would ask the leaders of this House and the leaders of the other body and all molders of public opinion to encourage the Adams-Hume peace initiative. This could be the last best hope for peace in Ireland.

Let us get behind a course for peace and let us get away from the British policy and the outdated policies of repression and oppression.

I would just say also parenthetically—and this again is not a partisan issue because no one is more critical of the Republican administrations than I have been—but I must say that I would ask President Clinton to reverse his policy of denying a visa to Jerry Adams. If Yassir Arafat can stand on the south lawn of the White House, certainly Jerry Adams should be allowed in this country to explain his position, to explain to the American people why he and John Hume have a plan and a formula for peace and why with all the parties in Ireland, Catholic and Protestant alike, north and south, why if they come to the table peace will be at hand.

There is an expression in the north of Ireland, and I am not going to ruin the translator's night by saying it in Gaelic, but translated it means, "Our day will come."

And, yes, the day of peace will come when America uses its best interests and its resources and its power to urge our supposed closest ally, Britain, who after 800 years of oppression finally do the right thing and give peace and justice and unity to all the people of Ireland.

I thank the gentleman for yielding to me.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I yield to a great friend of Ireland as well, the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. I thank the gentleman for yielding to me and for bringing about this special order.

Mr. Speaker, I support strongly renewed efforts to resolve the dispute over Northern Ireland. It is my hope that the United States Government will take an active part in a diplomatic campaign to achieve peace and justice for all of Ireland.

Conflict in Northern Ireland between Catholics and Protestants has brought tragedy and death to both sides, with over 3,000 killed in the past 25 years. The latest outbreak of violence last month involved a bombing in Belfast that killed 10 and sparked a round of retaliation by Protestant extremists which resulted in the death of a dozen Catholics. It is exactly this cycle of violence which must be stopped by all sides of this conflict.

The people of Northern Ireland can have no illusions about the fact that peace and justice will not be won with bombs, killings, and tit for tat retaliation. There is a clear and absolute need for active dialog involving all parties to secure peace and justice in Northern Ireland. A settlement of the dispute over Northern Ireland can be achieved if there is respect for the democratic rights of the people of Ireland to self-determination.

It is in this context that the United States should welcome Republic of Ireland Foreign Minister Dick Spring who will be visiting Washington, DC, this week. Foreign Minister Spring will be discussing with the Clinton administration and Members of Congress the latest efforts to achieve a just and lasting peace in Northern Ireland.

The latest round of public efforts to negotiate a peaceful settlement to the strife in Northern Ireland involves two separate efforts. Both the Government of the Republic of Ireland and the Government of Great Britain have been discussing ways to promote justice and a respect for human rights in Northern Ireland. There have also been discussions by two major Irish political leaders, Gerry Adams and John Hume, about how to resolve the basic disputes which divide Northern Ireland from the Republic of Ireland.

These talks are and should be of great interest to the United States. Millions of Americans take pride in their Irish heritage and look forward to the day when there will be a united Ireland. It is important that the Government of the United States do everything in its power to promote a dialog on Northern Ireland which seeks to achieve peaceand justice in that troubled land. It is my hope that President Clinton will renew his campaign commitment to name a special envoy to support this dialog.

Mr. Speaker, the world has witnessed amazing events over the past several years such as destruction of the Berlin Wall, the end of the cold war and historic peace efforts in South Africa and the Middle East. I remain hopeful that the world will also have an opportunity soon to celebrate peace in Northern Ireland. Now is the time for all parties in this conflict to rededicate themselves to this goal.

I thank the gentleman for yielding to me.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. COYNE] for his comments.

Mr. Speaker, once again, to demonstrate how broad the support in this House of Representatives is for the current peace initiative in Ireland, I yield to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. I thank the gentleman very much for yielding to me.

Mr. Speaker, as Americans we cherish our birthright, the first amendment. I want to repeat that because I am exercising it at this very moment.

For those who are observing our deliberations here on the floor whether by electronic means or in person here in our gallery, Members who may be watching our listening, we take for granted what seems to us to be the obvious, our first amendment rights, the most fundamental. The first amendment, not the second, third, or fourth, though all of those are important to us, but what was first? Free speech. It makes the difference between tyranny and freedom.

Let me quote to you just a few lines from an article in the Washington Post of November 2 of this year. That is November 2; this is not ancient history, this is right now. This is with respect to the aforementioned Jerry Adams and the Sinn Fein Party.

As a result of his being considered a nonperson by the British Government, a nonperson, television and radio stations are banned by law from broadcasting his voice.

Now, this is not the South Africa apartheid days, this is not the Iraq of Saddam Hussein, this is England, this is our supposed ally. He is forbidden to be on television or radio in person or otherwise, and his voice, when interviews are conducted with him, must be dubbed by an actor.

I dare say that many people in this country are hearing this for the first time and are scarcely able to believe their ears when I say it. Regardless of what you think about the Sinn Fein or any of the competing parties or interests in Northern Ireland, I submit to you that they themselves are far better able to come to a conclusion as to what is best for Ireland, Northern Ireland, than a British Government that goes so far and fears so much what Mr. Adams or any other member, any other Irish nationalist, may say, that they are forbidden from appearance on television or radio to the point that their vices are dubbed by actors. This is the reality, this is the reality. And this comes at a time when it is not difficult at all in the United States of America to find pictures of Princess Diana in a gym, to have CNN and other news outlets publish ad nauseam photos and commentary with respect to the architectural opinions of Prince Charles or the difficulties that the royal family may be having with divorce.

□ 2040

But when it comes to murder and mayhem, it comes to the occupation of Northern Ireland, when it comes to a judicial system as totalitarian, as dictatorial as any on the face of the Earth, as any in history, we are unable to get anything other than the dubbed words of an actor.

Our first amendment and its mandate of freedom of speech and a free press is something that our Founding Fathers and Mothers knew only too well, is something that tyrants want to silence.

They also knew that dialog and the open exchange of new ideas is the very backbone of our success, the essence of democracy and freedom.

Gerry Adams is the leader of a legal political party in Ireland and the United Kingdom. He previously was elected a member of the British Parliament, the equivalent of myself and any other Member of this floor.

Think of it, that if we had a disagreement on this floor, that your words, Mr. Speaker, would have to be dubbed by an actor, that you would be prevented from appearing and making your views known in the United States of America.

As leader of the Sinn Fein Party, he represents the will, as has previously been noted, of almost half the population of Northern Ireland; but because he is visible and will not publicly condemn the Irish Republican Army, he has been branded its leader, and therefore dubbed a terrorist.

He has been denied, as has been indicated, a visa to visit the United States of America. We, of all countries of the world, we should be anxious to have those with whom we might agree or disagree come to our shores in a spirit of free debate.

I do not intend to plead Mr. Adams' case one way or the other, but as an American, as a Member of the U.S. Congress, as someone who has sworn to uphold and defend the first amendment and all our Constitution, I believe with all my heart that we should hear for ourselves the basis for the denial of Mr. Adams' visa. All we have been told is that there is information in his file, whatever that is and wherever that is and whoever keeps it, but it has convinced the President ostensibly that he is a dangerous man. Well, there are lots of dangerous people in the world. I think the greatest danger is not being able to hear him.

Mr. Adams has never been convicted nor has he been charged with a crime. He was, however, interned, Mr. Speaker, for 7 months in the 1970's, without ever being charged with a crime, 7 months. That is British justice, and we wonder why the people of Ireland claim injustice. His only crime appeared to be then and now that he is an Irish Nationalist and that he refuses to condemn the IRA.

Americans should be allowed to hear the views of Sinn Fein and its President and make up their own minds.

Dozens of Members of Congress, Republican and Democrat, liberal and conservative, you have seen that tonight, have petitioned the President on numerous occasions for his admittance. The President himself, as a candidate, voiced loud support for and promised action on the Adams visa.

I want to conclude, Mr. Speaker, by saying that it has been said that "in war, truth is the first casualty." Let us do justice to the vision and the wisdom of our Founding Fathers and Mothers as set forth in that first amendment to the Constitution. Let us put an end to this un-American censorship and restore truth to our immigration policy. Let the intelligent people of America make up their owns minds, Mr. Speaker, and Mr. President. Grant Mr. Adams permission to enter the United States.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from Hawaii, and it demonstrates again broad geographic support for this position.

Mr. Speaker, I yield to the gentleman from Washington State [Mr. MCDERMOTT], a classmate of mine who came here via Chicago.

Mr. MCDERMOTT. Mr. Speaker, I want to first commend the gentleman from Massachusetts [Mr. NEAL] on putting together this special order, because I think it is an issue that many of us who have been active in civil rights and human rights around the world have always felt in our hearts that we did not say anything about Ireland. This is a time, I think, when things are opening up that it makes good sense for us to speak out.

The question we have to ask ourselves is how many times have we been told that the problems in Northern Ireland are a dispute between the Protestants and the Catholics? How many times have we seen the issue reported in the press as a religious conflict?

All knowledgeable commentators tell us that this is a dispute of politics, competing interests, competing nationalisms. That, at the core, this is the outworking of the long out-of-date imperialism of the British Empire.

Yes, it is true that most loyalists are Protestant and most nationalists are Catholic. That's a function of history and geography. On the ground, today's dispute is rarely over religious doctrine. In fact, interreligious marriage is now commonplace.

We knew that the differences between Israel and the Palestinians were rooted in religion, but nurtured by political struggle. We refused to accept religion as a justification for oppression, or for violence.

Ecumenical programs and groups holding all manner of religious views are active in the struggle to find a just and peaceful solution to the problems of Northern Ireland. Let us actively avoid characterizing this dispute as a religious one. Let us acknowledge that this misconception will only be perpetuated until we take some personal responsibility for putting it to rest. Let us support efforts by those of good will to find solutions to this tragic political tangle. Let us resolve to help all parties find common ground on which to build a lasting peace.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from Washington.

Mr. Speaker, I yield to another gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, I, too, would like to commend my colleague, the gentleman from Massachusetts [Mr. NEAL] for organizing this special order on such an important issue, and also thank him for his assistance to me as a freshman Member of the U.S. Congress.

During his campaign for the Presidency, Bill Clinton stated that he deplored British Government actions to manipulate our judicial system in cases tied to Northern Ireland. He referred specifically to the case of Joseph Doherty, in which the Justice Department, at the instigation of Britain, pursued unprecedented legal positions on the subject of extradition.

So extraordinary were these efforts, that U.S. Federal courts—on more than one occasion—commented adversely on their startling nature. In one case, the court actually characterized as a threat the British-orchestrated suggestion that repeated attempts would be made to get Doherty if requests for extradition were denied.

What troubled Mr. Clinton, and what troubles me, is that this unseemly subservience to the politics of a foreign government was justified by the United States on the grounds of foreign policy. I object. Our policies can stand or fall on their own feet. And who should be granted the power to keep our judicial system from granting the full benefit of our law to anyone who stands at its bench?

Now, however, we must ask the question: Has the President forgotten the matters which so troubled him? I suggest, as a start, that he formally request that the British Government grant Doherty credit for the time he served here fighting extradition. Doherty was subsequently deported and such credit has been refused to date.

And I implore all of us to take as our personal responsibility any future fights to keep foreign governments—friend or foe—from interfering with our judicial system.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from Massachusetts for his comments.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. MENENDEZ].

□ 2050

Mr. MENENDEZ. Mr. Speaker, I want to thank the gentleman from Massachusetts [Mr. NEAL] for organizing this event. I also want to thank the other Members who are so concerned about the North of Ireland, especially the gentleman from New York [Mr. MANTON] and the gentleman from New York [Mr. FISH], the cochairs of the Ad Hoc Congressional Committee for Irish Affairs.

THE TROUBLES

The North of Ireland is at a watershed moment in its history. A peace process is underway which may hold the solution to the troubles in the North of Ireland.

The troubles is what the British call the sectarian violence in the North of Ireland which has followed the massive civil rights demonstrations of 1968. And troubles they are; more than 3,000 lives and 35,000 injuries have been claimed thus far.

But the real trouble is the British presence in the North. It has been so for centuries, and it remains so today. Unless the real trouble is addressed, the other troubles will not go away.

THE UNITED STATES AND THE PEACE PLAN

Now, just as the violence is escalating, Sir John Hume, a British Member of Parliament for the Social Democratic Labor Party, and Gerry Adams, leader of the Sinn Fein Party, have drafted a peace plan. This plan promises an end to the violence and the beginning of self-determination and a new day for the people of Ulster. Just as the United States supports the peace plan put forward by the Palestine Liberation Organization and the Israeli Government, so should we support full implementation this peace plan.

Recently, the ability of America's diplomacy and her resolve to act as a world leader has been called into question. One of the ways the United States can answer critics is to lead the effort for peace, justice, and human rights in the North of Ireland. What the United States does diplomatically—or fails to do—during this crucial time, will influence the political status of the North for years to come.

In the wake of the Middle East Peace Initiative, the President declared that to every manmade problem there is a manmade solution. I hope the President would use the good offices of the United States to help solve the manmade problem—the manmade tragedy—in the North of Ireland.

Tonight, I join my colleagues in calling on the President and Secretary Christopher to engage our British friends in a process that would lead ultimately to a satisfactory resolution of this tragedy.

First, the President should make good on his campaign promise of appointing a Special Envoy to Northern Ireland. He does not need British permission to do so.

Second, the United States must practice a policy which equally condemns atrocities on both sides. If we will deny Gerry Adams a visa due to his alleged IRA ties, then we should also deny a visa to the Reverend Ian Paisley, the firebrand British Member of Parliament who has alleged ties to Protestant terrorist groups in the North. These two short steps would go a long way toward letting the British know that we mean business.

Third, just as the United States supports the peace plan put forward by the Palestine Liberation Organization and the Israeli Government, so should we support full implementation of the Hume-Adams peace plan.

BRITISH POLICIES

And yet, the going won't be easy. The North of Ireland has been dominated by Great Britain for centuries and has been governed and occupied by her since 1922. Today 17,300 British troops are on patrol in the North. I have said it before and I will say it again tonight: There will not be peace in the North of Ireland until the last boot of the last British soldier leaves the North of Ireland.

Unlawful British rule is supported by an entrenched system of justice that is best described as a system of injustice. A juryless, one-judge Diplock court system denies citizens the basic right to trial by a jury of their peers—something we and British subjects outside Northern Ireland take for granted.

I personally observed this system of injustice at work last September during a personal visit to Belfast, Northern Ireland. Along with the group, "Voice of the Innocent," I witnessed the preliminary presentation of the prosecution's case in the trial of the Ballymurphy Seven.

Seven boys from the Ballymurphy section of west Belfast, ages 17 to 21 at the time of arrest, are on trial for the dubious charge of "suspicion of attempted murder." They are charged in connection with a coffee-jar bombing in Belfast on August 2, 1991, in which no one was hurt. There is not a shred of forensic evidence against them, nor any eyewitnesses. All of these boys except one have been held without bail since August 1991. In every case, prosecution is based on confessions that each boy claims was forced through physical or mental torture during interrogations in which no attorney was present. From the moment these boys were lifted, or arrested, they entered a lose-lose situation.

Unlike American citizens and British subjects outside of Northern Ireland, Catholics in Northern Ireland are at a disadvantage when they choose to remain silent after being arrested. The Diplock judges may presume guilt when a person refuses to answer questions. Nor do they have attorneys present during interrogation.

These unjust practices violate international fair standards. Sadly, there is an even darker side of Britain's policy toward Northern Ireland. Emergency laws permit the British Army and security forces to harass and abuse civilians, including women and children—in many cases with impunity.

I will cite just one example. The respected human rights group, Helsinki Watch, in its 1993 report foundthat children were, frequently stopped on the street, kicked, hit, insulted, and abused by security forces. Children under 18 and adults were threatened,

tricked, insulted, and frequently physically assaulted by police during interrogation.

Beating up these youths, torturing them in prison, forcing confessions from them for acts they did not even commit—these actions not only dash the hopes and destroy the dreams of an entire generation of Irish youths, but it also helps the IRA to recruit many of them.

Recently a former British Army captain and intelligence officer, Fred Holroyd, told a group of Members of Congress that the British are pursuing a hidden and dirty little war against Catholics in the North. Captain Holroyd explained that the M16 British security forces in which he served are vital to a strategy of aiding and abetting the terrorist acts by Protestant extremists. For voicing his conscience, Captain Holroyd was smeared and dismissed from the British Army.

The British continue to prefer bullets to dockets to mete out justice in Northern Ireland. British Members of Parliament, British courts, and the British press all corroborate this. For example, last month, Ken Livingstone, a British Member of Parliament, testified in San Francisco that all Members of Parliament are aware that British security forces in Northern Ireland have a shoot-to-kill policy toward Irish nationalists. This kill-them-first-sort-them-out-later policy is barbaric by any standard.

Mr. Livingstone's colleague, MP Bernadette Devlin McAliskey testified in the same courtroom that she had been told by the Royal Ulster Constabulary [RUC], the Northern Irish police, that she risked assassination if she came to San Francisco to testify.

END THE CRYING GAME

Despite these blatant injustices, I cannot condone terrorist attacks on innocent civilians by anyone, anywhere. So, I cannot and I do not condone the violence of the IRA. But I cannot either condone terrorist attacks by Protestant extremists, with the complicity of British intelligence, upon Catholics in the North of Ireland.

If she is to help the people of Northern Ireland, America must stop looking at Northern Ireland through British lenses. Instead we must look at Northern Ireland through the sure lens of peace, justice, and respect for human rights.

One of the pillars of this administration's foreign policy is human rights. All over the world we defend and promote human rights. If this pillar is to remain standing, if the United States wants to remain credible as the world's human rights champion, then we must stand up for human rights whether it is with a friend or a foe.

We must insist to our British friends that it is time to right the wrongs in Northern Ireland. By not standing up to the British as we ought to in this matter, we are participating in their legacy of disgrace.

For the people of North of Ireland the troubles are indeed a crying game. For the British Government those same troubles are a crying shame. Tonight I call on the President to help put an end to the suffering and the pain in the North of Ireland.

Mr. NEAL of Massachusetts. Mr. Speaker, just weeks ago I stood on the south lawn of the White House and watched Yitzhak Rabin, the Prime Minister of Israel, shake hands with Yasser Arafat, and I never believed in my lifetime that I would witness such an historic moment. But there is a simple truth tonight, and that is that the history that has unfolded in front of us over the last 4 years across this globe has stood still in Northern Ireland because the forces of 800 years are still at work.

There is another harsh reality tonight, and that is the simple truth that partition does not work. It did not work in Korea, it did not work in Vietnam, and it did not work in Pakistan and India, and it certainly does not work in those six tiny provinces of North Ireland.

Ireland's friends in the United States share the priority that is now emerging, and that priority is peace. It is needed now. Peace in Ireland would transform the political landscape. It would usher in a new era with new political arrangements for the island where its relationship with Britain could be successfully developed.

Let nobody doubt the sincerity of those of us in the Congress who are concerned with Ireland and its people. We have a passionate interest in the well-being of the people of Northern Ireland, fair treatment of the people of Northern Island and in freedom from discrimination and the desire to ensure that human rights violations do not occur. I believe, in addition, that peace will improve the prospects of achieving a durable political settlement, and I cannot think of anything that would be more roundly applauded here than to see all Irishmen sitting down in an environment of peace to discuss their political future.

In the United States we follow developments in Ireland with deep interest and deep concern, and President Clinton has recently welcomed the efforts to reinvigorate the negotiations for peace in Northern Ireland. He said that the United States stands ready to support that process in any appropriate way. The President is to be commended for his interest. His words of encouragement and support strike a deep chord in Ireland. The British Government listens to Irish-Americans and to those of us in this Congress who are concerned about Irish issues.

I think our message is a clear one. It is that peace processes must be given every opportunity to develop. The British should know that our interests will not cease and our concern will not ease until such time as there is a fair, balanced and lasting solution to the continuing tragedy of Northern Ireland.

Mr. DORNAN. Mr. Speaker, if the gentleman from Massachusetts [Mr. NEAL] would yield briefly, I just found out that my distinguished colleague has about 4 minutes left, and, before it is all eaten up, Mr. Speaker, I want to associate myself with all of his remarks.

I agree that for particularly bright, advanced people partition is even more unseemly and unworkable than anywhere else in the world. I was shot with a rubber bullet there on February 20, 1992. That is 2½ years ago. I was there in May of 1969 when all of this began coming back from Biafra. I have gone up the Shankill. I have talked to people on both sides in every neighborhood, and they are dying for a solution because they miss their old friendships. It is more an economic struggle than a religious one. With each passing year it becomes more inane. Too many people are frozen in concrete in London. We need such imagination.

Mr. Speaker, I appreciate all of the insights and imagination the gentleman from Massachusetts has brought to this, and it is an honor to be associated with this excellent special order tonight.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from California [Mr. DORNAN] for his unyielding support on this issue.

Mr. Speaker, tomorrow Foreign Minister and Tanaiste Dick Spring will be visiting Washington. Those of my colleagues who are interested in Northern Ireland look forward greatly to hearing from him on how he sees the opportunities for peace on the political horizon, but I want to close this special order, Mr. Speaker, in the manner that I began this special order and to thank my colleagues from across this Nation tonight that have stood with us in support of peace in Northern Ireland and, hopefully, the eventual unification of those counties with the Republic of Ireland.

□ 2100

In the last 4 years we have seen Yitsak Rabin shake hands with Yasser Arafat on the White House lawn; we have seen the Berlin Wall come down and Russian troops leave Lithuania; we have seen the Soviet Union disintegrate, Marxism die, and the yoke of that Marxism being lifted from the necks of the people of Eastern Europe. There have been free elections in Nicaragua and El Salvador during this period of time.

Why is it that after 800 years, we cannot see a peaceful settlement in this tiny part of northeast Ireland, people that comprise 1.5 million in number, in a geographic region the size of the State of Connecticut?

Mr. Speaker, I want to thank all Members tonight for their attention to this matter and the vigor which they have brought to this issue.

Mr. HOKE. Mr. Speaker, during the recent July congressional recess, I fulfilled a campaign pledge made to West Side residents of Irish descent who are concerned about the state of affairs in Northern Ireland. With the assistance of the U.S. State Department and Cleveland City Councilman Pat O'Malley, I was privileged to gain an extraordinary exposure to Ireland's expansive landscape of political views and opinions during a visit to Belfast at my own expense from July 6 to 10.

I met with party leaders representing the entire spectrum of major political parties from Gerry Adams, leader of pro-unification Sinn Fein to Ian Paisley, the leader of the Democratic Unionist Party [DUP] which represents the most extreme loyalist, pro-British element.

Unlike our American political parties, the political parties in Northern Ireland are not distinguished primarily by their commitment to economic or social principles. Whereas our political parties debate ideological differences over the legitimate and appropriate size of government, the role of regulation, how much we should tax ourselves, and so forth, the Irish parties are distinguished first and foremost by their various commitments to the future geopolitical status of Northern Ireland.

At one end of the political spectrum are the pure Republicans, the Catholic faction which demands that Northern Ireland become part of the Republic of Ireland to the south. This is the position held by the Sinn Fein party, which received about 12 percent of the popular vote in the last election. At the other end of the spectrum is the Protestant faction which believes Northern Ireland should always be a part of Britain. They are represented by the DUP which received about 17 percent of the vote in the last election. In the middle are three other parties which have the majority of popular support, although none has a majority by itself. The Social Democratic Labor Party [SDLP], led by John Hume of Derry, is the pro-nationalist, pro-unification party that gathered about 22 percent of the vote. The Ulster Unionist Party is a pro-union centrist party with 29 percent of the vote. Finally, there is the appropriately named Alliance Party, the only political party with substantial numbers of both Catholics and Protestants, which predictably is also the smallest party and received only about 8 percent of the vote.

In addition to meeting with political leaders, I met with representatives of the court system, the Royal Ulster Constabulary, and the Northern Ireland Office—the British government's representative. I also met with Jean Kennedy Smith, the United States Ambassador to the Republic of Ireland, as well as a host of community development, socioeconomic, and business groups.

It's been said the first indication that one is beginning to understand the problems in Northern Ireland is a sense of complete confusion. By that standard, I'm fast becoming an expert. The fact of the matter is there are no simple solutions to these very complex problems. It is at once both axiomatic and profoundly unfortunate that if the problems of Northern Ireland were simple and lent themselves to simple solutions, they would have been resolved long ago.

Lending to the confusion is the practice by nearly every political leader I met in Ireland of using historical events to prove his or her point, reaching back as far as needed to illustrate it. To put this in perspective, bear in mind that Saint Patrick converted the Celts to Christianity in AD 432 and the British came to northern Ireland nearly 400 years before Columbus sailed for the Americas.

It is not unusual for Americans visiting Northern Ireland to be struck by the similarities between Ireland's current situation and our civil rights movement of the 1960's. The primary difference being that Ireland suffers not from a history of racial discrimination, rather from a history of religious discrimination, specifically discrimination against Catholics by Protestants. What is unfortunate is that the Irish have not yet benefited from the lessons of the politics of inclusion that we have here in the United States.

Instead of including all political groups with popular support in the political process, the British government has actually aggravated the natural political polarities by excluding those of dissenting views, specifically the Sinn Fein party. To the extent that all groups are brought within the process and thereby made responsible and accountable for outcomes, society succeeds in pulling dissenting elements into the social and political mainstream. Certainly the past 250 years of American history convincingly illustrate this point.

If I had to single out one flaw in British policy toward Northern Ireland over the past 20 years, it would be its ignorance of this political truth. By way of example, I had the privilege of touring the Conway Mills Project, an established community center that was founded by Father Des Wilson in 1982, a supporter of the re-unification of Ireland. It has applied and been turned down for grants from the international Fund for Ireland [IFI], a program for commercial development in Ireland that receives half of its funding from the United States and the other half from the European community.

Father Wilson is working in the poorest section of Catholic West Belfast on a number of initiatives designed to improve peoples' lives through economic development, education, and hunger relief. The Conway Mills Community Center includes classrooms and a small business incubator. Actively involved in special community projects, it also has a small theater, a day care center, and an inexpensive snackbar. Frankly, it reminded me of the community center in the Cleveland neighborhood of Tremont.

But the British government had indicated to the IFI that it did not want Conway Mills to be funded in any way because of the politics of Father Des Wilson. I personally spoke to the Director of the IFI and requested that the Conway Mills grant request be reconsidered. Bear in mind that 50 percent of the IFI's funding is appropriated by the U.S. Congress. I explained that I thought it was not only important to support Conway Mills because of the value of its programs, but equally important to draw it out of the underground and into the mainstream. This will profoundly impact not only how the individuals involved with Conway Mills are viewed by outsiders, but how those individuals view themselves and their own relation to the larger society in which they live.

Because of the polarized environment and rigid positions held by Ireland's parties, I'm relatively discouraged regarding the prospects for near-term reconciliation of these differences. That notwithstanding, I was tremendously impressed and inspired by one group with whom I met, the Northern Ireland Commission for Integrated Education (NICIE). Led by Fiona Stephens, this is a parent-driven initiative which has established integrated schools with student bodies composed of about equal numbers of Protestants and Catholics. It is tragic that the vast majority of the people of Northern Ireland grow up never meeting or getting to know people of different religious faiths except in brief commercial transactions, feeding the development of deep-seated prejudice at a very young age. NICIE has only been around for a few years, yet it already has over 18 schools with 4,000 students. While this represents only 2 percent of Ireland's student population, it was the most hopeful indication I saw that these differences will eventually be worked out.

The untenability of the British position is that they built a political and economic system which exploited the religious differences and rivalries between two communities in order to serve and maintain their own colonial purposes. Now in a vastly changed 1990's European Community, Northern Ireland finds itself saddled with the rotting remnants of an unjust foundation. No lasting and equitable solution will be possible without the full inclusion and participation of all political parties. The British and Dublin Governments are clearly in the positions of leadership to initiate a new era of reconciliation and cooperation in which the politics of pride and paranoia are replaced by the politics of inclusion and reason.

Mr. CONYERS. Mr. Speaker, I rise today to urge the Governments of Ireland and Great Britain to work more actively for a true and lasting peace in Northern Ireland. The governments in both Dublin and London must work with political and sectarian parties in Northern Ireland to move beyond the senseless violence toward establishing a reconciliation process.

For more than 2 decades, secular violence has torn Northern Ireland, leaving over 3,000 dead. The last 2 weeks have been among the bloodiest in the conflict, claiming 24 victims of ruthless bombings and reprisal shootings. These indiscriminate attacks are deplorable, and cannot be justified.

At the same time, I commend the courage and commitment of Sinn Fein Party president Gerry Adams and Social Democratic and Labour Party leader John Hume who have continued to meet secretly in an attempt to iron out a peace initiative. Unfortunately their efforts have been stymied by the government of Prime Minister John Major, who refuses to accept any solution sought by Mr. Adams unless he renounces violence despite his continued denials of any involvement in terrorism.

Like most of my colleagues here, I do not condone violence by anyone. The attacks of the past 2 weeks must not continue. However, it is important to point out the Amnesty International Report for 1993 which attributes

human rights violations to Protestant and Catholic extremists and the Government of the United Kingdom. Now is the time for all groups to end violence, and for all groups to sit at the peace table and agree to a fair and lasting peace in Northern Ireland. If Israel and the Palestinians can come to terms on self rule, certainly the gap between the parties in Northern Ireland can be bridged.

Mr. Speaker, I also wish to take this opportunity to urge President Clinton to follow through with his campaign promise to appoint a special envoy to Northern Ireland. The United States has taken an active leadership role in resolving conflicts around the globe. From El Salvador to Israel, American administrations have used their influence to bring ideological enemies to the bargaining table. Now is the time for President Clinton to afford Northern Ireland the same opportunity. As with the Middle East peace process, perhaps an outside mediator can help the sides come to an agreement by bringing fresh thoughts and viewpoints to the table. Certainly it cannot hurt.

All of us, especially John Hume and Gerry Adams, can take consolation in the words of John Pentland Mahaffy, who once said: "Ireland is a country in which the probable never happens and the impossible always does."

Mr. KENNEDY. Mr. Speaker, I want to thank Representative NEAL for organizing this special order tonight. I think it is important that those of us in this body who have been concerned with peace and justice in Northern Ireland gather to recommit ourselves to this search.

At the end of October a cycle of extremist violence, including the IRA bombing in Belfast and a number of shootings by Loyalist paramilitaries, plunged Northern Ireland into the bloodiest period in half a decade. One of those killed by the IRA bomb on October 23 was Leanne Murray, a 13-year-old girl on a shopping errand for her mother. Leanne had spent this past summer in the United States on a program where she befriended Roisin Coulter, a Catholic girl also from Belfast.

The two were unlikely to meet each other in Northern Ireland, where Catholic and Protestant communities are segregated in housing and education. Leanne's death is particularly painful because of the hope and basic humanity she had shown in trying to reach across the divide that runs through her homeland.

When loyalist paramilitaries opened fire a week later on a Halloween party at a bar in Greysteel, they were attacking not only individuals, but also the hope embodied in the simple but profoundly important effort of their Catholic and Protestant victims to find a way to live their lives together when so much around them would pull them apart.

I have joined others in condemning the death and destruction brought by violence from both the IRA and the loyalist bands that have achieved the macabre distinction of claiming even more victims than the IRA this year and last.

But this tragedy would only be deepened if recent attacks are allowed to undermine the prospects for peace. We will do little to advance the cause of peace if the cycle of violence is followed by nothing more than the usual condemnations. If the violence is to be brought to an end, then every opportunity for dialogue must be explored.

Several people tonight have spoken about the initiative that has been crafted by John Hume and Gerry Adams. Hume and Adams argue that the proposal they have crafted could lead to dialogue involving all the parties, including Sinn Fein, in a situation without violence. This opportunity must not be missed. In measuring the proposal it is essential to set aside the question of whether it fits with our longstanding positions on the issue of Northern Ireland. We must ask instead whether it can open a process leading to a desperately needed peace.

Today, once again, I would urge the British and Irish Governments to search for a way, whether in public or private, to adopt a more welcoming posture to the Hume-Adams initiative. A more generous approach by those governments would involve some political risk. But Mr. Hume and Mr. Adams are putting themselves at personal and political risk in making their proposal. Anyone who sets this proposal aside must take upon themselves the responsibility of putting forward a concrete and believable plan to achieve the same ends.

If the British and Irish Governments are unsuccessful over the coming weeks in restarting broad-based talks that can lead to a durable peace, then I think it will be time for the United States to seriously consider the appointment of a special envoy to Northern Ireland. This would be a clear signal of U.S. commitment to bringing about a solution to the conflict. The Envoy could encourage negotiations among all parties who agree to end the use of violence and could use his or her good offices to facilitate those negotiations as a neutral party.

While our attention has been riveted in the past weeks on the need for peace in Ireland, we must never lose view of the need for justice as well. The tragedy of Northern Ireland today is not just the extremist violence. The tragedy is also the discrimination and deprivation that mark the lives of the Catholic community in the North day in and day out.

As we labor to keep open the path to dialogue and peace, I would urge my colleagues to involve themselves as well in the struggle for equal justice and fair employment in the North.

Since the partition of the island of Ireland in 1921, the government of the United Kingdom has had the responsibility of ensuring fundamental human rights and civil liberties for the people of Northern Ireland. Instead, that government has contributed greatly to the systematic denial of these rights through perennial renewal and reinforcement of "emergency" legislation.

Under these conditions too many residents of Northern Ireland are denied basic human liberties and rights, including freedom of speech, freedom of the press, protections against self-incrimination, the right to trial by jury and guarantees of due process of law. The denial of these rights, and the misapplication of justice fuel the cynicism of those who resort to violence. A system of justice that cannot win the confidence of every community in the North undermines those who advocate political and peaceful means to seek justice.

I would invite my colleagues to join me in a resolution that calls upon the President to urge the British government to move toward reconciliation in Northern Ireland by initiating a process for the declaration and constitutional incorporation of human rights and civil liberties, similar to the United States bill of Rights and European Convention on Human Rights. The resolution also calls upon the President to urge the European Community to take action to ensure that the Government of the United Kingdom is brought up to par with the rest of the community's member nations in the oversight and protection of human rights and civil liberties in Northern Ireland.

Finally, I think it is essential that we keep our focus on the fundamental problem of employment in Northern Ireland. The Catholic community has known horrendous discrimination for decades. Catholic unemployment remains at 18 percent, twice the level in the Protestant community.

Friends of Ireland in the United States must keep up the pressure for specific goals and timetables for recruiting Catholics and women in the North's civil service. Because investment with fairness must be part of our nation's policy for bringing peace with justice to Northern Ireland, we should seek expanded support for the MacBride principles campaign and continue our efforts to ensure that firms who receive United States Government contracts make every affirmative effort to break down the discrimination in recruitment, training, and promotion. In our discussions with the British and Irish Governments we must push them to target investment in the North to those areas that have suffered generations of high unemployment.

The need for peace in Northern Ireland is urgent. The agenda for justice is no less pressing. At this time of sorrow but also of enormous hope, I am proud to stand today with my colleagues in the Congress, and with the people in Northern Ireland, in their courageous struggle for justice and peace.

Mr. FISH. Mr. Speaker, I would like to thank my colleague Mr. NEAL and the American Irish Political Education Committee for organizing this opportunity to speak about the need for action to promote peace and justice in Northern Ireland.

As has been stated this evening, the theme for this week is "Peace Is Possible. I Can Help." This is a motto I have followed not just this week, but every week for the past 15 years.

My first contact with Ireland came in the early 1950's when I served as a Vice Consul of the United States Foreign Service in Dublin. I then returned in 1978, as the ranking minority member of the Immigration Subcommittee, to investigate reports of visa denials to British subjects of Irish descent by United States consular posts in London, Dublin, and Belfast.

That Judiciary Committee trip forever changed my outlook on Northern Ireland. Despite the thorough briefings we had on the situation prior to our departure, we were totally unprepared for what we saw during our 4 days there. We were especially struck by the violation of human rights the people of Northern Ireland are subjected to day in and day out.

Since that time, I have worked with my colleagues as one of the cochairmen of the Ad Hoc Committee on Irish Affairs, to realize the goals of peace, justice, freedom, and an end to all discrimination in Northern Ireland.

The ad hoc committee was extremely encouraged by five promises candidate Clinton made to the Irish-American community during his campaign: First, to support the MacBride Principles—on the Federal and State levels—and other efforts to end anti-Catholic discrimination in the workplace; second, to appoint a special envoy to Northern Ireland to facilitate the peace process; third, to implement an equitable visa policy which does not deny protection to Irish political refugees, including granting a visa to Sinn Fein President Gerry Adams; and fourth, to improve human rights and help bring about a lasting solution to the strife in Northern Ireland. To date, unfortunately, President Clinton has failed to take action to fulfill these important pledges.

Certainly a solution which has eluded men not just for decades, but for centuries, will not be easy. But peace and justice in Northern Ireland are possible if leadership is exhibited, policies are developed to end the great economic injustices there, and all violence is ended. President Clinton has an opportunity to exhibit the necessary leadership by appointing a special envoy, granting a visa to Gerry Adams and advocating for passage of MacBride Principles legislation.

Peace is possible, and I will help by continuing to press the President to fulfill these promises.

GENERAL LEAVE

Mr. NEAL of Massachusetts. 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 tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NAFTA FACTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

Mr. DREIER. Mr. Speaker, I have taken out this special order this evening to talk about an issue which we will be voting on in this House within the next 48 hours. In fact, I hope that within 48 hours we will have cast our votes here and put over the top the initiative which is designed to break down tariff barriers, expand export opportunities for United States-manufactured products, to expand opportunities for United States consumers, to bring down the magnet which draws people illegally from Mexico to the United States, and I hope very much we will be able to pass the NAFTA.

We have for the past several weeks and months been talking regularly about it here during these special orders. Over the last several weeks I have been sending out to my colleagues facts on NAFTA. I do not mean f-a-x, I mean f-a-c-t-s. Because this debate has really boiled down to basically fear versus facts.

I think we all saw that in the debate held on the Cable News Network the other night. We have seen a wide range of debates on this issue, and we know that as the American people learn more and more about the North American Free-Trade Agreement, they naturally become more and more supportive of it.

This afternoon we got the word from the Washington Post-ABC News Poll which showed that the American people are equally divided. It was 42 percent that support the NAFTA, and 42 percent oppose it.

Contrary to what many of us have found, people often say because the opponents have been so vociferous in their opposition and the noise level has been very high, but the fact of the matter is, when the American people learn what this really is, they move toward support of it.

We found, of course, the same thing taking place here in the U.S. Congress. I am pleased to say that as I have spoken with many of our colleagues, they often say that it is the right thing to do, but they are still having a difficult time facing the politics of the North American Free-Trade Agreement.

I am looking forward to being joined by a number of my colleagues who have indicated an interest in speaking out here on the floor again tonight, as they often have. I would like to take just a few minutes to go through a number of the facts that I have been sending out every day. I have a stack of them here, and I will not go through all of them, but I would like to refer to a few of them to underscore againthat this is an argument of facts versus fear.

I would like to begin by referring to NAFTA Fact No. 1, in which I said the latest evaluation of the Organization of Economic Cooperation Development, known as the OECD, ranks Mexico as the world's 13th largest economy and the 10th largest consumer base.

Of course, the reason I mention that is that when we heard Mr. Perot in the debate the other evening, he said there are 85 million people in Mexico who are so poor they cannot afford to buy anything. The fact of the matter is, Mexico ranks as the 13th largest economy and the 10th largest consumer base.

NAFTA Fact No. 2: The congressional Office of Technology Assessment in October of 1992 released a study which found that it was cheaper to build a car in a United States auto plant than in a Mexican auto plant. That is contrary to what so many people have said. They say all of these cars are being produced very cheaply in Mexico. The fact of the matter is, the cost of building the average automobile in a United States plant is $8,770; the cost in a Mexico auto plant is $9,180. That is a fact about NAFTA.

NAFTA Fact No. 3: Today Mexican tariffs on chemicals and petrochemicals average 15 percent, while American tariffs average just 2 percent. Both will be phased out to zero under the North American Free-Trade Agreement, with Mexico giving up seven times more production that the United States. That is a fact about NAFTA.

NAFTA Fact No. 4: In 1992, the United States exported $13.5 billion of capital goods to Mexico, which accounted for 33.6 percent of all American exports to Mexico. The reason I say that is we so often hear of our colleagues decrying the fact that so many capital goods are going down to Mexico. But the fact of the matter is, in comparison, capital goods account for 58.5 percent of United States exports to Canada, 53.5 percent of exports to Germany, 53.5 percent of exports to Australia, and 32.2 percent of exports to Japan.

Basically, what we have seen is that the argument that has been provided about this tremendous flow of capital goods to Mexico from the United States is not as large as it is to many other countries around the world, and, quite frankly, it is not necessarily a bad thing. That is a fact about the North American Free-Trade Agreement.

NAFTA Fact No. 5: A bipartisan group of 276 leading American economists, including 12 Nobel laureates in economics, have written the President in support of the North American Free-Trade Agreement. In their statement they say the agreement will be net positive for the United States, both in terms of economic employment creation and overall economic growth. That is a fact about the North American Free-Trade Agreement.

NAFTA Fact No. 6: The Economic Policy Institute, which is a think tank, released one of the few studies that predicts that NAFTA will hurt our economy. But the Economic Policy Institute received almost all of its funding from large national unions, and it has six union presidents on its board of directors.

Now, we all know where organized labor stands on this issue. They have come out in opposition to it, and they have funded the one major economic study from the Economic Policy Institute which has come out in opposition to the North America Free-Trade Agreement. That is a fact about NAFTA.

NAFTA Fact No. 7: No provision of the North American Free-Trade Agreement requires the United States to change or compromise truck safety standards, weight limits, vehicle size restrictions, or operator license requirements. Wecontinue to hear from many people that what would happen under NAFTA is we would see all these old heaps roll across the border and come in and create accidents here in the United States. But it is a fact that any truck that comes over has to comply not only with the standards for the trucks, but the driver must comply

with all of the operator standards that we have here in the United States. That is a fact about the North American Free-Trade Agreement.

NAFTA Fact No. 8, which is a very important one for us to recognize, Mr. Speaker, and that is that during the negotiations on the North American Free-Trade Agreement, the Bush administration held over 1000 meetings and briefings with Members of Congress and staff, private sector advisory committees, and trade associations.

So many people have said that the NAFTA is something that is being rushed through. As my friend from Tucson knows very well, I was privileged to join with him six and one-half years ago introducing a resolution calling for the breaking down of tariff barriers between the United States and Mexico.

I am happy to yield to my friend.

Mr. KOLBE. I appreciate the gentleman yielding. I think you make a very good point and one that I think our colleagues ought to pay special attention to, because one of the arguments that we hear most frequently from those who are opposed to NAFTA is why is this thing 2000 pages long? Why is it so complicated?

Of course, the answer is because, unfortunately, our tariff laws are very complicated. They refer to every single item that might be sold or traded, and it refers to what levels of tariffs we have.

So we are taking down these tariffs. So it does take a lot of language, a lot of pages in a piece of legislation, in order to do that.

But I think my friend made a very good point, and that is that there has been a tremendous amount of consultation on this. I was a part of one trip that went down to Mexico with our then United States Trade Representative, Carla Hills, which included a whole lot of the industry groups, a whole lot of the advisory groups.

□ 2110

And there were literally thousands of people that were advising the U.S. Trade Representative on this and talking to the Members of Congress as we went through this process so there was input all the way along the line. I think that is one of the really misunderstood things about the fast track process. It is not fast. It is called fast track, because at the end of it, once it is negotiated, you have a single vote. And that is for very logical reasons, so that when the agreement is done, both sides know the agreement is done and either there is going to be a yes or no to that. It is not going to be picked apart. But there was ample consultation with Members of Congress.

I know that Ambassador Hills was coming up here as often during the final months of the negotiations, as often as 15 and 20 times a month to talk to Members and groups about this so it was not as though there was not consultation, nor that interest groups were involved in this.

Mr. DREIER. Mr. Speaker, I thank my friend for his contribution. We have got to remember that fast track passed this House 2½ years ago.

Mr. KOLBE. May 1991.

Mr. DREIER. We have seen a long negotiating process, and I believe it is somewhat disingenuous of many of the opponents of NAFTA, who have continued to argue not this NAFTA, we had over 1,000 meetings held by the negotiators with Member of Congress, private sector organizations. They had, as my friend says, all kinds of input in the negotiating process as it proceeded. And we hear people say, throw this NAFTA out.

My response is, put together a North American Free-Trade Agreement that will have the support of Jesse Jackson and Pat Buchanan, of Ralph Nader and Ross Perot, of Jerry Brown.

As you look at the people who have been opposing, the coalition that has been opposing this, it would be virtually impossible to strike an agreement that would have the kind of input that the Bush administration put into the North American Free-Trade Agreement. I think that has to be recognized to those who continue to say, as we often see in the posters behind these anti-NAFTA rallies, not this NAFTA.

Mr. KOLBE. I think that is an excellent point and one that I think needs to be emphasized. That is another one of the great myths that I think we are hearing from people.

I think, as you suggested, it is very disingenuous when people say, I am really for free trade; I am really for a North American Free-Trade Agreement. It is just this agreement I do not like.

They know perfectly well that there is not going to be another agreement. There is not going to be another agreement in a generation, in probably in the lifetime of you or me or most of the people that might be listening this evening or of our colleagues.

The reason for that is fairly simple. A tremendous amount of political compromises and sacrifices and give and take went into this agreement on both sides, and if we are to say no to this, if we are to slap the Mexican Government and the Mexican people in the face by saying, we negotiated this, now we are saying no to it, it is politically not realistic to assume that the Mexican Government would turn around, having been slugged in the face, and say that was so much fun, let us try it again.

There is not going to be another agreement.

Mr. DREIER. The fact of the matter is, there are many people who stand up there under a poster that says, "Not this NAFTA," who admit that they want no NAFTA. There are a few people in this House who have said they are protectionists and they do not want to see us expand trade. And those are people who have stood under the sign that says, "Not this NAFTA."

Mr. KOLBE. My colleague is quite right. Many of these people do not want to have a North American Free-Trade Agreement, they are just opposed to a Free-Trade Agreement.

Mr. DREIER. Mr. Speaker, I am happy to yield to my friend, the gentleman from Hickory, NC [Mr. BALLENGER], who has been a strong advocate of the North American Free-Trade Agreement, who has fought for human rights and political pluralism and free marketsthroughout Latin America, and his efforts on behalf of NAFTA will finally help us reap the benefits of the many years of effort that he has put into trying to bring about free and fair elections in Latin America.

Mr. BALLENGER. Mr. Speaker, I thank the gentleman for yielding.

I would like to tell the folks back home that basically in my real life, before I came up here, I was a manufacturer who supplied packaging to the textile industry. And what really surprises me is for Ross Perot to come out and say, after NAFTA, there is going to be this great sucking sound.

My company has been supplying the textile industry for 40 years. And for 40 years, each year we lose another customer, another one of these sweater plants or dress plants. They do not go to Mexico. Very few of them went to Mexico. The large majority of them went to the Far East.

They are all in Hong Kong, Thailand, Malaysia. Those folks there use their thread, they use their cloth, and they cut it and sew it and sell it in this country for a small amount.

Mr. KOLBE. And they use their packaging.

Mr. BALLENGER. Yes, which hurts terribly.

But in the meantime, suppose NAFTA passes and the jobs that are now in the Far East could be brought to Mexico, because of the fiber arrangements we have. You have to look at it from the viewpoint that I come from. I have got 60,000 textile workers that work in my district. But if they bring it back from the Far East to Mexico and, because of the fiber forward arrangements in that, they would be using our thread and our cloth and creating more jobs in our industry here in the United States.

Mr. DREIER. Of course, it becomes extraordinarily difficult for businesses in the Pacific rim and the Far East and businesses in Europe and any other part of the world that are not part of the North American Free-Trade Agreement to get in. Why? Because the tariff barriers that exist today for the United States, your business is sending products to Mexico, actually, will continue

for those countries in other parts of the world that are not part of the NAFTA.

Mr. BALLENGER. I am not worried about that great sucking sound. Because for 40 years, that sucking sound has been going to the Far East.

Mr. KOLBE. I would like to respond. I think the gentleman from North Carolina has made another very good point that needs to be remembered by our colleagues, and that has to do with specifically with the textile provisions in this bill.

There are provisions that are very, very favorable to the textile industry in this country, because you referred to the fiber forward part of the agreement. Now, that is going to be malarkey or black magic to most of the people that would be listening to this and even to a lot of Members. I think it is important to understand what that means.

When we talk about fiber forward, that means in order for the product to be considered a North American product, and thus be duty free and not have to pay the duty as it moves between Canada, Mexico, and the United States, it must at least have the fabric, the sewn fabric used in it. Now, the cotton can come from another location outside the country, but the fabric has to be made in this country. That means because we have very, very competitive and very low-cost producers of the fabric, because of the, as you well know, because of the capital investment in that, we are going to have a tremendous advantage in using the Mexican labor force in terms of the sewing of these products. We will be supplying the fabric that now is being sewn in the People's Republic of China, and the fabric is being made there as well or maybe the fabric is being made in Taiwan and taken over to the PRC. But we get none of the business now.

Mr. BALLENGER. There is nothing to lose, as far as the textile industry is concerned, as far as this agreement is concerned.

Mr. DREIER. I would like my friend to read this very helpful letter.

Mr. BALLENGER. This came out on November 15, which is a resolution to the Board of Directors of the American Textile Manufacturers Institute and it resolved that its member companies "pledge not to move jobs, plants or facilities from the United States to Mexico as a result of the North American Free-Trade Agreement."

Common sense says, the investment that they have in this country and the productivity of our workers is such that if you remove the tariff barrier, there is no reason to move plants to Mexico.

Mr. KOLBE. I cannot think of anything that might happen that would be a better break on these jobs moving out than to have this arrangement with Mexico that allows us to take advantage of what we do so well in this country and what Mexico can do so that we can produce shirts and blouses and coats and slacks and raincoats and everything else, and we can produce these goods that we can sell to Europe and we can sell to Japan, and that now we do not have a competitive edge in doing that.

I think there is going to be a tremendous advantage in the textile industry and in the textile and apparel manufacturing industry for the United States.

□ 2120

Mr. BALLENGER. I hate to just use my own industry in my own area.

Mr. DREIER. We do not mind one bit hearing about your industry.

Mr. BALLENGER. My two big industries are textiles and furniture and fiber optics, where we have no problem. But ever since Mexico began being involved in getting into the GATT treaty, they started reducing their tariff, and since 1987, let me just give the growth in our sales just from North Carolina to Mexico in a period since 1987.

Textile products have increased by 946 percent; apparel, even, and that is where everybody says we are going to lose all these jobs, apparel has increased by 523 percent. Furniture, unbelievably, again one of my State's largest industries, 6,800 percent in a period of five years. That is unbelievable growth as far as North Carolina is concerned in shipments to Mexico.

If we remove that last tariff barrier, there is no reason in the world this growth could not continue. It is just unbelievably one of the greatest possibilities that we have, at least as far as North Carolina is concerned, and the country.

Mr. KOLBE. If the gentleman will yield further, it is important that we note that Canada and Mexico are the two largest export markets for the United States textile and apparel products. It is estimated that those jobs or those exports to those two countries support 72,000 textile-related jobs in this country, and that is growing very, very rapidly.

Our exports of fibers, of textiles and apparel, to Mexico have increased by more than 25 percent, on average, every year since Mexico joined the GATT. Compound that, 25 percent each year. It is now more than $1.5 billion of textiles that go to Mexico alone, so we have a tremendous amount. Canadian and Mexican markets represent more than 28 percent of our total exports in textiles.

Mr. BALLENGER. Our country at the present time, if we did not have the export market that we have, this recession that we are supposedly coming out of right now would have been one of the worst recessions in the history of the country.

Mr. DREIER. We know in this country people working in the export sector earn 17 percent higher than those who are working in areas that are simply for domestic consumption in the United States.

I am going through my NAFTA facts. Knowing that you were talking about this issue of productivity, I flipped ahead to NAFTA Fact No. 12. It basically states that a study by the Hudson Institute compared manufacturing wages and productivity in the United States and Mexico. The findings showed that United States manufacturing compensation was 4.7 times higher than in Mexico, while United States manufacturing productivity was 4.6 times higher than in Mexico, basically saying that the marketplace is working, here.

The American worker, as my friend, the gentleman from Hickory, is going through his tremendous experience in the manufacturing business, knows that the American worker is far more productive. We are hoping, and if one believes, if anyone here believes in what we have been arguing for the past four decades as a country, encouraging free markets throughout the world, we know that what we are doing is we are getting towards a market level and wage rates are going to increase on both sides, making this a win-win arrangement, which is very positive for us.

Mr. BALLENGER. If the gentleman will yield further, it is not surprising to the two of you that the one organization that should profit more from this whole kit and caboodle is the United Auto Workers, and their workers in Detroit, MI?

My understanding is at this point we ship less than a thousand cars a year, and remove the tariff, we are projecting that we would sell 60,000 cars.

Mr. DREIER. In the first year, the first year projections are that 60,000 automobiles will be sold to Mexico, and according to Robert Holdman, the executive vice president of General Motors, that number will exceed even beyond that in years to come. Why? In Mexico there is 1 automobile for every 123 Mexicans. In the United States there is 1 automobile for every 2.5 Americans.

Mr. BALLENGER. I would ask the gentlemen, have they ever thought of the idea that basically the opponents to NAFTA are looking back, they are looking at the past, they are worried about what happened to them in the past, and nobody is looking to the future?

I think that those of us that are supporting NAFTA are looking to the future and the growth of our country.

Mr. DREIER. We are, and we have been joined by our very able new colleague, the gentleman from Pine Bluff, AR [Mr. DICKEY], who has done a spectacular job in leading his class on behalf of the North American Free-Trade Agreement.

I am happy to yield to the gentleman from Arkansas [Mr. DICKEY].

Mr. DICKEY. I thank my distinguished colleague from Claremont, California. Is that correct?

Mr. DREIER. Yes.

Mr. BALLENGER. The gentleman is close.

Mr. DICKEY. I have something I want to add to this, if I may. Those of us who do not take PAC money are in somewhat of a different position in this discussion than we are in other discussions for these two reasons. One is that there is no influence that can get to us. I think the voters need to know that, that the people who do not take PAC money, the PAC's do not have any way of coming in and saying "We want to collect, or give you a better chance of reelection next time," because we were reelected on the basis of the people's votes and not any of the lobbyists.

A second point is that the reason we do not take PAC money is because we are for the little person. The little person is out there, the average person is out there saying, "I want my Representative to give me a straight opinion, with no reference to what somebody has given him from the northern States or the PAC's or groups of people who have gathered this mass amount of money together."

How does that relate to NAFTA? I want the people of America to know and I want you all to know that it is the average person that I am representing when I am saying I am for NAFTA. It is the people who have jobs, who want more security in their jobs, and people who do not have jobs. Those are the same people that I am trying to represent when I say no to PAC money. I am saying yes to NAFTA. I am saying to those people, they should be given a chance to have better jobs and better opportunities.

There is one other point that I want to make. I have spent some time in athletics, particularly in basketball. I know that when you try to freeze a ball on a basketball team, you lose, usually. You might win that game, but if your attitude of your team is that once we get ahead we are going to hold onto the ball, then you somehow lose the spirit of the team. You lose the competitive edge.

When we try to build a fence around this country and we say we are just going to hold onto what we have, we are going to suffocate our job supply. We are going to suffocate our attitude and our spirit of competitiveness.I believe that is mainly the part that I want to emphasize.

Mr. KOLBE. If the gentleman will yield, a great deal has been made of this issue of PAC money. I really admire the fact that the gentleman does not take any PAC money, that you run your campaign using just individual contributions from citizens. I think that is very commendable.

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I think it needs to be pointed out, however, that for those who have been critical of contributions made by political action committees to those who might be in support of NAFTA, that the same can just as easily be said of the other side. I am sure the gentleman is very well aware of that. The labor unions have been very, very strong in their support of those who are opposed to NAFTA. They have given a large number of contributions to Members who are opposed to it.

Similarly, as we know, this morning's Wall Street Journal has a very interesting article about Roger Milliken who is a very famous and large textile manufacturer, and the way that he has consistently been fighting free trade and for protectionism throughout the years with the money that he has used to fund various think tanks and operations here in Washington against free trade.

There are plenty of people and organizations on the other side that have been very free in spending their money to try to defeat this. In fact, I dare say, there is a lot more money out there being spent to defeat this than there is money being spent to try to pass this.

Mr. DICKEY. I think that, too, because in the debate we tried to find out how much Mr. Perot had been spending on this, and I guess to date we do not know, is that right?

Mr. DREIER. He did not answer the question when it was posed to him by Vice President GORE on Larry King Live the other night. Maybe he has provided the answer since then. If he has, I have not seen it.

Mr. KOLBE. The Perot organization has been very careful not to ever, or very clear that they are not going to reveal any of the sources of their money, or how they get it, and where they spend it. I think that is important for the American people. They have become a major player in the American political scene, and yet we have no idea what the sources of their money are, and how they are spending it.

Mr. BALLENGER. He did not bring that material with him. It was one of those things that he happened to overlook, that he was not sure they were going to ask that question, so he did not bring that.

Mr. KOLBE. That is right. He just did not have that information with him, but it still has not been made public.

Mr. DREIER. I am happy to further yield to my friend from Pine Bluff, AR [Mr. DICKEY].

□ 2130

Mr. DICKEY. The other thing I want to emphasize is market share. It is difficult for any country or any business, if you step back one step from that, to try to get a market, a new market, and to try to get one that is free and open.

We have an 85 million person market here that we can service. It is on our border. We do not have to cross the seas. We do not have to do anything except just lay down the tariffs and cross the border and deliver what goods we have, and what goods we are making in the United States with American jobs.

That is not where it ends though. We can go from there to Central America and to South America, and we have 700 million people who we can start pulling for to lift their standard of living so that we can then sell them more.

I just do not see how we can lose in that situation.

Mr. DREIER. I think my friend makes a very good point on this issue when he raises the point of we can start pulling, because historically there has been more than a little friction between Latin America and the United States of America, and there is a great attempt being made today to unite this hemisphere and the North American Free-Trade Agreement is the first step on that route toward establishing the elimination of trade barriers with Chile, which wants to embark on a free-trade agreement just as soon as we complete the NAFTA, and many other countries in the region. The Andean Pact will be going into effect in 1995 where we will see five Latin American countries coming together in a free-trade area.

Yesterday's Washington Post had a fascinating editorial written by President Gaviria of Colombia who referred to the fact that a free-trade arrangement between a Latin American country and the United States has been extraordinarily beneficial in growth on both sides. That is the example to which we should be looking as we consider embarking on this kind of an agreement.

I am very happy that we have been joined by a friend who traveled with us to Mexico just about a week ago now to talk about this arrangement with business people, American business people in Mexico, Mexican business people, opposition leaders in Mexico and Mexican Government officials, and even consumers in the Wal-Mart store in Mexico City.

I am happy to yield to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I thank the distinguished gentleman from California for yielding.

Before I comment, let me just say the excellent leadership that you and Congressman KOLBE have given on our side, and of course Congressman MATSUI, Congressman RICHARDSON, and Congressman GIBBONS on the Democratic side show that this is truly a bipartisan issue, and we are going to work very hard to pass the NAFTA bill on Wednesday.

The item I would like to talk about a little bit is this whole question that has been debated back and forth about either the creation or the loss of jobs. As the gentleman from California [Mr.

DREIER] pointed out earlier this evening, every study that has been done on the job impact, except one, has said there is going to be a positive job creation if we pass NAFTA.

To put that in simple terms, and just to walk through some of the numbers, we have a trade surplus with Mexico this last year. We have data that we exported about $5.4 billion more in goods and services in Mexico than they exported to us.

Mr. DREIER. To those 85 million poor people who cannot afford to buy anything?

Mr. BARTON of Texas. As you well know, they actually average about $450 per person.

Mr. DREIER. Is that not more than Japan and Western Europe?

Mr. BARTON of Texas. It actually is, substantially more.

Mr. DREIER. It sounds to me like they are not quite as poor as we have been led to believe.

Mr. BARTON of Texas. That is right. They buy about one-third more.

But the point is if we are already exporting more to Mexico than we are importing, then we are creating jobs in this Nation. And if, as you so well know and the other distinguished gentleman from North Carolina knows, if their tariffs are 20 percent on average and our tariffs are 4 percent on average, if we reduce their tariffs to zero, or in stages, then we are going to export even more. So we have to create jobs in this country. And every study but one, which was primarily funded by the labor unions, has indicated that that is the case, that we are going to create jobs in this country.

So the people who are opposed to NAFTA because they fear they may lose their jobs, and that is a sincere concern, there is no question about that, I think they have a very exaggerated case being made to them about the impact of the loss of jobs. And if in fact they are in an industry that might lose jobs to Mexico, the reality is that if you are trying to produce in Mexico, sell in the United States, as you so well know, and the other gentlemen know so well, they can do that today under the maquiladores program. And a very important fact in the maquiladores program is between 1979 and 1990 the United States lost about 3 million manufacturing jobs. During that same time period we created 16 million net jobs overall, but we did lose about 3 million manufacturing jobs.

The maquiladores plants in Mexico employ 380,000 people, so the jobs that are lost in manufacturing, they did not all go to Mexico. In fact, only 380,000 jobs are in the maquiladores zone right now.

And in spite of the fact that we lost 3 million manufacturing jobs, we actually increased our productivity in the United States in the manufacturing sector. We are the most, as you well know, the most productive manufacturing economy in the world. We are 30 percent more productive than the No. 2 nation, which is Japan.

Mr. BALLENGER. If the gentleman will yield on that point, while you are speaking of the maquiladores operation, that is 380,000 jobs, according to what you said. But at the present time we are shipping to Mexico right now without removing the barrier that we have and there are 700,000 in this country today that exist because of what we are selling in Mexico.

Mr. BARTON of Texas. And on that basis we are creating jobs, but I am just trying to point out, as you talked about in the opening statements, talking about the facts and the facts of NAFTA, we are a net job creator because of exports to Mexico. The jobs that have been lost in the manufacturing sector have gone all over the world.

We still have the most productive manufacturing sector in the world, and by creating a market, as you so well know, of the 85 million consumers in Mexico, we are going to create even more jobs.

Mr. KOLBE. If the gentleman will yield for one moment, I know we have had others who have joined us here, and I want to get them in on this discussion, but I think there is a very important kernel in what the gentleman has just said there that needs to be recognized.

I am prepared to concede, frankly, that both the proponents and the opponents of NAFTA have used some hyperbole when it comes to the jobs issue. It has been hyped just a little bit, this whole issue, and I think you have to put this in perspective.

Let us say it gains 250,000 jobs. Let us say it loses 500,000 jobs. Do my colleagues know what the average number of jobs that are lost and created each week in the United States is?

Mr. DICKEY. It would be several hundred thousand.

Mr. KOLBE. It is 400,000. 400,000 jobs every week are lost and gained, and we know that because when the number of new unemployment compensation applications rises above 400,000, unemployment goes up; when it falls below that, unemployment goes down.

So, in other words, the net that is changing every week, that is the equilibrium, is 400,000. So even if we are talking about losing 250,000 jobs, and I believe that clearly it is a net job gainer, but even if we are talking about losing that over 5 years, we are talking about 3 days' worth of what the job gain and loss is in this country today.

Mr. BARTON of Texas. If the gentleman will yield, the worst case scenario, the worst case scenario for jobs lost directly attributable to NAFTA is 500,000 jobs lost over a 15-year period.

Mr. KOLBE. That is right. That is why I say I think that point is very important, that when you put it in the perspective of what is churning within the job market every single week, that it is not that significant. I think it has a tremendously positive effect in terms of net job creation over the long period as it generates more sales, and I think it is a net job gainer. But I think that point needs to be kept in mind.

Mr. DREIER. The economy of Mexico is one-twentieth the size of the United States economy. It needs to be realized that as many people seem to be scared to death of the Mexican economy, we are the largest, most productive economy in the world, and our workers are by far and away the most productive on the face of the Earth. And these figures that we have as facts demonstrate that, plus all of us here represent 600,000 people, and we know that in the districts which we are privileged to represent that we have many of those hard-working, capable people.

Mr. BARTON of Texas. If the gentleman will yield, I think the economy of the great State of California, of which you are I believe one of 52 distinguished Members, is twice as large as the economy of Mexico. That is, your State's economy is approximately twice as large as the entire economy of Mexico.

□ 2140

Mr. DREIER. Our State's economy is actually the sixth-largest economy on the face of the Earth.

Mr. Speaker, I am pleased to yield to one of those 52 Representatives who has been a great leader in the effort to pass the North American Free-Trade Agreement. He represents many union members in his district, and he knows the North American Free-Trade Agreement is going to be a benefit to them, and I am happy to yield to my friend from Long Beach, the gentleman from California [Mr. HORN].

Mr. HORN. I thank the gentleman very much.

There is no question but there is a plus for everyone in this. There might be temporary dislocation, but what gets me as we are coming down here to the wire and going to vote in 2 days on this agreement, and I regard this agreement as one of the two most significant issues of the 1990's that face this Nation, and we are going to step up to the bat and bat a home run for history and the future of this Nation, or we are going to be completely paralyzed by fear and intimidation.

I know that each of us here have been talking to various colleagues in both parties to make sure we have that majority to win this battle for the good of our children, our grandchildren, and those to come.

What I hear as I talk to people are some of the really strangest arguments I have ever heard on any public issue in 35 years. I do not doubt the sincerity of people and all that on the other side.

But a lot of them are making up their mind simply because of political

intimidation. In one case today I heard descriptions of violence in his constituency and threats of that. You know, enough is enough. We have got to rise up, make these decisions based on our conscience, not simply our constituency, and today I have put in the RECORD, because I did not want to put my colleagues to sleep here, a little bit that relates to what we are doing to what Edmund Burke once said in the English Parliament, which every one of us has used, that, "I owe the constituency my judgment, and I do a disservice in essence if I do not provide that judgment."

All of us are going to stand for election in the fall of 1994, and for all of us, this might be an issue. I suspect this will not be much of an issue.

We are going to go on to health care, which is equally, if not more, controversial, and to me it is the other key issue of the 1990's. We have both of them in this particular Congress.

But what worries me is that some people are simply putting their finger to the wind and being swayed by a small group that when you get information out to the full electorate they simply vote for NAFTA.

We saw this in the Gore-Perot debate when there was a shift of 20 points between the people that made a judgment prior to hearing the debate and the people that watched the debate, and then did they change their mind after.

Mr. DICKEY. If the gentleman will yield, considering the Perot debate and considering the fact that we have these people who are so adamantly against our position in this issue, I would like to bring up two things that were not answered in that Perot debate.

One was: What would you add to make this NAFTA better? That question was asked and it hung in that debate, and it still has not been answered.

Second was brought up indirectly.

Mr. DREIR. The response, by the way, was, "Work on it."

Mr. DICKEY. Yes. I think the other part of it was that the 6-month termination was available to us at any time. If it is as bad as you think it is, no answer has been given to that in this discussion yet by the opponents, and all we get is fear and intimidation and threats.

Mr. DREIER. My friend is absolutely right. I think that at this point along the lines of what my friend from Long Beach said, I would like to ask the gentleman from Tucson to report on the town hall meeting he had just this past weekend.

One of the things we found is in going into meetings one would conclude that everyone in the room opposes the North American Free-Trade Agreement. Why? Because the volume level of the opponents is so high, and at this point I yield to my friend from Tucson, the gentleman from Arizona [Mr. KOLBE], to report on that.

Mr. KOLBE. I appreciate your yielding.

The gentleman and I had a little conversation about this.

Obviously I have been a supporter of NAFTA for a long time. It was hardly any surprise in my district for me to be talking about it as I have been for the last several years.

But I felt that it was incumbent to do a town hall specifically on this subject before we had the vote, so I scheduled a town hall last Thursday. I went through a presentation, and actually I thought it was quite good, not only my presentation, but we had products lined up behind us, products from southern Arizona that are exported to Mexico, either distributed through Arizona or manufactured there and sent down there, and then I had a panel of three business people tell us about how their exports and how their business has increased because of doing business with Mexico. After they finished that and I finished my explanation, we immediately launched into a dialog, and there were people all over the room, and there were about 150–200 people there who were standing up shaking their fists and shouting about how bad NAFTA was, as though they had not heard a single word that had been said in its defense there, and this went on and on and on for an hour and a half, and at the end of the evening, I thought that I had better find out here where people really are, because you would have thought there were not five people in the entire room that were in favor of NAFTA.

We took a straw poll, and it was almost 3 to 1 in favor of it.

The problem is that it is the opponents that make all the noise in this thing.

Mr. DICKEY. I think you can hear it in this body right here.

Mr. KOLBE. That is right.

Mr. BARTON of Texas. Take a vote right now.

Mr. KOLBE. While I am on this topic, I wanted to mention one of our colleagues, another Member from the great State of California that I was talking to just a few minutes ago, and he was watching us from his home or from his office, and I am talking about the gentleman from California [Mr. CUNNINGHAM], and he announced that he was going to be in favor of the North American Free-Trade Agreement.

It has been a tough decision for him to make that, because there are a lot of Perot people, a lot of union people down there in the San Diego area that have been against it, but as he said, "I have studied this thing very, very carefully, and I made the decision that I am making," he said, "because I have looked at the facts, and the facts are very, very clear that this works to the benefit of the American worker. It works to the benefit of the American consumer. It works because it is going to help provide jobs." He said, "I just wish you would convey to our friends over there on the floor that are with you tonight that I have made this decision not as one who was caught by any special-interest group." Indeed, if he was going to cast the easy political vote, he would have been deciding against this. But he came out for it because he recognized that it is in the interests of the American worker and the American consumer, and that is what is going to be good for America in all of this.

I just think that all of us are very appreciative of having the gentleman from California [Mr. CUNNINGHAM] come out in favor of this. We admire his courage that he has shown through the years as a fighter pilot, as a POW, as he has been a great person, and I think that we are very appreciative.

Mr. DREIER. I thank my friend for his contribution and his excellent report on another brilliant Californian who has made a very wise decision.

Demonstrating that this is a bipartisan issue, I am very happy to see that we have been joined by our friend, the gentleman from Texas [Mr. GEREN], and I am happy to yield to him at this time.

Mr. PETE GEREN of Texas. I appreciate the gentleman yielding. I thank him for giving me the opportunity to join my colleagues in this discussion of, I think, one of the most important issues that Congress is going to consider this year or for many years to come.

I just came from my office where I got a call from a constituent. I heard from him what I know many of you all have heard from your constituents. They have example after example of plants that have closed and moved to Mexico, and they say that you cannot be for NAFTA because of this that happened yesterday and the year before and the year before that.

It seems to me that our biggest problem in selling NAFTA is not what NAFTA is going to do but what has happened up until now. All of the economic insecurity out there is really what has stemmed from what has happened pre-NAFTA, not what NAFTA offers.

I wanted to just share a conversation that I had with the former Speaker of the House that I think goes a long way toward addressing some of these concerns. I was talking about this issue with Jim Wright, somebody who certainly has had a long and distinguished record of supporting the labor movement in this country and somebody who strongly supports NAFTA and is working very hard for its passage.

He said, in responding to the concerns that people have had about plants that have gone to Mexico, he said that NAFTA has nothing to do with them. He said that with NAFTA,

plants can go to Mexico, but NAFTA does not affect that decision one way or the other. What NAFTA does, if we pass NAFTA, we will be able to sell American products in Mexico without the high tariffs, the high penalties, that Mexico is putting on American products. That is what NAFTA is all about.

It is about tariffs. It is about penalizing American goods. It is not about whether or not a plant can or cannot move to Mexico. NAFTA does not touch that.

I just wanted to come and join you all after this latest conversation that I had with a constituent, but it is one that I know you all have heard over and over again, and I think Speaker Wright with his distinguished record of support for the labor movement did such a great job of explaining what NAFTA is truly all about.

Mr. HORN. If the gentleman will yield further, I agree with what the gentleman has said, that NAFTA is not responsible, obviously, for the plants that have moved there for the last 30 years.

On the other hand, NAFTA, when implemented, will take away at least one reason why a plant might move to Mexico, and that is it will eliminate the Mexican law that says that if you want to sell in certain areas in Mexico, you must have a plant there.

Am I not correct?

Mr. DREIER. My friend is absolutely correct. There is another reason, and the fact of the matter is, as the gentleman from Texas [Mr. GEREN] has said, the plants have move to Mexico without NAFTA, and they will move to Mexico with NAFTA.

□ 2150

But we need to realize that contrary to many of the reports that are out there that U.S. businesses move to Mexico to simply use its cheap labor as an export platform to send products back to the United States, that is not the case. Seventy percent of the business that is done by United States-owned operations that are in Mexico is done to take advantage of the Mexican consumer market. Why do they go there to do that? Because the tariffs are so high that they have no choice.

We found that 55 percent of the items that are on the shelves of the Wal-Mart store are U.S.-manufactured products. But the prices of those products in Mexico are sometimes 3 times greater than they are on the shelves of the Wal-Mart store in the United States. Yet they are still selling there.

So when we reduce that tariff barrier, many businesses which have had to move to Mexico so that they can gain access to those consumers will not have to go. They will be able to stay in the United States.

One of the best examples from our State is IBM. The tariff structure that exists right now on computers is as high as 20 percent. The chief executive officer of IBM has said if NAFTA is defeated, they will have no choice but to move some of their operations from California to Mexico. Why? Because Mexico is one of the largest and growing markets for computers, computer software, electronic goods, and they will not have to move down there to take advantage of that. If NAFTA passes, they would not have to. They will be able to stay in California.

Mr. Speaker, I yield to the gentleman from North Carolina.

Mr. BALLENGER. The gentleman mentioned buying groceries and things at the Wal-Mart. But unless I am mistaken, there are several people here who have States right on the border: Is it not true that Mexicans came across the border to buy our products because they want our products but cannot get them down there?

Mr. DREIER. I yield to my friend from Arizona.

Mr. KOLBE. Not long ago, and some of my colleague have heard me tell the story but I think it is a very good one, not long ago I visited one of the largest Safeway stores in the State of Arizona, which is not in Phoenix, not in the Tucson area, it is down in a little community called Douglas, a town of about 10,000 people on down on the border.

This Safeway is gigantic, huge. You ask how could they have a store of that size in a community of 10,000? Well, 80 to 85 percent of their business is being done with people coming across the border from the neighboring State of Sonora and the little town of Agua Prieta, who are coming across there in order to shop at this store in Douglas, AZ.

Now, I went there and walked to the back of the store to the meat department. Now, in a Safeway store, on average 14 percent of the dollar volume of a Safeway store is in meat. Meat is the high end of your grocery market, as you all know, when you go out and buy steak or chuck or anything else; it is on the high end. Well, 24 percent of the dollar volume in this Safeway store comes from the meat department. There were nine butchers back there. Safeway is unionized. These are all union workers, union butchers. Nine of them back there, they were sawing, they were chopping, they were grinding, they were wrapping, they were packing, they were shoving that meat out there as fast as they could out into those coolers where it was being picked up by the Mexicans who were coming across the line to buy that. They are coming across because the meat is better quality and it is a cheaper price than they can get at home.

Do not tell me we cannot compete with union wages. We are doing it every day. And that is a good example. Do not tell me that Mexicans do not have the money—Agua Prieta is a very poor town, by the way—do not tell me Mexicans do not have money. They have an insatiable desire for American products, and they are spending the dollars that they have on American goods, American products.

They spend already more on a per capita basis than the Europeans do or the Japanese do, despite the fact that they have an income about one-sixth or one-seventh of the Japanese or the Europeans.

Imagine when Mexico is transformed and they truly have an economy that is close to the European country or close to Korea, let us say, which is maybe one-half or one-third of what we have today—and that is not too far in the future when that will be the case—imagine how many more dollars they are going to have to spend on United States products.

Mr. DREIER. You know, when my friend talks about this huge level of income, the huge income levels, one is struck by the fact that our competition in this country does not come from poor nations, it comes from nations like Germany, where the wage rates are 60 percent higher than the wage rates right here in the United States. The competition comes from Japan, where wage rates are about on par with wage levels in the United States.

It does not come from these very, very poor nations that we see throughout the world. That is why I cannot understand why so many of our colleagues are fearful of that.

I yield to my friend from Texas.

Mr. BARTON of Texas. I thank my friend.

Now I have a comment, and then I want to ask a question of my colleague, the gentleman from Texas, from Fort Worth, TX.

Many of United We Stand groups had protests, picketing operations over the weekend. I know Congressman GEREN was picketed in his office. I am a member of the United We Stand, and so I received the information to picket my own office.

I called up the coordinator, had my staff call the coordinator for my district, and said, "Instead of having a demonstration, why don't we have a debate," as the gentleman had in his town meeting.

Well, we had a debate in a bowling alley. The opponent, against NAFTA, was a very well-read young man named Lyndon Johnson, believe it or not. So Lyndon Johnson took the negative that NAFTA was bad, and JOE BARTON took the affirmative that NAFTA was good. Of the undecideds in the room, and there were approximately 75 people, of which maybe 15 were undecided, at the end of the debate the overwhelming number of those people came up to me and said they were going to support NAFTA.

But my question, when I heard Congressman GEREN talking about speaking with Jim Wright, the former

Speaker, being for NAFTA, my question is: Is that just private conversation, or has the former Speaker, formerly strongly in support of NAFTA and in some way publicized that he is strongly insupport of NAFTA?

Mr. DREIER. I yield to the gentleman from Texas.

Mr. PETE GEREN of Texas. Mr. Speaker, former Speaker Wright is not only working for this agreement privately, he is working quite publicly. In fact, he has written an editorial that appeared in the Wall Street Journal recently. The former Speaker has taken a good deal of his own personal time to come to Washington and is actively going door to door calling on Members, trying to impress upon them the importance of this agreement, not just to our State of Texas but to the whole country.

It is an issue that he believes passionately in, and he is, though a private citizen now, is taking his own private time, his own personal expenses, and coming up here working the halls of Congress trying to get this agreement passed.

Mr. BARTON of Texas. And before I yield back, as the gentleman from California pointed out a minute ago, there is no question that many of the people who are opposed to NAFTA are absolutely totally sincere in their opposition. But when you really sit down and spend time with them, I have found that if they really understand the facts in a, I would say, reasonable number of times they will go, if not from being totally negative, they will go at least to being undecided.

Mr. DREIER. My friend is absolutely right. That was confirmed, as I said earlier tonight, by the Washington Post/ABC News poll which was released showing 42 percent of the American people support NAFTA and 42 percent oppose NAFTA. So it is evenly split now, contrary to the reports that we have gotten in the past about all of this opposition.

The difference is that the American people have begun to focus in on this. The whole point of this special order this evening was to talk about specific facts about the North American Free Trade Agreement.

I yield to my friend from Long Beach.

Mr. HORN. One of the perceptions that I have is that a lot of our colleagues and a lot of the voters have a misperception of what is the modern Mexico. Certainly it is not as advanced as the superpower to its north. On the other hand there is a substantial middle class, and it is rising regularly. And yet the perception seems to be there is a few rich people living behind 30-foot walls that own most of the country and everybody else is in a rural village with a dirt road, does not have a job, and wants to head to the United States.

The reality is you have got professional people, highly educated people, raising families, giving them a proper education, becoming part of the skilled technological force of Mexico, occupying offices, doing all the things we know the American middle class does.

As my colleague mentioned, the purchasing power that is seen in that Safeway store in Arizona is pent-up purchasing power, wanting quality goods, and it is people who have money to spend and can be major consumers. The vision of every ex-President and the current President and most of us in this debate is of a common trade zone that stretches from the North Pole, someday, to the South Pole and truly is an integrated economic institution with a huge market where everybody can have not only economic freedom but political freedom.

Mr. DREIER. I thank my friend for his very helpful contribution.

For the last hour we have been focusing on the facts of the North American Free Trade Agreement versus the fear propounded by the opponents of NAFTA. My time has expired, but I know that my friend from Arizona has time, and we have a gentleman from Pine Bluff who is anxiously looking forward to being recognized.

With that, I yield back the balance of my time in hopes that the gentleman from Tucson will be as generous as I have been.

□ 2200

MORE FACTS ABOUT NAFTA

The SPEAKER pro tempore (Mr. MENENDEZ). Under a previous order of the House, the gentleman from Arizona [Mr. KOLBE] is recognized for 60 minutes.

Mr. KOLBE. Mr. Speaker, continuing where we were in this discussion of the North American Free Trade Agreement, I am happy to yield to my friend, the gentleman from Pine Bluff, AR [Mr. DICKEY].

Mr. DICKEY. Mr. Speaker, I thank the gentleman for yielding to me.

I would like to give in this discussion something that builds off what the distinguished gentleman from California has mentioned, and that has to do with the alignment all the way from Alaska to the Yucatan Peninsula, an alignment that would be not only an economic bloc that would rival anything in the world, but would indirectly amount to military strength or result in equal military strength. I think that is one of the strongest points of this whole discussion, at least one of the most far-reaching points of this discussion, that if we get that many people together, we bind them together economically, we do not have to have gunboat philosophies and procedures. We can do it economically. We then represent a large number of people who can match other nations that might be threats to us in numbers and in strength. I think that is another point that needs to be brought up.

I would like to hear the comments of the rest of the gentlemen here.

Mr. KOLBE. Well, Mr. Speaker, I certainly agree with the gentleman. I think that it has a lot to do with strengthening our competitive edge.

You know, we live in a world in which we are under increasing pressures from other countries in the marketplace. We cannot simply put our heads in the sand and assume that we are going to be able to be competitive if we are not out there fighting to remain competitive.

One of the ways that we can do that is to join forces with countries that are in our own hemisphere, such as Canada and Mexico, the same as the European community has done, although they have gone much farther than this agreement would go. I think that is one of the great misunderstandings sometimes raised by Pat Buchanan and those who talk about this beingan American Maastricht. This is not a European-style economic union. It is simply a free-trade agreement, but to the extent that they have joined together in order to create a marketplace and to the extent that Japan is joining together with other Asian countries, such as South Korea, Taiwan, Singapore, and Hong Kong, to form an alliance of the Asian manufacturing nations and they are more competitive, by doing that the United States, Canada, and Mexico, have an opportunity here to create the world's largest trading bloc, larger than the European community, larger than those Asian communities that we just talked about.

This agreement really represents only the hinge on the door to all of Latin America. Chile is standing in the wings right now ready today to join in a free-trade agreement with the United States, so that they can have access to our markets and we can have total access to their markets.

Venezuela is close behind them. Columbia is interested in it. Argentina, the other countries of Latin America and Central America, are all there interested and waiting, but we have told them, wait. First let us complete NAFTA. Let us get Mexico, Canada and the United States together, and then the other countries can follow behind them.

So what kind of a signal do we send to those countries of Latin America, each one of whom we have joined with in a bilateral framework agreement that calls for these countries to make changes to their economy, that says, "If you will reduce your public debt, if you will reduce your inflation rate, if you will open up your marketplace, if you will privatize, if you will bring down tariffs, there will be a reward at the end, and the reward is going to be more trade with the United States."

That is what we have said to every one of these countries, and yet somehow those who oppose NAFTA must understand that we are slamming the door on those countries, not just on Mexico, but on all of Latin America who seeks to join with us in this agreement in order to make themselves and us and the Western Hemisphere a gigantic marketplace, not one that excludes other countries. I am not into this thing of excluding Europe or Japan or being anti-Japanese, but when that creates a very, very competitive marketplace for us. That I think is absolutely critical in this debate.

Our colleagues simply cannot ignore the consequences of what a negative vote will mean in terms of our trade relationships with the rest of the Americans and our political relationships with those countries.

Mr. Speaker, I yield to the gentleman from Fort Worth, TX, Mr. PETE GEREN.

Mr. PETE GEREN of Texas. Mr. Speaker, I thank the gentleman for yielding to me.

There are two points that I have come across in trying to persuade those who are against NAFTA to support NAFTA that I feel our opponents have made the most of. One is blaming NAFTA for job losses that occurred long before NAFTA was even considered. I think we have discussed that in some detail.

The other myth that has been perpetrated on the American public is that the Mexican country has no buying power. The gentleman made a number of points that illustrate that is not true.

I would like just to raise two other points that help explain to the American people that not only do the Mexican people have buying power, they have a significant buying power, and buying power that has the potential to allow us to reap great rewards in selling American products down there.

I represent Fort Worth, TX. Every single day of the year a Union Pacific train leaves Forth Worth. It is a mile long, a mile long going to Mexico. Five years ago they had a train about once a month that went to Mexico. This train carries American-made goods to Mexico every single day, a mile of American goods going down there to be purchased by Mexican consumers.

Another point is American automobile purchases.

Mr. KOLBE. Mr. Speaker, if the gentleman will permit, what kind of products are on that train that are going down there to Mexico?

Mr. PETE GEREN of Texas. Many types, many agricultural products, grain and other foodstuffs grown in this country, manufactured products.

What is exciting about that particular train is not what it carries now, but what it can carry after NAFTA, oilfield supplies which currently are blocked from the market down there, one of the most booming oil markets in the world and we are the best in the world in making oilfield supplies. We cannot sell them to Mexico right now unless you make them in Mexico. We will be able to fill up another train with oilfield products that will be carried from Texas into Mexico and be carried from the Midwest of our country.

Mr. KOLBE. Most auto parts are another example that are excluded today.

Mr. PETE GEREN of Texas. Absolutely. As far as Mexico's current consumption or purchase of automobiles, last year in 1992 there were 700,000 new vehicles sold to people in Mexico. Over 400,000 were automobiles. The rest were trucks and vans.

Mr. KOLBE. I believe that is a doubling of the market in 5 years. They doubled their new auto sales in 5 years there.

Mr. PETE GEREN of Texas. Absolutely, and what a different picture that paints of Mexican buying power than we have heard from all the opponents of NAFTA. To listen to the opponents of NAFTA, you would think that everyone in Mexico lived in a mud hut and walked to work. There were 700,000 vehicles sold last year.

Do you know how many were American? One thousand. One thousand was all that we were able to get into the market. Imagine with the strength of the American automobile industry what kind of opportunities we will have down there after NAFTA. That means tens of thousands of jobs.

This is not a big business issue. This is a United Autoworker issue. This is an issue of American workers being able to make cars to sell into Mexico.

I think it is so important that this myth about Mexico's poverty is exploded between now and the time of the vote. Mexico has tremendous buying power, and they have a middle class and upper class that is greater than the whole population of the country of Canada. It is a great opportunity for American products.

Mr. KOLBE. Mr. Speaker, I appreciate the gentleman shedding some light on that, because I think my memory kind of rings a bell with me, when the gentleman talked about some people saying they all live in poverty there.

I think it is a gentleman who lives in a little city just next door to the gentleman there that in the debate last week had a big picture saying this is how all the Mexicans lived, showing this very, very poor cardboard shack community, which certainly does exist in Mexico, and he says this is how all Mexicans live.

I cannot tell you the number of comments I have had from my friends in Mexico who have called up absolutely outraged at the idea that he would try to foist on the American public the idea that every Mexican lives that way. It really is such an insult. It certainly does not contribute to our understanding of the problems and what is happening down there.

Mr. Speaker, I am happy to yield to the gentleman from Long Beach, CA [Mr. HORN].

Mr. HORN. Mr. Speaker, I was fascinated by the point the gentleman from Texas made, because he is absolutely correct. We only sold 1,000 American automobiles in Mexico, and the estimates of Ford, Chrysler and General Motors, are that the first year after the implementation of the North American Free-Trade Agreement they will sell 60,000 cars in Mexico.

□ 2210

There has been a pent-up demand for it. Tariffs, and all sorts of nontariffs, and everything else, have kept the American automobile out of Mexico.

And on the gentleman's point, which is quite correct, of this complete misperception of what is the modern Mexican citizen, it seems to me the other misperception related to that is that there is no such thing as expanding economic growth.

It seems to me there is a mindset of some in this Chamber, and a lot outside this Chamber, that there is one pie of fixed diameter and fixed radius, and, no matter what happens, the argument is how to divide the pie into pieces. It is sort of the old labor bit of the 1930's: management gets so much, labor gets so much. The fact is the whole economics and dynamics of trade are that there is mutual benefit for all parties to that trade or there is not going to be mutual trade over time.

Mr. Speaker, it just cannot be dumping of one nation that is more powerful on another. There has got to be need expressed in economic terms, and with that comes economic productivity, and with 19,600 workers behind every single billion dollars we export somewhere, obviously there is economic growth, just as we have had without NAFTA with Mexico: $10 billion in 1986–87; $40 billion in 1992.

That benefits both nations. That is not the same pie that was present in 1986–87. It is a much larger pie to the mutual interests of both countries.

Mr. KOLBE. Mr. Speaker, I appreciate the comments of the gentleman from Long Beach, CA, and, as I listen to our discussion here tonight, I am struck by what seems so obvious to me and that these arguments make so much logical sense that they are so obvious, so commonplace, so correct that it seems to me that every one of our colleagues should find this a very easy vote, that they would be for the North American Free-Trade Agreement. It is a vote about reducing taxes on our products that are sold in Mexico and products that are sold up here in the United States, and that is good for consumers, that is good for producers, and that is good for jobs.

I wonder if my colleagues might just share with me their thoughts about what is it in this debate that makes this so difficult. How can this vote be hanging literally in the balance just 48 hours from now, and why is it that others have not seen this? And I would be happy to yield to the gentleman.

Mr. HORN. I think every one of us that have talked to Members of both persuasions, for NAFTA, against NAFTA, realize that, if there were a secret ballot in this institution, and none of us want a secret ballot in the institution, but, if there were, NAFTA would overwhelmingly pass the House of Representatives. This is the reality.

Mr. KOLBE. So what is it out there with the public that they have not seen these arguments?

Mr. HORN. It is the fear of losing their seat, it is the intimidation, it is a little bit of anti-Hispanic, anti-Latino, et cetera, that is also there. I am not saying all opposed are saying that, but we pick up a few here, a few there, that obviously have different motives for what is ruling their behavior.

For those of us that believe in term limits, if we go after 2 years, it will not matter to us. In California law you will go after 6 years, and in the proposal most of us want in this Chamber you would go after 12. But, as the gentleman knows, some Members feel the whole Nation and statecraft of America will collapse if their presence is not in this Chamber, and, therefore, it becomes very easy to rationalize when they feel the pressure at home, which I am convinced does not represent the majority of most constituencies, just as the gentleman's experiences show.

I had the same experience. I listened to a lot of shouting and yelling one night, and all I had to do was look at the eyes of the other two-thirds of the audience, and they were not with it. But they do not want to stand up and get into a fight with their neighbor.

Mr. KOLBE. Well, I am quite sure the American public will not be in jeopardy if this gentleman is not there, but I am not so sure that it would not be in jeopardy if the gentleman from Long Beach was not in this House.

I am happy to yield to the gentleman from Pine Bluff.

Mr. DICKEY. Mr. Speaker, I thank the gentleman from Arizona [Mr. KOLBE].

I want to mention two things, and it starts with Dr. Demmings' philosophy that he took to Japan and we rejected, and that is a win-win situation. Dr. Demmings, as I heard him expound in a seminar here, states that there should not be winners and losers in economic competition, and I want my colleagues to think also. Go back with me a minute or two to when Henry Ford developed the assembly line and the mass production vehicle. He finally came to the realization that he had to pay his workers so his workers could buy the cars. He came up with a $5 a day wage for his workers, which was pretty revolutionary at the time. It fueled the consumer buying power, and then we were off and going as far as developing cars.

Now we go back to Henry Ford and Dr. Demmings. The way it works now is for us to be pulling for the Mexicans, be pulling for the Central Americans, be pulling for those people in South America to elevate their station in life, and I think something very significant, very significant, is that the law now in Mexico is that the minimum wage is not based on an index. It is based on a reference to productivity and inflation. If that particular minimum wage comes up and those wages do increase, we benefit. I do not want anybody in the United States to think that we want to suppress or oppress these people and keep the minimum wage down. We want the minimum wage to come up because we are selling to the Mexicans. We are not taking our productivity, sending it down there to get back. We are only getting 25 percent back as it is now. We are trying to reach that market. If that market is prospering, we will prosper, and that has to do with environmental concerns, too.

So, Mr. Speaker, I would like for us to acknowledge openly that we are accepting Dr. Demmings' philosophy that it is win for America, it is win for Canada, and it is win for America. If it is not, we got 6 months termination. Any nation can get out of it.

Mr. KOLBE. Well, I think the gentleman, when he talks about Dr. Demmings, simply reflects what Adam Smith had told us all along, and I think that Adam Smith's basic tenets about trade are still applicable in this debate and in this issue, and that is that trade is not a win-lose situation. It is a win-win situation. Both sides gain as you trade more with each other. The consumer gains. Each of the countries gains from that. And I think that point is very well taken.

I think it is also important to note, and I am sure some of our colleagues may not be aware of this, that Mexican real wages have risen quite dramatically in the last few years. Since Mexico joined GATT; that is the General Agreement on Tariff and Trade, Mexican wages have increased 28 percent. That is real wages. That is after inflation is factored out of it. Wages have increased 28 percent since Mexico joined GATT. Now there are a lot of us in this country that wish that our wages had increased in real terms 28 percent.

The result is Mexico has gone, Mr. Speaker, from a ratio in 1987 of about one-thirteenth of United States wage rates to today, about one-sixth or one-seventh, and they are poised for another fairly substantial increase in their real wages that will close that gap even more. In fact, it will close that gap in such a way that some companies now locating in Mexico will begin to look elsewhere for locating their plants, to look to other countries that are lower-wage countries just as Japan relocated some of its factories in South Korea. Those factories have now relocated in the People's Republic of China or relocated in Malaysia, and Malaysia is becoming a little high, so they are relocating now to Indonesia. And so it is a spillover effect, and that is the reality of the world we live in today.

I do not mean that we do not have jobs here. We have the high end of the jobs. We have the jobs we ought to want to keep in this country, and I think that is important for us to keep in mind.

I am happy to yield to the gentleman from Fort Worth.

Mr. PETE GEREN of Texas. In responding the gentleman's question of why is NAFTA such a hard sell today, and there is tremendous anxiety all over this country. I cannot speak for the whole country. I can only relate what has been told to me by my colleagues. But I know that is certainly true in the district I represent. We have had tremendous job loss. We have had plants close. We have been hit awfully hard by the recession. Plants have moved to Mexico, to China, to wherever, and there is the erroneous perception that somehow NAFTA is going to make that easier to do, going to make it easier to pack up and move to Mexico, pack up and move offshore and export American jobs.

That is an erroneous perception. NAFTA has nothing to do with that, and our success in selling NAFTA depends on overcoming that misperception, as we have talked earlier. NAFTA will not make it easier to move a plant to Mexico. NAFTA will make it easier to sell America goods to Mexico.

□ 2220

In fact, NAFTA will take away the tariff incentives that currently exist to move a plant to Mexico.

Mr. KOLBE. As the gentleman knows, a tariff is a tax. It is a tax on our products today we are trying to sell in Mexico. It is a tax on Mexican products that are being sold here in the United States. So, you know, we talk a lot about trade between Mexico and the United States, as though somehow the United States Government was selling this good to the Mexican government.

That is not the way trade works, as you well know. Trade is between people. It is between businesses and people. One person in Mexico selling a product to somebody here in the United States, an American producer selling products to somebody down there in Mexico who is consuming them. It is people selling to each other. And tariffs

are erected by governments as a barrier to that trade.

So I think our good friend and former colleague, Jack Kemp, has made that point very, very well when he says this really has a lot to do with economic freedom, with your ability to make choices, to be able to choose to do what you want, to do your business without the artificial restraint of government.

Mr. PETE GEREN of Texas. I think a good way to understand the impact of tariffs is look at it like a sales tax. It would be like walking into a Wal-Mart and you are going to buy a weed eater. The weed eater that says made in USA has a 10, 15, or 20 percent sales tax. The weed eater made in Mexico has no sales tax. Which product has the advantage on the shelf? That is what the Mexican citizen is faced with when he goes into a Wal-Mart. The biggest Wal-Mart in the world is in Mexico City. The American product has a 10 to 20 percent sales tax on it. The Mexican product does not have a tax on it. After the 15-year phase-in, that American product is going to be able to compare equally with that Mexican product on that shelf.

That is what NAFTA is about. It does not make it easier to move a plant to Mexico. It makes it easier to sell American goods in Mexico.

Mr. KOLBE. Remarkably, even with the fact that Mexico still remains tariffs as high as they do, the fact they have brought them down from an average of 50 percent down to an average of about 11 percent today has stimulated a tremendous amount of those sales that you are talking about. So actually the two weed eaters, side by side, it is remarkable how many of them will go ahead and pick the U.S.-made weed eater, with a tax of 20 percent on it, simply because they believe that it is a better quality product. They have had experience in the days when Mexico protected its own electronics industries andother consumer products industries. They have had experience with bad products down there. And so there is a natural desire to buy the U.S. product.

But your point is well-taken. If you take that 20 percent tax off of there, you have reduced the price by 20 percent. How many more goods are you going to be able to sell if you reduce the price by 20 percent.

I yield to the gentleman from California [Mr. HORN].

Mr. HORN. I agree with the gentleman's point on that. And while we can hope that plants will not leave the United States for any other country, if a plant leaves and has a choice of Korea and Hong Kong and Taiwan and Malaysia and Singapore, I would hope that plant would locate in Mexico or Canada, for one very simple reason: when a plant locates there, whether it is a Mexican plant internally or a plant from another country, they are going to buy their major capital goods and major needed products to have an efficient plant from the neighboring superpower. And if you go to Korea or Taiwan, the likelihood is you will buy from Japan. If you went to Europe, the likelihood is you would buy from Germany, France, Italy, or Great Britain perhaps. And I think it is very important to again stress that plants have gone to Mexico before Mexico joined the General Agreement on Tariffs and Trade in 1986. For more than 30 years, major plants have been in Guadalajara. Plants have gone to Mexico since they joined GATT, but without the North American Free-Trade Agreement on the books.

Again, NAFTA takes away one reason why you have to go to Mexico. People that relocate their plants are not always interested in lower labor cost. In this case, they had to go there, many of them, to get access to the market.

My colleague from Arkansas also mentioned another trigger word, which is I think about misperceptions in this chamber. It is sure related to it. That is the environment.

Everybody says, "Well, if you agree with NAFTA, the environment will be worse."

The environment is horrible without the North American Free-Trade Agreement. The one hope for overcoming the sewers that are some of the rivers that are bordering both the United States and Mexico is to agree to the North American Free-Trade Agreement, which has a process to do something about it, and hopefully will keep both countries' feet to the fire, if you can do that to a country, and see that something is done about the environment.

You would think, listening to some of our colleagues in special orders and elsewhere, that environmentalists are unanimously against the North American Free-Trade Agreement. Environmentalists are not unanimously against it. Indeed, the majority of members of environmental groups are in groups that support the North American Free-Trade Agreement, the National Wildlife Federation, among them, and many others.

Mr. PETE GEREN of Texas. Is not the Audubon Society and the Environmental Defense Fund?

Mr. KOLBE. A lot of organizations are out there that have been supportive of it.

Mr. HORN. They recognize the obvious, that we do have a mess on our hands in some of these areas. Some of our colleagues from San Diego talk about that. We at least will be able to clean them up, with the cooperation of both nations.

Mr. KOLBE. The gentleman makes I think very well the point, the abstract point, or the point in an abstract way very well, about how indeed we have a comparative advantage if we reduce our tariffs and plants are located here and components are being brought from the United States.

I would like to illustrate it with a very practicalexample. Some of my colleagues have heard this before, but I think it bears repeating. That is not long ago I visited a plant being built in Sierra Sonora, the capital of the state directly to the south of my State of Arizona. This plant being built was being built under license to a toy manufacturer, I think it was Mattell Toy manufacturer, and they were going to relocate from the People's Republic of China all the production of the Barbie dolls, all the production in the world of Barbie dolls, to this plant.

Now, why were they moving it from the PRC to Hermosillo, and how the heck does that help us here in the United States?

Well, the answer is fairly simple. Eighty-five percent of the value in the Barbie doll is not in the paint, but is in the plastic that goes into the doll. That is the value. Because Mexico had reduced its tariffs down to about 10 or 12 percent I believe on plastic, and they had the prospects of it coming down to zero, it was now cost effective, cost efficient, for them to move that production from China to Mexico, to buy the plastic from the United States, take it down to Mexico, produce it or put the pieces together, package it, and ship it to the United States and all over the world from Hermosillo, Mexico.

But 85 percent of the value of that Barbie doll is going to be coming from work that is produced here in the United States. While today if you go out on the shelf of the store and get a Barbie doll for your daughter or granddaughter, not 1 percent, not 0 percent of it, is going to be produced in the United States.

So I say to those who say we are losing some of these jobs to Mexico, I say we are gaining some of these jobs, and they are the kind of jobs we ought to want. We ought to be more interested in the job of the person that is producing that very important plastic than the person who pastes the hair on top of the head of the Barbie doll. Some of us do not have as much hair up there, but Barbie dolls do have some hair on top of their heads there. Those are the jobs we ought to be more concerned about.

Mr. DICKEY. I think both your points are excellent, and excellent in this respect: I would like to expand on that a minute. Five to six percent of our finished product in the United States is made up of component parts made in other countries. Japan's finished product has 30 percent that have been brought in from other countries. Thirty percent versus 6 percent, let us say.

Now, what the problem we really are having, and the automobile industry is an indication of this, the problem we

are really having in the world market is price, not so much as quality, but price. And the automobile industry showed us that when we were building great big gas guzzlers. And every labor agreement that was coming, management came into them and said, "We will pass it on to the consumer." Management was not paying anything, the consumer was. We had two sets of eyes watching us on price and quality, and that was Japan and Germany. They just waited until that thermometer went up, until it got high enough where they could compete.

If we can take this component part theory you all just mentioned and bring in, and let some of these components be made outside of our country, we can bring them in, and, just say in the automobile, bring our component level up to 30 percent, we can produce a lower priced car and we can reclaim the market share in America.

□ 2230

And in doing that with an automobile, we can do it with other things, too. All we have to do is let go a little bit to receive, and we can find that. When Mexico's gets up or when the cost in Mexico gets so high, we can move to other places, hopefully, Central America or South America. But then we have, again, a win-win situation. I think we ought to look at that. We ought to look very carefully at that. But if we let labor costs get out of hand, or any costs get out of hand and price, again, is our enemy, we are going to get beat on the world market. The global competition is going to beat us, like it should. So I say we can join with Mexico to become stronger even in acquiring our own American market share back, and that is more jobs. That is the higher paying jobs; 17 percent more is paid for export jobs than other jobs.

Mr. KOLBE. I think that is a very good point.

Mr. HORN. Your comment reminds me of the fact that the Ford Motor Co.'s International Division was highly competitive with the Japanese and, indeed, kept them out of many countries due to being more competitive, Brazil in particular. And the problem came in the domestic production in the United States with, as you called it, those gas guzzlers that they were about 10 years behind facing up to. And the time that Ford was finally turned around to even give GM a run for its money was when they brought the International people back that know what competition was, had the ideas, had built the smaller, more efficient care, and they started turning Ford around with the Sable and other products that the American people did want to buy.

Mr. KOLBE. When we talk about manufacturing and the fear that we are losing our manufacturing base in this country, that turns out, on closer investigation—and we will have some more discussion of this in a couple of days—that turns out, on closer investigation, that that is simply not true.

As a matter of fact, the United States, the percent of our gross domestic product that comes from manufacturing today is about the same or even a percent higher than it was 40 years ago, around 1950. So we are still producing as much of our wealth from manufacturing as we were back then.

The difference, of course, comes in the employment levels. Employment levels are down by more than 50 percent, and that has been necessary in order to keep that manufacturing sector productive and competitive. That comes from productivity. That is what keeps our head above water. That is what keeps us competing with countries like Malaysia or Indonesia or Mexico or other countries.

We are still producing as much of our wealth from manufacturing as we ever did. We are doing it with less people. It does not mean we have less jobs in this country, because of course, there are many more jobs than there were in 1950. They are different kinds of jobs. And many of them, most of them are very good jobs. They are often not as hard. They are not as physically hard, as physically dangerous with as much noise and as much heat and with as much physical labor as many manufacturing jobs in 1950 required. But they are very good-paying jobs, but they are different kinds of jobs.

I think that is the reality of what we are facing today.

Mr. PETE GEREN of Texas. I thank the gentleman for being so generous in sharing his time with all of us, as we discuss this important issue in front of us as a Congress and as a country.

I want to discuss an example of a specific employer where we will see American job growth, if NAFTA passes.

As I think everybody in this country knows, the oil and gas industry in our country has been devastated over the last 10 years. We have lost over half a million jobs. They are not J.R. jobs. We are talking about good-paying, blue-collar jobs, making oil field equipment, putting it in the ground.

We had a huge segment of the Southwestern, Southern, and Florida economy that was dependent upon the oil and gas industry. Well, when it went away, so did these jobs.

There is a company in the district that I represent, that currently employs 160 people. It nearly went broke during the downturn, but rather than going broke and accept the fate that befell so many companies that were faced with the downturn in the oil and gas industry, this guy decided he was going to export.

He now exports to Indonesia, to Russia, to China, to the Middle East. And this company that had been around 300, went down to almost 20, because of exports is up to 160 employees, 160 very good, well-paid, blue-collar jobs for people who need them very badly.

You notice when I mentioned the countries that he exports to, I did not mention our neighbor to the south, one of the biggest oil-producing regions in the world.

He wanted to sell into Mexico. He contacted the Mexican oil industry down there and said, I have got some tools that would be good for your oil industry and your country. It could make it more productive.

Mexico said, you can sell those down here if you will build a plant down here, if you will build a factory in Mexico.

He, wanting to grow his company, went to Mexico and tried to put together a plant down there. Finally, because of many circumstances, he just threw up his hands and said, it is not possible, went back to Texas and continued to sell around the world, does not sell a single piece of equipment into the country of Mexico, a neighbor just a few hundred miles to the south.

He has already estimated that if NAFTA passes, he will double his work force of blue-collar workers from 160 to 320 people almost overnight, 160 to 320 good-paying blue-collar jobs, full health care benefits, retirement plan. And that is not speculation. Those are jobs unquestionably that will come to one of the most hard-hit areas of our economy in this country, if NAFTA passes, good blue-collar jobs.

This is not benefiting big business. This benefits 160 workers who are right now out of work and looking for a way to pay the bills.

Mr. KOLBE. I appreciate the gentleman from Texas bringing this information to our attention. I think you make a point that is well worth keeping in mind, and that is the opportunities that exist in the energy-production field.

Admittedly, there are some disappointments. We did not get as much as perhaps we would have liked out of this agreement. We are not able to invest in an equity position in energy production in Mexico, but we knew going into the negotiations that for sensitive political reasons that have very long historical backgrounds, as I think my friend from Texas knows, that was not going to happen.

But what we do have is the opportunity to sell equipment and services, geological services, drilling services, contracts and equipment in Mexico. And the Mexican oil industry is very much in need of a huge infusion of capital investment. Pemex and the Mexican Government understand this. They know that they have an extraordinarily inefficient, an extraordinarily inefficient producer of oil today, one of the very high-cost producers, as a matter of fact, in the world. They need to take steps to be more competitive and

to get their costs down with a product, the price for which is set on the world market.

There is no separate price set for Mexican oil as opposed to Saudi oil or Nigerian oil. It has got to compete in the world marketplace.

If their costs are high, they are not going to be able to compete. So Mexico understands that, and they are taking steps to do that. And they are going to be making a huge investment in the years ahead in new drilling, new exploration, new equipment, new refineries, all of those things that our technological know-how in the United States—and most particularly in the State of Texas—will be able to benefit from.

Mr. PETE GEREN of Texas. Unquestionably, that is one of the areas where Mexico's need for investment is going to mean good-paying blue-collar jobs for Americans. And it is, again, it is not theoretical. We can specifically point to out-of-work Americans who had good jobs, could support their family well. And because of forces totally outside of their control, they lost their way to make a living.

When we are able to open up Mexico to the sale of American goods and services in the energy sector, we are going to put a whole lot of folks back to work that need the jobs and that deserve jobs. That is a reason to support NAFTA.

Mr. KOLBE. I appreciate the gentleman's contribution.

Mr. DICKEY. So that we will keep this focus on jobs, I would like to describe, as the gentleman from Texas did, what it is going to be like in south Arkansas. We have the soil and the climate and the conditions that allow us to grow the finest yellow soft pine in the world. And that is structural lumber and timber for the development of a country like Mexico in its essence.

□ 2240

We also have agricultural products that are grown in surplus right now, in excess, crops that are kept in storage bins. All of these things are grown in Arkansas and cannot be moved to Mexico. The threat is not to move those to Mexico, as you could a plant. We have those things there. We will sell because of our proximity to the border of Mexico, and because of the infrastructure that we already have in place, we will sell more timber products and more agriculture products, particularly rice.

I want the Members to know that rice is a big part of our economy. That is going to mean nothing but jobs and prosperity for our little area of the world in Arkansas. I cannot but help but believe in the same things in Tucson and in California, where we will create jobs.

I would like for us to keep our attention on the fact that we are creating jobs and people do not have to move to Mexico. People do not like to travel across the world, trying to relocate their homes and their residences just because of money, if that is the case. I will say this, we do not want people to invest in Mexico. I do not care if they say that nobody but Mexicans can ever own their land, because we want to keep our people at home. We want to increase their level of living, because we will be sending export jobs down there, give them more security, because we are going to have more jobs. There are going to be more jobs available for our work force.

I would like to keep this, as I bring in the example of Arkansas, as we heard about Fort Worth. It is jobs, jobs, jobs that we are going to protect and create, and also benefit by doing so the nation of Mexico, hopefully Central America and South America.

Mr. KOLBE. Mr. Speaker, I appreciate the gentleman's contribution and his comments. Of all the arguments in this whole debate that to me make little sense, of the arguments coming from the other side in this debate, I should say, is the argument that somehow NAFTA is going to increase this flood of illegal immigration into the United States. For the life of me I cannot even understand the logic of that argument, how it is constructed, much less being unable to see any facts which would support such an argument.

The fact of the matter is that in the long run, the only solution, the only solution to solving the problem of the flood of illegal immigration from a country like Mexico, on our border, which has an income, a per capita one-seventh of ours, the only solution is for that country to grow and to be able to provide jobs, good paying jobs, for its own people, much as Canada on our other border can do.

If that occurs, there then will be less incentive for those people to come to the United States. How the opponents of NAFTA can argue, if we can just keep Mexico poor we will be better off from an immigration standpoint, is absolutely beyond me to understand. Maybe my academic friend, the gentleman from California [Mr. HORN] can explain to me how some of these people come to this conclusion.

Mr. HORN. Mr. Speaker, will the gentleman yield?

Mr. KOLBE. I am happy to yield to the gentleman from California.

Mr. HORN. Mr. Speaker, I was one of the first in the country to call attention to the illegal immigration in the 1970's. I have talked to several Presidents of the United States as to what ought to be done, until the current President, a Democrat, and I am a Republican, he finally suggested what I suggested in the 1970's, a counterfeit-proof social security card, so we could keep track of who is crossing our border and who wishes to be employed in the United States.

The facts of life are that the turning down of NAFTA is what will create more illegal immigration to this country. It is the exact reverse of what the opponents have said. Right now we do have several thousand a night pouring over the southern border. Nobody talks much about the Canadian border, but we have had illegal immigration pouring over that border for all of the 20th century, waves coming down into Maine, to Michigan, to New York, whenever there is a depression or a recession in Canada, to work in wood cutting or to do other things that were somewhat blue collar type activities.

The facts are that they have got it all backwards; that unless we get the economy of both the United States and Mexico going, there will be many more people coming here illegally. Our parents came here legally, or when there were no immigration laws in this country.

The problem with illegal immigration is that there are hundreds of thousands of people throughout the world waiting to be admitted legally to the United States, and that three-quarters of a million people come in here legally each year. We admit more people to our country than all the rest of the world combined.

We have a lot of things to do to stop illegal immigration. A lot of us, I am sure my colleague and I and various others, there are dozens of us on pieces of legislation here to help do it, whether it be the counterfeit-proof social security card, whether it be limiting benefits in the United States, whether it be amending the Constitution to straighten out whether children of illegals can be citizens of the United States, all of those things, plus the fact that we are finally facing up in this Chamber to more power for the Border Patrol and more strength, when we voted $60 million a few months ago to be added to the Border patrol to stop the tide of illegal immigration.

All I can say is if people want to promote illegal immigration, please vote down NAFTA on November 17th and you will have much more illegal immigration than you have ever wanted.

Mr. KOLBE. I appreciate the leadership of my friend, the gentleman from California [Mr. HORN] on this subject. He really has been a leader on the issue of immigration and of illegal immigration.

Mr. Speaker, I think we need to remember that what drives these people to come from Mexico, there are many motivations, and some certainly come because they like the freedom that exists here, although Mexico is a relatively free and open society. However, I think all of us would agree the overwhelming primary motivation for Mexicans who come to this country is because they want a better life for themselves and their families. They do not leave their families behind in

Michoacan or Guanajuato, the states down in Mexico, they do not leave their families behind down there because they want to abandon them and go to a country with a foreign language and foreign culture. They go because they want the jobs that are provided up here, that will enable them to make some money and take it back to their families there.

In the long run, if we can create an environment in their own country where they have good paying jobs, then there will be less reason for them to have to sneak out those jobs here in the United States. It is as straightforward and simple as that. We can either help Mexico grow, not by taking away growth from the United States, but by growing ourselves, but we can help Mexico grow and reduce the illegal immigration, or we can keep Mexico as poor as we possibly can. For sure, then, we are going to have more illegal immigration.

Mr. HORN. And they will not be buying our products.

Mr. KOLBE. They will not be buying our products under those circumstances.

Mr. DICKEY. If the gentleman will continue to yield, I really think the point is good, and we are getting into some social problems and some social attitudes. I want to carry that thing a little further in this respect.

What we need to do is look at the leadership of Mexico right now, when they say, "We need to decide this issue by January 1. We need to decide the issue of whether or not we are going to be in this pact with Canada and the United States or not." The significant thing we have to hear is, they have spent four years talking to their people, saying, "Yes, we can deal with the United States; yes, we can lower the barriers and prosper. Watch this." Then they brought them down a little bit, they saw, and they had the encouragement.

The reason we need to make this decision now is that it is not reasonable to expect the Mexican Government to be able to hold their populace together when we say no to NAFTA and they perceive it as a rejection of the Mexican people. You mentioned that a while ago in your discussion, STEVE.

I think what we have got to do is, we have to encourage them and say, "Yes, your improvements need to be more," but, for sure, if they sense rejection from the powerful neighbor from the north, there will be more immigration this way. We will get the best that the Mexican people have, the ones who are ambitious, the ones who are not lazy, who are family people, who want to contribute. They are going to be going and taking the risk of coming across here. The Mexican Government wants to keep them there. They are asking us to say yes.

If we do not, if we say no, we have the risk that there is a rejection and we will never be able to put it together again. If we say yes, and by some reason all of these fears, facts, and tactics and everything else are correct, we can always get out of it. The risk is this. We say yes to NAFTA, we say yes to the Mexican people, "We are going to help you pull yourselves up by your bootstraps. If in fact we are making a mistake, you all can get out of it. If we are using you as a door mat, you can get out of it," or we can get out of it.

The other side of it is a negative. It is freezing the ball. It is just holding onto it. It is getting out of the game. It is taking our competitive challenges away, and I think it is going to hurt us in the long run, and it is going to cost us jobs. I want to get back to that.

□ 2250

It is going to cost us jobs. People are going to want to move there.

Mr. KOLBE. President Salinas has said it very very well I think when he said, "I have a choice. I can either send goods to you or I can send people to you. I can ship one or the other." He said, "I would rather sell products to you rather than send people to you." And I think he understands very well what the answer to keeping people at home in Mexico, the best and the brightest, as my friend from Arkansas referred to them, to keeping those people there, and that is being able to provide opportunities for them there.

We are running close to the end of our time, but I am happy to yield to my colleagues for one last comment before we wrap up.

Mr. HORN. Our comments on immigration remind me of one red herring that was recently dragged across the trail in an attempt to get more anti-NAFTA votes, and that is the claim that more drugs will come into the country as a result of NAFTA.

Now what we are talking about is there will be greater trade because of NAFTA; therefore, more containers, more trucks crossing our borders, more containers coming into the port of Long Beach and the port of Los Angeles, which happen to be in my particular congressional district, the largest port complex in America, and one of the largest in the world. And there is no question that the opportunity will be there. With more trade there are more products coming in, more boxes and more containers. That is obvious. And we are obviously going to have to do something about drugs.

But it has no relationship to whether we approve or disapprove NAFTA any more than any other trade agreement between countries that ease trade coming here, and we obviously have to be alert. We need to increase our programs that educate young people against the need for drugs, and we need to be more vigilant in terms of different types of either drug, FBI, Customs, so forth that inspect particular products coming into the United States of America.

Mr. KOLBE. Listening to the comments that the gentleman from California makes, it seems to me that if we follow that line of reasoning we ought to be ready to take it to the next logical step. If more trade with Mexico is going to result in more opportunities for drugs to come across in legitimate traffic of goods coming from Mexico, then surely we ought to be willing to stop trade with other countries. We should stop ships from sailing into our ports. We should stop planes from flying across oceans. We should try to shut ourselves off, much as China did thousands of years ago when they found that that was not successful either. You could not shut out the rest of the world. China, thousands of years ago, was a lot easier to shut out when there were miles and thousands of miles and only horseback to get from one part of the world to another. Today it is much more difficult, and we cannot simply realistically assume that we are going to shut out drugs by shutting out trade with the world.

I think the gentleman has made that point very well.

Mr. DICKEY. Another point, if I may say so, as Mexico is the doorway to Central and South America, it is also the doorway to Colombia where we know the drug traffic is created in so many instances. I want my colleagues to think about this. If we go forward and we get into an economic agreement with Colombia, through Mexico, delivery across the Mexican country and Central American countries, then we are going to have economic leverage.

We have been trying to do it militarily, have we not? We have been trying to do it with arrests, with power or gunboat philosophy. Now we can do it economically. It may take longer, but it is going to be more solid, and I think we can get to the drug problems economically, but we cannot do it by saying no to NAFTA.

Mr. KOLBE. I appreciate the gentleman's comments.

I am happy to yield if the gentleman would like to make a final closing comment. Otherwise we will close this debate here.

Mr. HORN. We yield to you and your eloquence to close the debate.

Mr. DICKEY. Do your best for us, if you will.

Mr. KOLBE. First of all, I want to thank the gentlemen for their contributions here this evening. I think in the course of these last almost 2 hours we have had at least seven Members from both sides of the aisle, politically speaking, on this subject, and again demonstrating the bipartisan nature of this debate.

In about 48 hours from now the American people will have an answer to a question, a very important question that is being asked right here in

the House of Representatives: Does the Congress of the United States, do the American people have the courage to face our future, to go forward, to compete in the world, or are we going to try to wall ourselves off from the rest of the world in what will be a futile attempt to somehow keep a fortress America in an area when there is no fortress America, because there is no fortress world out there? The debate that we will have in the course of these last 2 days will be extraordinarily important. I believe this vote will say everything about the future of this country, the direction that we are going to go in the next several years, to have the confidence to face that future, to believe that America can compete.

I know that this debate is going to be one of the most important that any of us will ever engage in, and I know that my colleagues understand that this vote is not only one of the most difficult they will ever cast, but it is also one of the most important, perhaps the most important vote we will cast in our entire careers in the Congress of the United States. And I believe that when that vote is taken in about 48 hours, I believe I know what the answer will be, because I believe I know what the American people will want their representatives to say, and that is that we have confidence in the future, we believe in ourselves, we believe that we can compete with the world.

But during the course of these next 48 hours, we will have an opportunity to go over some of these arguments again, and tomorrow evening, the last night on the eve of this great and historic debate and historic vote in this body we will have an opportunity once again to outline some of the arguments why the North American Free-Trade Agreement is good for America. It is good for American consumers, it is good for the American workers, it is good for our relationship with Mexico and all of Latin America, it is good for our children's future.

I thank the gentlemen for their contribution in this debate this evening.

NORTH AMERICAN FREE-TRADE AGREEMENT

The SPEAKER pro tempore (Mr. MENENDEZ). Under a previous order of the House, the gentleman from Illinois [Mr. POSHARD] is recognized for 60 minutes.

Mr. POSHARD. Mr. Speaker, as a Member of Congress who has studied this issue nearly 2 years, having attended literally hundreds of meetings and engaged my staff in much research, I concluded some time ago that the NAFTA was wrong for our country. And I know that honorable people looking at the same set of facts can disagree. Many of the folks that just spoke to us here are some of my best friends in this Congress, and I have honest disagreement with them in regard to this particular issue.

I have held 12 public forums of 3 hours each in every part of my district over the past month to discuss and debate this agreement. I want to restate the major arguments for this NAFTA, many of which have just been made, and explain why I disagree with those arguments.

The first argument for NAFTA from those who favor this agreement is that this is a free-trade agreement and it will create thousands of jobs in this country by ending tariffs and creating more exports to Mexico to satisfy a growing Mexican market.

Well, true free-trade means that an industry competes for market share by building a better product than its competitor. When American firms compete in Europe or here at home, they have to win market share by wise management and by being more creative or more resourceful because our economies are nearly equal. There is no inherent advantages with respect to wages or benefits, or energy costs, or supplies and so on. True free trade does not win over our competitors by building a product at one-tenth the wages others must pay. But under NAFTA, a company can beat its competitor in this country by simply moving to Mexico and taking advantage of low wages and nonenforcement of environment laws of that country.

The Mexican Government, which controls every variable of the Mexican economy, including wages and prices, purposely holds down wages and refuses to enforce environmental laws to entice United States manufacturers to Mexico.

□ 2300

I have here a copy of the article in the Business Week magazine of April 19, 1993, entitled "The Mexican Worker." It is describing the skill and the conditions of the Mexican worker in Mexico. It says, and I am reading in the Business Week article,

> As Arriega and millions of other Mexican workers pursue their careers, few realize how closely their progress is monitored and controlled by government officials. Every Thursday morning for the past 6 years, a cadre of economists, including six cabinet members and top business leaders and union officials, has gathered around a large table in the Labor Secretariat offices in Mexico City. There they thrash out agreements that control prices and wages and brainstorm on ways to boost productivity. It is the kind of social pact that has been tried in many other Latin American countries, but only in Mexico with its one-party rule have such agreements stuck. Mandated by the country's leading economist, President Carlos Salinas, the goal is to lift the productivity of Arriega and his fellow workers to first-world levels. In their drive to modernize Mexico, Salinas and his planners command nearly every variable of the economy. To smother inflation and to preserve Mexico's huge labor-cost gap with the U.S. and other producers, Salinas fixes salaries through a complex business-labor agreement that is known as 'El Pacto.' He annoints and boots out labor union bosses and state governors alike. Salinas' technocrats juggle import duties and steer investment from one region to another.

Total, absolute government control of all wages and prices, the very thing that the supporters of this NAFTA in this Congress would never agree to the American Government engaging in.

The Mexican worker has a minimum wage of 57 cents per hour and an average wage in the high-technology United States plants in Mexico of $1.27 per hour with 34 cents per hour in benefits. Their wages were cut in half when President Salinas took office in the 1980's.

To this point in time, 5 years later, they have gained back only 13.5 percent of the 50 percent of the wages they lost while the productivity rate in Mexico has grown at 24.5 percent over that same 5-year period, a phenomenal growth.

The folks who just spoke here talked about a rising middle class in Mexico. How can there be a rising middle class when the minimum wage is 57 cents an hour? The workers in the United States factories there are making $1.61 an hour, and 90 percent of the Mexican laborers make less than $22 per day.

Their system allows United States manufacturers to build or move plants to Mexico which would otherwise be located in this country, costing us thousands of jobs in the process. Those same plants in Mexico ship their products back to this country and undercut American manufacturers who cannot compete with the low wage base and lax environmental enforcement in Mexico, again costing us additional thousands of jobs.

I have here a list of communities that I have represented over the past 5 years that have lost jobs to these cheap exports: Brown Shoe Co. in Murphysboro, IL, estimated employees, 500 people; Joe Mack Glove Co., 125 employees; Intuitions in Carbondale, 360 employees; Cal Crest Outerwear in Murphysboro, 200 employees; International Shoe in Chester, IL, Florsheim Shoes in Anna, IL, Good Luck Gloves in Metropolis, IL; Forest City Co., which has had plants in DuQuoin and Pinckneyville and many others, over 1,500 employees in the textile industries alone that have lost their jobs to these cheap imports flooding back into this country.

In 1992 the great majority of all American exports to Mexico were capital goods, that is, materials and machinery for building and operating American industrial plants in Mexico, and intermediate goods, raw materials, supplies and components for manufacturing, assembling, and exporting back to the United States.

The gentlemen before made the comment about the percentage of capital goods from this country going to other

countries of the world is just as high as it is, or as those that are going to Mexico. True. But capital goods from this country are not going to other countries to produce products for the U.S. market. They are being sent there to make products for the host country.

Barely over one-third of our exports to Mexico were targeted for the Mexican consumer market. Nearly two-thirds were targeted for the United States consumer market.

Herein lies the most significant difference between the pro-NAFTA and anti-NAFTA groups. It is the character of trade, which is the issue here.

Mexico is not building an economy based on satisfying its own consumer market which is what true free trade would do. It is building an export-platform-based economy meant primarily to satisfy the 260 million people in this country who have the highest purchasing power of any country in the world, equal to nearly all of the nations of Europe put together, and it is building that economy by siphoning off United States industries.

It means extremely high profits for the industry that move there, but a declining job base in America.

Many of our industries cannot compete against the flood of cheap imports and will either be forced to move to Mexico or drive down the wages of their employees in this country to stay in business.

NAFTA supporters claim that additional jobs will be created from increased exports. But when you factor in the job losses from the diversion of investment from this country to Mexico and the job losses from imports coming back into this country from Mexico, the net effect is a loss of jobs in this country.

The gentleman who just spoke admitted that we lost 3 million manufacturing jobs during the last decade, but only 130,000 of these to Mexico. Well, the others were lost to other low-wage countries.

We believe that NAFTA, with the additional provisions that it provides for security in Mexico, will simply exacerbate the flow of those jobs.

The administration points out that because of the more open trade in Mexico under the Salinas administrative reforms, we are now running a trade surplus of $5 billion a year with Mexico, whereas before we were running a deficit.

Again, let us consider the whole picture. First, we ran large trade surpluses with Mexico from 1970 to 1981 before any of these so-called reforms.

I have here a diagram that the U.S. Trade Representative's office uses showing us in deficit with Mexico from 1983 until about 1991, and then going into a surplus of the last few years. But what you do not see and what is not being shown to you is that if you go all the way back to 1970, and you can see that from 1970 through 1981, we were running a surplus with Mexico then, before any of these so-called reforms that have led to our surplus now.

Many economists believe that the surpluses that we ran in the 1970's and the surpluses we are running now, as well as the deficit that we ran in the 1980's, were caused by manipulation of the peso. Many economists, including Mr. Hufbauer of the Institute for International Economics, whom the proponents must often quote in favor of NAFTA, warn us that Mexico, which has overvalued the peso to finance its high debt with foreign capital and United States investment, will likely devalue the paso after the 1994 elections somewhere between 10 and 20 percent.

Just a 10-percent devaluation of the peso will wipe out any gains we may have achieved from eliminating the Mexican tariffs which average about 10 percent on our United States exports.

□ 2310

Second, nearly two-thirds of that $5 billion surplus represents materials that are headed straight back to the United States. This contention that the average Mexican consumer now spends over $450 per year on United States products, second only to Canada, is absolutely misleading. The administration arrives at this figure by dividing total United States exports to Mexico of $40.5 billion by the 90 million Mexican citizens and concludes that each citizen spends $450 per year on our goods. The great majority of our exports to Mexico never enter the Mexican consumer market; they are sent back here. The rest are consumed disproportionately by the people of Mexico who have the economic wherewithal to do so, but certainly not the Mexican laborer, 90 percent of which make less than $22 per day.

Again, when you examine this agreement with respect to the character of trade, it is not a free-trade agreement which seeks to satisfy a growing consumer market in Mexico. It is a protected investment agreement to encourage United States manufacturers to move to Mexico to satisfy the consumer market in this country.

The second argument that is made in favor of NAFTA is that low wages in Mexico reflect low productivity. Firms are not moving to Mexico, so this argument goes, for low wages but to take advantage of the Mexican consumer market.

Well, many United States businesses publicly admit that they are going to Mexico for lower wages. Here is one ad, and I am sure many people in this country have seen it, which is run in trade magazines by the Mexican Government, citing its low wages in advertising for foreign investment. It shows an American businessman sitting at his desk scratching his head and he is saying, "I can't find good, loyal workers for $1 an hour within a thousand miles of here." At the bottom it says, "Yes, you can, Yucatan." It goes on to say that, "We are only 460 miles and 90 minutes by air from the United States. Labor costs under $1 an hour, including benefits, far lower than in the Far East, and the turnover rate is less than 5 percent a year, and you can save over $15,000 a year per worker if you had an offshore production plant here. So if you want to see how well you or your client manages while making your company more competitive, call for a free video tour of the state of Yucatan. And when the United States is too expensive and the Far East too far, yes, you can in Yucatan."

Here is an American firm, the Americas Industry Relocation Services, in Philadelphia, that sent a letter toa firm in my district in Effingham, IL. Here is the letter that they sent to him. It says,

> DEAR SIR: With the pending passage of the North American Free-Trade Agreement, Mexico represents one of the best areas to expand your industrial base, market products, and substantially reduce your labor costs. The agreement will benefit all sectors, including the woodworking industry. We can set up new offshore operations 100 percent owned by you or in a joint venture with a Mexican partner. We can have your company successfully set up a facility in Mexico. We have a team of corporate, legal, and fiscal professionals, both United States and Mexican nationals, with years of experience in Mexico and Latin America.

They go on to send another sheet with this invitation that is a pro forma labor-savings worksheet, asking the owner of this company to fill this out. They give an example here of the difference in cost of labor in Mexico and the United States.

They say,

> Assume you have U.S. labor with fringes at $15 an hour times 40 hours' work per week, that is $600 cost per worker per week in the U.S. If you have 100 employees times $600 weekly wages 52 weeks a year, that is $3,120,000 in wages and benefits you are paying in the U.S. Now, in Mexico, at $1 an hour with fringes times 40 hours worked per week, that is $40 cost per worker per week in U.S. dollars times 100 employees at a $40 weekly wage, 52 weeks a year, that is $208,000 yearly labor cost for 100 workers in U.S. dollars. So your saving per year in Mexico is $2,912,000.

They already work it out for you and ask you to apply this worksheet to your own company. This is what is going on all over this country.

The Vice President said the other night that the Mexican worker is one-fifth as productive as the United States worker. Again let us consider the whole picture. NAFTA supporters combine the very poor, inefficient, nonproductive agricultural sector of Mexico with the new high-technology visibility there by American manufacturers, and by doing so this pulls down the average productivity rate for the country as a whole. But when you compare

the export-based high-technology factory in Mexico with its counterpart factory in this country producing the same product, it is 85 to 100 percent as productive and the wages are 10 to 15 percent of the United States level.

The previous gentleman spoke about the American automobile manufacturing industry. You see the ads being run right now by Mr. Iacocca. They have said that we are selling 6,000 cars per year to Mexico; but by the year 2000 we will be selling100,000 cars a year under this NAFTA.

What they do not tell you is that by the year 2000 we will be importing 1 million cars a year from Mexico. If it is cheaper to build a car in Mexico—or if it is cheaper to build a car in the United States than in Mexico, as was indicated, then why have 200,000 American manufacturing jobs moved there to manufacture cars? That is if we are only selling 6,000 cars per year there.

We are not moving there to satisfy the Mexican consumer market; we are moving there to build and assemble the cars and send them back into this market.

The export-based economy is what Mexico is building and it is United States investment that is building it, to the detriment of our own manufacturing base. The effect of this agreement will be to further depress wages in this country and to exacerbate wage competition between the United States and Mexican workers.

The result will be not to bring Mexican wages up to United States levels, but just the reverse.

The third argument from the pro-NAFTA side says that the cost of labor is only one element, maybe as low as 20 percent, in the cost of making a product. This is too small a factor for business to go to Mexico for labor costs.

But direct labor costs are only one factor. Indirect labor costs—in the form of cheaper construction costs, business services and lower taxes because of cheaper and fewer government services—also reflect cheaper labor in Mexico. Direct labor represents by far the largest share of what the employer considers controllable costs. It is assumed that business is already getting the lowest possible price for supplies and components, materials, energy, interest rates and so on, if they are managing their business correctly. If wages were not important, businesses would not spend high sums lobbying against anything which may increase them.

Firms which move to Mexico will actually gain the added advantage of buying components and supplies from firms in Mexico whose labor costs are also lower than they would be in the United States. Right now it is primarily the large manufacturers that are moving their factories to Mexico.

□ 2320

They can afford the loss of one or two factories if the Mexican Government fails or chooses to nationalize their firms. They are not going out of business. The smaller supplier firms which may only have one or two factories or perhaps one or two patents on the product that they produce, they cannot risk the move.

Under NAFTA there are guarantees that nationalization of American companies will not happen and intellectual property rights are protected. Smaller and medium-size supplier firms all over this country will now have the security they need to move to Mexico and they will be under pressure from the large corporate plants they supply to move closer to the main assembly plant in Mexico. If the supplier plant does not want to move, it can easily be built in Mexico to take additional advantage of the low wage base.

Another argument that is put forward is that companies can move to Mexico. NAFTA will not stop the flight.

Well, NAFTA provides a psychological boost. It gives the U.S. Government's seal of approval here.

I mentioned earlier the protection of intellectual property rights which does not presently exist, which will be given security under this NAFTA, protection from nationalizing U.S. industries which does not currently exist will given security under this NAFTA. Other barriers will be removed, such as the remaining tariffs, but just as importantly, there will be guarantees that tariffs will not be raised.

All these things together are significant conditions that do not now exist and given the right agreement, all of these things would be welcomed and would be encouraged. Under the right circumstances of free trade, these things would be very desirable, but under this NAFTA which promotes an export platform based economy, these will only have the effect of further encouraging industry to leave this country.

Another argument. These jobs will eventually be lost anyway to low-wage countries, so it is better to lose jobs to Mexico than to Asia. We just heard that.

There are some jobs that would go to Asia if there were no low-wage alternatives in Mexico, but it is just as likely that NAFTA will divert Asian and European investment to Mexico that otherwise would have come to the United States and created jobs here. In any case, we can not be indifferent to the fate of whole industries.

I hear this comment all the time as I talk to folks who support this agreement. Well, there will be some winners and there will be some losers, as though people were just statistics.

Those hundreds of people that I just mentioned a moment ago in the textile industry who have already lost their jobs in apparels and textiles, they are not just statistics. They are real people with real families and real needs and they are out of work now because of this policy and what this Agreement will continue to encourage. Other industries will face the same fate.

And what is our saving grace for the so-called statistics who are just going to be the losers? Well, it is retraining funds, and even under this Agreement that is being promoted the retraining funds have been cut back over half of what they were in the original agreement.

I represent on the southern end of my district coal miners. I watched the Clean Air Act being passed through this assembly. I heard about the saving grace then or retaining funds, of how we were going to retrain all these miners who were going to be put out of work, and in my state that is about 13,000 jobs.

Show me one miner today anywhere in my district after three years and thousands of job losses, show me one that has been retrained for a job anywhere near the $30,000 to $35,000 they were making before that Federal piece of legislation passed. And these folks will meet the same fate. We just brush them off as if they are just statistics.

The fourth argument, that NAFTA will slow down illegal immigration into the United States. Well, this is the same claim that was made under the Maquiladora plan nearly 30 years ago, and that arrangement has actually increased immigration by drawing Mexican workers to the border areas. Much of Mexico's growth under this NAFTA will continue to occur in the border areas because of its nearness to the United States markets.

In addition, under NAFTA 800,000 to 3 million Mexican farm families will be dislocated because of the agricultural products coming from this country into Mexico and because of the reforms that have already been initiated there in getting these people off the public lands and larger corporate agricultural interests farming both lands.

How many of these families will be flooding the border areas looking for work?

If Mexico had a decent wage base, these workers could stay in Mexico and sustain their families there, but on $1.27 an hour with 34 cents an hour benefits, they will be crossing the border illegally and putting further pressure on American taxpayers to pay the bill.

Another argument, if we do not agree to this NAFTA, Mexico will make some sort of deal with the Japanese.

The key issue in NAFTA is increased access to the United States market. The Japanese are not going to give Mexican products increased access to their market. If we cannot get into Japan by threatening access to our consumer market, the largest in the world, how are the Mexicans going to do that with an economy 4 percent the size of ours?

Does anyone really believe that Japan is going to open up its doors in exchange for a tiny impoverished Mexican market? It is just as liable to believe that Japan would welcome this agreement so they could use Mexico as an export platform to ship their goods into the United States even easier.

The important point here is for the United States to maintain control over access to our own markets to use as leverage for getting better treatment in international trade.

The next argument, we must support President Salinas because he is a reformer. Well, President Salinas has made reforms in Mexico, but I am not sure most Americans would agree with many of those reforms.

Would most Americans agree to our government cutting every wage in the country by 50 percent, as President Salinas did when he took over?

Would most Americans agree for the government to maintain absolute control over wages and prices in the entire country?

Would most Americans agree to one party harassing and jailing opposition party members in order to maintain strike one-party control? I do not think so.

This week in this House you will see many hours of debate on NAFTA televised worldwide. You will not see one second of debate in the Mexican General Assembly, because there will be none. Opposition to NAFTA is not allowed there.

I cannot tell you the number of people who have testified before our committees here, who have spoken to us personally, journalists, professors, priests, who tell us that any stated opposition to NAFTA in Mexico is forcefully repressed. Almost every major human rights group has condemned the Salinas administration as being one of the most abusive governments in this hemisphere. Many of the Catholic Bishops in Mexico and over 300 religious organizations in this country have condemned this agreement.

Here is an ad that was run in a paper just last week here in Washington: "Reject this NAFTA, U.S. religious leaders appeal to Congress."

It is signed by hundreds of religious organizations in this country and Mexico who disagree with this agreement because of the abusiveness to Mexico's own people by this administration.

□ 2330

The European Economic Community faced a similar situation in building their free-trade agreement. They had four Third World economies with primarily one-party-rule government on their borders: Portugal, Spain, Greece, and Turkey. They knew, as it has been shown in Eastern Europe and the former Soviet Union, that totalitarian government, and free enterprise and trade cannot exist together. It is democracy and the free enterprise system which complement each other. The EEC demanded democratic reforms from these countries as a first priority for entrance into their free-trade alliance. We should learn from the European Economic Community.

Is it right to ask that democratic reforms take place in Mexico since we are going to be so heavily vested there? Under NAFTA it is the American taxpayer who will at least partially be responsible for the billions of dollars spent in infrastructure development in Mexico. Our banks, insured by the taxpayers of this country, will be underwriting and guaranteeing the security of billions of dollars of investment in factories in Mexico. Our taxpayers will be footing the bill for additional billions in environmental cleanup that presently exists because Mexico will not enforce its own environmental laws, and its claim of violation of national sovereignty in the side agreements will make future enforcement nearly impossible.

Not one Republican who supports this agreement, Mr. Speaker, has proposed a single new tax to pay for it, and not one Democrat who supports this agreement has proposed a single cut in other programs in our budget to pay for it. Additional cuts in our budget are supposed to go toward reducing our own $4 trillion debt. The cost for this agreement is borne totally by the American taxpayer, not the industries who benefit most by moving there.

My colleagues, this agreement will be a model for the rest of this hemisphere. Mexico is the first pitch in the first inning. Central America and South America will be the next to join. The agreement is only a first step, and we need to get it right from the beginning.

It is not in our interest, and we should never encourage any other country in the world by entering into a free-trade agreement with them, to suppress the wages of their peopleor to ruin their own environment by maximizing the profits for anybody in the world. That is not what we stand for as a people. We have never stood for that. Is it not to our long range advantage to have a politically stable, democratically reformed government on our borders? Is it not to our advantage not to condone an abusive one-party-rule form of government? We have an opportunity here, by leveraging access to our own markets, to enact both economic and governmental reform which will ensure greater security for our future, but this NAFTA will not do that.

Mr. Speaker, this country is the bastion of democracy for the entire world, and yet we are giving a nod and a wink to a government in a free-trade agreement, so called, to further suppress their people, and what do my colleagues think the outcome of that will be for the other countries of Central and South America who are waiting and who must come into this agreement eventually? Those of us who oppose this agreement know that we need a North American Free-Trade Agreement, we know that there will be competition from the Pacific Rim nations and the EEC in the future, we know we have to compete. The question is not a free trade agreement. It is what kind of free trade agreement.

My colleagues, I just want to share for a moment information from my own State of Illinois, information that came out before all of the incredible claims now of thousands of jobs being created in this place or that place or even, on the other side, of hundreds of thousands of jobs being lost. This is the Illinois Department of Employment Security's estimate of jobs for Illinois under this NAFTA that came out some time ago.

The North American Free-Trade Agreement is expected to increase Illinois jobs sustained by exports to Mexico by approximately 6,200 jobs from 1994 to 2000. These are just jobs created from exports, but they do not include the subtraction of jobs that we will lose from imports coming back into this country replacing our own jobs here or the diversion of investment away from this country to Mexico in the process.

The United States Council of Mexico-United States Business Committee, which represents the joint Chambers of Commerce between the two countries, says while the national job impact relative to total employment is expected to be small, the positive impact on Illinois is expected to be significant. The $457 million increase in Illinois because exports generated from increased investment in Mexico is expected to expand employment by more than 10,300 new jobs over 10 years, 1,030 jobs a year after the NAFTA is fully implemented, that is, after at least 10 years. Illinois' net employment rolls will be over 4100 jobs greater than they would have been in the absence of NAFTA, 410 jobs per year, and those are the folks who are promoting this agreement, who support this agreement, 410 jobs a year, and I will not even deal with the job losses that are being claimed from the other side.

How significant an impact really is that to put the country through this type of an agreement? I represent a lot of oil and gas producers, small independents. I met with them this past week. Here is the assessment of the effect on their industry under this agreement.

A long term result of the above could be greater United States exports of crude oil from Mexico and possibly of refined products as well. These independent gas and oil producers which represent hundreds of jobs in our area, every time they meet with me they say that the only thing that is going to

save their industry is to shut off the cheap oil imports coming to this country or to put an oil import fee on them. Under this agreement we are going to get more foreign oil flooding this country. What is that going to do to the smaller independents?

The agriculture community in my district favors this agreement, and I understand that. I just want to read something to my colleagues. The administration funding plan assumes that NAFTA will increase commodity prices for U.S. farmers, thus decreasing the need for deficiency payments under the Commodity Credit Corporation by $183 million over 5 years. However, USDA statistics show that the assumption of higher commodity costs resulting from increased export opportunities under NAFTA is not supported by past commodity price data.

□ 2340

The USDA statistics show, and I have them right here, from the USDA, the ERS, Economic Research Services of the USDA. And what do they show? They show that between 1984 and 1992, U.S. agriculture imports increased 14 percent, from 38 billion to 42 billion. However, during the same period average corn prices dropped 23 percent, from $2.67 per bushel in 1984 to $2.05 per bushel in 1992. Soybean prices dropped 8 percent, wheat 4 percent, and milk 2 percent between 1984 and 1992. Those are figures from the economic research statistics of the U.S. Department of Agriculture.

There is not necessarily a positive correlation between increased exports and increased farm prices to the farmer in the field. If that were true, the prices of agriculture products should have been going up during those years instead of going down while exports were increasing.

I favor a free-trade agreement, one which pays the Mexican laborers a decent wage so they can sustain themselves in their own country and truly become greater consumers of American products, including agriculture products from the State of Illinois.

Does it not stand to reason that if people were making more than $1.27 an hour in wages and 34 cents an hour in benefits, if they were making $3 an hour or $3.50 an hour, that they could buy more agriculture products from any State in this country? That is what those of us who want a different NAFTA feel we need to be negotiating here.

We will sell more agriculture products with this NAFTA, but imagine how much more we could sell to a consumer in Mexico who has real earnings, a rising standard of living, and genuine buying power?

I favor a free-trade agreement, a free-trade agreement which requires Mexico to pay for the cleanup of its own mess and subscribes to enforceable environmental standards.

I favor a free-trade agreement, one which requires democratic reforms as the insurance for protection of the billions of dollars of American taxpayer investment in Mexico and for obvious future political stability in this hemisphere.

These are my views. I respect the views of those who disagree with me, both Democrat and Republican, for this is not a partisan issue.

On this floor tonight you heard some very conservative Republican friends support this agreement. Your heard some very conservative Republican friends oppose this agreement, Mrs. BENTLEY and others.

But I will be voting against this NAFTA because I do not think this is the right agreement for our country. Ladies and gentleman, I sat for 2 hours and listened to the previous speakers in favor of this agreement. I heard them ask the question, why is this NAFTA such a hard sell? And they suggested several things. They suggested that, well, it is political fear that we have, those of us who are opposed to this NAFTA. Others suggested that it is because we are beholden to PAC's. Others said that if we had a secret vote, NAFTA would win, implying, as the President did, that we are somehow voting against our conscience here. Another said that if we had term limits, we would not worry about our jobs and we would be voting for this agreement.

Well, I have never said this on the floor of the United States House of Representatives before. It is not something that I want to deal with here all that much with my colleagues. But I am against this particular agreement. I think we can negotiate a better deal. And I do not take one penny of PAC moneys.

I have been here 5 years. I do not take a penny, not from labor, not from business, not from anybody.

When I ran for office in 1987, I told the people of my district then that I do not want to be a career legislator. I am a government teacher. I have taught my children in the classroom about the concept of the citizen legislator, that we train ourselves for a profession, we serve in this national assembly for a time, and we voluntarily get out of here and let other folks have their shot at solving the problems.

I said if I am fortunate enough to be elected for 10 years by the will of the people, I will not serve any longer than that.

I am against this agreement, and I voluntarily limited myself to 10 years in this House, it so be the will of the people. The same thing that the folks who are suggesting that if there were term limits available, we would all be voting for this.

To suggest that the people of this great body, after all you have got to do through your life to get here, to want to be a part of helping to resolve and solve some of the problems of this nature, to suggest that we would do anything on an issue this serious, to sell our votes or sell our soul just to get reelected or because we are afraid of somebody, to even insinuate that is something that I would never do to another colleague, ever.

This is the greatest deliberative body on the face of the Earth. I think the people that serve here for the most part love this institution. We love this country, and we want to do what is right by this Nation. We weigh in balance sometimes for months and years, as in the case of this issue, so we can come to some understanding and some decision that is right with our conscience and right, at least on balance, in our judgment. And we ought never be accused by our colleagues or the President of the United States or anyone else of sacrificing our conscience or our judgment for our jobs.

The people who oppose this NAFTA oppose it because we think we can do better. We think this is wrong for our country. We have seen others do it differently and do it right. And we are simply asking, why cannot we negotiate an agreement that raises the wages of the Mexican laborer so they can buy more of our products and truly be consumers? Why can we not negotiate an agreement that gives each nation the responsibility of cleaning up its own mess? Why can we not negotiate an agreement, as the Europeans did, which would bring about political stability in a domestic fashion on our borders, for our children and future generations? Is there something wrong with wanting to do that?

Mr. Speaker, I do not think there is. I want a free-trade agreement, but I cannot in my conscience and I cannot in my judgment support this NAFTA. Therefore, I cannot vote for it in this House of Representatives.

□ 2350

IN OPPOSITION TO NAFTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KLINK] is recognized for 60 minutes.

Mr. KLINK. Mr. Speaker, I apologize to those who are here for prolonging the evening, but it is an important debate which has occurred. And earlier, as my colleague from Illinois [Mr. POSHARD] said, we sat here and listened to those on the other side of the issue as they talked about all of the good arguments for this North American Free-Trade Agreement.

I agree with the gentleman from Illinois. I, too, am a free trader. I, too, would like to see a NAFTA agreement, but one that does not create problems, but one that solves problems.

As a founding member of the anti-NAFTA caucus, I thought that I had

calculated all of the problems with the North American Free-Trade Agreement. It became very evident to me that NAFTA is going to cause the export of hundreds of thousands of United States jobs. And there will be, as the previous speaker spoke, massive environmental degradation, a sharp decline in health and in safety standards. I really thought that I had enough reasons to vote against this NAFTA, but I will tell my colleagues, I really want to focus my comments this evening on what we have heard in the Banking, Finance, and Urban Affairs Committee, on which I serve.

We have heard several weeks of testimony concerning abuses within the Mexican political, regulatory, judicial, and financial services sector. What I am going to talk about this evening is not the opinion of this Congressman from Pennsylvania, but I am going to talk about the testimony that we have heard, what others are saying, others who have their own expertise about this NAFTA.

We heard testimony from Ms. Lucia Duncan, who described several accounts of Mexican courts allowing seizure, without cause, of property owned by Americans. I will talk more about that a little later on.

We also heard from IBM's political agent in Mexico, Mr. Kaveh Moussavi, who has been named public enemy number one by the Salinas government simply for filing a formal fraud complaint with the Mexican Government. When Mr. Moussavi contacted a Mexican attorney, because he wanted to obtain judicial redress in that nation, the attorney told him, and I quote her, "Your naivete is touching. This is not the United Kingdom, nor is it the United States."

Mr. Moussavi decided to go public with his case, again, which I will describe. He was threatened over the telephone that if he were to testify before this United States Congress about the corruption that he had found in Mexico, when he returned to Britain, which is where he lives, he would have one less child.

Mr. Alex Argueta, a developer from Tucson, AZ. He testified before the Banking Committee also, and he said that he is living proof that large, centralized banks in Mexico defraud their clients and then steal their savings. Mr. Argueta testified that gangster tactics were used against him after he obtained a $20 million loan from a Mexican bank.

After he was held incommunicado in Mexico for 2 days, he was then imprisoned for 16 months. He was released only after he signed a promissory note which changed the terms of that loan, and subsequently, $20 million of Mr. Argueta's money was confiscated by the Mexican Government. He has yet to get back his $20 million.

These examples, along with a lack of banking regulations and a large volume of drug money being laundered by Mexican banks, give more and more reasons to oppose this NAFTA agreement.

I want to talk a little bit more about some other testimony that we have heard and just go over it in brief.

Mr. Chris Whelan, is a consultant from here in Washington, DC, at the Whelan Company. And essentially, when he came before the Banking, Finance and Urban Affairs Committee, he started off by saying, and this is pretty much a direct quote, I am a civil libertarian. He said, "I am an economic free trader. I want to see a free-trade agreement signed between Mexico and the United States."

But he then went on to say that the current economic policies of the Salinas government are to blame for stealing jobs from American workers. He said that Mexico has no commitment to civil liberties. They have no commitment to the protection of property rights and/or the rule of law.

Mr. Whelan went on to tell us that signing the NAFTA agreement with Mexico, in his words, "Mafia government," is going to undermine and corrupt the American financial and industrial operations by opening our economy to a system that is compromised by drug money, political fraud and of rising violence.

Mr. Whelan also told us that approval of the NAFTA will expose American banks and financial companies to an environment in which they cannot reliably determine who owns a given financial asset or real property and where there is no recourse in the event of default. That goes back to the comments I made about the previous witnesses.

NAFTA would eventually allow U.S. banks to purchase Mexican banks, to purchase Mexican insurance companies and even commercial entities. The NAFTA agreement would allow consumers to purchase financial services across the border. Mexican banks essentially are unregulated, when it comes to activities in investments. Mexican law allows the banks to affiliate with security firms, with insurance companies or even those commercial concerns.

The Mexican banks are essentially self-regulated insofar as the disclosure of financial data is concerned. The Mexican banks are allowed really to utilize private auditors that come in and make assessments of the loanportfolios and other aspects of the banking operations. Those audits, we have heard testimony, are simply rubberstamped by the National Banking Commission.

Now, when you take into account the issue of how the Mexican banks finance their operations, the banks in Mexico have deliberately followed a strategy of crossfunding their high-yield pesos loans along with credit card receivables and other local currency assets with less expensive dollar CD's, with overnight borrowings and with the issuance of foreign bonds dominated by the dollars and other currency.

Publicly available information has suggested the level of dollar liabilities in some of the bigger Mexican financial institutions runs as high as 30 percent in total liabilities, even though the Government regulations limit those dollar liabilities to only 20 percent.

We have also found that capital adequacy in the Mexican banks is not good. The Mexican banks do not follow generally accepted accounting principles. To operate in Mexico or even to acquire Mexican financial institutions is going to expose the United States banks to potentially huge losses, while increasing the process of political and societal corrosion in the United States due to narcotics trade and to related problems.

The other problem with this is that the FDIC still stands, that is the American taxpayers, stills stands behind the American banks. So this NAFTA allows our banks here to go down and invest in financial institutions, in insurance firms, and in other operations in Mexico while the American taxpayer stands behind those institutions in the form of FDIC guarantees.

We have had, Mr. Speaker, one savings and loan bailout. We do not need savings and loan bailout No. 2.

According to estimates, and again I am going back to Mr. Whelan's report to the Banking Committee, he said, according to estimates from sources inside Mexican and American law enforcement agencies, the total revenues from the production of marijuana and heroin in Mexico and the transshipment reached an astronomical total of $100 billion in 1992.

I want to talk just briefly, too, about the comments of another witness before us. This was Mr. Andros Penlosi. He is an economist and parliamentary adviser on the staff of the Commission of Budget and Planning in the Mexican Chamber of Deputies. And he had some very interesting things to say.

He said that members of the State Party, the PRI Party, the Commission for Financing and Development of State Property, whose funds covered part of Carlos Salinas de Gortari's campaign costs, are now owners and are the principal beneficiaries of the sale and concessions of State businesses and services. That is right. The people who have contributed to President Salinas, the people who have been part of his party, who have helped him maintain his control of the Government, are now getting the sale and the concessions of State businesses and services.

To go on again with Mr. Penlosi's testimony before Banking, he said,

> These entrepreneurs continue to influence national economic policies. They impose

their personal as well as group needs. They introduce self-serving measures and subsidies. The government supports them in opening markets and maintaining monopolies, in reducing and controlling competition, in setting prices and tariffs, in stimulating speculative activities with extraordinary profits.

□ 2400

Again, going back to Mr. Penaloza's comments, he calls it a Salinastroika system which he says has handsomely paid its sponsors, according to Forbes magazine, among the wealthiest persons in the world. There are now 13 Mexican super millionaires. That is 11 more than there were back in 1991, just in the past 2 years, 13 Mexican super millionaires. This number is surpassed only by the United States, Germany, and Japan.

To go back to what he is talking about is the fact that these people have supported the Salinas government, and as a result of being so supportive of their government, they have been able to buy into these businesses that are being sold off by the Mexican Government. The list, he said, includes various financiers: the Garza Sada family, which controls Vitro and G.F. Serfin. The third most important financial group in Mexico is on this list.

Carlos Slim, who, besides being the majority stockholder of Telmex, is now head of the recently authorized Banco Inbursa, which already includes some financial firms. The Garza Leguera family, along with other families, which control Bancomer, which is No. 2 in the Mexican financial system, these as well as other investor groups directed by Eugenio Garza Leguera control the Visa group. This is a conglomerate of 100 companies in various different fields: beer and soft drinks, other industrial, commercial, and service activities.

Many others, such as Alferdo Harpo Helo, which is Slim's cousin, and Roberto Hernandez, owner of largest Mexican financial group, Banamex, have been very active in the present administration.

Only 2 years after these financial groups have been formally established and reinforce the sale of banking systems, they handled more than 97 investment funds and some 60 financial firms, especially stock brokerage and banks, but the groups also hold retail stores, leasing companies, currency exchanges, billing companies, underwriters, insurance companies, investment funds, real estate companies, and other services.

Remember, under this NAFTA, banks from the United States will be doing business directly with these people who hold these financial institutions in Mexico.

He goes on to say, "There is a quid pro quo, and that is now the United States financial institutions," as I said, "will be able to do business in Mexico that they cannot currently do in this country," and that is important. Theycan operate as financial groups. We know that the total assets of the Mexican financial system are equal to those of most important United States banks.

"Of the total financial resources in North America," and again, I am going back to Mr. Penaloza's testimony, he says, "Of the total financial resources in North America, the United States handles 95 percent, Canada 4 percent, and Mexico, with almost three times the population of Canada, has only 1 percent."

He goes on to say, "These terrible differences are reasons in themselves to deny the equality of competitive opportunity which, in certain moments in certain areas, might be applied. The most-favored-nation status," he says, "should be accompanied by the developing nation status in order to justify non-discrimination."

There again are a lot of other problems, and I will not go on at this moment into Mr. Penaloza's testimony, but it is quite extensive. I will talk, though, about what a lot of people thought was really a great idea. That was the creation of this North American Development Bank. As a result of this bank, we know that at least one Member of the House has decided to vote in favor of NAFTA. This was a wonderful thing, he said, the North American Development Bank. It gave him the cover to vote. We understand some other people said this may give them the cover.

Let me just tell the Members what happened last week in the Committee on Banking, Finance and Urban Affairs as we met to mark up the North American Development Bank Group. The chairman of the Subcommittee on International Development, Finance, Trade and Monetary Policy of the Committee on Banking, Finance and Urban Affairs, the gentleman from Massachusetts, BARNEY FRANK, reported back and recommended that that bill, the bill developing the NAD Bank, be turned out negative. I just want to read part of the letter he wrote to the chairman of the full Committee on Banking, Finance and Urban Affairs, the gentleman from Texas, HENRY B. GONZALEZ.

He says, "As presented, the proposal received virtually no responses from Members who attended the hearing and it is unclear how the administration could alter the proposal to make it more appealing." No. 1, "the basic concern—emphasized in the testimony of Representative DAVE OBEY—" of Wisconsin "was the uncertainty as to how the proposal would be funded."

We have heard this before: How are we going to pay for NAFTA, especially in view of the fact the United States is in arrears on the authorized commitment to existing international financial institutions by about $819 million. We are in arrears to other financial international institutions by $819 million, but to get a couple of votes for NAFTA we are going to create a new North American Development Bank. Mr. Speaker, it makes no common sense.

The gentleman from Massachusetts [Mr. FRANK] then goes on to say that an additional concern was that the NAD bank financing would need to be more concessional than the administration assumes and that the capital contribution would therefore not support the $2 billion to $3 billion of loans anticipated by the administration.

The subcommittee also believes that Members also questioned the logic and precedent of allowing an institution with substantial representation of foreign interests to participate in determining how this country, the United States, would use funds within its own borders.

No. 4, another issue about the NAD Bank was the issue of the proposed focus on water pollution and municipal solid waste, and it neglects other environmental problems, such as air pollution and toxic waste dumps.

Finally, the committee, in the letter to the gentleman from Texas [Mr. GONZALEZ], says, "It was suggested that much of the pollution in the area is attributable either directly or indirectly to the maquiladoras, and they should assume more responsibility for mitigating the impact on the environment." The companies that are making the money are making the pollution, in short, and they are not, under this NAFA, responsible for paying for that clean up.

I want to go now to some other testimony before the Committee on Banking, Finance, and Urban Affairs. This is by John P. LaWare. For those who do not know Mr. LaWare, he frequently testifies before congressional committees and subcommittees. He is a member of the Board of Governors of the Federal Reserve, certainly someone who knows something about financial institutions. He talks about each country in this NAFTA agreement agreeing to allow financial institutions of other countries to establish and to operate in its market through subsidiaries.

He says, "Thus, a Mexican or a Canadian bank in the United States would be treated as a United States banking organization, and any non-banking activities of the affiliates of the bank will continue to be subject to provisions of the Bank Holding Act."

However, we should note that American companies, United States of America companies that move to Central America, move down to Mexico, will be able to end run banking laws. I will get into that a little bit further in the testimony.

One of the things that we also want to talk about is that those American

banks and security companies that go down there are going to have opportunities to provide sophisticated financial services to United States companies, as well as to Mexican firms, and that they will increasingly need the type of innovative services which the United States financial services companies excel in. We agree with that.

Mr. LaWare goes on to say, "Of course, the United States banks and bank holding companies will be subject to the same regulation of their Mexican operation by the Federal Reserve System as currently apply to all of their foreign operations." In other words, we are supposed to monitor what the United States banks do in Mexico. When in fact there is no regulation of the Mexican banks in their own country, how are we going to monitor and enforce laws in another nation? It simply does not make sense.

Again, the chairman, the gentleman from Texas [Mr. GONZALEZ] has talked about, in some of his testimony in the committee, and he has talked about it on the floor of this House of Representatives, some of the things that he is afraid as chairman of the full Committee on Banking, Finance and Urban Affairs will occur. One of the things that we are all afraid of that are on the committee is that large banks which have been very eager to bypass the Glass-Steagall Act, a law which prohibits bank holding companies from buying security firms or from buying insurance companies, that they now could buy Mexican banks, and that in Mexico they could operate a security firm or an insurance company, as well as leasing and managing the subsidiaries.

NAFTA limits United States participation in Mexico to subsidiaries of United States institutions until the United States permits interstate branch banking, which, of course, we have not done. We may, in the Committee on Banking, Finance and Urban Affairs be addressing interstate branching within the next few weeks, hopefully before this session of Congress is finished.

The biggest American banks will be able to engage in high-risk investments and there is no requirement in this NAFTA for these banks to put up adequate reserves should these investments go sour. Again, Mr. Speaker, this could lead to another bailout of the financial industry by the American taxpayer. It is another price of NAFTA that you will not hear those that are in favor of this NAFTA agreement ever refer to on the floor of this House.

NAFTA would result in even more difficulty, we have heard, in the Committee on Banking, Finance and Urban Affairs, of tracking money laundering.

□ 0010

I want to go to some more testimony, and again, this is not testimony by this Member of Congress, but testimony before the Banking Committee by those who have come before us and have various expertise relating to the NAFTA. This is Mary Schapiro, who is the Commissioner for the U.S. Securities and Exchange Commission. She talks about the purchase and sale of Mexican securities by United States investors. They have jumped from $363 million a year back in 1982 to a decade later, 1992, $19 billion. Indeed, the largest Mexican company, Telmex, is more actively traded in New York than it is in Mexico City.

What you have to understand is that American companies, the multi-billion-dollar corporations, have found out that there is a gold mine in Mexico, and that, in my opinion, is what this NAFTA agreement is. It is what those who support this NAFTA agreement want.

In response to the increased cross-investment activities, the SEC has strengthened its relations with the security regulators in Canada and Mexico, but we have to wonder if they have done it enough.

Again, continuing with the testimony, and this is really one of the things that bothers me because, as you study the lack of enforcement in Mexico of their own laws, again I remind Members this is Mary Schapiro, Commissioner of the United States Securities and Exchange Commission, who says, "If the increase in securities activities among the three NAFTA countries leads to any need for increased enforcement of U.S. securities laws, the SEC's counterparts in Canada and Mexico will assist the SEC in their enforcement efforts." That is laughable, and we will talk about the enforcement in Mexico a little bit later on.

I want to talk again just briefly, we are getting only to the issues coming before the Banking Committee. There are some issues we have talked about, the interstate commerce, the trucks coming from Mexico, the usurping of the States' rights to set laws as it pertains to truck safety requirements, to weights, to lengths of trucks. I also get into the same issue, and Eileen Evans, a board member of the Texas Board of Insurance, chairperson of a NAFTA working group, testified before us. She really talked about, again, how big this NAFTA is. She said in her testimony, "It provides a framework for linking the insurance markets of the United States, Mexico, and Canada, thus forming the largest regional insurance market in the world, 38 percent of the world's insurance premiums." That is a whole bunch of money, and there is a lot of money to be made.

But one of the questions that came up, technical questionsat the end of her testimony, was are the States' antitrust laws affected, and the answer is this, that the Treasury Department's response has been that "State antitrust laws should not be impaired unless they are inconsistent with NAFTA." In other words, if they are inconsistent with NAFTA, we have a problem, and the States are left out in the cold.

Going to further testimony, this now gets into some of the regulation that we are going to have a problem with. I have this testimony by Steven Davidson, his testimony before our Banking Committee. He was the senior vice president of Ferguson & Co. What he talked about in his testimony, and I will just read one brief paragraph, he said, "In short, we must rely primarily on United States bank regulators to bear responsibility for adequate supervision of foreign operations of our financial institutions. Do not count on those regulators in Mexico taking care of us." He said it is his understanding that NAFTA does not explicitly address or require the exchange of examination and regulatory information between Mexican and United States banking authorities. I will repeat that again. It is his understanding, in testimony, that NAFTA does not explicitly address or require the exchange of examination or regulatory information between Mexican and United States banking interests.

Now one of the other things we are very concerned about is the devaluation of the peso, and we have heard some of that testimony this evening. In fact, the gentleman from Illinois [Mr. POSHARD], talked about that. I want to talk about this again. It goes back to Mr. Whalen. He wrote an article entitled "Coming Mexican Devaluation." And I want to read just parts of it. He talks about how in Europe the hard-currency block, led by Germany, still seemed to be moving toward some type of cohesive currency union. Yet, strangely enough, he says, "In the face of the movement in Europe toward a single trading and payment system, the question of a common monetary unit has not been included in the debate over the North American Free-Trade Agreement." Mr. Whalen continues saying, "Part of the reasons for this omission lie in the obvious fact that Canada, and to a much lesser degree Mexico, are already dependent on the U.S. economy, and thus are tied de facto to the dollar standard. Ottawa," he said, "acknowledges the need to maintain rough purchasing power parity between the Canadian dollar and the greenback and has been forced to take action in recent weeks and months to defend the Canadian dollar against its southern counterpart. Mexico's monetary posture, however, is far less wedded to any stable measure of purchasing power parity, and Mexico has historically been tied very closely to the availability of external financing, and more recently a short-term portfolio investment."

Now I want to talk again just briefly and sum up what Mr. Whalen has said.

And there are some very succinct points in this. "Strangely, in fact, in the face of the movement in Europe toward a single trading and payment system as they form the common market, the question of a common monetary unit has not been included in the NAFTA debate. Salinas is in the incredibly untenable position of defending a fundamentally weak currency, while imports of raw materials and of manufactured goods pour across Mexico's newly opened borders. The rising trade deficit and what it implies for Mexico's ability to earn badly needed foreign exchange is ominous. After reaping almost $10 million in the first 6 months of this year, the overall deficit now seems to be headed for about $20 billion. The recent decision by the Mexican Government to increase the rate of devaluation of the peso to roughly 5 percent annually represents a turning point in the economic stability program forged by the Salinas government, but the downward move in the peso is not going to be the last."

I will read testimony from some other people who also agree with this, and who are well able to make that determination.

"Even with the obvious need for Mexico to adjust its competitive position, there is no monetary mechanism either actual or in prospect in the NAFTA to smooth the way for the inevitable adjustment of the value of the peso. Mexican companies are increasingly turning to the foreign bound market in an effort to raise funds not available from the foreign equity markets or the domestic peso capital markets. By using inflows of foreign investment and private borrowings to finance Banco de Mexico's dollar funding, the Salinas government is essentially mortgaging Mexico's future in terms of future inflation and investor confidence."

In fact, what they are trying to do is hold off devaluation until after we vote this week on the NAFTA.

"In order for the peso-based nonmaquiladores industries to attract badly needed capital, they must be profitable. The first ingredient needed to ensure a favorable investment environment is a competitive peso/dollar exchange rate, which does not exist now."

I want to go back to an article from March of this year, and things have not changed. In fact, I think you will see that more has happened to really prove this true over the course of the year. And the headline reads "Some Fear Sharp Peso Devaluation After NAFTA." The subhead line is "Mexico's move would reduce surplus with U.S." And this was in the Journal of Commerce. It starts out saying that "several trade experts are warning that Mexico could sharply devalue the peso after the North American Free-Trade Agreement takes force, and thereby reduce the U.S. trade surplus with Mexico."

Again, we have heard testimony in the Banking Committee that backs this up. They say in the article that "Mexico could play a 'nasty trick' on its U.S. supporters through such a devaluation." That is according to Jorge Castinada, a Mexican visiting professor at Princeton University who warned a House committee last week when he said such a devaluation would aim to sharply reduce United States exports to Mexico. Now Mr. Castinada is one of several trade experts who is anticipating a peso devaluation.

The United States, which until 2 years ago was in chronic deficit with Mexico, last year scored a record $5.4 billion surplus. That is according to the U.S. Commerce Department reports.

□ 0020

Worldwide, Mexico's worldwide merchandise trade deficit last year jumped to about $20 billion, according to unofficial estimates, and some economists believe it will swell further even this year.

Partly behind those trade patterns, though, is the overvalued peso. Although the Mexican Government is methodically letting the peso depreciate against the dollar by nearly 5 percent a year, it does not offset Mexican inflation which last year was about 12 percent. An overvalued peso reflects a deliberate Mexican effort to contain inflation.

Now, Gary Hofbauer, who is a senior fellow at the Washington-based Institute for International Economics, said that he anticipates a fairly substantial devaluation in the peso sometime next year. He doubts there will be a devaluation before the U.S. Congress acts to bring NAFTA into force.

Now, this article is from March. We are going to vote on NAFTA this week, and you may see something next week, but he thinks that otherwise they may also hold off until after the Mexican elections next year. Otherwise he is expecting a significant peso devaluation, and he is believing that devaluation could be somewhere between 10 and 20 percent, and it might be politically timed to occur shortly after the Mexican election for President which is in August of 1994.

He estimates that a 10- to 20-percent devaluation, and this is again Gary Hofbauer, the senior fellow of the Washington-based Institute of International Economics, his estimate is that this 10- to 20-percent devaluation would stop the United States trade surplus with Mexico from growing, or would reduce it modestly.

Again, going into other testimony before the Committee on Banking, Finance and Urban Affairs, and this is Gregory Woodhead from the Trade Task Force, again, going into the same idea of devaluation of the peso and how this is going to affect the trade balance between the United States and Mexico. Again, Mr. Woodhead says that first there is a significant economic pressure to devalue the peso relative to the dollar. The overvalued peso is contributing to a surge in imports pushing Mexico's current-account balance into deficit.

Secondly, he said there is an extreme political pressure to maintain an overvalued peso at least until President Salinas' successor has been elected and NAFTA has been ratified.

To devalue sooner would reduce confidence in the Mexican development program, place the issue of succession in doubt, and would raise another obstacle to the implementation of a North American Free-Trade Agreement.

In recent history of Mexican exchange rate policy, together with present economic pressure suggests that this devaluation is going to occur.

Now, let us just talk about the peso in recent history. By the end of 1987, there were four traumatic devaluations of the peso in just over a decade, with Mexico trapped in a vicious cycle of peso overvaluation, then sharp devaluation, and then flaming inflation led to peso overvaluation. In February of 1977 the peso devalued from a fixed rate of 1 U.S. dollar to 12.5 pesos to 1 U.S. dollar to 22.7 pesos. By the end of 1987, 1 U.S. dollar was worth 2,209 pesos. It continued to devalue to, by the end of 1992, 1 U.S. dollar was worth 3,100 pesos.

Again, going back to Gregory Woodhead from the Trade Task Force, he says in his testimony before our committee there is now substantial economic pressure again to devalue the peso. In 1992, Mexico's merchandise trade deficit jumped to $21 billion, and the trend is to grow further withdevaluation running at a rate of 2.5 to 4 percent a year. The current devaluation rate does not offset the difference between United States and Mexican rates of inflation.

Again, that rate of inflation for Mexico last year was 12 percent.

When I first began, I talked about several different cases, that just testified before us, and I think a week or so ago. One of the gentlemen who testified before us was from IBM. His name was Kevin Moussavi, and as I said during my introduction of this special order, Mr. Speaker, he has been named Public Enemy No. 1 by the Salinas government. This is someone who worked for IBM who was down there trying to put a bid in on upgrading their air traffic control system in Mexico which is really defective.

What he got for his trouble was a solicitation for a bribe of $1 million which IBM, being a good government citizens, turned down, would not pay,

and when they went public, he was declared Public Enemy No. 1 by the Salinas government, had his life threatened, and the lives of his family members threatened.

I want to read just a few segments of a letter that he wrote to our chairman, the gentleman from Texas [Mr. GONZALEZ], chairman of the full Committee on Banking, Finance and Urban Affairs. He said, "I have represented American and other foreign companies in Mexico." These are the words of Mr. Moussavi, "and other developing countries for many years. This experience," says Mr. Moussavi, "leads me to draw your attention to important issues with respect to public procurement that have a direct bearing on whether Mexico can or will live up to its commitments within the broader framework of a NAFTA. I speak in particular," he says, "about the bidding process which Mexico began last August in order to upgrade that country's air traffic control system. The urgency of the task," he says, "was underlined by the fact that in Mexico City alone the volume of daily traffic, air traffic, has grown from less than 100 landings per day in 1988, 5 years later, they have 500 planes landing per day." He said that in November of last year after the first round of bids, and again Mr. Moussavi was representing IBM, they put a bid in on the new equipment.

He said he was approached by three individuals who, without a shadow of a doubt, had extremely close connections to the Ministry of Communications and Transport. Those men asked Mr. Moussavi to pay a $1 million bribe in order to assure that IBM would win the contract. Now, the men did not ask him to give them the money. Listen where they wanted this money to go: They wanted that million dollars taken and specifically made in the form of a donation to the Solidarity Corps, or the public works program that was started by President Carlos Salinas 3 years earlier. He said, "I refused the request, and 10 days later the Mexican Government suddenly, and without a meaningful explanation, canceled the tender on the grounds that none of the companies participating had met the necessary technical specifications, and a few days later the Mexican Government invited these very same companies to submit new bids for the same project."

He says that the terms and the specifications for the new tender were so dramatically changed that he and IBM had little doubt that the earlier tender had been canceled by someone with great political influence, someone who needed a way of reducing the price to win the deal. He says that there was no question that the enormous influence-peddling, favoritism, and unfair bid-rigging of bids had been taken against his client, IBM, and that this was the explicitly stated opinion of IBM officers who were with him on the scene at the time of the tender.

Now, the five losing bidders in this were some well-known companies. Raytheon was one; Comequip of Miami; WestinghouseCorp.; Siemens; some very well known companies.

Each one of these companies and the countries from which those companies are based filed written protests with the Mexican Government saying that the bidding had been mishandled and that their bids fully met all required technical specifications.

The embassies of the United States, the United Kingdom, and Japan also protested to the Mexican Government.

The Canadian Trade Minister, Mr. Michael Wilson, formally wrote to the then Transportation and Communications Director complaining about the irregularities in this tender.

Mr. Moussavi goes on the say that based on this intimate personal knowledge of these bids he can say that most of the losing proposals submitted were superior to that of the package that was ultimately chosen, and yet the protests were all brushed aside by the Mexican Government even though they were filed formally by the embassies of these countries.

No meaningful investigation took place by the Government of Mexico. Mr. Moussavi says that, "IBM and I decided to go public with our concerns. Apart from the irregularities of the tender, we were anxious about the safety aspects of the award and the potential danger to anyone flying into Mexico who as dependent upon this air traffic control system."

He says with the support of IBM early, back in the early part of this year, 1993, he briefed the Financial Times of London, and he described the events that surrounded the bidding for the new air traffic control system for Mexico. This then led to the publication of a number of stories on the episode starting back on February 3, 1993.

He says that after publication of the first story, officials of the Mexican Government began extremely hostile public campaigns in an attempt to discredit Mr. Moussavi.

He says that he himself was the victim of bribery, but he found himself on the defensive. They were attacking him simply for coming forward and saying a bribe had been made or had been offered. His sole offense was to report that attempted bribe and to raise serious questions about a process for procuring a computer and a radar system vital for protecting the safety of tens of thousands of people who travel through Mexican airspace.

□ 0030

And yet senior officials in the Mexican Government, he says, preferred to attack him on television and the press, threatening him. In May of this year he said he received a copy of a letter dated March 17 from the Technical Assessment Group to President Salinas. The letter made a number of very important points, essentially decrying any of the previous attempts to really upgrade the Mexican air traffic control system. He says apart from the sustained campaign of libel and character assassination engaged in by the Government of Mexico, he also has had to suffer death threats; that is, he and his family. In his own country he had to obtain special police protection. The Government of Mexico threatened journalists who tried to interview him.

Consular officials of the Mexican Government had, in fact, intervened directly to intimidate journalists from Mexico, at least one of whom subsequently lost her job as a result of taking interest in the Moussavi/IBM case. All of these incidents have been brought to the attention of the authorities in the United Kingdom.

Now, I have a serious problem, Mr. Speaker, when anyone is threatened with their life or the life of a family member for testifying in front of the U.S. Congress. We cannot have anyone intimidated, anyone threatened for coming to the U.S. Congress and giving us information pertinent or otherwise.

We will make the determination, but we need as much information not only on NAFTA but on any issue that this House of Representatives must decide. For any entity anywhere in the world to threaten those witnesses if they come before the Congress is absolutely deplorable and, I think, should be condemned.

I want to get away from Mr. Moussavi for just a second and talk about some other people who testified before us. Their testimony was equally disturbing.

The next witness I want to talk about again was just here 2 weeks ago. Her name was Lucia Duncan. She resides in Las Vegas, NV, and is a coordinator for a group, American Investors in Mexico. She said she is of Mexican ancestry, speaks fluent Spanish, has lived in Mexico for many years both as a child and as an adult. Therefore, Mexico was always one of her favorite countries. She loved to go there.

She told us that she and her husband both share a great love for the Mexican culture, for the music, the food, the life style. Several years ago after traveling extensively in Mexico, they finally realized their dream of owning property in Mexico. After a lot of comparison shopping, they purchased a condo in the Baja Peninsula. Almost immediately, Mr. Speaker, they encountered a barrage of problems. They say their problems were not devastating, but, you have to remember here is someone who knows Mexico, someone who knows the language, someone who can handle herself. She said the first problem came up shortly after they purchased their unit, again a condo in the

Baja. They offered it as a vacation wedding gift to some friends. When they arrived at the condo, they were informed—on their honeymoon—by the staff that the room was not available. This was only the first problem.

You have to remember they owned the unit, but when they get there, people down in Mexico say, "I am sorry, the room is not available." They had rented it out.

Now, this is only the first of many similar problems. They said these problems began to take their toll on them.

They said they had another problem with the management company, involving mismanagement of funds.

This time, they were able to file a complaint with a newly formed consumer protection agency. Filing this complaint, though, involved many hurdles, one of which was the need to resubmit the complaint in Spanish. They said it was extremely difficult and frustrating. It took months to eventually resolve the problem.

She went on to say that she feels she succeeded only because she is familiar with Mexican customs and was able to translate the letters into Spanish herself.

One of the other stories she tells is a problem down there about who owns what property. One serious problem, she said, relates to land controlled by the Ejido. Ejido are basically local Indians who have been granted the right to occupy and to use certain property under Mexican law. They have the right to lease the property to others on a relatively short-term basis, but they cannot transfer title of land.

In addition, they have the right to extend the lease and to continue occupying the land even after constructing substantial improvements, basically at the whim of the Ejido Indians.

While in Mexico, they met a man who had acquired property from the Ejidos, at least he thought he had acquired the property. This property consisted of a gutted, abandoned structure built over 40 years earlier. The gentleman invested 10 years of his life and virtually all of his assets to create a charming and economically successful hotel with an additional 34 custom homes, an investment that represented millions of dollars for him and for the American families who invested in these homes. Now that the hotel is completed and is successful, a local businessman in Mexico and the Ejido Indians have decided they want the land back, including the hotel, including the 34 homes, and of course they want it back for free. This poor man has exhausted his health, he has exhausted his wealth, and he has fought the confiscation of his property. In spite of his efforts and in spite of the obvious injustices of this situation, it is very possible that he is going to lose everything that he has worked for.

And, again, going back to Ms. Duncan's testimony, she talks about another case involving a group of approximately 150 investors from the United States who purchased hotel suites in Puerto Vallarta. After investing $8,000, they found that the Mexican management group was time-sharing their units, the units that they thought they owned. Seven struggling years later they still cannot find anyone in the United States who will listen to their problems or offer any real help except to put the person directly responsible for their problems in charge back in Mexico. She said as one of the homeowners succinctly put it, it was like putting the person in charge of our problems is like putting the fox in charge of the chicken coop. She said one of the members was actually ordered out of the homeowner meeting at gunpoint.

Again, she says most of the cases she is familiar with involve individuals, but there are other stories. She talked about an amazing story about a gentleman named Bill Flanagan, who is a Houston businessman who was awarded a judgment against Pemex and others. The judgment totaled over $450 million. Mr. Flanagan spent many years of his life involved in this dispute and, in spite of the validity of his claims, in spite of the fact that he won the judgment, he has been unable to collect $1 of the money that is due him.

What do you say to individuals who have spent years of their lives and struggled with injustice and they go down to Mexico to make investments and then they have no recourse? That is the testimony that we heard.

I just want to talk briefly, too, about one other incident which I think has not received as much notification as it does. I will wrap up after this. This is a news release when we were away on the August recess. We were away and not a lot of attention was given to NAFTA and other issues.

This release came out of the U.S. Department of Justice, the office of J. Ramsey Johnson. "United States Attorney J. Ramsey Johnson announced that Robert Bostick, the former Associate Deputy Undersecretary for International Labor Affairs at the United States Department of Labor pleaded guilty in the United States Department of Labor pleaded guilty in the United States District Court today for agreeing to accept 10 percent of the net profits from a Mexican worker housing project to be constructed on the United States/Mexican border." He is working for us, but he wants 10 percent kickbacks.

Again he pleaded guilty.

"Mr. Bostick entered into the agreement while he was a Department of Labor official with responsibilities that included", Mr. Speaker, Mr. Bostick's responsibilities included "negotiating on the North American Free-Trade Agreement," the agreement that we are going to vote on 2 days from now. He is one of the negotiators on that. He pleaded guilty to taking kickbacks to housing programs that are going to be built on the Mexican-United States border.

A spokesperson for the United States attorney noted "Mr. Bostick pleaded guilty to agreeing to accept a percentage of the net profits from a project that was at one time anticipated to generate up to $10 million in net profit. Mr. Bostick faces a maximum sentence of 5 years in prison and a fine of $250,000. Mr. Johnson praised the investigators from the Office of the Inspector General and everyone else who was involved."

But how much have we heard about this, someone working on the North American Free-Trade Agreement on our side pleads guilty and he is going to prison and is going to have to pay a big fine?

□ 0040

I want to read just a little bit if I can again from the U.S. District Court document which came down. It says, repeating again:

> As part of his responsibilities, the defendant, Robert Bostick, was involved in an effort to promote low-income housing subsidized by the Mexican government for low-paid Mexican workers living along certain sections of the United States-Mexican border. Mr. Bostick's responsibilities included oversight for technical assistance programs concerned with Mexican labor standards and their enforcement.
>
> Mr. Bostick's responsibilities also included working on the North American Free Trade Agreement by (1) assisting in the actual negotiating on NAFTA, by (2) developing an adjustment assistance program, and (3) managing a technical assistance program and cooperating with Mexico to help address concerns regarding Mexican labor standards and their enforcement.

So we keep hearing, Mr. Speaker, about how this agreement is going to be fixed. There are going to be special concessions to peanut farmers, to sugar farmers, to financial resources, to flat glass, all these holes in this fast-track agreement are going to be fixed, yet we see this gentleman, Mr. Bostick, who was one of those people who was supposed to be in there fixing this agreement, negotiating this agreement, but he wants 10 percent of $10 million that is going to be made when this low-income housing for the Mexican workers is going to be constructed.

The document goes on to state how he talked with four executives, identified only as Executive A, B, C, and D, and how he conspired and set up really a fraudulent way of getting this money to him. They had different names, an intermediary's name put on the document, later Mr. Bostick's name was put on the document instead of the intermediary, but he was supposed to get the money.

But again, he pleaded guilty. He said, "I did it."

But how many times, Mr. Speaker, have we heard the proponents of the

North American Free-Trade Agreement talk about these problems, talk about those who know about the devaluation of the Peso taking place, 10 to 20 percent, and what that is going to do to our balance of trade with Mexico.

Mr. Speaker, there are so many other reasons why we should vote "no" on this North American Free-Trade Agreement. I am sure that over the debate that is going to take place this week we will be hearing a lot of those.

I just want to say to the other Members of the House who may be watching this late at night, to others who may be watching on C-SPAN, I have only talked tonight about the testimony in front of one committee, the Committee on Banking, Finance and Urban Affairs; one set of issues, but Mr. Speaker, you can see not only the devaluation of the Peso, but the banks and other institutions of this country going to Mexico and running our banking laws, creating the possibility of another bailout by the American taxpayer.

We need a North American Free-Trade Agreement. I really believe that, but this is a flawed agreement. We cannot change this agreement. We cannot make it better. We have got all these side agreements which the administration keeps waving in front of everyone and the proponents keep waving, but you have heard by what I have read here tonight here from the testimony, there is no enforcement in Mexico.

The gentleman I told you about won a $450 million settlement. He cannot get a dime.

Mr. Arguenta, $20 million of his money was taken simply because he would not do business the way the Mexican Government wanted him to do business.

Mr. Speaker, again I probably will be rising and taking my position against the NAFTA many times over the next couple of days as we try to get as many votes as we can, and then pledge to work very hard after we defeat this NAFTA to go back and secure an agreement that will work for the people on both sides of the border.

With that, Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MENENDEZ). The Chair would caution Members against addressing their remarks to a television audience.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLEMENT (at the request of Mr. GEPHARDT) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. BENTLEY) to revise and extend their remarks and include extraneous material:)

Mr. TALENT, for 60 minutes, on November 18.

Mr. GUNDERSON, for 30 minutes, on November 18.

Mr. WELDON, for 5 minutes today, in lieu of previously ordered 60 minutes.

Mrs. BENTLEY, for 5 minutes today, in lieu of previously approved 60 minutes.

(The following Members (at the request of Mr. KOPETSKI) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes each day, on November 15, 16, 17, and 18.

Mr. GONZALEZ, for 5 minutes each day, on November 15, 16, and 17.

Mr. WISE, for 5 minutes, on November 16.

Mr. KOPETSKI, for 60 minutes each day, on November 16 and 18.

Mr. MILLER of California, for 60 minutes each day, on November 15 and 16.

Mr. DE LA GARZA, for 60 minutes each day, on November 15 and 16.

Mr. MARTINEZ, for 60 minutes, on November 16.

Ms. NORTON, for 60 minutes, today.

Mr. FALEOMAVAEGA, for 60 minutes, on November 16.

Mr. KLINK, for 60 minutes, today.

Mr. GONZALEZ, for 60 minutes each day, on November 18 and 19.

Mr. JOHNSON of Georgia, for 60 minutes each day, on November 17, 18, 19, and 20.

Mr. HINCHEY, for 15 minutes, on November 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. BENTLEY) and to include extraneous matter:)

Mr. HORN.
Mr. SOLOMON.
Mr. GILMAN.
Mr. PACKARD.
Mrs. MORELLA.
Mr. LEWIS of California.
Mr. HYDE.
Mr. HANSEN.
Mr. BATEMAN.
Mr. ROHRABACHER.

(The following Members (at the request of Mr. KOPETSKI) and to include extraneous matter:)

Mr. HAMILTON.
Mr. BONIOR.
Mr. ROSTENKOWSKI.
Mr. TRAFICANT.
Mr. SHARP.
Mr. BRYANT.
Mr. OBEY.
Mr. ENGEL in two instances.
Mr. MORAN.
Mr. BLACKWELL.
Mr. NADLER.
Mr. ANDREWS of Texas.
Mr. LEWIS of Georgia.

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. DE LA GARZA.
Mr. RICHARDSON in two instances.
Mr. NADLER.
Mr. BATEMAN.

(The following Members (at the request of Mr. KLINK) and to include extraneous matter:)

Ms. WOOLSEY.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1621. An act to revise certain authorities relating to Pershing Hall, France; to the Committee on Veterans' Affairs.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 142. Joint resolution designating the week beginning November 7, 1993, and the week beginning November 6, 1994, each as "National Women Veterans Recognition Week."

BILLS PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, 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 Nov. 9, 1993:

H.R. 175. An act to amend title 18, United States Code, to authorize the Federal Bureau of Investigation to obtain certain telephone subscriber information; and

H.R. 1345. An act to designate the Federal building located at 280 South First Street in San Jose, CA, as the "Robert F. Peckham United States Courthouse and Federal Building."

ADJOURNMENT

Mr. KLINK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes a.m.), the House adjourned until today, Tuesday, November 16, 1993, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2132. A letter from the Acting Chairman, Commodity Futures Trading Commission, transmitting the Commission's study of swaps and off-exchange derivatives trading, pursuant to Public Law 102-546; to the Committee on Agriculture.

2133. A letter from the Comptroller General, the General Accounting Office, transmitting a report of deferrals of budget authority in the General Services Administration building programs that should have been, but were not, reported to the Congress by the President, pursuant to 2 U.S.C. 686(a) (H. Doc. No. 103–168); to the Committee on Appropriations and ordered to be printed.

2134. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of November 1, 1993, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 103–167); to the Committee on Appropriations and ordered to be printed.

2135. A letter from the Under Secretary of Defense, transmitting Selected Acquisition Reports [SARS] for the quarter ending September 30, 1993, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

2136. A letter from the Director, Congressional Budget Office, transmitting their report on evaluating DOD's certification regarding expansion of the CHAMPUS Reform Initiative into Washington and Oregon, pursuant to Public Law 102–484, section 712(c) (106 Stat. 2436); to the Committee on Armed Services.

2137. A letter from the Acting Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's semiannual report of activities and efforts relating to utilization of the private sector, pursuant to 12 U.S.C. 1827; to the Committee on Banking, Finance and Urban Affairs.

2138. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10–141, "Water Main Break Fund Establishment Temporary Act 1993," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on the District of Columbia.

2139. A letter from the Auditor, District of Columbia, transmitting a copy of the report "Lawrence Street Warehouse Lease," pursuant to D.C. Code, section 47–117(d); to the Committee on the District of Columbia.

2140. A letter from the Auditor, District of Columbia, transmitting a copy of the report "Contracting Out For Prison Cell Space," pursuant to D.C. Code, section 47–117(d); to the Committee on the District of Columbia.

2141. A letter from the Secretary of Education, transmitting notice of final funding priorities—Rehabilitation Short-Term Training, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2142. A letter from the Secretary of Education, transmitting the 15th annual report on the implementation of the Individuals with Disabilities Education Act, pursuant to 20 U.S.C. 1401, et seq; to the Committee on Education and Labor.

2143. A letter from the Secretary of Energy, transmitting the annual report on the State Energy Conservation Program for calendar year 1992, pursuant to 42 U.S.C. 6325; to the Committee on Energy and Commerce.

2144. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to the CCNAA for defense articles and services (Transmittal No. 94–09), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2145. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Greece for defense articles and services (Transmittal No. 94–06), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2146. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Turkey for defense articles and services (Transmittal No. 94–05), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2147. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Singapore for defense articles and services (Transmittal No. 94–04), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2148. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment and services sold commercially to the United Arab Emirates (Transmittal No. DTC–43–93), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

2149. A communication from the President of the United States, transmitting a report on developments since his last report of June 30, 1993, concerning the national emergency with respect to Haiti, pursuant to 50 U.S.C. 1703(c) (H. Doc. No. 103–165); to the Committee on Foreign Affairs and ordered to be printed.

2150. A communication from the President of the United States, transmitting notification that the emergency regarding export control regulations for chemical and biological weapons is to continue in effect beyond November 16, 1993, pursuant to 50 U.S.C. 1622(d) (H. Doc. No. 103–166); to the Committee on Foreign Affairs and ordered to be printed.

2151. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2152. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998 resulting from passage of S. 1548 and H.J. Res. 228, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Operations.

2153. A letter from the Treasurer, Army and Air Force Exchange Service, transmitting the actuaries' report for the retirement plan for employees of the Army and Air Force Exchange Service; for the supplemental deferred compensation plan for members of the executive management program; and the general information sheet for the retirement savings' plan and trust for employees of the Army & Air Force Exchange Service, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

2154. A letter from the Chairman, Farm Credit System Insurance Corporation, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1992, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

2155. A letter from the Secretary of Labor, transmitting the ninth report on trade and employment effects of the Caribbean Basin Economic Recovery Act, pursuant to 19 U.S.C. 2705; to the Committee on Ways and Means.

2156. A letter from the Assistant Attorney General for Legislative Affairs, and Assistant Secretary of Marketing and Inspection Services, USDA, transmitting a corrected report on the extent and effects of domestic and international terrorism in animal enterprises, pursuant to Public Law 102–346, section 3(b); jointly, to the Committees on Agriculture and the Judiciary.

2157. A letter from the Under Secretary for Acquisition, Department of Defense, transmitting the third quarter calendar year 1993 report identifying contracts awarded with a waiver of the prohibition on contracting with entities unless they certify that they do not comply with the secondary Arab boycott of Israel, pursuant to Public Law 102–396, section 9069(b)(2) (106 Stat. 1917); jointly to the Committees on Armed Services and Appropriations.

2158. A letter from the Assistant Secretary for Environmental Restoration and Waste Management, Department of Energy, transmitting the report of the record of decision on "Decommissioning of Eight Surplus Production Reactors at the Hanford Site, Richland, Washington"; jointly, to the Committees on Armed Services, Merchant Marine and Fisheries, and Energy and Commerce.

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. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3225. A bill to support the transition to nonracial democracy in South Africa; with an amendment (Rept. 103–296, Pt. 3). Ordered to be printed.

Mr. MINETA: Committee on Public Works and Transportation. H.R. 3445. A bill to improve hazard mitigation and relocation assistance in connection with flooding, to provide for a comprehensive review and assessment of the adequacy of current flood control policies and measures, and for other purposes; with an amendment (Rept. 103–358). Referred to the Committee of the Whole House on the State of the Union.

Mr. MINETA: Committee on Public Works and Transportation. H.R. 2121. A bill to amend title 49 United States Code, relating to procedures for resolving claims involving unfiled, negotiated transportation rates, and for other purposes; with an amendment (Rept. 103–359). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of California: Committee on Science, Space, and Technology, H.R. 3485. A bill to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1994, 1995, and 1996 (Rept. 103–360, Pt. 1). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3450. A bill to implement the North American Free-Trade Agreement (Rept. 103–361, Pt. 1). Ordered to be printed.

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3450. A bill to implement the North American Free-Trade Agreement; adversely (Rept. 103–361, Pt. 2). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3450. A bill to implement the North American Free-Trade Agreement (Rept. 103–361, Pt. 3). Ordered to be printed.

Mr. MILLER of California: Committee on Natural Resources. H.R. 2620. A bill to authorize the Secretary of the Interior to acquire certain lands in California through an exchange pursuant to the Federal Land Policy and Management Act of 1976; with amendments (Rept. 103–362). Referred to the

Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 3286. A bill to amend the act establishing Golden Gate National Recreation Area to provide for the management of the Presidio by the Secretary of the Interior, and for other purposes; with amendments (Rept. 103-363). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 1137. A bill to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1027), and for other purposes; with an amendment (Rept. 103-364). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. S. 433. An act to authorize and direct the Secretary of the Interior to convey certain lands in Cameron Parish, LA, and for other purposes; with an amendment (Rept. 103-365). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of California: Committee on Science, Space, and Technology. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 1). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 2). Ordered to be printed.

Mr. CLAY: Committee on Post Office and Civil Service. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 3). Ordered to be printed.

Mr. MINETA: Committee on Public Works and Transportation. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 4). Ordered to be printed.

Mr. MILLER of California: Committee on Natural Resources. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 5). Ordered to be printed.

Mr. ROSE: Committee on House Administration. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with an amendment (Rept. 103-366, Pt. 6). Ordered to be printed.

Mr. STUDDS: Committee on Merchant Marine and Fisheries. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 7). Ordered to be printed.

Mr. BROOKS: Committee on the Judiciary. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 8). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with amendments (Rept. 103-366, Pt. 9). Ordered to be printed.

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3400. A bill to provide a more effective, efficient, and responsive government; with an amendment (Rept. 103-366, Pt. 10). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

[Submitted November 12, 1993]

The Committee on Government Operations discharged from further consideration of H.R. 881; H.R. 881 referred to the Committee of the Whole House on the State of the Union.

[Submitted November 15, 1993]

The Committees on Armed Services, Banking, Finance and Urban Affairs, Education and Labor, Foreign Affairs, Government Operations, Energy and Commerce, Permanent Select Committee on Intelligence, and Ways and Means discharged from further consideration of H.R. 3400; H.R. 3400 referred to the Committee of the Whole House on the State of the Union.

The Committees on Agriculture, Foreign Affairs, Government Operations, Judiciary, and Public Works and Transportation discharged from further consideration of H.R. 3450; H.R. 3450 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 Ms. BYRNE:

H.R. 3506. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 with respect to interest on amounts recoverable under that act; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. PARKER (for himself, Mr. MONTGOMERY, Mr. WHITTEN, Mr. OBERSTAR, Mr. HANCOCK, Mr. JEFFERSON, Mr. PENNY, Mr. SABO, Mr. EMERSON, Mr. TAUZIN, Mr. LIVINGSTON, Mr. FIELDS of Louisiana, Mr. THOMPSON, Mr. TAYLOR of Mississippi, and Mr. POMEROY):

H.R. 3507. A bill to amend the Internal Revenue Code of 1986 to provide a tax exemption for health risk pools; to the Committee on Ways and Means.

By Mr. RICHARDSON:

H.R. 3508. A bill to provide for tribal self-governance, and for other purposes; to the Committee on Natural Resources.

By Mr. STUDDS (for himself, Mr. MANTON, Mr. YOUNG of Alaska, and Mr. FIELDS of Texas):

H.R. 3509. A bill to approve a Governing International Fisheries Agreement; to the Committee on Merchant Marine and Fisheries.

By Mr. WASHINGTON:

H.R. 3510. A bill to eliminate segregationist language from the second Morrill Act; to the Committee on Agriculture.

By Mr. GILMAN (for himself, Mr. MURTHA, Mr. SOLOMON, and Mr. HYDE):

H.J. Res. 292. Joint resolution to approve and encourage the use by the President of any means necessary and appropriate, including diplomacy, economic sanctions, a blockade, and military force, to prevent the development, acquisition, or use by North Korea of a nuclear explosive device; to the Committee on Foreign Affairs.

By Mr. MORAN (for himself, and Ms. BYRNE):

H.J. Res. 293. Joint resolution to provide for the issuance of a commemorative postage stamp in honor of Capt. Francis Gary Powers; to the Committee on Post Office and Civil Service.

By Mr. ACKERMAN (for himself, Mr. FALEOMAVAEGA, and Mr. LEACH):

H. Con. Res. 180. Concurrent resolution expressing the sense of the Congress with respect to the South Pacific region; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. SAM JOHNSON.

H.R. 163: Mr. GALLO and Mr. BACHUS of Alabama.

H.R. 349: Mr. KILDEE and Mr. WHEAT.

H.R. 401: Mr. KYL.

H.R. 429: Mr. GALLO.

H.R. 546: Mr. NEAL of North Carolina and Mr. TORRES.

H.R. 760: Mr. NADLER.

H.R. 1047: Mrs. THURMAN, Mr. MORAN, Mr. COPPERSMITH, Mr. KLUG, Mr. FINGERHUT, Mr. BARRETT of Wisconsin, Mr. SWETT, Mr. CLEMENT, Mr. HAMBURG, Mr. ROYCE, Mr. KANJORSKI, Mr. GENE GREEN of Texas, Ms. PELOSI, Mr. SHAYS, Mr. ANDREWS of Maine, and Mr. SANDERS.

H.R. 1168: Mr. MCHALE.

H.R. 1276: Mr. HYDE.

H.R. 1295: Mr. BAKER of Louisiana.

H.R. 1595: Mr. ENGEL.

H.R. 1620: Mr. ZELIFF.

H.R. 1622: Mr. ZELIFF.

H.R. 1627: Mr. BLUTE and Mr. ENGEL.

H.R. 1719: Mr. JOHNSON of South Dakota.

H.R. 2059: Mr. ZELIFF.

H.R. 2121: Mr. ZELIFF, Mr. STEARNS, Mr. FRANKS of New Jersey, and Mr. ENGEL.

H.R. 2135: Mr. TRAFICANT, Mr. POMBO, Mr. SLATTERY, Mr. JEFFERSON, Mr. SHAYS, Mr. SKEEN, Mr. LIVINGSTON, and Mr. DE LUGO.

H.R. 2159: Mr. GORDON.

H.R. 2161: Mr. ZELIFF.

H.R. 2173: Mr. FLAKE.

H.R. 2219: Mr. ZELIFF.

H.R. 2227: Mr. KINGSTON, Mrs. CLAYTON, Mr. DIAZ-BALART, and Mr. FISH.

H.R. 2292: Mr. BILIRAKIS.

H.R. 2335: Mr. ENGEL.

H.R. 2365: Mr. ZELIFF, Mr. KREIDLER, Mr. UPTON, Mr. DEAL, Mr. ANDREWS of Maine, Mr. GLICKMAN, Mr. SLATTERY, Ms. LAMBERT, and Mr. JOHNSON of Georgia.

H.R. 2429: Ms. WATERS, Mr. GREENWOOD, Mr. SANDERS, Mr. MURPHY, Mrs. MINK, Mr. BECERRA, Mr. LANTOS, Mr. BEILENSON, Ms. FURSE, Mr. DIXON, Mr. PALLONE, Mr. GEJDENSON, Mr. STRICKLAND, Mr. HALL of Ohio, Mr. HORN of California, and Mr. PETE GEREN of Texas.

H.R. 2443: Mr. KLUG, Mr. GEJDENSON, Mr. CARDIN, Mr. LEWIS of Georgia, Mr.YOUNG of Alaska, Mr. ROGERS, Mr. DIXON, Mr. VISCLOSKY, Mr. MENENDEZ, Mr. FAZIO, Mr. WELDON, Mr. MICA, Mr. TUCKER, Mr. CLYBURN, Mr. PARKER, Mr. GREENWOOD, Mr. TRAFICANT, Mr. TAUZIN, Mr. FORD of Michigan, Mr. SCHIFF, Mr. FAWELL, Mr. SISISKY, Mr. HALL of Ohio, Mr. BARTON of Texas, Mr. QUILLEN, Mr. SKELTON, Mr. MCHALE, Ms. ROS-LEHTINEN, Mr. SABO, Mr. HUGHES, Mr. REYNOLDS, Mrs. VUCANOVICH, Mr. BOUCHER, Mr. VOLKMER, Mr. GOSS, Mr. BLACKWELL, Mr. MCKEON, Mr. HUNTER, Mr. THOMAS of California, and Mr. INHOFE.

H.R. 2461: Mr. COYNE.

H.R. 2469: Mr. OBERSTAR and Mr. MINGE.

H.R. 2541: Mr. ZELIFF.

H.R. 2599: Mr. ANDREWS of Maine and Ms. BYRNE.

H.R. 2622: Mr. GALLEGLY and Mr. BARCA of Wisconsin.

H.R. 2663: Mr. KOPETSKI, Mr. GINGRICH, Mr. ABERCROMBIE, and Mr. DEFAZIO.

H.R. 2788: Mr. BISHOP.

H.R. 2789: Mr. SHAYS, Mr. KIM, and Mr. EMERSON.

H.R. 2803: Mr. JEFFERSON, Mr. DOOLEY, and Mr. BREWSTER.

H.R. 2831: Mr. SANDERS.

H.R. 2835: Mr. RAMSTAD.

H.R. 2898: Mr. HINCHEY.

H.R. 3017: Mr. SMITH of Oregon.

H.R. 3086: Mr. ZELIFF, Mr. UPTON, and Mr. JACOBS.

H.R. 3097: Mrs. CLAYTON and Mrs. THURMAN.

H.R. 3098: Mr. LAZIO, Mr. GUTIERREZ, and Mr. COPPERSMITH.

H.R. 3137: Mr. SANTORUM, Mr. ZIMMER, Mr. TORRES, Mr. ANDREWS of Texas, Mr. EMERSON, Mr. GILLMOR, Ms. BYRNE, and Mr. LEWIS of Florida.

H.R. 3205: Mr. TAYLOR of Mississippi, Mr. TORRES, and Mr. GLICKMAN.

H.R. 3206: Mrs. LLOYD.

H.R. 3213: Mr. FISH.

H.R. 3216: Mr. UPTON, and Mr. BARRETT of Wisconsin.

H.R. 3328: Mr. UNDERWOOD.

H.R. 3363: Mr. BARLOW.

H.R. 3370: Mr. WASHINGTON.

H.R. 3398: Mr. FRANK of Massachusetts, Mr. ABERCROMBIE, and Mr. JEFFERSON.

H.R. 3424: Mr. WALKER, Mrs. JOHNSON of Connecticut, Mr. KING, Mr. BAKER of California, Mr. CRANE, Mr. DEUTSCH, and Ms. BYRNE.

H.R. 3457: Mr. MORAN and Mr. DURBIN.

H.R. 3498: Mr. SAXTON and Mr. SMITH of New Jersey.

H.J. Res. 113: Mr. ROWLAND.

H.J. Res. 131: Mr. SAWYER, Mrs. VUCANOVICH, Ms. SCHENK, Mr. OBERSTAR, Mr. SCHUMER, Mr. ROWLAND, Mr. CALLAHAN, Ms. WATERS, Mr. LANTOS, and Ms. LOWEY.

H.J. Res. 139: Mr. SAWYER, Mr. TRAFICANT, Mr. APPLEGATE, Mr. HALL of Texas, Mr. LIGHTFOOT, and Mr. BACCHUS of Florida.

H.J. Res. 165: Mr. WHITTEN, Mr. GOODLATTE, Mr. DEAL, Mr. LEWIS of California, Mr. SKEEN, Mr. KNOLLENBERG, Mrs. MALONEY, Mr. LEWIS of Florida, Mr. BAKER of Louisiana, Mr. SHAYS, Mrs. MORELLA, Mr. BILIRAKIS, Mr. BAESLER, Mr. BROWN of Ohio, Mr. COBLE, Mr. GALLO, Mr. CONYERS, Mrs. BENTLEY, Mr. DICKS, Mr. GUNDERSON, Mr. GILCHREST, Mr. HANSEN, Mr. EWING, Mr. COOPER, Mr. CHAPMAN, Mr. HASTERT, Mr. DUNCAN, Mr. PACKARD, Mr. CALVERT, Mr. ROTH, Mrs. MINK, Mr. RIDGE, Mr. RAMSTAD, and Mr. HOBSON.

H.J. Res. 216: Mr. MCNULTY, Mr. DICKS, Mr. BLUTE, Mr. CASTLE, Mr. OWENS, Mr. OBERSTAR, Mr. KINGSTON, Mr. LEWIS of Florida, Mr. HOKE, Mr. BROWN of Ohio, Mr. CRAPO, Mr. SCHIFF, Mr. EVERETT, Mr. DEFAZIO, Mr. LANCASTER, Mr. SKELTON, Mr. KIM, Mr. BONILLA, Mr. GUNDERSON, Mr. KNOLLENBERG, Mr. GREENWOOD, Mr. TALENT, Mr. YOUNG of Florida, Mr. BORSKI, Mr. HEFNER, Mr. GIBBONS, Mr. MILLER of California, Mr. MURPHY, Ms. PELOSI, Mr. ROSE, Mr. COLLINS of Georgia, Mrs. FOWLER, Mr. HUTCHINSON, Mr. MANZULLO, Mr. MILLER of Florida, Mr. PETRI, and Mr. QUINN.

H.J. Res. 239: Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ANDREWS of Texas, Mr. ANDREWS of Maine, Mr. APPLEGATE, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BARCA of Wisconsin, Mr. BARRETT of Wisconsin, Mr. BATEMAN, Mr. BECERRA, Mr. BEILENSON, Mr. BEREUTER, Mr. BERMAN, Mr. BEVILL, Mr. BILBRAY, Mr. BISHOP, Mr. BLILEY, Mr. BONIOR, Mr. BOUCHER, Mr. BREWSTER, Mr. BROOKS, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BRYANT, Mr. BUNNING, Mr. BURTON of Indiana, Mr. CARDIN, Mr. CARR, Mr. CHAPMAN, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. CLYBURN, Mr. COBLE, Mr. COLEMAN, Mrs. COLLINS of Illinois, Mr. CONDIT, Mr. CONYERS, Mr. COPPERSMITH, Mr. COYNE,Mr. CRAMER, Mr. CRANE, Mr. CUNNINGHAM, Ms. DANNER, Mr. DARDEN, Mr. DEFAZIO, Mr. DE LA GARZA, Ms. DELAURO, Mr. DELAY, Mr. DELLUMS, Mr. DE LUGO, Mr. DICKEY, Mr. DICKS, Mr. DINGELL, Mr. DUNCAN, Mr. DURBIN, Mr. EDWARDS of California, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. EVERETT, Mr. FALEOMAVAEGA, Mr. FAZIO, Mr. FIELDS of Texas, Mr. FISH, Mr. FLAKE, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mrs. FOWLER, Mr. FRANK of Massachusetts, Mr. FROST, Ms. FURSE, Mr. GALLO, Mr. GEJDENSON, Mr. GEKAS, Mr. GEPHARDT, Mr. PETE GEREN of Texas, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GOODLING, Mr. GORDON, Mr. GUNDERSON, Mr. GUTIERREZ, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. HAMILTON, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS, Mr. HAYES, Mr. HEFNER, Mr. HERGER of California, Mr. HOKE, Mr. HOLDEN, Mr. HORN of California, Mr. HOUGHTON, Mr. HOYER, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. INSLEE, Mr. JACOBS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SAM JOHNSON, Mr. JOHNSTON of Florida, Mr. KANJORSKI, Ms. KAPTUR, Mr. KASICH, Mr. KIM, Mr. KLECZKA, Mr. KLINK, Mr. KOLBE, Mr. KOPETSKI, Mr. LANCASTER, Mr. LANTOS, Mr. LEACH, Mr. LEHMAN, Mr. LEVIN, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LIPINSKI, Mr. LIVINGSTON, Ms. LOWEY, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCDADE, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MALONEY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MAZZOLI, Mr. MEEHAN, Mrs. MEEK, Mr. MFUME, Mr. MICHEL, Mr. MILLER of California, Mr. MINETA, Mrs. MINK, Ms. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORHEAD, Mr.MORAN, Mr. MURPHY Mr. MYERS of Indiana, Mr. NADLER, Mr. NATCHER, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. OBEY, Mr. OLVER, Mr. ORTIZ, Mr. ORTON, Mr. OWENS, Mr. OXLEY, Mr. PACKARD, Mr. PARKER, Mr. PASTOR, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PETERSON of Florida, Mr. PETRI, Mr. PICKETT, Mr. PICKLE, Mr. POMBO, Mr. PORTER, Ms. PRYCE of Ohio, Mr. QUILLEN, Mr. RAHALL, Mr. RANGEL, Mr. RAVENEL, Mr. REGULA, Mr. REYNOLDS, Mr. RICHARDSON, Mr. ROBERTS, Mr. ROEMER, Mr. ROGERS, Mr. ROHRABACHER, Mr. ROSE, Mr. ROSTENKOWSKI, Mr. ROWLAND, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SAXTON, Mr. SCHIFF, Mr. SCHUMER, Mr. SERRANO, Mr. SHARP, Mr. SHAYS, Ms. SHEPHERD, Mr. SISISKY, Mr. SKEEN, Mr. SKELTON, Mr. SLATTERY, Ms. SLAUGHTER, Mr. SMITH of Iowa, Mr. SOLOMON, Mr. SPENCE, Mr. SPRATT, Mr. STEARNS, Mr. STENHOLM, Mr. STOKES, Mr. STUMP, Mr. STUPAK, Mr. SWETT, Mr. SWIFT, Mr. SYNAR, Mr. TALENT, Mr. TAUZIN, Mr. THOMAS of Wyoming, Mr. THOMPSON, Mr. THORNTON, Mrs. THURMAN, Mr. TORKILDSEN, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TUCKER, Mrs. UNSOELD, Mr. VALENTINE, Ms. VELAZQUEZ, Mr. VENTO, Mr. VISCLOSKY, Mr. VOLKMER,, Ms. WATERS Mr. WAXMAN, Mr. WELDON, Mr. WHEAT, Mr. WHITTEN, Mr. WILSON, Mr. WISE, Mr. WOLF, Ms. WOOLSEY, Mr. WYDEN, and Mr. YOUNG of Alaska.

H.J. Res. 257: Mr. BLILEY, Mr. HILLIARD, Mr. LIPINSKI, Mr. BEVILL, Mrs. BENTLEY, Mr. DE LUGO, Mr. DORNAN, Mr. FALEOMAVAEGA, Mr. GILMAN, Mr. GEKAS, Mr. COX, Mr. HALL of Ohio, Mr. HAYES, Mr. KASICH, Mr. ACKERMAN, Mr. FAWELL, Mr. LEWIS of California, Mr. LIVINGSTON, Mr. DOOLITTLE, Mr. HUNTER, Mr. YOUNG of Alaska, Mr. GRAMS, Mrs. THURMAN, Ms. PRYCE of Ohio, Mr. HUTCHINSON, Mr. MCCLOSKEY, Mr. MURPHY, Mr. OWENS, Mr. OBERSTAR, Mr. RAVENEL, Mr. SPRATT, Mr. MCDADE, and Mr. SLATTERY.

H. Con. Res. 3: Mr. WALSH, Mr. SPENCE, and Mr. MOORHEAD.

H. Con. Res. 126: Mr. WELDON and Mr. LEWIS of Georgia.

H. Con. Res. 148: Mr. DIAZ-BALART, Mr. CALLAHAN, Mr. HEFLEY, and Mr. EMERSON.

H. Con. Res. 154: Mrs. MALONEY, Mrs. LLOYD, Mr. HUNTER, and Mr. LINDER.

H. Con. Res. 167: Mr. PAYNE of New Jersey, Mr. FRANK of Massachusetts, Mr. LEVY, Mr. HOCHBRUECKNER, Mr. DELLUMS, Mr. HAMBURG, Mr. SCOTT, Mr. TOWNS, Mr. SCHUMER, and Mrs. CLAYTON.

H. Con. Res. 179: Ms. MOLINARI.

H. Res. 255: Mr. BACHUS of Alabama.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3325: Mr. FRANK of Massachusetts.

EXTENSIONS OF REMARKS

U.N. PEACEKEEPING—PART IV

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. HAMILTON. Mr. Speaker, in a continuing effort to keep my colleagues informed on U.N. peacekeeping, I am today submitting a list provided by the Department of State on November 5, 1993, of all U.N. peacekeeping forces and related missions.

Each peacekeeping mission is briefly described, along with the total U.N. cost—of which the United States pays 30.4 percent—as well as the number of United States and other forces involved in each mission.

U.N. PEACEKEEPING FORCES AND RELATED MISSIONS[1]

MIDDLE EAST

UN Truce Supervision Organization (UNTSO).

Established: 1948; Personnel: 219 (17 U.S.); Estimated Cost (1993): $31 million.

UNTSO was established with a mandate of indefinite duration to supervise the truce in the Arab-Jewish hostilities called for by the Security Council at the end of the British mandate in Palestine. It has performed a variety of tasks since then, including assisting UNDOF and UNIFIL. Approximately twenty countries furnish observers.

UN Disengagement Observer Force on the Golan Heights (UNDOF).

Established: May 31, 1974; Personnel: 1,130 (0 U.S.); Estimated Cost (1993): $43 million.

UNDOF monitors the buffer zone between Israeli and Syrian forces on the Golan Heights. Its six-month mandate has been renewed each November and May. Troops are provided by Austria, Canada, Finland and Poland.

UN Interim Force in Lebanon (UNIFIL).

Established: March 19, 1978; Personnel: 5,264 (0 U.S.); Estimated Cost (1993): $153 million.

UNIFIL was established to assist in restoring peace in southern Lebanon. Its six-month mandate has been renewed each January and July. Fiji, Finland, France, Ghana, Ireland, Italy, Nepal, Norway, Poland and Sweden furnish troops.

UN Iraq-Kuwait Observation Mission (UNIKOM).

Established: April 9, 1991; Personnel: 333 (15 U.S.); Estimated Cost (1993): $75+ million.

UNIKOM monitors the demilitarized zone between Iraq and Kuwait set up in the aftermath of the Gulf War. Thirty-three countries furnish observers. Its mandate continues indefinitely until all five permanent Security Council members agree to terminate its operations. Difficulties in finding troops and funding have delayed its planned expansion.

UN Force in Cyprus (UNFICYP).

Established: March 4, 1964; Personnel: 1,005 (0 U.S.); Estimated Cost (1994): $47 million.

UNFICYP was created in 1964 to halt violence between the Turkish Cypriot and Greek Cypriot communities and to help maintain order on the island. In 1993, troop contributors, unreimbursed by the UN for many years, demanded a down-sizing of the force and a switch from voluntary to assessed contributions. After the Greek and Cypriot governments agreed to pay more than half of the $47 million annual cost of a reduced force proposed by the Secretary General, the Security Council agreed to fund the balance through assessments. Austria, the United Kingdom and Argentina currently are the major troop contributors. UNFICYP's six-month mandate has been renewed each May and December.

UN Protection Force (UNPROFOR) (former Yugoslavia) (Chapter VII with the exception of Macedonia).

Established: February 21, 1992; Personnel: 24, 822 (647 U.S.); Estimated Cost (1993): $900 million.

UNPROFOR was initially established with a twelve-month mandate as an interim arrangement to create the conditions of peace and security required for the negotiation of an overall settlement of the Yugoslav crisis. Through subsequent Security Council resolutions, functions were added to its mandate, including providing security at Sarajevo airport, monitoring certain areas in Croatia, protecting humanitarian convoys, deploying observers in Macedonia, and enforcing an arms embargo on Bosnia-Herzegovina. More than twenty nations contribute personnel. Its current mandate expires March 31, 1994.

UN Observer Mission in Georgia (UNOMIG).

Established: August 24, 1993; Personnel: 88 authorized (0 U.S.); Estimated cost: $16 million for six months.

UNOMIG is to monitor compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on July 27. Its mandate is for six months, but it is to extend beyond ninety days only after consideration by the Security Council of a report from the Secretary General on whether the parties are making progress toward implementing peace. Four military observers and four civilian staff had been deployed when recent fighting initiated by Abkhaz forces in violation of the cease-fire agreement caused the UN to suspend deployment.

ASIA

UN Military Observer Group in India and Pakistan (UNMOGIP).

Established: January 5, 1949; Personnel: 38 (O U.S.); Estimated Cost (1993): $5 million.

Created to assist in the implementation of the cease-fire agreement of January 1, 1949, between India and Pakistan, UNMOGIP observes, reports, and investigates complaints from the parties on violations of the cease-fire. States providing personnel are Belgium, Chile, Denmark, Finland, Italy, Norway, Sweden, and Uruguay. UNMOGIP's mandate is of indenfinite duration.

UN Transitional Authority for Cambodia (UNTAC).

Established: February 28, 1992; Personnel: 12,669 (4 U.S.); Estimated Cost (1993): $1.9 billion).

UNTAC's mission was to restore and maintain peace, promote national reconciliation, and ensure the exercise of the right to self determination of the Cambodian people through free and fair elections. Its mandate expired with the formation of a new government in September 1993. The withdrawal of UNTAC's personnel is to be completed by November 15, 1993. More than thirty countries provided troops or observers.

AMERICAS

UN Observer Mission in El Salvador (ONUSAL).

Established May 20, 1991; Personnel: 362 (0 U.S.); Estimated Cost (1993): $49 million.

Its initial mandate to monitor the human rights agreement between the Government of El Salvador and the Farabundo Marti National Liberation Front (FMLN) was expanded on January 14, 1992 to include monitoring the cease-fire, separting combatants, observing the dismantling of the FMLN military structure, and observing the reintegration of the FMLN into Salvadoran society. The Security Council recently extended its mandate through the scheduled March 1994 elections. Seventeen countries have personnel in ONUSAL.

UN Mission in Haiti (UNMIHAT).

Established: September 23, 1993; Personnel: 1,267 authorized, to include approximately 600 U.S. Sea Bees and military trainers. Estimated Cost: $50 million for first six months.

On August 31, 1993 the Security Council approved an advance team of not more than 30 persons for not more than 30 days to prepare for a possible deployment of the proposed 1,100 plus mission. On September 23, the Security Council approved the Secretary General's recommendation that the full mission consist of about 567 international police monitors to accompany local Haitian security force personnel, approximately 700 military construction personnel and a 50–60 person military training unit. The U.S. will contribute forces to the latter two elements of the mission.

The mission is for a period of six months, with the proviso that it be extended beyond 75 days only upon review by the Security Council of a report by the Secretary General that substantive progress has been made toward implementation of the Governors Island accords.

Deployment of forces was suspended October 14 after an armed gang blocked a ship carrying peacekeepers from docking in Port au Prince.

AFRICA

UN Mission for the Referendum in Western Sahara (MINURSO).

Established: April 29, 1991; Personnel: 349 (32 U.S.); Estimated Cost (1993): $80 million.

MINURSO was charged to conduct a referendum on whether Western Sahara, a former colony from which Spain unilaterally withdrew, should become independent or integrated into Morocco. Its mandate was expected to terminate in January 1992, but failure by the parties to agree on procedures for the conduct of the referendum has led to an extension of MINURSO's deployment. Twenty-eight countries have provided civilian or military personnel. The UN Secretary General's plan calls for an ultimate deployment of approximately 2,900 military and civilian personnel to help conduct the referendum.

[1] Costs estimates are for UN total. Personnel data is as of August 31, 1993.

UN Angola Verification Mission (UNAVEM II).

Established: May 30, 1991; Personnel: 74 (0 U.S.); Estimated Cost (1993): $173 million.

UNAVEM's original mandate was to monitor a cease-fire between government forces and UNITA rebels, assist in preparations for elections in September 1992, and monitor the polls. Elections proceeded relatively well, but UNITA rebels disavowed the results and resumed full-scale warfare. Although the United Nations has sought to encourage dialogue between UNITA and the government of Angola, it has been unsuccessful. UNITA forces appear intent on consolidating their military gains. The Security Council approved a three-month extension of UNAVEM II's mandate on September 15 and imposed sanctions, including an arms embargo, on UNITA. Approximately twenty-four countries have participated in the military operation.

UN Operation Mission in Somalia (UNOSOM II) (Chapter VII).

Established: April 24, 1992; Personnel: 23,331 (2,805 U.S.); Estimated cost (1993): $1.5 billion.

UNOSOM's original mandate was to monitor a cease-fire in Mogadishu and to provide security for humanitarian assistance personnel. After the situation on the ground deteriorated, the Security Council on December 3, 1992, authorized, under Chapter VII of the Charter, member states to utilize "all necessary means" in establishing a secure environment for humanitarian relief operations. This became the U.S.-led Unified Task Force (UNITAF). The post-UNITAF UNOSOM II's objectives were established in UNSCR 814 of March 26, 1993, and include promoting national reconciliation, assisting Somalis in re-establishing their political institutions and economy, providing humanitarian assistance, and assisting in the repatriation of refugees. UNOSOM's current mandate expires on November 18.

On October 7, President Clinton announced that all but a few hundred non-combat support troops would be withdrawn from Somalia no later than March 31, 1994.

UN Operation in Mozambique (ONUMOZ).

Established December 16, 1992; Personnel: 6,498 (0 U.S.); Estimated Cost (1993): $330 million.

ONUMOZ is to assist in the implementation of the agreement between the Government of Mozambique and Mozambique National Resistance (RENAMO) to end Mozambique's civil war. The UN forces will monitor the cease-fire and demobilization of combatants and provide security for humanitarian relief missions. ONUMOZ's mandate expires on November 5, 1993, but is likely to be extended through the elections now planned for no later than October 1994. Italy, Uruguay, Zambia, Bangladesh and Botswana are major troop contributors.

UN Observer Rwanda/Uganda Mission (UNOMUR).

Established: June 22, 1993; Personnel: 81 authorized Estimated Cost (1993): $6–8 million.

UNOMUR's mission is to deploy on the Ugandan side of the border and verify that no military assistance to Rwandan rebels is transported across the border from Uganda. UNOMUR's initial six-month mandate expires December 21, 1993, and in any case no later than new national elections in Rwanda. It will soon be integrated within UNAMIR, which (see below) was established on October 5, 1993.

UN Assistance Mission for Rwanda (UNAMIR).

Established: October 5, 1993. Personnel: 800 authorized. Estimated Cost for six months: $63 million.

UNAMIR's mission is to deploy lightly-armed UN peacekeepers to Rwanda to monitor observance of the August 4 peace accords leading to national elections within 22 months and to assist with mine clearing, repatriation of refugees, and the coordination of humanitarian assistance activities in Rwanda. UNOMIR's initial six month mandate expires on April 5, 1994, but could be extended until the end of December 1995. No UNAMIR troops have yet been deployed to Rwanda.

UN Military Observers in Liberia (UNOMIL).

Established: September 22, 1993; Personnel: 650 (330 military, 320 civilian) requested; Estimated cost for seven months: $140 million for seven months.

On August 10, the UN Security Council authorized the immediate deployment of 30 UNOMIL observers to Liberia as an advance party for a UNOMIL force, which the Security Council subsequently approved on September 23 in UNSC Resolution 866. The Secretary General proposed 330 military observers plus an equal number of civilians. Since 1990 the U.S. has given extensive support to the OAU and the Economic Community of West African States (ECOWAS), which have had peacekeepers in Liberia (the cease-fire Monitoring Group known as ECOMOG). There are about 11,000 ECOMOG peacekeepers currently deployed in Liberia. In his report of September 9 to the UN Security Council, the Secretary General affirmed that ECOMOG should retain the lead in peacekeeping in Liberia, supplemented by UNIOMIL.

UNOMIL has a seven month mandate, subject to first review by the Security Council in December, 1993.

CONSCIENCE OR CONSTITUENCY? NAFTA AND THE DILEMMA OF THE REPRESENTATIVE

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. HORN. Mr. Speaker, I recently had conversation with a constituent who was very upset that I was strongly supporting the North American Free-Trade Agreement [NAFTA]. After making the usual criticisms of NAFTA—and after admitting that quite possibly there were some good reasons to support it—he said, "but none of this matters. If the people of your district want you to vote a certain way, then it is your duty to vote that way."

I answered that, in the absence of a reputable poll, no one really knew what the voters of the 38th Congressional District felt about NAFTA—my feeling is that, like elsewhere in the country, opinion is about evenly split. I then asked him the following: "Let's say that an overwhelming majority of people in the district were for NAFTA, but that I had studied the issue and was absolutely convinced that NAFTA would be a disaster for America. Would you want me to vote for it?"

After a long pause, this constituent—a thoughtful, hard-working follower of Ross Perot—said, "You should do what the people want you to do." I praised him for being consistent, but told him that I could not agree that a Representative should ever knowingly vote for something that he or she believes is wrong for the country—even if a majority of constituents favors it, and even if opposing it costs the Representative his or her job at the next election.

What this constituent expressed is the view that an elected Representative is nothing more than the extension of the popular will and should not exercise independent judgment. Historically, under this theory, a Representative is only necessary as a messenger of the people because the size of the population or the extent of the territory makes it impractical for all the people to vote on every issue.

In the modern age, with polls and interactive media, it may be possible to truly gauge "the will of the people" or to let the people actually decide issues at the national level. This is technically possible, but is it desirable?

Is public opinion—the views of the people on an issue at a certain point in time—capable of governing the country? Quite apart from the difficulties of accurately measuring public opinion, and the additional problem of changes in that opinion—do we repeal a law as soon as a few percent switch from support to opposition—there are two major flaws in governing by popular will:

First, the people can be wrong. Reasonable people can differ on what is good or bad for the country, but a majority of the people can occasionally be wrong. Anyone who doubts this will have to defend racial, ethnic, religious, and gender discrimination, the internment of Japanese-Americans, and many other policies that virtually everyone would now agree were morally wrong.

Second, governing by public opinion provides no accountability. This is perhaps the greatest objection. If the public simply wants their Representatives to do what the public is thought to desire, then any politician has an automatic excuse to avoid accountability: "The public wanted it. The public made me do it. How can you be angry at me when I only did what you, the public, wanted me to do?" By being completely representative the Representative becomes completely unaccountable for the consequences of his or her votes.

More recent notions of electronic democracy—national town halls as forums for decisionmaking—have all the same flaws that governing by public opinion has with the added complication that a small minority might be able to exercise disproportionate influence on the results. More important, there is a real danger of manipulation of the issues by master demagogs whose ability to arouse emotion far exceeds their ability to muster a sound argument.

Another theory of the proper role for a representative was expressed most famously by a member of the House of Commons of Great Britain, Edmund Burke. In his "Speech to the Electors of Bristol" in 1774, Burke said, "Your representative owes you not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion."

Our constitutional Framers unquestionably held to the same theory as Burke; the Representative is elected—and thus accountable—to represent the values and interests of the people, but should exercise judgment and discretion on specific issues. Further, the Representative must uphold the Constitution—itself both a grant of rights to all and a limitation of the rights of the majority.

Our constitutional system was designed by imperfect people to allow an imperfect society to prevent as many grave errors as possible, and to correct eventually those errors that are made. That is why each branch of Government is designed to check the others. And, that is why the people are given the ultimate power of changing the direction of Government through elections, or by amending the Constitution itself.

However, the constitutional framework was also designed to check the popular passions of the people. Indeed, the Framers presumed that most of the dangers to liberty would be the result of popular passions overwhelming the judgment of the legislature, or usurpations by a power-hungry executive possibly acting in concert with a temporary majority of the people.

For better or for worse, the Framers created a system that often relies on political courage to make it work. A largely forgotten story illustrates the beauty of the system, the occasional fallibility of the people we elect to lead us, and it shows that majority opinion can be wrong.

In 1946, Harry Truman, a man of immense political courage, and a friend of organized labor, got into a fight with the striking steelworkers union. In addition to great courage, President Truman was also a man of great temper. Thus, his solution: draft all the steelworkers into the Army. The public supported Truman. The House debated all of 2 hours and gave him the authority to do this by a vote of 306 to 13. Then, Senator Robert A. Taft of Ohio, regarded by organized labor as their greatest enemy, but also a man of immense political courage, brought his Senate colleagues to their senses. The proposal to give the President the authority to draft striking workers was defeated.

Political courage, simply stated, is the willingness to do what one believes is right when it is not in one's political self-interest to do so. It has been the absence of political courage and leadership by Congress in recent years—often called gridlock and mistakenly blamed on having a President of one party and a Congress controlled by the other—that has fueled much of the frustration that led to the Perot phenomenon in 1992 and thereafter. However, with respect to NAFTA, what the supporters of Ross Perot want from Congress is not courage and leadership, but blind followership.

Mr. Perot has been eloquent in his denunciation of lobbyists, special interests, and Political Action Committees [PAC's]. As one who refuses all PAC money, I commend him for his stand on campaign finance reform. It is ironic that many of those same special interests are the strongest opponents of NAFTA. Their pressure has helped all too many legislators rationalize opposition to NAFTA. Indeed, despite the media attention paid to Mr. Perot and other high-profile opponents of NAFTA, the most effective opposition has been the sheer power of some labor and business interests in protected industries which have threatened to cut off contributions by their Political Action Committees. One undecided Congresswoman has said publicly that she was told a vote for NAFTA "would mean a divorce with organized labor, and the divorce is final."

Privately, a majority of Representatives favor NAFTA because they know it is right for America, and they know the criticisms are specious. Publicly, since Congress is—wisely—not allowed to vote in secret, NAFTA is behind and may well lose. Some who oppose NAFTA do so on frankly protectionist grounds. Although I disagree with their view and think it is shortsighted, I do not question their sincerity. Many others, however, who are not protectionist—and know what a disaster protectionism has been for this country—are really against it because of fear for their political lives.

There are no guidelines other than one's conscience as to when it is time to be courageous. Elected officials have been known to ask themselves: "Is this issue really worth losing my office? After all, if I am not reelected because of this single issue, then all the other worthy positions I stand for will be sacrificed." The danger, of course, is that one can compromise oneself so much that simply trying to stay in office is all that's left.

I believe NAFTA is one of the most important issues America will face in this decade and that it is certainly worth risking one's office to fight for it. Win or lose, I am far more concerned about what this debate has degenerated into. If NAFTA is rejected, the real tragedy will not simply be for trade or foreign policy. It will also be for Congress and the constitutional system and, thus, for the American people. The judgment on Congress will be that we were given a clear choice in the Nation's best interest but we lacked the courage to make the right decision.

The question now before us is whether enough Members are willing to take responsibility, vote their conscience, and set a bright course for the American future. For Congress, that is what the vote on NAFTA has become.

THE 10TH ANNIVERSARY OF THE LIFEPAGE PROGRAM

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. SHARP. Mr. Speaker, I would like to inform my colleagues in Congress of the 10th anniversary of an important, lifesaving service of the paging industry that means freedom and hope for organ transplant candidates.

Today, November 15, 1993, marks a decade of service for the LIfePage Program, which provides free pagers and paging service to patients waiting for organ transplants. Administered through the Science and Education Foundation for Telocator, the Personal Communications Industry Association, LifePage has helped more than 50,000 transplant hopefuls lead normal, active lives while awaiting the notification call that could mean life or death.

LifePage was officially announced at a Capitol Hill news conference 10 years ago by ALBERT GORE, Jr., then a Representative from Tennessee with a keen interest in the organ donation issue. As author of the legislation which led to the National Organ Transplant Act, GORE praised LifePage for freeing patients from the chains of their telephones as they waited for word of an organ match.

What began as a pilot program in California with 300 pagers has evolved into a nationwide service which distributes more than 500 pagers per month. Thanks to the generosity of more than 450 paging companies, equipment manufacturers, and foundation contributors, tens of thousands of patients have been helped, and thousands more currently carry LifePage pagers.

Every 30 minutes, someone is added to the national transplant waiting list. Coupled with the fact that the preservation time for organs is extremely limited, patients may have as few as 20 minutes to respond to notification that an organ is available, before it must be offered to the next patient on the list. The stress posed by this limited reaction time can be overwhelming. LifePage offers these patients a sense of security and peace of mind. Perhaps Vice President GORE said it best during his remarks at the recent Telocator convention when he congratulated the paging industry on the success of the program, calling LifePage terrific technology matched with big hearts.

I would like to join him in saluting the LifePage Program. It is in the interest of furthering the humanitarian goals of the LifePage Program that we commemorate the work of those who make it possible.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service Agent Joseph Occhipinti, I submit into the RECORD additional key evidence in the case.

EXHIBIT 1

STATE OF NEW YORK,
County of Queens, ss:

Manual DeDios, being duly sworn, deposes and says:

I am a former editor of El Diario/La Prensa Newspaper and am currently the editor of a weekly newspaper published in the Spanish language known as Canbyo.

During the course of my work for Canbyo, I undertook to write an expose concerning criminal complaints brought against an Immigration and Naturalization Service Supervisory Special Agent named Joseph Occhipinti by various members of the Federation of Dominican Merchants and Industrialists of New York.

During the course of my investigatory work in researching for the article, I interviewed numerous individuals who are members of the Federation of Dominican Merchants and Industrialists of New York. These individuals confided to me that Mr. Occhipinti had been set up by the Federation and that the complaints against him were fraudulent. These individuals have indicated to me that they are in fear of their safety and as a result would not go public with this information.

I would be more than willing to share my information with any law enforcement agencies or Courts concerned with these matters and would cooperate fully in any further investigations.

MANUAL DEDIOS.

EXHIBIT 2

STATE OF NEW JERSEY,
County of New Jersey ss:

Alma Camerina, being duly sworn, deposes and says:

1. I am currently employed as a legal assistant with a law firm. I have previously been employed as a Police Officer in Puerto Rico and as a legal assistant with the law firm of Aranda & Gutlein. I am currently a registered informant with the New York City Police Department, Immigration and Naturalization Service, United States Custom Service and the Federal Bureau of Investigation. I have been instrumental in the development of numerous prosecutions.

2. I am familiar with Joseph Occhipinti and have known him since October 1988. At that time, I provided Mr. Occhipinti with certain information relating to the homicide investigation of Police Officer Michael Buczek which was being conducted by Mr. Occhipinti and other law enforcement officials. I also provided Mr. Occhipinti with information concerning his investigation of the drug cartel of an individual known as Freddy Then. At this particular time, I was employed as a law assistant by Aranda & Gutlein.

3. In the early part of 1989, I informed Mr. Occhipinti and other law enforcement agents that my employers, Mr. Aranda and Mr. Gutlein, were involved in a number of criminal activities including but not limited to official corruption and drug and weapon trafficking. Mr. Gutlein, who is a former Assistant United States Attorney in the Southern District of New York, had told me on numerous occasions that he has a number of important contacts in the United States Attorney's Office.

4. Based upon the information that I gave to Mr. Occhipinti, I had at least two (2) meetings with Assistant United States Attorney Jeh Johnson. Mr. Occhipinti, as well as other law enforcement agents, was present at these meetings. During the course of these meetings, I provided Mr. Johnson with information concerning Mr. Aranda and Mr. Gutlein. I also informed Mr. Johnson that Freddy Then was buying up bodegas in New York for the purpose of using them as a vehicle for drug trafficking and money laundering which involved illegal aliens.

5. In or about March 1989, I heard a conversation at the law offices of Aranda & Gutlein. During the course of this conversation, Mr. Aranda complained to Mr. Gutlein about the fact that Mr. Occhipinti was putting tremendous pressure on the illegal activities of their Dominican clients. Mr. Aranda told Mr. Gutlein that he would like to have Mr. Occhipinti "eliminated". Mr. Gutlein stated to Mr. Aranda that having Mr. Occhipinti "eliminated" was not the right thing to do. Mr. Gutlein stated instead that they should think up a plan to set Mr. Occhipinti up and have him prosecuted for violating the civil rights of the Dominicans. Mr. Gutlein stated that he had contacts at the United States Attorney's Office and they should be able to help in prosecuting Mr. Occhipinti.

6. In August of 1989, I reported this conversation to Jeh Johnson. Although Johnson took the information down, he did nothing to follow it up and I never heard from him again concerning it.

7. Approximately one (1) month after I spoke with Mr. Johnson at the United States Attorney's Office concerning the threats to Mr. Occhipinti, a co-worker of mine by the name of Alma Monte, told me to be careful for my safety because Mr. Gutlein had been informed by friends of his at the United States Attorney's Office that I was providing information concerning Mr. Gutlein's activities. Ms. Monte further informed me that I was going to be physically harmed. For these reasons, I have since taken up residence out of state.

8. I would be more than happy to cooperate with law enforcement officials in any manner concerning the information contained in the within Affidavit.

ALMA CAMERINA.

EXHIBIT 3

STATE OF NEW YORK,
County of Bronx, ss:

Raul Anglada, being duly sworn, deposes and says:

1. I am a Detective currently employed by the New York City Police Department.

2. I am currently assigned to the 40th Precinct Detective Squad located at 257 Alexander Avenue, Bronx, New York.

3. In or about August to September 1989, while I was assigned to the 34th Precinct, I accompanied an Informant named Alma Camerina to the Office of the United States Attorney for the Southern District of New York.

4. At that time, we met with Assistant United States Attorney Jeh Johnson. Ms. Camerina informed Mr. Johnson that she had overheard a conversation between Mr. Aranda and Jorge Gutlein.

5. Mr. Aranda and Mr. Gutlein, according to Ms. Camerina, were talking about setting up Joseph Occhipinti.

6. I also wish to state that I can confirm that Project Bodega arose from the Freddy Then prosecution. During the course of my official duties, I accompanied Mr. Occhipinti on several visits to bodegas. I never observed Mr. Occhipinti do anything which was either illegal or improper.

7. Approximately one (1) year ago, I was interviewed by an FBI Agent named Lionel Barron. Mr. Barron advised me that he was conducting an informal investigation into allegations that Mr. Occhipinti was innocent of the charges that he had been convicted of. Subsequent to that time, I was never contacted by any Federal Official with reference to such an investigation. I do not know what resulted from Mr. Barron's investigation.

RAUL ANGLADA.

CELEBRATING GLENS FALLS, NY, IN WARREN COUNTY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. SOLOMON. Mr. Speaker, I live in a city, Glens Falls, NY, which for nearly 50 years has been known as "Hometown, USA." It is located in a region we all refer to, quite matter of factly, as "God's Country."

A visit to Warren County would reveal why we are so proud of the area. This year, Warren County is celebrating 180 years of existence, and it has been an interesting 180 years.

Warren County was formed by an act of legislature on March 12, 1813. The first sessions were held at Lake George, but in 1815, James Caldwell donated property along the lakeshore for a permanent headquarters. The first courthouse was built in 1817 and functioned until destroyed in an 1843 fire. It was replaced by a brick structure which remains as an architectural landmark to this day.

The county itself is named for Revolutionary War hero Joseph Warren. Bloody colonial warfare gave way to settlements and communities that persevered through the hardships and eventually prospered. The 19th century and its technological innovations led to an economic boom based on lumber and other natural resources. As the population swelled, tourism also emerged as an important industry.

But this growth made all too obvious the need for expanded county facilities. After years of debate and study, the Warren County Municipal Center opened on the 150th anniversary of the county. The modern complex, located between Lake George and Glens Falls, houses all government services with the exception of the highway department and infirmary.

The exterior has changed little in the last 30 years, but the interior has undergone significant renovations to allow the country government to grow with the times.

Warren County also has changed, but the influx of new industry has not substantially altered the picturesque scenery and attraction to tourists. The municipal center will remain a symbol of the determination to meet the future while preserving the essential character of Warren County.

This Friday, November 19, 1993, Warren County will rededicate the municipal center. Mr. Speaker, I ask all Members to join me in saluting both Warren County and the far-sighted supervisor of her 11 towns.

TRIBUTE TO THE LITERACY COUNCIL OF MONTGOMERY COUNTY, MD

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to the Literacy Council of Montgomery County, MD, on the occasion of its 30th anniversary on November 13, 1993. The literacy council was founded by Mrs. Beth Kilgore, and is a nonprofit organization supported by public funds and private contributions.

Since the council's inception in 1963, the volunteer tutors have taught approximately 7,000 illiterate adults to read, write, and speak English. Dedicated volunteers act as administrators, office workers, speakers, and fundraisers, as well as tutors, and devote about 40,000 hours per year to the battle against illiteracy.

The literacy council has two primary programs: Basic literacy, for English-speaking adults who have failed or have not had the opportunity to learn to read and write; and English as a second language, for foreign-born adults who need to learn English. At any given time, the council has about 800 students and about 625 tutors participating in these programs.

The socioeconomic rewards of the services provided by the literacy council are invaluable. Newly literate adults become more involved and effective parents, encouraging their children to aspire to more promising lives. Literacy skills enable these adults to acquire jobs

and become productive members of society. For example, the ability to read a want ad in the newspaper or the danger signs at a railroad crossing is vital.

Mr. Speaker, I congratulate the Literacy Council of Montgomery County, MD, for 30 years of dedicated service to our community. It is a proud moment for me to pay tribute to the winning combination of staff, volunteers, and students of the council who have devoted their time and their energies to wiping out illiteracy in our Nation.

LONG DISTANCE: PUBLIC BENEFITS FROM INCREASED COMPETITION

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BRYANT. Mr. Speaker, we are in the midst of an information revolution which is changing the way Americans live, learn, work, and play.

As we seek to promote this whirlwind of future technological change, it is useful to look to the past as prolog. It was not that long ago when all Americans used black rotary dial telephones and heard echoes and static, or experienced other technical problems during their conversations. Long-distance telephone calls for most households were a major budget expense and placed only on special occasions.

Business used long distance only where there was an immediate need to communicate and where a letter or a face-to-face meeting was out of the question. That was how we communicated in an era when the Nation's telecommunications system did not provide that one key ingredient identified the world over with American life: choice.

Not that long ago, we did not have choices to serve our telecommunications needs. Today, with the advent of competition in manufacturing and long-distance—mostly as a result of the divestiture of AT&T in 1984—we have choices in most of our telecommunications markets, and in those where choice exists, things are markedly different.

Generally speaking, the only area where consumers do not have choice is in local exchange service. The cost of a long-distance telephone call has plummeted, and calls to friends or family members living across the country or around the globe are as clear as calls made to a neighbor down the street.

The dramatic technological and marketplace changes and the benefits competition has brought cannot be taken for granted.

The long-distance market, with the breakup of the old Ma Bell System, moved from a highly regulated monopoly to a market with active and aggressive competition among numerous service providers. As long-distance competition has intensified, significant benefits have been produced for both business and residential customers—sharply lower prices, greatly improved quality and an unparalleled diversity of product choices.

These benefits are now so commonplace, that we have forgotten just how hard won they were. There are some who would have us ignore all of these consumer gains in order to again permit local telephone monopolies to participate in the competitive long distance marketplace.

This argument is premised on the notion that competition does not really exist in the long-distance industry and that the entry of the Bell telephone companies into the competitive long-distance marketplace will drive prices down and result in thousands of new jobs.

Robert E. Hall, a professor of economics at Stanford University and a senior fellow at the Hoover Institution takes these misguided arguments head on in his recently published study, "Long Distance: Public Benefits From Increased Competition."

The study reports that: "The performance of the industry in the past decade has been a clear success, with substantial declines in prices relative to other products and the rapid development and dissemination of advanced technologies by the competitive long-distance carriers." It concludes further that: "The divestiture of AT&T and the opening of the long distance market to effective competition have produced a vibrant, successful long-distance industry in the United States."

According to the Hall study, consumers have benefited from long-distance competition in the following ways:

Prices have plummeted. Since 1985, real long-distance prices have fallen by 63 percent. Net of access charges paid to local telephone companies, the revenue per minute of the three largest long-distance carriers fell by 66 percent between 1985 and 1992 after adjustment for inflation.

Quality has improved dramatically. Reductions in noise, cross-talk, echoes, and dropped calls have made the usefulness of 1 minute of telephone conversation rise at the same time that the price of that minute has fallen.

New technology has been deployed at an unprecedented pace. Fiber optics now carry the bulk of long-distance traffic, at lower cost and higher quality than earlier technologies. The transmission speed of state-of-the-art fiber optic cable has doubled every 3 or 4 years. Total fiber-miles of U.S. long-distance carriers rose from 456,000 in 1985 to 2.4 million in 1992, of which less than half is owned by AT&T. In addition, long-distance carriers have led the way in digital switching and common channel signaling.

The industry has created new innovative long-distance services to improve the efficiency of communication for consumers and businesses, large and small.

Concluding that long distance competition is working, the Hall study asserts that structural separation of local and long-distance service is economically efficient. It warns that joint control of local and long-distance service by the Regional Bell operating companies [RBOCs] will compromise the existing conditions for effective competition among long-distance carriers.

Competition in the long-distance industry succeeded because the AT&T consent decree separated the local telephone monopoly from the competitive long distance market.

The local telephone companies still maintain their monopoly, bottleneck control over transmission facilities in the local exchange, despite all their protestations to the contrary.

The Hall study reaffirms what should have been perfectly obvious from the start—competition works in telecommunications markets. We would do well to remember this conclusion as we usher in the Information Age, because it directs our attention to where our principal focus should be in this debate—how to make local monopoly markets competitive and not how to make competitive markets less so.

TRIBUTE TO TH PRODUCTIONS OF ATLANTA, GA

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to pay tribute to one of the most dynamic music production teams around. These two producers are about to take the industry by storm.

I–ROCC and EZ–Tee, better known as TH Productions, are the talented Atlanta-based duo to which I am referring. TH Productions' credits include working with Keith Sweat to cowrite and produce the tunes for Silk's smash debut album. They also had the honor of coproducing the theme song for Atlanta's Olympic dream team.

What makes TH Productions so different from other production teams is the unique flavor they bring to all of their artists. With the capacity to give each group its own sound, the possibilities for them are endless.

The two partners moved to Atlanta about 6 years ago, while playing in a band called Heart to Heart. Through the band, they met Keith Sweat and began working on various projects with him. I–ROCC and EZ–Tee both live in metropolitan Atlanta and do much of their production work in an in-house studio there.

As for their other projects—expect the unexpected. These gifted producers can put out everything from rap to alluring ballads. Get ready for the next mega-producing team in Atlanta—TH Productions.

PRO-NAFTA, PRO-JOBS

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. PACKARD. NAFTA, a free trade initiative, is a basic issue. It offers economic opportunities which will stimulate economic growth and create jobs in the United States. America will be better off under the North American Free-Trade Agreement.

Exports is one sector of the U.S. economy that is booming. Time and time again, free trade has proven to be a winner. Pivotal border States like California have much to gain by increasing their current trade level with Mexico. NAFTA will create the world's largest free market, some 390 million consumers. The market is projected to have a total economic output of $6.5 trillion, far larger than the European Community or the Pacific rim.

NAFTA will increase trade by eliminating tariffs, and by doing so, the United States will be able to export their products easier. United States manufacturers will have more access to Mexican markets, and increased consumer demand means more jobs.

An old rule of thumb says that 19,000 American jobs are created by every $1 billion in exports. With this in mind, our current $40 billion-plus in sales annually to Mexico supports about 750,000 American jobs. Jobs associated with exports to Mexico are 12 percent higher than the average United States wage. In short, NAFTA will create more jobs at higher wages in the United States, and help create a stronger economic and political environment in Mexico.

NAFTA's enemies, labor leaders, demagogs and radical environmentalists are using scare tactics to drum up opposition among workers fearful of lost jobs. The most pervasive distortion is that NAFTA would cause a massive flight of America jobs and capital to Mexico, known as the "giant sucking sound". United States jobs are leaving the country because of current tariffs under the Mexican Government.

There is in fact nothing to stop United States corporations from moving their plants to Mexico now. NAFTA will not increase the attractiveness of the Mexican market. The economic reality, supported by study after study, is that NAFTA will increase the number of goods in route to be sold in Mexico. California can anticipate an economic growth due to lowered tariffs.

NAFTA has the potential to provide the momentum to vault Mexico ahead of Canada and even Japan as California's largest foreign market. Already, more than 70 percent of Mexico's merchandise imports come from north of the Rio Grande, and an astonishing two-thirds of that, or 25 billion dollars worth of goods a year, come from California and Texas. According to the California Office of Planning and Research, State exports to Mexico should more than double by the end of the decade, after having quadrupled in the past decade. The soaring trade will create an estimated 30,000 to 40,000 jobs.

The issue is whether neighboring counties can set aside their fears and prejudices long enough to make a deal that is sure to be a winner for all concerned. We must ask ourselves—are we going to compete and win or withdraw? For a nation that has further hope of prospering, the answer to that question is simple and straighforward. NAFTA will give us a strong foothold. It will make the United States more competitive, and more prosperous, in the global economy of the 21st century.

TAKE A SECOND LOOK AT H.R. 3400

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ROSTENKOWSKI. Mr. Speaker, the House of Representatives is scheduled to consider H.R. 3400, the Government Reform and Savings Act of 1993, on November 20, 1993. I urge my colleagues to think twice about the merits of this bill, and to take the time to understand exactly what is being proposed before voting aye or nay.

H.R. 3400 has a laudatory goal—further deficit reduction. It was developed by the administration to help the House leadership deliver on a commitment to a number of our colleagues who, back in August, hesitated to support the budget reconciliation bill because they wanted more deficit reduction.

I agree that additional, responsible, deficit reduction is one of the best steps we can take to assure the long-term economic health of our country. I have made this point time and again—in speeches, by my votes on the floor, and in my committee. My views are no secret. My commitment to deficit reduction is clear. You all know that. And you know you can count on my vote—and my muscle—on any deficit reduction plan that makes sense.

Unfortunately, in my view, H.R. 3400, as introduced, just doesn't make sense. Not now. Not with these provisions. Not using this procedure. Let me explain why.

First, there are always complaints when we stray from regular order. The natural instinct to protect your turf always surfaces. Sometimes, however, we bypass normal procedure because time simply won't allow our normal deliberative process. That doesn't seem to be the case here. What's the urgency? Why now?

Other times, we resort to short cuts when it seems clear that the regular procedure won't produce the outcome that is desired. The greatest risks we run when we don't allow those among us with the expertise—be it in tax policy or rural water policy—to carefully consider the legislation before us are these: well meaning but poorly executed legislation, counterproductive and occasionally embarrassing policy, and shoddy law.

H.R. 3400 suffers from all of these problems. It was introduced on October 28, 1993 and referred to 17 committees of jurisdiction for 18 days—until November 15, 1993—in order to allow a House vote before we adjourn this session. When developed by the administration, this bill was estimated to save more than $10 billion, not a huge sum but deficit reduction, nonetheless. As is customary, the Congressional Budget Office is preparing its own estimate of the bill. Word is that they will conclude that H.R. 3400 will reap only a fraction of the savings predicted by OMB. As I said at the outset, I am all for responsible deficit reduction, but is it really worth enacting bad law for such a small contribution to a lower deficit?

H.R. 3400 is equally vulnerable to criticism on policy grounds. As introduced, it contains questionable debt management policy that will increase the deficit, undermine the debt management responsibilities of the Department of Treasury, and increase the potential risk of a future Federal bailout for Bonneville and other power administrations.

The bill also proposes a complete overhaul of the laws governing the relationship between the Medicare Program and the contractors that handle payment of claims and beneficiary inquiries. This despite an already low Medicare administrative cost and CBO's conclusion that changes—already underway—in electronic processing of claims will produce savings but that, in the near term, modifications to Medicare contracting rules will save nothing. And consider the disruption—to beneficiaries and providers alike—that would result from the changes in contracting.

H.R. 3400 contains a number of Social Security amendments, designed to save $700 million over 5 years. However, they fail to do so. For example, according to CBO, the proposed modifications for spending on continuing disability reviews won't actually result in more reviews being done, hence there will be no savings. Further, the debt collection provisions impose a heavy new burden on current Social Security beneficiaries and may release confidential IRS information to private debt collection agencies. That's something we ought to think quite carefully about before we grant such authority.

The bill also extends—to veterans programs—a troubling new data collection program just authorized in the Omnibus Budget Reconciliation Act of 1993. I am worried that this new program won't work and hesitate to add to its responsibilities before we have thoroughly tested it.

Mr. Speaker, the proponents of H.R. 3400 are well-intentioned but the bill as introduced won't achieve their goals. It won't produce real deficit reduction. But it will unnecessarily confuse and complicate our laws. We can and should do better than H.R. 3400 and I expect that process to begin again next year when the President submits his fiscal year 1995 budget to us. That is the appropriate forum for this debate.

For the benefit of all Members, the following is an analysis of the provisions of H.R. 3400 that are within the jurisdiction of the Committee on Ways and Means. Read it carefully. You may be surprised by what you learn. In tomorrow's CONGRESSIONAL RECORD I will share with you my analysis of the provisions of the Penny-Kasich amendment to H.R. 3400 which are within the jurisdiction of the Committee on Ways and Means. That amendment has even more troubling implications for our long-term economic performance, and health reform.

THE GOVERNMENT REFORM AND SAVINGS ACT OF 1993

H.R. 3400

ANALYSIS OF PROVISIONS

DEBT BUYOUT FOR BONNEVILLE POWER ADMINISTRATION

Section 4202 would authorize the Administrator of the Bonneville Power Administration to issue bonds and other instruments of indebtedness to raise funds to repay obligations to the Department of Treasury for the appropriated capital investment made in the Federal Columbia River Power System. This section gives broad authority to the Administrator to decide the terms and conditions for bond issuance: the form, the time of sale, the maturity periods, prices, yields, any discounts, etc. The provision states explicitly that the "full faith and credit of the United States" does not stand behind the Bonneville bonds.

The proceeds of the bond sales will be "transferred" to the Treasury as repayment for the amounts used originally and later borrowed from Treasury to build the Bonneville hydroelectric facilities. The calculation of the "transfer" amount would be based on the present value of the principle and interest owed (plus $100 million). This amounts to about $4 billion.

The current outstanding obligation is $6.6 billion. Bonneville Power has considerable flexibility in how it repays that debt to Treasury. All sums repaid come out of receipts from ratepayers for electricity purchased. Ratepayers pay considerably less for electricity from Bonneville Power than those who buy from private power plants because the government does not recoup its costs of providing the electricity, including the costs of the original capital investment. Several proposals have been advanced since 1980 to raise rates to electricity users, so that they will cover the costs of providing the electricity. These proposals have not met with success.

Analysis: This provision represents very unwise debt management policy and will increase the deficit, not reduce it.

First, the moral full faith and credit of the United States always stands behind debt issued by a federal agency. So, the statement in the bill that the bonds "are not secured by the full faith and credit of the United States" is not meaningful. That the government would default on any of its obligations, whether issued by Treasury or by another agency, is difficult to imagine. Therefore, allowing the Bonneville Power Administrator to issue bonds directly, instead of through the Department of Treasury, increases the potential risk of a future federal bailout.

Second, the statutory language gives very broad latitude to the Administrator of Bonneville Power. Because there are virtually no restrictions on the Administrator's actions, it is possible that sale of Bonneville Power bonds could conflict with the larger debt management plans of the Department of Treasury. Treasury is the federal agency charged with responsibility for issuing U.S. debt. Treasury decides on the terms and conditions of debt issuance, and does so in the context of managing all the nation's debt in such a way as to minimize the government's cost of borrowing. The Bonneville Administrator will not necessarily have the broader government-wide point of view of the Treasury Department. He will be allowed to make decisions that the full-time professional debt managers at Treasury may consider unwise. The Bonneville bonds will compete with Treasury bonds in the marketplace. This is simply not adequate debt management.

Third, this could also permanently waive the federal government's right to charge to recoup the remainder of its investment in Bonneville Power. Why should the government give up its option to raise the price of the power it sells in an attempt to break even? Requiring that payment of the "transfer" amount to Treasury means the "repayment obligation is fully and forever satisfied" makes no economic or financial sense.

Fourth, this debt buyout option will increase the deficit. Treasury debt is the least-cost method of borrowing available to the federal government. Agency debt is always more expensive. Thus, allowing the Bonneville Administrator to issue debt directly will result in higher government debt service costs. They will be approximately 50 basis points higher than Treasury rates. Additionally, Bonneville Power will have to contract with brokerage houses to sell the bonds in the market. This will cost the government more, as Bonneville Power will have to pay transactions fees to these investment houses for their underwriting services. For the $4 billion debt issuance contemplated by the bill, this will cost the government another $40 million.

Fifth, the American taxpayer will not benefit from this at all. Bonneville Power may benefit. The investment houses that underwrite the bond sales will certainly benefit from $40 million in transaction fees that the government will pay them. But, the American taxpayer will be worse off because the deficit will be higher.

Sound debt management requires that any refinancing of Bonneville debt be done through the Treasury Department so that it can be done in the context of all other federal debt issued and at the lowest cost.

DEBT BUYOUT FOR OTHER POWER ADMINISTRATIONS

Sections 4207–4210 would authorize the Administrators of the Southeastern, Southwestern, and Western Power Administration to issue bonds and other instruments of indebtedness to refinance existing debt. These sections give broad authority to the various Administrators to decide the terms and conditions for bond issuance: the form, the time of sale, the maturity periods, the prices, yields, any discounts, etc. The provision does state explicitly that the "full faith and credit of the United States" does not stand behind these bonds. These sections of the bill are very similar to the Bonneville Power Administration debt buyout provisions described above.

Analysis: Just like the Bonneville Power provision, these sections represent bad debt management and will increase the deficit.

The Congress has worked, in recent years, to consolidate the government's debt management efforts to produce better cost-efficiency and effectiveness. These provisions could undermine that effort.

In addition, all five flaws of the Bonneville debt buyout scheme apply here. The present value of the debt outstanding of these 3 power administrations is $3.4 billion. Thus, any underwriting fees paid to investment houses would increase the deficit by $34 million. In addition, these sections of the bill will create a Power Marketing Administration Sinking Fund, which makes the repayment of the bonds a direct spending account, scorable on the PAY-GO scorecard. Thus, this is another effect of the bill that increases the deficit.

CHANGES IN CONTRACTING FOR MEDICARE CLAIMS PROCESSING

Section 5001 makes a series of changes affecting the administration of the Medicare program. Subsections 5001(a) through 5001(e) would repeal the requirement that carriers be insurance companies, eliminate the ability of providers to nominate fiscal intermediaries, eliminate special provisions for termination of contracts, allow the Secretary to require that contractors match Medicare data with data on privately insured patients, and repeal requirements for cost reimbursement contracting. Subsection 5001(f) would abolish the authority of the Railroad Retirement Board (RRB) to contract with a separate Medicare carrier for railroad retirees.

Analysis: These provisions represent a complete overhaul of the contractor system which could impose hardship on beneficiaries without achieving meaningful savings. All the provisions are scored by CBO as zero savings, with the exception of the RRB provision, which has minimal associated savings.

These provisions represent a complete overhaul of the requirements governing the relationship between the Medicare program and the contractors that process claims, perform audits, and respond to inquiries from beneficiaries.

According to the Congressional Budget Office, these provisions would generate no savings to the Federal government other than minimal savings associated with the RRB provision. The larger savings the Administration associates with these provisions result only from the implementation of a new automated system for electronic processing of claims—a system that is under development and can go forward without any changes in the law.

While the Administration's proposal may be well-intentioned, it could lead to serious problems for seniors and providers. The proposal would give the Secretary broad authority to change Medicare contractors, to award contracts on the basis of the lowest bid, and to contract for claims processing services with organizations that have never before processed insurance claims.

Past experiences with similar approaches have led to massive confusion and disruption for Medicare beneficiaries and providers.

For example, in order to test the concept of competitive bidding for Medicare contracting, a demonstration program was established in Illinois in 1979. The contract was awarded to an organization that has no prior experience in processing claims.

A flood of complaints from Medicare beneficiaries and Medicare providers led to an investigation by the General Accounting Office. GAO found evidence of a claims backlog that reached 454,000 claims during the first 6 months of the contract. After two years in operation the contractor had failed 55 of 84 standards which Medicare contractors are required to meet.

A claims backlog of this magnitude directly affects senior citizens as well as hospitals, physicians and other health care providers. Many Medicare claims are still "unassigned", meaning that Medicare beneficiaries pay the bill and are reimbursed by Medicare. In the Illinois case, some seniors on limited fixed incomes had to wait many months before receiving payment and in some cases physicians used collection agencies to pursue them for payment.

One of the notable deficiencies was the contractor's lack of responsiveness to beneficiary inquiries, including what GAO referred to as "the use of ominous form letters to request information from beneficiaries".

In an April 1986 report, GAO reported that it took over two years to get performance under the Illinois contract to acceptable levels. According to GAO, the contractor "* * * made estimated payment errors of $67.6 million during the first two years of the contract and beneficiaries and providers had to devote considerable time and effort to obtain satisfactory settlement of their claims."

In conclusion, the GAO stated that "* * * a major change in the method of contracting used in the Medicare program is not justified because the competitive fixed-price experiments have not demonstrated any clear advantage over cost contracts presently used to administer the program. HHS' current authority, if properly used, allows for effective program management and provides sufficient opportunities to achieve greater administrative efficiencies."

The Medicare program already has low administrative costs. In 1994, CBO projects that spending on health care services under the Medicare program will total $169.7 billion. The fiscal year 1994 appropriations for contractors to administer the program is $3 billion, less than 2 percent of total program costs.

The most important focus of our efforts with respect to fiscal intermediaries and carriers should be to ensure that we provide the funds necessary to safeguard payments under

the program. The General Accounting Office has repeatedly recommended that funding for these efforts be increased. According to GAO, for every dollar we spend on improving payment safeguards, we can save ten taxpayer dollars in return on our investment.

Earlier this year, the House passed a provision to adjust the discretionary spending caps under the Budget Act to allow increased appropriations for payment safeguards. This would ensure that the Congress would not be discouraged or penalized under the budget process for appropriating funds on activities that will generate savings in the Medicare program. Unfortunately, that provision was not agreed to in conference due to procedural obstacles in the Senate.

The Administration believes the changes in section 5001 are needed in order to implement the new Medicare Transaction System [MTS] more efficiently. At best, this conclusion is premature. The contract for designing the MTS has yet to be awarded, and the system is years away from implementation.

Section 5001 (f) would repeal the authority of the Railroad Retirement Board to contract with a separate carrier to process Medicare claims for railroad retirees. This proposal has been rejected by the Congress in the past.

The Administration is proposing this change despite a complete lack of evidence that the current Medicare carrier for railroad retirees has failed to perform well either in terms of cost efficiency or beneficiary services. In fact, representatives of railroad retirees are very satisfied with the service provided by the current carrier. Moreover, changing from a single national carrier to 50 carriers throughout the country would be disruptive and would impose hardship on disabled and elderly railroad retirees.

WORKERS' COMPENSATION DATA PILOT PROJECT

Under Section 5101, the Social Security Administration would be authorized to establish pilot projects with up to three States under which workers' compensation payments would be reported to SSA directly by the State. Under current practice, SSA relies on disability beneficiaries to report their receipt of workers' compensation. Participating States would be reimbursed by SSA out of the Social Security trust fund for the costs of participation.

FEDERAL CLEARINGHOUSE ON DEATH INFORMATION

Section 5201 would amend the Social Security Act to expand the authority of the Secretary of Health and Human Services to negotiate contracts with States to obtain death information and disseminate this information to other Federal agencies. Currently, SSA receives death certificate information from States and matches the information against its benefit rolls to delete the names of deceased individuals. Thirty-four States have entered into restrictive contracts which prohibit SSA from sharing the collected death information with other Federal agencies. The Omnibus Budget Reconciliation Act of 1993 prohibited access to Federal tax return information under section 6103 of the Internal Revenue Code to any State that would not allow SSA to share its deaths information with other Federal agencies.

Two States were exempted from the OBRA requirements. The President's proposal would eliminate that exemption. In addition, the proposal would permit the Secretary of HHS to provide technical assistance on the effective collection, dissemination and use of death information to any Federal or State agency that provides Federally funded benefits.

Analysis: Any alteration of section 6103 of the Internal Revenue Code should be done by a direct amendment to that code section, and not be an amendment outside the code.

The provision seeks to overrule two specific provisions of section 6103 by amending the Social Security Act. That is inappropriate. While the proposal's effort to improve the OBRA provisions is laudatory, the provision is poorly drafted and needs revision.

EXPENDITURES FOR CONTINUING DISABILITY REVIEWS

Section 5301 would amend the Social Security Act to set a specified, minimum level of SSA administrative funds for performing continuing disability reviews [CDR's] of disability beneficiaries over the next 5 years. The mandated amounts would be $46 million in 1994, with an inflation-adjusted amount for years thereafter. The total amount for the 5-year period would be $295 million.

Analysis: This provision does not reduce the deficit as intended, and there are more effective ways to fund continuing disability reviews.

In principle, the President's objective of requiring more CDR's is a laudable one. Because of a shortage of administrative funding, SSA has fallen behind by more than 1 million reviews. The integrity of the disability program depends critically on assuring that benefit payments are ceased without delay when beneficiaries recover or return to substantial gainful work. The President is acting responsibly in insisting that continuing disability reviews be performed regularly.

However, there is a technical problem with this provision as it is now drafted. The Congressional Budget Office has concluded that it will not produce any savings about those that would occur under current law. Apparently, the administration has underestimated the costs of performing CDRs and, as a consequence, has earmarked too few administrative dollars to ensure the increase in CDR activity that it intends.

In addition, it is possible that the provision may drain essential resources away from the processing of disability applications. At present, there are large backlogs of disability cases at both the initial intake stage and the Office of Hearings and Appeals.

With more time to work on the legislation, a creative solution to this problem could be found—a solution that provides the increase in CDR activity that the President desires, without reducing funds for SSA's processing of initial disability applications. For example, some of the benefit savings from CDR's could be set aside in a special account to cover the administrative cost of more reviews the following year. This kind of approach makes sense. Unfortunately, the tight schedule for consideration of this bill made it impossible to develop a workable alternative.

HELIUM USER FEES AND MINERAL ROYALTIES

Sections 7001 and 7101 would give authority for the appropriate agencies to levy user charges and set up appropriate and efficient collection mechanisms to pay for the activities of the agencies.

Analysis: In order to ensure that these sections of the bill are true user fees and not taxes generating general revenue, these sections should be rewritten. We should ensure that transactions in which the Government will collect these fees and royalties are simply the economic equivalent of a normal market-based transaction among voluntary buyers and sellers, in which the benefits realized by those who purchase helium and mineral rights from the Government are approximately equal to the amount of fees and royalties they pay. This will make them true user fees and avoid additional general-revenue taxes.

USER FEES FOR HEALTH SERVICES

Section 8001 allows the Attorney General to charge nominal user fees of prisoners for medical care provided. The fee may be withheld from a prisoner's account without the prisoner's consent. The Attorney General may waive or refund the fee for good cause.

Analysis: This section of the bill is much too loosely written and does not ensure that this is simply a user fee. The language should be rewritten to do so. The criteria described above, under Helium Fees and Mineral Royalties, should be satisfied by tighter statutory design.

MEDICARE AND MEDICAID DATA BANK

Section 12201 would authorize the disclosure of health insurance information maintained by the new Medicare and Medicaid Data Bank to the Department of Veterans Affairs. The information would be used by the Department of Veterans Affairs to identify and collect reimbursements from private payers responsible for items and services provided to veterans.

OBRA '93 mandated that every employer that provides health benefits to its employees file information returns to the Secretary of Health and Human Services. The information to be filed includes: the name and taxpayer identification numbers of all participants, including dependents, covered under the employer's group health plan, the type of health plan elected by the employee, the period during which coverage is elected, and the name and taxpayer identification number of the employer.

The OBRA '93 requirement applies to health benefits provided beginning January 1, 1994, with the first filing occurring on February 28, 1995.

Analysis: The Medicare and Medicaid Data Bank established under OBRA 1993 imposed a significant, new administrative burden on employers that provide health insurance coverage to their employees. For the first time, employers will be required to file detailed information to the Secretary of HHS concerning coverage under their employer group health plan. Most employers do not currently collect the data required by OBRA '93, particularly with respect to the dependents of employees covered under the employer group health plan.

The provision of H.R. 3400 to extend the application of the Data Bank would also impose a new and burdensome requirement on the Health Care Financing Administration. The Health Care Financing Administration has been unable to begin implementation of the Data Bank, and has asked for additional resources to fund this new and vast data collection effort. This proposal to compound the requirements of the Data Bank, before it is actually up and running, is premature.

Further, this proposal would permit access to confidential employee health benefit data beyond the scope of health programs administered by HHS. Although OBRA '93 contains essential safeguards regarding disclosure and privacy rights that would carry over to the use of the data by the Department of Veterans' Affairs, it is unclear how such safeguards would be monitored.

Careful consideration should be given to the necessity and advisability of this Data

Bank within the context of health care reform. Few would dispute the importance of administrative simplifications as part of any health reform plan. As part of such a reform, many proposals, including the President's Health Security Act, would create a consolidated system to monitor health insurance coverage. If such a system is established, then this Data Bank will be unnecessary and should be repealed.

This provision was incorrectly included in title XII of the bill, rather than title V with other provisions that concern the Department of Health and Human Services. While the proposed changes would result in additional information provided to the Secretary of Veterans Affairs, the proposed change in law requires changes that affect responsibilities of the Secretary of HHS.

AUTHORITY TO INCREASE EFFICIENCY IN REPORTING TO CONGRESS

Section 15001 would allow the Director of the Office of Management and Budget [OMB] to make recommendations for consolidation, elimination, or adjustment in frequency and due dates of reports to Congress and its committees. OMB would have to consult with appropriate congressional committees before making these recommendations and would have to provide an individualized statement of the reasons that support each recommendation. The recommendations would take effect only if approved by law.

Analysis: Although section 15001 does strengthen the position of OMB over other agencies, the requirements that OMB must consult with appropriate committees, that OMB must provide reasons for each recommendation, and that the recommendations would not go into effect unless approved by law are important safeguards against the executive branch single-handedly doing away with reports of importance to Members of Congress. The statutory language should be tightened to clarify that "appropriate Committees" means those Committees that requested or mandated the reports, and to clarify further that any law making changes to a report based on OMB recommendations would have to be referred to the Committee that originally requested the report. It would be even more effective for Congress and the Administration to work together to identify overdue and obsolete studies and reports that could be stricken from current law.

DEBT COLLECTION REVOLVING FUND

Section 16501 provides authority for appropriations for agencies to enhance debt collection activity by allowing agencies to retain a specified percentage of the amount of delinquent debt collected.

Analysis: The provision requires careful review to determine its impact on individual Federal agencies.

This measure would affect several agencies under the jurisdiction of the Committee. Given time limitations, the impact of the provision on debt collection by each of the departments and agencies under the Committee's jurisdiction cannot be determined.

DEBT COLLECTION AGAINST CURRENT AND FORMER SOCIAL SECURITY BENEFICIARIES

Section 16502 applies the requirements of the Federal debt collection law to Social Security benefits. Under the proposal, the Secretary of Health and Human Services would be required to assess interest and penalties against individuals who have been overpaid by SSA. In addition, the proposal would permit the Secretary to report delinquent debtors to private credit bureaus and would authorize contracts with private collection agencies to collect outstanding debt. Finally, it would require the Secretary to report to OMB on the status of its receivables and would authorize other Federal agencies to use administrative offset procedures to collect other Federal debt from Social Security benefits. These provisions of the debt collection law would apply to both current and former Social Security beneficiaries, with the exception of the provision authorizing the use of private collection agencies, which would apply only to former Social Security beneficiaries.

Analysis: The provision should not apply to current Social Security beneficiaries. The provision places an unconscionable burden—in the form of interest and penalties—on a group of people who may be living on limited income and who may have incurred the debt through no fault of their own. Moreover, SSA can already deduct any debts directly from the beneficiary's check.

There are several problems with the proposal. First, in many cases, overpayments of Social Security benefits result from errors made through no fault of the beneficiary. Some are errors made by SSA—such as the miscalculation of benefits. Some errors result from beneficiaries' misunderstanding of complicated eligibility rules. The majority of errors result from the operation of the Social Security retirement test. Under that test, beneficiaries are asked to estimate annually the level of their earnings for the upcoming year. Because of the near impossibility of predicting exact earnings in advance, thousands of beneficiaries receive overpayments each year through no fault of their own.

Second, many Social Security beneficiaries are living on limited incomes. Penalties and interest would add to their financial insecurity. Moreover, while the provision requires beneficiaries to pay interest if the government has paid the beneficiary too much, it does not require the government to pay interest if the government has paid the beneficiary too little.

Finally, SSA already has the authority to collect debt owed by a current beneficiary from the beneficiary's monthly check. The proposal is, therefore, redundant.

NOTIFICATION TO AGENCIES OF DEBTORS' MAILING ADDRESSES

Section 16503 would amend Title 31 of the U.S. Code to provide that certain Federal agencies in the refund offset program may obtain and use the mailing address of a delinquent debtor. Such address may be used for Federal-agency administered debt collection purposes, including referral of the debt to the Justice Department for litigation. The statutory amendment includes the following off-Code amendment to IRC section 6103: "Provision of this information is authorized by section 6103(m)(2) of the Internal Revenue Code."

Analysis: Any alteration of section 6103 of the Internal Revenue Code should be done by a direct amendment to that Code section, and not by an off-Code amendment. The Congress should also make sure that no tax return information is funneled to private collection agencies or any other private parties under this provision.

HONORING THE ASSOCIATION OF RIVERDALE COOPERATIVES

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ENGEL. Mr. Speaker, the neighborhood of Riverdale in my congressional district remains one of the most vibrant and viable areas of New York City, mainly because of the dedicated residents who remain involved in their community. Ten years ago, a small group of these residents formed the Association of Riverdale Cooperatives, and I rise today to congratulate them for a decade of positive activity.

Ted Procas, the group's president, and Assemblyman Oliver Koppell started ARC with 10 member buildings in 1983 to address concerns associated with major conversions from rental to co-op units. Today, ARC encompasses 55 buildings, representing some 20,000 residents and $370 million in assets.

ARC has held more than 75 seminars on topics as diverse as controlling fixed and variable costs to instituting recycling programs. It acts as the facilitator of important information among building managers, board members, and tenants. The group has been helpful to me by providing evidence in support of eliminating tax liabilities on reserve funds, as well as other important housing finance issues.

ARC provides a common thread that connects the residents of cooperatives and condominiums in Riverdale. This contributes greatly to the stability of the neighborhood, an accomplishment for which the leaders and members of ARC should be thanked and commended.

NAFTA WILL BENEFIT CHEMICAL, TELECOMMUNICATIONS INDUSTRIES

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ANDREWS of Texas. Mr. Speaker, too much of what we have heard about NAFTA has been based on unjustified fear, rather than on rigorous economic analysis. Just last month the Congressional Budget Office reconfirmed the previous work by the International Trade Commission demonstrating that NAFTA will benefit U.S. workers and consumers. Superb examples of the agreement's potential benefits can be seen in the U.S. chemical and telecommunications industries. These diverse industries, which employ millions of Americans, will be among the many industries which will flourish under NAFTA.

CHEMICALS

The U.S. chemical industry is one of the most competitive industries in the world, and it boasts some of the most impressive statistics among U.S. industry. More than 1 million Americans are employed in the chemical industry, producing nearly 2 percent of our gross domestic product. Production workers in this industry earn wages one-third above the

U.S. average. The industry's investments in R&D, plant, and equipment reach new highs every year and totaled $37 billion in 1992.

As the Nation's largest exporter, the chemical industry accounts for 10 percent of total exports of manufactured goods, amassing a major trade surplus every year. Exports to Canada and Mexico are one-quarter of the industry's total, and chemical exports to our immediate neighbors create roughly 38,000 U.S. chemical industry jobs. On the reverse side of the equation, imports from Mexico are well under 1 percent of the United States market; Canadian imports are only 1.8 percent of the domestic market.

Under NAFTA, over two-thirds of Mexico's average 9 percent chemical duties will be immediately removed. The remaining tariffs will be removed over 10 years. Mexico's primary and secondary petrochemical markets, currently closed to United States companies, will be fully opened with very few exceptions. The International Trade Commission expects that under NAFTA chemical exports to Mexico will grow eight times as much as imports from Mexico.

The chemical industry expects that NAFTA will generate an additional $1.3 billion in exports to Mexico by the end of this decade. This will create roughly 5,800 additional U.S. chemical industry jobs, which in turn will lead to the creation of 6,400 jobs in other U.S. industries. NAFTA will clearly be a boon for this already prospering industry.

TELECOMMUNICATIONS

NAFTA will open Mexico's $6 billion telecommunications market to U.S. firms offering everything from central office equipment and voice mail to private networks and data processing. Our telecommunications industry is the world leader; like the chemicals industry, it provides millions of Americans with well-paying jobs. NAFTA will help this key industry compete more effectively and grow even stronger.

NAFTA calls for the quick phaseout of most trade investment barriers affecting telecommunications goods and services. Mexico will be obligated to remove tariffs, which average 10 percent for manufactured goods. In return, the United States will remove its tariffs on Mexican goods, which average 4 percent. This will provide U.S. telecommunications equipment manufacturers with a competitive edge in a market historically considered a European stronghold. The majority of Mexico's tariff and nontariff barriers on telecommunications equipment will be eliminated immediately, including those on private branch exchanges, cellular systems, satellite transmission and Earth station equipment, and fiber-optic transmission systems. Tariffs on central office switches, now at 20 percent, will be phased out over 5 years, making Mexico's telecommunications equipment market, estimated to exceed $1 billion in 1992, more accessible to United States companies.

Providers of enhanced services—such as voice mail, electronic mail, data transmission, remote data processing, private networks, and database services—also will benefit greatly from NAFTA. These services are critical to efficient business operations, regardless of location. Under NAFTA, all restrictions on providing these services are lifted, and providers of enhanced services can serve the growing Mexican market from databases located in the United States. The cross-border enhanced services market is currently worth more than $27 million annually; the U.S. Department of Commerce expects that NAFTA will push the market past the $100 million mark by 1995.

Long distance companies like AT&T and MCI will also benefit greatly from the tremendous increase in traffic—voice, data, and video—between Canada, Mexico, and the United States. Moreover, local exchange companies in all three countries will benefit from additional network-access revenues.

The Mexican market for telecommunications is already booming. In the past 2½ years, Telmex, the national phone company that was privatized in 1990, has added more than 1.7 million new customers, replaced nearly a million antiquated lines, and installed 64,000 pay phones. In the next 3 years, Telmex will install 132 digital central office switches to handle the Mexican market's increased demand for quality service. This is clearly a golden opportunity for the U.S. telecommunications industry.

As you can see, a careful analysis shows that NAFTA will increase the competitiveness of and create jobs in these important U.S. industries. I hope that as my colleagues consider the facts about the agreement, they will come to share the view that NAFTA is clearly in the best interest of our country.

HOUSE JOINT RESOLUTION 292, THE INTRODUCTION OF NUCLEAR NONPROLIFERATION IN KOREA RESOLUTION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. GILMAN. Mr. Speaker, North Korea's relentless effort to develop a nuclear bomb has reached crisis proportions. Director of Central Intelligence R. James Woolsey testified before Congress earlier this year that North Korea is the most urgent threat to our national security in East Asia, that there is a real possibility that North Korea has produced enough nuclear material to build at least one bomb, and that possession by North Korea of such a bomb would threaten United States allies in all of Asia as well as United States forces in the region.

The administration has acknowledged the seriousness of the threat, but so far has been unable to persuade North Korea to permit fullscope inspections by the International Atomic Energy Agency of all suspected nuclear weapons sites. Without such inspections, there can be no assurance that North Korea is not continuing to produce nuclear material, much less that it is not using the material it already has to build a bomb.

The administration has indicated that it is prepared to take stronger measures if North Korea does not promptly comply with its obligation as a party to the Nuclear Nonproliferation Treaty to permit fullscope inspections. Most discussion of stronger measures focuses on the possibility of a U.N.-imposed embargo. The President has recently refused, however, to rule out the possibility of military action.

To underscore Congress' concern about this matter, I am today introducing the nuclear nonproliferation in Korea resolution. My resolution expresses Congress' approval and support for the steps at the administration has taken to date. Further, it approves and encourages the use by the President of any additional means necessary and appropriate, including diplomacy, economic sanctions, a blockade, and military force, to prevent the development, acquisition, or use by North Korea of a nuclear explosive device.

Approving use by the President of all means necessary and appropriate to prevent North Korea from obtaining nuclear weapons, including military force, is a step that Congress cannot take lightly. But neither can the threat posed by North Korea's determination to obtain nuclear weapons be taken lightly. I believe my resolution is a response commensurate to the threat.

In introducing my resolution, I do not express an opinion as to whether it would be appropriate at this time for the President to employ any of the means to which it refers. Indeed, I understand that there is a serious question whether some of those means, particularly military force, would be effective now or at any time in the future. My resolution defers to the President regarding which means are necessary and appropriate to prevent North Korea from obtaining a nuclear weapon. It is intended to make clear that he will have the support of Congress for any necessary and appropriate measures that he employs.

Last week the House of Representatives debated the question of when United States forces should be withdrawn from Somalia. It was repeatedly argued during that debate that Congress should not call upon the President to withdraw United States forces from Somalia because the regime in North Korea might misinterpret such action to mean that Congress will not support the administration's efforts to prevent nuclear proliferation in Korea.

Nothing could be further from the truth. Congress' concerns about open-ended United States involvement in Somalia have nothing to do with the situation in Korea, or anyplace else in the world where vital United States interests are threatened. It is precisely because the United States has no vital interests in Somalia that so many Members of Congress have pushed for the prompt withdrawal of United States forces from that country. Where vital U.S. interests are threatened, however, I am confident that a large majority of Members will support appropriate U.S. action.

There should be no doubt about this anywhere in the world. Enactment of my resolution will ensure that there is no doubt about it in North Korea.

NAFTA: ANOTHER VICTORY FOR CHARLES DARWIN

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. OBEY. Mr. Speaker, before members consider a vote for NAFTA, I hope they will

read the following article which appeared in Sunday's New York Times by Jonathan Schlefer, a former editor of Technology Review, who is presently doing research on NAFTA at MIT.

[From the New York Times, Nov. 14, 1993]

HISTORY COUNSELS "NO" ON NAFTA

(By Jonathan Schlefer)

In their votes on the North American Free Trade Agreement this week, many members of Congress think they must take a stand for or against free trade. Nothing could sound more obvious and yet be more wrong.

While free trade could benefit North America, the specific provisions in the fat volumes of the treaty before Congress raise serious threats to society and should be defeated. A look at social struggles in the late 19th and early 20th centuries suggests why.

For most of the 19th century, capitalism was vibrant and wholly unregulated. Growth was tremendous, but there was no protection for labor, health or the environment. As companies competed through lower costs, the result was Dickensian working conditions, child labor, poisoned air and bad food. With the advent of the steamship and the railroad, global competition grew particularly fierce, and social conditions worsened.

Something had to give. But what? To require companies to hew to rules protecting workers and the environment would also hobble international competitiveness. To neglect regulation would preserve competitiveness, but would make the world filthy and impoverish the working class.

Finally, beginning in the 1870's in Europe and a generation later in the United States, a policy began to take shape. Advanced nations gradually imposed laws to improve working conditions and to protect consumers from bad food and drugs. Unions were authorized and the foundations of the welfare state were laid.

But, at the same time, tariffs were raised to shield companies from low-cost foreign competitors who did not have to follow such costly rules. Indirectly, the tariffs protected the social regulations as well, for without tariffs domestic pressure to weaken the regulations would have grown.

This tariff strategy made such sense that virtually all advanced nations employed it.

Of course, labor, health and environmental regulations are also the subjects of the "side" agreements upon which NAFTA's fortunes may hinge in Congress. Tariffs—the 19th-century solution to the competition-or-regulation conundrum—are unavailable for NAFTA because it is a trade treaty that removes tariffs. So, NAFTA uses side agreements instead.

Specifically, the side agreements seek to insure that the three members—Canada, Mexico and the United States—follow their own regulations. This national focus is troubling, because regulations are uneven continentwide and particularly lax in Mexico. It creates an obvious incentive for companies to take advantage of national differences.

This incentive will be greatly strengthened by Nafta's property-rights provisions. Little-reported and of unprecedented scope, these provisions will make capital much more mobile continentwide and will turn Nafta into something far broader than a treaty on trade.

Traditionally, Mexico has not defined property rights in the same way as the United States. When peasants demanded land after the Mexican Revolution, for example, the state simply confiscated vast (though poor) areas for them. For decades, too, the Government controlled steel prices by setting them at its own mills. And during a financial crisis in the 1980's, the Government just took over the banks.

Foreign companies were treated similarly. They had to obey detailed Governmental "performance requirements"—what inputs to buy locally, how much to export, how much to manufacture. Nor was expropriation impossible.

Mexico's President, Carlos Salinas de Gortari, has deepened Mexico's deference to property rights. But as Nafta loomed, American corporations and investors wanted more. They knew that what Mr. Salinas could do, his successors could undo. So they exerted pressure on Mexico to guarantee American-style property rights.

The efforts succeeded. Under Nafta, if a signatory country confiscates a business, imposes performance requirements or violates property rights in other ways, the owners can appeal to an international tribunal for damages. Nafta even requires Mexico to adopt an American-style legal system to enforce intellectual-property rights. And if Mexico's state enterprises engage in anticompetitive behavior, the tribunal can order the Government to cease or face hefty trade sanctions.

In short, Nafta's property rules are so strong that its label—a trade agreement—is a misnomer. While it will raze trade barriers, Nafta does much more. It extends United States property rights continentwide. Under Nafta, investors can move almost as freely and as confidently from the United States to Mexico as from Ohio to Kentucky.

By easing capital movements, these property rules enable investors to avoid meaningful labor and environmental regulation, if possible. And it is possible, for the Nafta side agreements to apply weak enforcement rules to a region where the strength of such regulation is uneven.

The Heritage Foundation's Wesley R. Smith says the agreements have "little more than vague language" and set up commissions "with little or no power of enforcement." He opposes the agreements—but is unconcerned because "they are largely meaningless."

Unlike Nafta's property provisions, the side agreements have weak enforcement mechanisms. For example, a nation cannot be attacked for one failure to enforce its laws; only a "persistent pattern" of nonenforcement can be disputed.

What's more, only Governments, not private parties, can dispute another Government's nonenforcement under Nafta. If a Nafta panel does find nonenforcement, the offending Government must devise an "action plan" to mend its ways—a potentially noncommittal exercise. And if the offender cannot manage that much, it is fined up to $20 million—a piddling sum even for Mexico.

Of course, these weaknesses would not matter if there were strong social regulations throughout North America. But there aren't. All three nations have serious lapses—the Los Angeles area has only 30 Federal workplace inspectors, for example—but the Mexican lapses are particularly grave.

Lilia Albert, a Mexican toxicologist, estimates that about 99 percent of her country's hazardous wastes are "stored or buried as company sites, taken to municipal landfills, burned clandestinely, dumped into urban waste-water systems, or illegally buried." These estimates are rough—in part because Mexican environmentalists have no legal right to information.

Labor protections are also scanty. With few exceptions, Mexican unions are part of the ruling party. Repeatedly, the main union congress has helped fire local labor leaders who sought to improve wages and working conditions. Strikers have often been beaten and shot.

Imagine an American company in the post-Nafta world. It is struggling to pay good wages and to buy legally required pollution equipment. Wouldn't it want to move south? A 1992 Roper poll of 455 executives found that 40 percent were "likely or somewhat likely" to move some manufacturing to Mexico after Nafta. And wouldn't pressure grow in America to cut wages and to ignore costly rules?

These were the kinds of questions industrial nations faced in the late 19th and early 20th centuries. Their answer—the tariff—is unavailable today, but it is still an instructive guide. What did the tariff do? It turned the nation into a distinct economic unit that could establish social regulations and also shield its companies from their unregulated competitors.

Under Nafta—particularly given its unprecedented strong property rules—the economic unit is the North American continent. With no continental tariff barriers, social regulations can only be effective if they extend throughout this unit. For Mexico, Canada and the United States to have different labor and environmental rules is as nonsensical as if half the United States regulated air pollution, and half did not.

TRIBUTE TO BLANCHE E. FRASER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Blanche Fraser, superintendent of the Mount Clemens school district. Blanche is being honored by the Daughters of Isabella at a testimonial-roast on Wednesday, December 1.

Taking an active role in our community is a responsibility we all share, but few fulfill. Blanche has devoted herself to this task as a educator and administrator for many years. Her dedication and professionalism have earned her respect and recognition. She has received numerous awards, most recently being named the 1992 Michigan Superintendent of the Year.

Each year the honoree of the Daughters of Isabella testimonial-roast selects a charity to receive proceeds from the dinner. This year the recipient is the Mount Clemens Schools Education Foundation. Because of the generosity of the organizers and the honoree, this event will help improve education in our community. I applaud their efforts to make Mount Clemens a better place for all of us to live.

On this special occasion, I am pleased to pay tribute to both Dr. Fraser and the Daughters of Isabella. I ask that my colleagues join me in saluting the accomplishments of Blanche Fraser and the Daughters of Isabella. May they continue to prosper and promote education in our community.

THE FIL-AM IMAGE MAGAZINE HONORS 20 OUTSTANDING FILIPINO-AMERICANS

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BLACKWELL. Mr. Speaker, on Saturday, November 13, 1993, the Filipino-American magazine, Fil-Am Image, will host its fourth annual dinner in honor of outstanding Filipino-Americans in the United States and Guam. The editor and publisher of the magazine, Nonoy Mendoza, has worked tirelessly, together with his wife, Aida and three daughters, Rochelle, Roxanne, and Rhonda to make this important event possible.

The dinner will take place at the Renaissance Hotel at Tech World, in Washington, DC, and will begin at 7 p.m., sharp. This fourth annual dinner caps a weekend of activities for the honorees that began on Thursday, November 11, 1993, with their arrival in Washington, DC and has included a congressional luncheon, a reception at the Philippine Embassy, and a guided tour of the White House.

The honorees form an impressive group of individuals from across the United States and include one person from Guam. In alphabetical order, the honorees are: Ms. Laureana Abano of Piscataway, NJ; Ms. Vi Baluyot of Silver Spring, MD; Dr. Carlos Borromeo of Merchantville, NJ; Ms. Gene Canquel-Liddell of Lacey, Washington; Dr. Ulysses M. Carbajal of Azusa, CA; Attorney Juan G. Collas, Jr. of San Francisco, CA; Dr. Eduardo R. Del Rosario of Tamuning, Guam; Mr. Raoul Donato of Atlanta, GA; Mr. Cipriano L. Espina, Jr. of New Orleans, LA; Dr. Enrico Garcia of Terre Haute, IN; Attorney Thelma G. Buchholdt of Anchorage, AK; Dr. Manny Hipol of Virginia Beach, VA: Dr. Nacianceno T. Largoza of Philadelphia, Pennsylvania; Dr. Edith Milan-Hipol of Briarwood, NY; Ms. Luisita Nillas of Brooklyn, New York; Dr. Ben Oteyza of Bel Air, MD; Mr. Leo Pastor of San Diego, CA; Attorney Rodel Rodis of San Francisco, CA; Ms. Sally S. Siroy of Shelbyville, IL; Dr. Victor Vitug of Cleveland, OH; and, last, but not least, a member of my own staff, Mr. Fred Parawan of Philadelphia, PA.

These 20 outstanding individuals join 60 others who have been honored by the Fil-Am Image magazine since 1990. It is fitting that we honor those who come from a nation that has a 100-year history of alliance and cooperation with the United States. The Philippines is a nation that has worked in partnership with our Nation for more than a century.

Few Americans are aware that within 2 hours of the bombing of Pearl Harbor, locations in the Philippines were also bombed. Filipino soldiers fought and died, side by side with American soldiers under the command of Gen. Douglas MacArthur. Following the war, the Rescission Act of 1946 became law. That act contained a rider which expressly barred Filipino veterans from all rights, privileges, and benefits under the GI Bill of Rights, thus creating an unequal system for Filipino World War II veterans. That is why I introduced legislation to establish a commission to review and correct this system, and I will not surrender until that legislation becomes law.

Similarly, Mr. Speaker, the withdrawal of United States military forces from the Philippines left in its wake thousands of impoverished children who are half American. These abandoned and neglected Amerasian children lack real hope for the future without our intervention. On October 22, 1982, Public Law 97–359, known as the Amerasian Immigration Act of 1982, was approved, allowing children of American servicemen known as Amerasians, from Thailand, Korea, Vietnam, Laos, and Cambodia to emigrate to the United States in the care of financially responsible American families. Philippine Amerasians, however, like Philippine World War II veterans were excluded from the law. That is why I introduced H.R. 2429, which will amend the Amerasian Immigration Act of 1982, to provide preferential treatment in the admission process to the United States for those Filipino Amerasian children who choose to take advantage of it.

Filipinos should not be treated differently than others. They have proven themselves to be loyal to the United States and, as evidenced by those who have been honored and will be honored on Saturday night, they have made and are making significant contributions to the fabric of our Nation. I invite my colleagues to join with me in saluting this year's 20 outstanding Filipino-Americans and in applauding Mr. Nonoy Mendoza of the Fil-Am Image magazine for his dedication and commitment to this vital cause.

HELP HONOR AMERICAN HERO CAPT. FRANCIS GARY POWERS

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. MORAN. Mr. Speaker, I rise today to ask for my colleagues' support in honoring Capt. Francis Gary Powers and his historic flight into the Soviet Union with a commemorative stamp.

Captain Powers served as a U.S. U–2 pilot during the cold war. On May 1, 1960, Captain Powers' plane was shot down while performing a reconnaissance mission over the U.S.S.R. After ejecting himself from his plane, Captain Powers was taken into custody by the Russians and subjected to hours of interrogation. Captain Powers followed his CIA regulations and only revealed to the Russians what they already knew or assumed about his mission and his plane. At no point did Captain Powers reveal classified information, and he even misled the Russians about some important features of his top secret airplane.

Unfortunately, while Captain Powers was honorably serving his country over in Russia, rumors spread in America that he had betrayed the United States, and had revealed privileged information to the Soviets. These rumors were not true. Meanwhile, Captain Powers was tried for espionage by the Russians, convicted on this charge, and imprisoned for 21 months. When he finally returned to the United States, Captain Powers sought to clear his name, but was never fully exonerated by the CIA. He lived his life knowing that there were people who would always believe that he had betrayed his country. It was not until after his death that Francis Gary Powers was awarded the Distinguished Flying Cross and promoted to the rank of captain.

Captain Powers served his country, as he was trained to do, and he did it with honor, integrity, and bravery. Today, I have introduced legislation which will do the right and just thing and repair Capt. Francis Gray Powers' name and reputation forever by honoring both himself and his historic flight over the Soviet Union on a commemorative stamp. I ask that you join me in honoring Captain Powers by becoming a cosponsor of this important legislation.

H.R. 3490, COOPERATIVE AGRICULTURAL PROGRAMS EXTENDED RETIREMENT CREDIT ACT OF 1993

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. DE LA GARZA. Mr. Speaker, I want to bring to my colleagues' attention the bill H.R. 3490, the Cooperative Agricultural Programs Extended Retirement Credit Act of 1993 [CAPERCA], which I recently introduced.

This legislation has two objectives. First, it would facilitate the downsizing of the U.S. Department of Agriculture [USDA] by providing an added incentive for certain current USDA employees to take early retirement through the proposed buy-out option. The Clinton administration has proposed reducing the number of full-time equivalent employees at USDA by 7,500 people.

Second, the bill would provide civil service retirement credit for certain USDA employees and retirees who previously worked as State employees or as employees of private agencies designated to carry out certain Federal and Federally-funded programs. These USDA employees or retirees are currently not allowed to have those years in public service calculated toward their annuity benefits. The bill would allow these persons to receive credit toward retirement benefits for the years they performed a Federal function as a State or private agency employee.

Under CAPERCA, an individual would be eligible to receive credit toward retirement for service performed as a State employee for certain specified cooperative Federal-State programs if the individual subsequently became subject to the Civil Service Retirement System [CSRS]. In order to claim full benefits from the extended credit, an eligible individual would be required to pay into CSRS the amount—with accrued interest—that would have been deducted from his or her paycheck had the individual been covered under the system at the time service in the cooperative program was performed.

The cooperative Federal-State programs at USDA under which employment would be covered by H.R. 3490 are:

The cooperative Federal-State programs at USDA under which employment would be covered by H.R. 3490 are:

Agricultural research of State agricultural experiment stations;

Forestry research under section 2 of the McIntire-Stennis Act;

Agricultural research at the 1890 land grant colleges, including Tuskegee Institute;

Cooperative agricultural extension carried out under the Smith-Lever Act of 1914;

Vocational education training—including vocational agriculture and home economics;

Marketing service and research authorized by the Agricultural Marketing Act of 1946 and programs of inspection and weighing services authorized by the U.S. Grain Standards Act performed by delegated State agencies and designated private agencies;

Control of plant pests and animal diseases under various statutes;

Forest protection, management, and improvement performed under the authority of various statutes;

Emergency relief including State rural rehabilitation corporation programs, established for the purposes of the Federal Emergency Relief Act of 1933;

Veterans' educational programs, including part-time instruction in on-the-farm training program; and

Wildlife restoration and fish restoration and management authorized by various statutes.

For individuals who continued to carry out these programs after conversion to Federal employment status, service currently creditable towards Federal retirement began at the time of conversion. Consequently, some individuals have found that their prior service was either lost for retirement purposes because the service period did not satisfy the State's vesting requirement, or became insignificant in terms of the contribution towards any benefit for which the employee may have been eligible under a State's pension system.

Mr. Speaker, under Congressional Budget Act scoring, CAPERCA would result in pay-as-you-go costs and therefore requires offsetting savings. However, because the effect the bill will have on lowering current USDA employment at a time when vacancies are not being filled and full-time equivalent employees are expected to be reduced for the long-term, its enactment should result in overall taxpayer savings. Because the savings will be from discretionary accounts, they cannot be counted to offset the retirement annuity costs under current scorekeeping conventions. I am committed to working with my colleagues on the Committee on Post Office and Civil Service to find a way to claim these savings in spite of the procedural obstacles.

Mr. Speaker, the enactment of CAPERCA would provide Federal retirement benefits affecting more than 1,000 current Federal employees and retirees, and it would also contribute to the overall goal of reducing the Federal work force.

NAFTA IS GOOD FOR AMERICA AND OUR NEIGHBORS TO THE SOUTH

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ROHRABACHER. Mr. Speaker, former U.S. Ambassador J. William Middendorf II our Ambassador to the Organization of American States is by virtue of his experience one of the most qualified people to determine what is in the interests of both the United States and our southern neighbors.

I call to the attention of my colleagues, particularly my conservative friends, an excellent column from today's paper in support of the NAFTA trade agreement. All Members should read this article and then vote for NAFTA.

I insert the article in the RECORD at this point.

[From the Washington Times, Nov. 15, 1993]

CONSERVATIVES' MISGUIDED CASE AGAINST NAFTA

(By J. William Middendorf II)

Conservatives certainly have plenty of areas in which they disagree strongly with Bill Clinton and his administration. There is one issue, however, on which conservatives should cheer the president—the North American Free Trade Agreement. In pressing for NAFTA, Mr. Clinton is standing up to his natural liberal-labor constituency in order to achieve a major breakthrough in U.S. relations with Latin America and bring dramatic benefits to U.S. business. These efforts deserve wholehearted conservative support.

Yet I'm repeatedly astounded by opposition from some conservative quarters to NAFTA, even though the agreement achieves some of our cherished goals: free markets and unfettered trade. I'm especially disturbed because the implementation of NAFTA is directly related to our larger goals of opening markets in Japan, the rest of Asia, Europe—and ultimately in all nations under the umbrella of the General Agreement on Tariffs and Trade (GATT).

We conservatives must judge NAFTA on a number of key points:

U.S. sovereignty. Lately, I've heard my fellow conservatives bemoan NAFTA's 1,200 pages and its alleged creation of 50 new bureaucracies that will, to quote some, "rule our lives." This is simply not the case. The NAFTA text explicitly details the terms by which the three countries will eliminate trade barriers. Most of its 1,200 pages are transition rules, including detailed schedules for phasing out import duties. By the end of the transition period, these provisions will be inoperative and the agreement will be much simpler. The other major portion of the agreement deals with origin rules. These are designed to prevent non-NAFTA countries, principally in the Far East, from establishing export platforms and otherwise "freeloading" on benefits reserved for North Americans.

Nothing in NAFTA or its side agreements requires any country to observe anything other than its own laws. As economist Edward Hudgins writes in an analysis for House Republicans: "American citizens in U.S. territory are subject only to American-made laws. No local mayor will answer to an international body. No CEO of an American firm operating in the U.S. will be subject to laws or regulations that have not been approved and passed by the American people through their representatives." As a recent report by the Cato Institute concludes, "Charges that NAFTA poses an unprecedented threat to American sovereignty are specious and unsupported by the facts."

Codification of free-market principles. Mexico's courageous President Carlos Salinas de Gortari has taken important steps toward creating a free-market economy over the past five years, including a significant reduction in tariffs. The United States has benefited from this in the form of skyrocketing exports and the creation of hundreds of thousands of new U.S. jobs. It should be the goal of every conservative to make certain these free-market principles, which have been so advantageous to the United States, are codifed so future Mexican governments cannot reverse them.

There has been much talk that a NAFTA defeat could lead to the return of the Smoot-Hawley protectionist policies that deepened the Great Depression in the United States. However, there has been little consideration of the possibility this same phenomenon could also operate in Mexico, closing that market to U.S. goods. One could well imagine that Mexican frustration with the United States in the wake of a NAFTA defeat, combined with Mexican desire to strike compensating deals with Japan and Europe, could lead to selective duty increases on major U.S. exports and ultimately complete closure of the Mexican market. Retaliation by the United States would be inevitable, just as the Europeans retaliated in the early 1930s to the Smoot-Hawley tariffs.

My experience as ambassador to the Organization of American States also convinces me NAFTA can be a valuable "economic wedge," bringing free-market principles to the rest of the hemisphere. Since 1955, I have personally seen at least three cycles toward—and away from—free markets in Latin America. Import substitution and high tariff barriers where the failed economic model for Latin America in the post-war period. NAFTA will stop this ebb and flow in favor of free markets once and for all.

Competition from Europe and Japan. A failure to ratify NAFTA will surely encourage our Asian and European competitors to usurp the trade advantage we now have, not only with Mexico, but in the entire Latin market. Mexico, needing capital and technology will have no choice but to encourage this development.

No NAFTA, no opening of Japanese markets, no GATT. The day after the House is scheduled to vote, President Clinton will go to Seattle for trade talks with Asian leaders, some of our toughest competitors. Indeed, some of these countries, and not Mexico, are the real cause of U.S. trade deficits that have cost U.S. jobs. This fact has been lost in the NAFTA debate. A NAFTA defeat would run counter to our goal of maintaining American strength in trade negotiations and would render the president toothless in the face of the Asian Tigers just when he needs to be strongest to pry open their markets.

Furthermore, although the GATT negotiations have been largely completed, the hardest work is on the 15 percent that remains to be done. Final negotiations scheduled before Dec. 15 could complete seven years of complex bargaining and unleash a worldwide trading system that would boost the global economy by a staggering $270 billion. My dealings with the Europeans convince me that if U.S. Trade Representative Mickey Kantor arrives at these final talks following a NAFTA defeat, his ability to negotiate a good deal for the United States on the remaining items will be dead on arrival. In fact, if the final deal turns sour for us, there goes GATT, there goes $270 billion in new world trade.

Wouldn't it be ironic if some conservatives, through a serious misreading of NAFTA, were to set off a chain of events that led to our losing these historic opportunities for increased trade?

JUDGE WILLIAM J. BAUER; PILLAR OF THE LAW

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. HYDE. Mr. Speaker, all of us from Du Page County take pride in the success and recognition of that success of a native son—in this case that of Chief Judge William J. Bauer of the 7th Circuit U.S. Court of Appeals.

Steve Neal, the widely read political columnist of the Chicago Sun-Times had some appropriate commendatory remarks concerning Judge Bauer in the November 12 issue and I thought my colleagues would appreciate reading them:

[From the Chicago Sun-Times, Nov. 12, 1993]

JUDGE WILLIAM J. BAUER: PILLAR OF THE LAW

William J. Bauer has come a long way from Brookdale. Bauer, who was born on the South Side, grew up in Brookdale, which is between Woodlawn and South Shore. When he was 15, the Bauers moved to Elmhurst in Du Page County, where he graduated from Immaculate Conception High School.

An Army veteran of World War II, Bauer served in the Pacific, then attended Elmhurst College on the GI Bill. He also played on the college football team and graduated with honors. He studied law at DePaul and was admitted to the Illinois bar in 1951.

Bauer is being honored next Thursday, along with other former U.S. attorneys for the Northern District, by the Constitutional Rights Foundation. Bauer will accept the Bill of Rights in Action Award from former U.S. Attorney General Edward Levi in Preston Bradley Hall of the Chicago Cultural Center.

His achievements are considerable. In the last 41 years, he has served as an assistant state's attorney, first assistant state's attorney, Du Page County state's attorney, Circuit Court judge, U.S. attorney for the Northern District of Illinois, U.S. district judge and chief judge of the 7th U.S. Circuit Court of Appeals. Bauer, a judge with a keen sense of history, is a pillar of the law.

"I don't single out one area of the law as more important to enforce than any other. They are all important and will be equally enforced by my office," Bauer said when he took office in 1970 as U.S. attorney.

Setting a new standard for the U.S. attorney's office, Bauer took on organized crime, corporate polluters, corrupt public officials and suburban real-estate developers who were discriminating against blacks. He was the mentor for a new generation of prosecutors, including James R. Thompson, Sam Skinner, Anton Valukas, Dan K. Webb and Tyrone C. Fahner. Bauer set a standard for excellence.

As a judge, Bauer has a reputation for fairness, civility, and a concern for human rights and for moving carefully on constitutional issues. "The man who tinkers with the Constitution for his own philosophical reasons does the liberal cause no good," Bauer once said. "The Bill of Rights was designed to protect human rights. So a conservative interpretation results in a liberal stance. A conservative interpreter becomes a civil libertarian."

When the National Right to Work Committee sought to limit the political role of organized labor by promoting a lawsuit against the United Auto Workers, Judge Bauer dismissed the lawsuit as no business of the court. Bauer held that the unions have a right to spend funds for political and social purposes.

Earlier this week, Bauer and Chief Judge Richard Posner voted to dissolve district Judge Charles Kocoras' waiver of the state law forbidding the Chicago public schools to operate without a balanced budget. Bauer doesn't believe in using the court as a replacement for the Legislature.

"The dispute between the School Board and the finance authority is entirely a matter of state and local law and politics," the opinion stated. "There is no federal issue."

Bauer is a straight shooter and a jurist of principle. He has spent a lifetime seeking to foster justice and protect our country's freedoms.

(Steve Neal is the Chicago Sun-Times political columnist.)

A TRIBUTE TO DR. ROBERT PERCY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. LEWIS of California. Mr. Speaker, it is with a great deal of pride and no small amount of emotion that I bring to your attention the fine work and outstanding public service of my best friend, Dr. Robert W. Percy. Dr. Bob is retiring from a successful 31-year dental practice. It is my privilege to join his family and many friends to honor him on this occasion.

Robert Wayne Percy was born on August 31, 1933, in San Bernardino, CA. He and I have often shared the thought that if it were not for great parents and the grace of God, we might have gone down a different pathway in life. Bob graduated from Colton Union High School and then served a stint in the Army Medical Corps. Following San Bernardino Valley College, he spent a brief but glorious year at UCLA. The University of Southern California rose to almost unimaginable heights when it attracted this talented young man where he received his doctor of dental surgery degree in 1961.

Bob has always had it in the hands as it were. This was first demonstrated when he became the sensational drummer of the Howard Roberts band and again on the football field for Colton High. If but for a knee injury, his beloved Trojans might have never lost a game—even to the mighty Bruins.

When I first met Bob, he was demonstrating dexterity one more time with a paint brush in hand helping decorate his first dental office on D Street in San Bernardino. We went to lunch to talk a little life insurance and the world has never been the same since.

Dr. Bob Percy has always advocated the highest possible quality dental care and has expected the highest standards of himself and his colleagues. As a pioneer in his profession, he established one of the first group dental practices in 1966. As the leader of the Wildwood Dental Group, Bob oversaw the fantastic growth of that practice while designing and developing a teaching plan for dental practices in a group setting. His expertise in this field led to teaching postgraduate courses on the conception, birthing, and nurturing of a dental group practice.

Over the years, Bob has been actively involved in a number of civic and community based organizations including the Uptown Kiwanis, board of directors of the Junior Chamber of Commerce, and drives for the YMCA, Visiting Nurses Association, and Goodwill Industries. Bob Percy has served on the San Bernardino School Board, the California State Board of Public Health, the California State Health Advisory Council and serves on the California State University at San Bernardino President's Advisory Board.

To say the least, Bob has also been involved in numerous professional groups including the American Academy of Group Practices, the American Academy of General Dentistry, the Western Academy of Dental Group Practice, and the American Society for Preventive Dentistry. He has also served as a member of the American Dental Association, the California Dental Association, and the Dental Advisory Board for Blue Cross of California.

A moment we will always remember—November 22, 1963—with tears running down our cheeks, we sat in the D Street office sharing the shock and tragedy of the assassination of President John Kennedy. It was then that Bob and I made a commitment to public service that in many ways has changed our lives. During endless sessions over hamburgers and hops at the Curve Inn or the Clover Club, Bob has been a most trusted adviser. Committed to public affairs that help people, his voice has always been heard on behalf of those we have the privilege to serve.

Mr. Speaker, I ask that you and my colleagues join me along with Bob's parents, Charlie "Red" and Alma Percy, his wife—the ever-wonderful Jan, along with their children Keith "Jerry," Ken, Cathie, and Chuck and their three grandchildren in recognizing the vast and diverse contributions of this wonderful guy. As a personal friend, there is no equal. Bob's professionalism and dedication to our community is admired and appreciated by people throughout California. It is indeed fitting that the House pay tribute to Dr. Robert W. Percy on this great day.

TIME FOR A THOROUGH INVESTIGATION OF IRAQGATE

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. NADLER. Mr. Speaker, I rise today to bring to my colleagues' attention recent revelations in a series of scandals known generally as Iraqgate. In the last week, in testimony before the House Banking and Urban Affairs Committee, in the pages of the New York Times and in a recently published book, "The Secret History of How the White House Illegally Armed Iraq," by Alan Friedman, a series of disturbing revelations have pointed to involvement by officials at the highest levels of the Reagan and Bush administrations in Iraqgate.

In particular, Mr. Friedman, who has reported on these events in the London Financial Times since 1989, provides details and

documents which appear to support his account of misrepresentations by top officials of the Reagan administration to Congress concerning the transfer of arms, militarily useful equipment and by the Bush administration concerning the transfer of high technology, as well as materials helpful in the Iraqi nuclear weapons program. There is also evidence which appears to support the allegation that the Central Intelligence Agency misled Congress about the extent of its knowledge of secret loans from the Atlanta branch of Banca Nazionale del Lavoro [BNL] to Baghdad that helped to finance Saddam Hussein's Scud missile, nuclear and chemical weapons programs.

Finally, Mr. Friedman's book reports and documents the alleged personal involvement of former President George Bush and former National Security Advisor Brent Scowcroft in White House attempts to launch a coordinated effort to withhold from Congress documents relating to the Bush administration's relations with Iraq before Operation Desert Storm.

I believe that the following article by Mr. Friedman, which appeared in the New York Times on November 7, provides details which are both startling and which make a strong case for a stepped up effort by the Justice Department to get to the bottom of Iraqgate.

[From the New York Times, Nov. 7, 1993]

THE PRESIDENT WAS VERY, VERY MAD

(By Alan Friedman)

The full truth has not yet been told about how the White House illegally armed Iraq during the Reagan Administration and then engaged in a wide-ranging cover-up that personally involved President George Bush and his national security adviser, Brent Scowcroft.

Getting that truth out may seem politically awkward for the Clinton Administration at a time when it needs to work with Republicans on issues like health care reform and free trade. But information about to be made public should prove that a serious investigation—by the Justice Department or, preferably, a special prosecutor—is urgently needed.

Until now the scandal known as Iraqgate has revolved mainly around the court case of a lowly bank manager in Atlanta who provided $5 billion in loans to Iraq that fueled Saddam Hussein's nuclear and chemical weapons projects. That manager, Christopher Drogoul of the Atlanta branch of the Banco Nazionale del Lavoro of Italy, has spent the last year and a half without bail in a Federal penitentiary in Atlanta; he is scheduled to appear for the first time on Tuesday before the House Banking Committee, where he is likely to testify that his superiors in Rome and U.S. officials knew what he was doing. Yet there was far more to America's dangerous embrace of Mr. Hussein than the Lavoro loans.

I have been investigating the flow of arms to Iraq since 1989, when I was first told of C.I.A. involvement in the Lavoro money machine by a senior executive at the bank's Rome headquarters. Now, after four years of investigation, hundreds of interviews and the accumulation of thousands of pages of Government and banking documents from the U.S., Italy and Britain, it is clear that a far more serious abuse of power, including violations of law, occurred at the White House. Here are some of my findings:

Off-the-books arms transfers to Iraq were kept from Congress from 1982 to 1987, in violation of the law.

President Ronald Reagan personally asked the Italian Prime Minister in 1985 to help arm Iraq.

The C.I.A. knew of and was involved in the flow of money through the Lavoro bank to Iraqi arms procurers, despite its statutory obligation to notify U.S. law-enforcement agencies of such activities.

Despite the Bush Administration's flat denials, James Baker's State Department approved of U.S. exports that helped Iraqi efforts to develop nuclear weapons.

Former White House officials say, and notes of their meetings confirm, that in 1991 Mr. Bush and Mr. Scowcroft joined in a prolonged and unusually aggressive effort to withhold documents from Congress.

It is already known that during the long war between Iran and Iraq in the 1980's Washington tilted toward Mr. Hussein to staunch Iran's Islamic fundamentalism. But the American people, while suspecting that "we armed Iraq," have never known the breadth and depth of the illicit manner in which the Reagan and Bush Administrations helped create Saddam Hussein's war machine and bring on the trauma of the 1991 Persian Gulf war.

What has never been made public is that officials at the Reagan White House, working with the C.I.A. Director, William Casey, broke the law requiring that Congressional intelligence committees be notified of clandestine operations. They did this by directing the transfer of U.S. arms to Iraq in operations that were carried out by covert agents outside the Government, thus also evading arms-export control legislation.

Howard Teicher, a former member of the National Security Council staff, told me he learned of this "dirty policy" while serving at the Reagan White House. He recalled that officials would pick up the phone and "clear" the deployment of planeloads of ammunition, spare parts, electronics and computers to Iraq.

Although the law required not only the notification of Congress but also an explicit Presidential finding that such a covert operation was in the interest of national security, Mr. Teicher said it was all done "off the books"—and with great regularity. "Yes, they were illegal," he said of the transfers. The public may have thought that the Iran-contra affair was something unique, he went on, but "it wasn't; it was just the one that went public."

Among those who knew about the operations, Mr. Teicher said, were William Clark, Mr. Reagan's second national security adviser, and Mr. Bush, then Vice President. Mr. Clark told me he had "no recollection" of any involvement; Mr. Bush declined to speak with me for the book.

So convinced were White House officials that they knew what was best, regardless of the law, that some clandestine shipments were even sent to Iraq straight from NATO weapons stockpiles, including the U.S. base at the Rhein-Main airport in Frankfurt.

The Reagan and Bush Administrations did not work alone as they sought to build up Iraq's military in the 1980's. The British played their part, with the knowledge of 10 Downing Street. So did the Italians. Last spring I spoke with Giulio Andreotti, the former Italian Prime Minister. He confirmed in a taped interview what two other eyewitness participants had told me about a March 1985 Oval Office meeting between Mr. Andreotti (then Foreign Minister), Bettino Craxi (then Prime Minister) and Mr. Reagan. I asked Mr. Andreotti if Mr. Reagan had sought help from Rome in arming Iraq. "Yes," he replied, "that is true."

The Italian Government then approved the sale of land mines that went by a circuitous route to Iraq, with help from the Lavoro bank's Singapore branch. But it was the Atlanta branch that really opened the financial floodgates after 1985. The supposedly secret Atlanta loans, which the Bush Administration claimed were masterminded by the branch manager, Mr. Drogoul, not only helped Iraq in its efforts to make missiles that could carry nuclear weapons; it even helped enhance Scud missiles.

A U.S. intelligence officer involved in monitoring the arms trade told me: "B.N.L.'s work with the Iraqis was known about for a long time. The C.I.A. knew about it, and so did the Defense Intelligence Agency."

Then there is the Jordanian connection. King Hussein, I learned through interviews with U.S. intelligence officers and former diplomats, served as a channel for covert U.S. arms transfers to Iraq. And his friend Wafai Dajani was a key Jordanian middleman among Baghdad, the Lavoro bank in Atlanta and the U.S. Government Mr. Dajani denies having worked for the C.I.A., but Mr. Teicher said Mr. Dajani performed services for the C.I.A. He ended up as an unindicted co-conspirator in the Lavoro case after aides to Mr. Baker told the Justice Department in February 1991 that indicting him could damage U.S. relations with Jordan.

As for Mr. Drogul, who recently agreed to a plea bargain in the Lavoro case, he should be asked in Congress about a dinner with U.S. and Iraqi officials at a restaurant in Washington just before the 1988 Presidential election. There, he told me in a prison interview, he heard U.S. officials urge the Iraqis to sign up for more U.S.-backed loans because if Micheal Dukakis were to defeat George Bush, "the Democrats will cut you off."

After Mr. Bush took office, he turned the previous tilt to Baghdad into a bear hug, approving a secret National Security Directive (N.S.D. 26) in October 1989 that stepped up military and financial aid to Saddam Hussein even though the Iran-Iraq war had ended more than a year before. Mr. Baker nonetheless rushed to implement the secret policy by brushing aside repeated warnings that Mr. Hussein was using U.S. loan guarantees in violation of the law.

Documents show that the Secretary of State not only pushed through a further $1 billion in credits and kowtowed to Mr. Hussein in the process; his State Department also approved exporting U.S. equipment and technology to Iraq even though it was clearly suggested in a November 1989 memo that the goods were likely to go into Mr. Hussein's nuclear weapons project. (The State Department wished away this obvious danger by recommending that each export license carry the words "no nuclear use"—as if the U.S. could control what was done with the equipment.)

In early 1990—just 11 months before the United States went to war with Iraq, partly for the stated purpose of stopping Saddam Hussein from building atom bombs—a Baker aide drafted a letter to the Commerce Department to suggest that such concerns were not all that serious. The letter, prepared for Under Secretary Robert Kimmitt, cited "explicit Presidential authority" to improve trade with Iraq. And it said the Government's scrutiny of exports that could bolster Baghdad's nuclear ambitions "needs to be balanced by other considerations, including our duty to support U.S. exporters who can right our trade imbalance with Iraq and the broader needs of the overall relationship."

One wonders how the American people would have felt during Operation Desert Storm if they had known about that attitude then.

After the war, Congressional investigators started looking into allegations of improprieties in pre-war dealings with Baghdad. The Bush Administration first tried to hang it all on Mr. Drogoul in Atlanta, and then aides to the President tried to thwart Congress. Starting on April 8, 1991, Mr. Scowcroft's legal adviser, Nicholas Rostow, joined the White House counsel, Boyden Gray, and lawyers from the C.I.A., the State and Commerce Departments and other agencies in a series of meetings that devised ways to withhold Iraq-related documents from Congress for many months.

The mechanisms they decided upon marked one of the most robust assertions of White House prerogatives since the days of Richard Nixon. Even the language used by participants was reminiscent: a State Department official who attended the sessions recalled a "bunker mentality." A White House aide who took part in the meetings said there was a high level of discomfort about the process. "People already suggesting a cover-up," he said. "Everybody was nervous."

Mr. Gray suggested bringing in Cabinet officials "to see the President" to discuss specific requests for documents from Congress. He told me that he didn't consider the process a cover-up and that he could remember Mr. Bush's becoming "involved personally" in only one decision. But three other participants at the spring 1991 meetings said the President and Mr. Scowcroft had been the driving forces behind the efforts to stop Congress from getting the documents. Handwritten notes from the meetings bear this out. "Protect," read one of the minutes. "Pres has decided to." Those lines were then crossed out and replaced with the notation "B.S. has decided to review EP": Brent Scowcroft has decided to review executive privilege. Other notes describe conversations between Mr. Scowcroft and Mr. Bush about specific documents that were being withheld. They report that the President was "very, very mad."

Last year, when a Federal judge in Atlanta and the House Judiciary Committee demanded an investigation of the suspected abuse of tax-financed programs and U.S. export laws, and of attempts by the Bush administration to obstruct justice and Congress, they were given the cold shoulder. As candidates, Bill Clinton pledged to get to the bottom of Iraqgate and Al Gore termed the whole business "worse than Watergate." This year Attorney General Janet Reno promised to look beyond the Lavoro case to determine if other wrongdoing occurred. Indeed, the first indictments of U.S. companies that helped to arm Iraq are said to be in the pipeline already.

There is a tendency to shrug off Government malfeasance on the ground that we are so inured to such behavior that it almost doesn't matter. Yet the story of Iraqgate goes well beyond policy blunders; it is a story of flagrant disregard for the law at the highest levels of Government. No matter how awkward it may be, the Clinton administration needs to live up to its promises and broaden its investigation. The rule of law is not an expendable principle.

Clearly, any one of these allegations would be cause enough for the Justice Department to step up its investigation of these matters. The breadth and seriousness of these recent revelations, and the apparent extent to which they have been documented, make it imperative that a complete and thorough investigation be conducted, and that appropriate actions be taken by the Department based on its investigation consistent with applicable laws and procedures.

I would also point out that we have lately been hearing a great deal of overheated rhetoric from the other side of the aisle about the need for full disclosure and aggressive independent investigations whenever even a suggestion of wrongdoing is raised about a Member of the House. I hope that now those same colleagues will recognize that the need for independent investigation and openness in government must apply to the executive branch too. I urge my colleagues to join me in working for a swift reauthorization of the independent counsel law early in the next session.

Mr. Speaker, the American people have a right to expect their government to be open and honest. Last year they demanded change: An end to the lies, the secret arms deals, the obstructed investigations, the secret foreign policies. The time has come to air the facts, to let in the light and to let the chips fall where they may, regardless of who might be implicated. That is why I have urged Attorney General Reno to step up her investigation into Iraqgate and why I believe we must reauthorize the independent counsel law.

HONORING THE YONKERS CHAMBER OF COMMERCE

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ENGEL. Mr. Speaker, I rise today to acknowledge the 100th anniversary of the Yonkers Chamber of Commerce.

As the fourth largest city in New York State, Yonkers is the home of several important companies, as well as many equally vital small businesses. The Yonkers Chamber of Commerce serves as a focal point where all the business interests of Yonkers meet. Members share information on emerging trends and pool their resources to address the concerns of the community.

As our local and national economies continue to grapple with a changing world, the role played by our Chamber of Commerce organizations continues to be important. Anytime business leaders and community interests come together, the resulting action is bound to reflect the true needs of the people.

In Yonkers, the Chamber of Commerce has been an active part of the community for a century and, I am sure, it will continue to work for the best interests of the city for many years to come. On behalf of my constituents, I congratulate the current president, Robert Galterio, and all the Yonkers Chamber of Commerce leaders and member businesses who have contributed to the success of the organization over the past 100 years.

THE TRIBAL SELF-GOVERNANCE ACT OF 1993

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. RICHARDSON. Mr. Speaker, today I am introducing the Tribal Self-Governance Act of 1993.

In 1988, the Congress considered, as part of the amendments to Public Law 93–638, the Indian Self-Determination Act, the self-governance demonstration project. The tribal self-governance project was authorized by the Congress under title III of Public Law 100–472. The self-governance project allows participating Indian tribes to enter into an annual funding agreement with the Secretary of the Interior. These agreements allow the Indian tribes to plan, consolidate, and administer programs, services, and functions currently administered by the Bureau of Indian Affairs. It also allows tribes to redesign programs, functions, and services. The self-governance project provides Indian tribes with the flexibility to develop programs and establish funding priorities to meet their specific needs.

Indian tribes in the self-governance project are allocated funds pursuant to the annual agreements on the basis of what the Indian tribes would have received from the Bureau of Indian Affairs in funds and services. These funds are allocated out of agency area, and central office accounts of the Bureau of Indian Affairs. In negotiating self-governance compacts, Indian tribes are eligible to receive funds for programs, services, functions, and other activities as well as any direct program costs or indirect program costs incurred by the Secretary in delivering services to the tribe and its members. Specifically, exempted from the self-governance project are funds from the Tribally Controlled Community College Assistance Act, the Indian School Equalization formula and the Flathead Irrigation Project.

In 1991, the Congress amended the demonstration project so that 10 additional Indian tribes could participate and the project was expanded to include the programs of the Indian Health Service.

The legislation I am introducing today makes the self-governance project a permanent part of Federal Indian policy. Our Subcommittee has heard from Indian tribes across the country that the self-governance projection in the Department of the Interior is a tremendous success. We should now take the model at Interior and make it permanent. In future years, we will expand self-governance to other departments of the Federal Government.

The participating tribes have told our Committee that the self-governance compacts provide true self-determination and allows the tribes to prioritize spending as they see fit. Indian tribes, not the BIA, are the best equipped to determine the spending priorities and the needs of the tribes. Under the self-governance concept, the BIA maintains its trust responsibility to tribes, but the tribes carry out BIA responsibilities. Of course, the Department of the Interior must continue to monitor these projects carefully. However, the Demonstration Project has shown the great capacity participating tribes have for self-governance and

they have acted responsibly in prioritizing their own spending.

This bill is the product of 200 years of failed Federal Indian policies, 18 years of capacity building under the Indian Self-Determination Act and 5 years of experimental under the self-governance demonstration project.

The Self-Governance Act was a proposal developed in Indian country by Indian tribes themselves. It is the right direction at the right time. This bill is nothing less than the future of Indian affairs.

I urge my colleagues to support it.

ANNOUNCING HIS SUPPORT OF LEGISLATION TO IMPLEMENT THE NORTH AMERICAN FREE-TRADE AGREEMENT

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BATEMAN. Mr. Speaker, on Wednesday, the House is scheduled to debate and vote on legislation to implement the North American Free-Trade Agreement [NAFTA]. I understand the importance of good information and thoughtful analysis as the basis for responsible decisionmaking and sound public policy. Accordingly, I have spent countless hours over the past several months trying to carefully and intelligently consider the facts and arguments in this extremely important and emotional debate over NAFTA.

During my efforts to learn more about this complex trade agreement, I have talked with a number of my constituents to hear their opinions and thoughts on NAFTA. I have reviewed the hundreds of letters, telephone messages, and materials sent to my offices by constituents and others explaining why they either support or oppose NAFTA. I have attended administration briefings and congressional hearings to garner more knowledge about the accord. I have traveled to Mexico City and the United States-Mexico border region to see for myself the likely economic, political, social, and environmental impacts of this agreement. And I have met personally with Ross Perot in my Washington office and his supporters in the First District to listen to their concerns about the trade pact.

Needless to say, this effort has been time consuming. But it has been time well spent, for I felt it was important to take advantage of as many opportunities as possible to discuss this matter fully. In making my decision, I have taken into account the consequences of not agreeing to NAFTA. I believe they are significant and adverse. I also have put what I believe is best for the United States and my district ahead of any special interests or partisan advantage.

Based upon what I perceive as the bill's merits, I have concluded that NAFTA will serve our Nation's and the First District's best interests by reducing barriers to trade, opening growing markets to U.S. exports, creating new jobs for American workers, fostering an environment conducive to sustainable economic growth and development, and enhancing our Nation's ability to compete in the global economy. For these reasons, I will vote for the legislation necessary to implement NAFTA.

WHAT IS NAFTA?

From the perspective of the United States, NAFTA is at bottom, as its name suggests, an agreement that primarily reduces tariffs and opens Mexican and Canadian markets to American exports. The reason that Mexico has received so much attention and scrutiny in this debate is because the United States and Canada already entered into a free-trade agreement in 1989 to reduce existing tariffs.

A tariff is a tax on U.S. goods—a tax collected by foreign governments at their borders, artificially raising the price of U.S. exports. Reducing these tariffs and other barriers to trade is a significant benefit for the United States because Mexico's taxes on American goods average 10 percent, or about 2½ times as high on average as those imposed by the United States on Mexican products.

Economic growth in the United States is increasingly driven by exports, accounting for approximately 70 percent of the growth in our Nation's economy since 1989. By leveling the playing field between two of the United States' most important trading partners, NAFTA will turn the $6.5 trillion North American economy into the world's largest trading block with nearly 360 million consumers. Under the terms of the agreement, scheduled to begin on January 1, 1994, half of all United States goods sent to Mexico will be immediately eligible for export without Mexican tariffs. Within the first 5 years of NAFTA, two-thirds of United States industrial exports will enter Mexico duty free. When NAFTA is fully implemented in 15 years, no United States exports will be competitively disadvantaged by Mexican border taxes.

BENEFITS FOR VIRGINIA

Canada and Mexico are important export markets for Virginia. Canada is Virginia's largest export market. Virginia's exports to Canada and Mexico were worth $1.1 billion in 1992, 76 percent greater than the 1987 level of $623 million. These exports of manufactured goods to Canada and Mexico support an estimated 21,185 jobs in Virginia, according to the United States Department of Commerce. Approximately 8,680 of these have been created since 1987 by growth in Virginia's manufactured exports to Canada and Mexico.

Virginia's exports to Mexico are growing rapidly. Between 1987 and 1992, Virginia's exports to Mexico grew 286 percent, 226 percent faster than export growth to the rest of the world. Moreover, in 1992 Mexico ranked 18th among Virginia's 199 export markets, up from 27th place in 1987. This increase in trade with Mexico has been diverse and has strongly benefited important Virginia industries. In fact, most sectors have seen dramatic increases in exports to Mexico, and 19 sectors have seen their exports to Mexico more than double since 1987. For example: paper products up nearly 5,300 percent to $6.1 million; transportation equipment up almost 2,500 percent to $41.7 million; food products up over 1,110 percent to $13.9 million; textiles up over 770 percent to $2.8 million; and industrial machinery and computers, up nearly 350 percent to $28.7 million. Further reductions in Mexican trade barriers under NAFTA will benefit Virginia's businesses, workers, and economy.

International trade through U.S. ports creates a tremendous positive economic impact at the local, regional, and national levels. According to recent figures from the U.S. Department of Transportation, in 1991 commercial port activities resulting from cargo operations created 1.5 million jobs, contributed $70 billion to the gross national product, provided personal income of $52 billion and generated Federal revenues of $14 billion and $5.3 billion in State and local taxes. This is why the American Association of Port Authorities strongly supports NAFTA.

Of particular importance to those in the Hampton Roads area, NAFTA immediately eliminates the 10 percent tariff on United States coal that is sold to Mexico. This tariff removal, coupled with the plans of the state-owned electric utility to increase its capacity, means a potential market of 21 million metric tons of steam coal. Removing this trade barrier will also help Virginia's metallurgical coal become more competitive. Last year, 53 million tons of coal were exported from Hampton Roads, with 60 percent of that being metallurgical. This is good news for the workers at the Port of Hampton Roads, as it is the largest coal-shipping port in the United States.

Throughout Virginia's first district, businesses and their workers will benefit from the immediate elimination or phase-out of Mexican trade barriers. With NAFTA, for example:

Discriminatory tariffs against fish oil will be eliminated. This will be good news for a fish processing plant and its workers on the Northern Neck;

Licensing restrictions will be phased-out over 10 years, enabling 95,000 tons of poultry to enter Mexico duty free. This will be good news for the poultry industry and its workers on the Eastern Shore;

Restrictive automotive regulations, including Mexican content requirements, export requirements and high tariffs will be steadily eliminated. This will be good news for the U.S. automobile industry and its workers at the General Motors parts plant in Spotsylvania County; and

Intellectual property rights for protecting U.S. copyrights, patents and other inventions will be strengthened. This will be good news for an automated manufacturing technology company in Newport News.

The defeat of NAFTA would seriously jeopardize all that Virginia and its workers stand to gain from the removal of Mexico's high tariffs and other barriers to trade.

JOBS

I understand that many of my constituents—and workers across America—are anxious and unsure about their jobs and their families' economic future. In the context of dramatic changes and general economic uncertainty prevalent today, fears about losing jobs are understandable. However, the United States did not become the world's wealthiest and most prosperous nation by closing itself off from the world; it did so by opening its markets to goods and products from abroad while persuading others to follow. The result was the certain on jobs and the boosting of the standard of living for the American people as well as for those around the world.

Opponents of NAFTA have centered their arguments on the assertion that, with NAFTA,

United States jobs will be lost because American companies will have a greater incentive to move their manufacturing plants to Mexico to take advantage of lower wages. If I thought this would be the most likely outcome, I would not, indeed could not, support NAFTA. But I am not convinced that NAFTA will result in the loss of more jobs than will be created. I think the reverse is more likely.

Any United States company that believes it will benefit by hiring cheaper labor in Mexico can go there now; nothing is stopping them. In fact, because of Mexico's high tariffs, the status quo actually encourages United States companies to locate in Mexico if they want to avoid the 10 percent border tax and boost their ability to sell in the Mexican market. If NAFTA is defeated, the status quo will continue. Mexico's current domestic content requirements would remain in effect—and perhaps increase—forcing United States businesses to increase their activities in Mexico if they wish to remain competitive in that market.

If NAFTA is approved, however, it will create a level playing field by uniformly phasing out barriers to free and fair trade that Mexico now imposes on United States goods. There will be less—not more—of an incentive for American businesses to move their plants and jobs to Mexico. With NAFTA, United States companies will be able to stay in the United States while enjoying unfettered access to 88 million consumers in Mexico who already spend more per capita on American goods than do Europeans. This in spite of the existing 10 percent Mexican tax on our goods and products.

While I have listened carefully to the arguments about the specter of cheap Mexican labor taking jobs away from decent, hard-working Americans, it is important to remember that the cost of labor—or wages—are not the only thing that determines where a business chooses to locate a plant. Low wage rates do not automatically equate with increased productivity, job skills, quality, or innovative talent. Nor can it compensate for lack of infrastructure or access to raw materials. If wages were the only factor of paramount concern to businesses in siting a manufacturing plant, impoverished nations like Bangladesh and Haiti would be magnets drawing away United States jobs.

It is true that the average Mexican worker is paid about eight times less than his American counterpart. It is a legitimate question to ask how America can expect its jobs to survive. I believe the answer lies in the reason for their survival thus far: American workers are more than eight times as productive. U.S. workers remain the most productive in the world because they're smart, they're imbued with a strong work ethic, and they've got superior technology with which to work. They are worth the higher wages because they can do the same job more quickly and make better quality products than other workers.

Besides considering wage rates and worker productivity, businesses also take into consideration other factors in deciding whether or not to relocate to Mexico. For example, the cost of shutting down a plant, idling equipment, and laying off workers is enormous. It is increased further by the expense of locating a site in Mexico, building new facilities, setting up equipment and training a new work force. It would take years for other workers to become as productive as U.S. workers. Relocating to Mexico just doesn't make sense for most manufacturers. NAFTA even offers an incentive for some United States plants in Mexico to close and manufacture their products here in the United States.

Virtually every credible economic study shows that NAFTA will be a net creator of U.S. jobs. The administration and others project that NAFTA will create as many as 200,000 export-related jobs by 1995. They will be the sort of high-wage, high-skill jobs this country needs to create and maintain. The beneficiaries of NAFTA will not just be huge corporations as some have argued. As I have said earlier, they do not need NAFTA to close up shop here and move jobs south to Mexico or other low wage countries.

The true beneficiaries under NAFTA will be the thousands of small companies and entrepreneurs who could not previously afford to sell their products in Mexico because they did not have unfettered access to that growing market. These small businesses, which fire our Nation's economic engines and have created most of the increases in the U.S. jobs since the early 1980's, will be better situated with NAFTA to focus their entrepreneurial talents on expanding their businesses and creating even more jobs for Americans.

Those who oppose NAFTA may well ask: suppose you are wrong? To them I would point out that if the United States does not like the results, we can get out of NAFTA by just giving 6 months written notice to Mexico or Canada. But if we reject NAFTA and are wrong in doing so, the damage would be done and the harm could not be remedied for many years.

U.S. SOVEREIGNTY

Like all significant trade agreements, NAFTA includes a dispute resolution mechanism to determine if a member government has violated the agreement. Some NAFTA opponents have ignored the facts regarding NAFTA's dispute resolution process and regularly claim that NAFTA involves an unprecedented surrender of U.S. national sovereignty. Such charges are without foundation.

Under NAFTA and the supplemental agreements, the United States retains all sovereign rights to take actions it considers necessary and appropriate to protect the health and welfare of its citizens. Federal, State and local authorities in the United States will maintain sole responsibility for the enforcement of U.S. environmental and labor laws. The Federal Government and the States will maintain the right to establish their own environmental and labor policies and priorities and, as deemed appropriate by each, to adopt or modify laws and regulations in these areas. Article 904, paragraphs 2 of NAFTA expressly states:

> Notwithstanding any other provision of this Chapter [9], each Party may, in pursuing its legitimate objectives of safety, of the protection of human, animal or plant life or health, the environment or consumers, establish the levels of protection that it considers appropriate.

Under NAFTA, Mexico and Canada will not be able to reduce the authority of Americans over their own affairs. I agree with the analysis of former appellate court justice and constitutional scholar Judge Robert Bork, who concluded that the United States does not give up its sovereignty under NAFTA.

ILLEGAL IMMIGRATION

One of the most troubling issues in our relations with Mexico is the tide of illegal immigration that has crossed our 2,000-mile border. I agree with those who believe that NAFTA will elevate the Mexican economy as it will our own. Expansion of their economy will create opportunities for individual Mexicans and their country as a whole. With this growth, there will be fewer Mexicans so desperate for a way to support their families that the incidents of Mexican immigration to the United States will be less—not greater—under NAFTA. My concern over the high numbers of illegal immigrants, which are adding to the costs of our Nation's social services, is an important reason for my support of NAFTA.

MEXICO

NAFTA's opponents like to talk about Mexico as a poor, impoverished country, inhabited by people who cannot afford American goods. This is simply not true. Mexico is the world's twelfth largest economy in the world and will soon become one of the world's top ten markets. It is already America's third largest trading partner.

After Mexico unilaterally began to reduce its trade barriers and open its markets in 1986, exports from the United States to Mexico more than tripled—from $12.4 billion in 1986 to $40.6 billion in 1992. In Virginia alone, merchandise export almost quadrupled in this time period from $41 million to $158 million. Moreover, our Nation's $5.7 billion trade deficit with Mexico in 1987 has been transformed into a $5.4 billion surplus in 1992. Today, more than 700,000 U.S. jobs are supported by exports to Mexico.

Although its economy is little more than one-twentieth the size of the United States, Mexican consumers definitely like—and buy—United States products. They spend 15 cents of every dollar earned on U.S. goods, with the average person buying $450 of U.S. goods and services each year. This compares to $299 for the average European who earns twice as much, and $385 for the average Japanese who earns five times as much. We sent a record $40.6 billion in exports to Mexico last year. Purchases will only increase as the trade barriers are removed and the economic stimulus of free trade creates a wealthier consumer market in Mexico.

AMERICA'S RELATIONSHIP WITH MEXICO, LATIN AMERICA AND THE WORLD

President Salinas of Mexico and his administration have made a bold and historic decision in agreeing to NAFTA and entering into a partnership with the United States. They have reversed the traditional anti-United States gringo bashing stance of the Mexican Government for the past many decades. Mexico has staked its future on free and open markets. Since 1988, these changes have brought significant increases in Mexican workers' earnings, enabled Mexico to pay off 25 percent of its foreign debt and led to a dramatic decrease in the level of inflation.

If the United States Congress rejects NAFTA, it will be an affront to Mexico that will cast a dark cloud over our relations with it and

all of our neighbors in Latin America for decades. NAFTA is a historic opportunity that should not be squandered. The future of our Nation's foreign relations with Latin America—far more important than many Americans realize—will suffer greatly if NAFTA is not approved. NAFTA firmly places the United States on the side of market reforms, regional cooperation, broad-based economic development, democracy, and the principle of trade not aid.

Rejection of NAFTA will adversely affect upcoming trade talks with the nations of the Pacific rim which are being held the week of November 15 in Seattle, WA. Even more potentially damaging to United States interests would be the impact, if NAFTA is defeated, on the success of the ongoing Uruguay round of world trade talks which must be concluded by December 15, 1993.

It would be profoundly unwise to undermine our credibility and commitment to free, open, and fair trade on a level playing field by rejecting NAFTA. Such an action would send a clear message that Americans are retreating from their position of international leadership and advocacy for free and open competition without artificial barriers to trade. My vision of America convinces me that it would be a tragic mistake to reject NAFTA and send a message that we have lost faith in ourselves and our ability to compete successfully in global markets.

CONCLUSION

America's greatest growth has always occurred when trade with other nations was actively encouraged by strong U.S. leadership. For 50 years, American leaders have supported the systemic expansion of global free trade. Within this framework, the United States has prospered enormously. However, the opposite occurred when Congress enacted the Smoot-Hawley Tariff Act of 1930, short-sighted, protectionist legislation that raised barriers to trade. Although well intentioned, this act of isolationism served to close off the U.S. market, caused a worldwide trade war and consequently deepened the Great Depression. We must not let this sad chapter of our Nation's history repeat itself.

With NAFTA, we not only have the opportunity to create and maintain good jobs for America, but we also place ourselves in a better position to strengthen our international leadership in the Western Hemisphere and around the world. In the final analysis, I believe NAFTA is a positive step forward that will enable us to better compete and win in today's global economy.

There are, I am told by opponents of the accord, negative political consequences in supporting NAFTA. My intense study of this issue persuades me that supporting NAFTA is in the best interest of America and of Virginia's First District. I have always believed that why I was elected was much more important than whether I was elected. In this spirit, confident that it is the right thing to do, I will vote on Wednesday for NAFTA.

CELEBRATING THE 20TH ANNIVERSARY OF NWPC-MARIN

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Ms. WOOLSEY. Mr. Speaker, I rise today to pay a special tribute to a group of women in my district who have done wonderful work for the past two decades. This month, the National Women's Political Caucus of Marin is celebrating 20 years of commitment to increasing women's participation in the political process, both as voters and as candidates.

The National Women's Political Caucus [NWPC] is the only multipartisan, grassroots organization focused on ensuring that women have fair representation in public and appointed offices throughout our Nation. They made significant contributions to the success of the "1992 Year of the Woman," and are working toward making the 1990's the "Decade of the Woman."

In pursuit of its goals, NWPC Marin is dedicated to attaining equality for women, ensuring reproductive freedom, and eradicating discrimination on the basis of gender, race, religion, age, sexual orientation, disability, or poverty.

Since their founding in 1973, NWPC Marin has enjoyed success at all political levels and is proud to have a founding member and a past president in the U.S. Senate, my colleague Senator BARBARA BOXER. They also have Members in the House of Representatives, the California State Assembly, and the Marin County Board of Supervisors. Many of their members have been elected to city councils and school boards as well.

Many warm congratulations to NWPC Marin for its outstanding work in the field of women and politics. I wish them many more years of success.

PEROT IS WRONG ABOUT MEXICO AND NAFTA

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. DE LA GARZA. Mr. Speaker, as the House of Representatives prepares to vote on the North American Free-Trade Agreement [NAFTA] this week, I want to call to my colleagues' attention an editorial that appeared in the November 13, 1993 edition of the Valley Morning Star, published in Harlingen, TX, one of my south Texas district's leading newspapers.

Like my fellow residents who live along the United States-Mexico border, I have been appalled and ashamed of recent characterizations of Mexico. I sincerely hope none of my colleagues here in the House will associate themselves with the misleading, fear-mongering, anti-Mexican rhetoric being heard in the debate on NAFTA.

[From the Harlingen Valley Morning Star, Nov. 13, 1993]

PEROT'S MEXICO NOT THE REALITY

The pathetic picture Ross Perot painted of Mexico in his debate with the vice president on Tuesday may once have rung true, but not now. Mexico today is rapidly changing from a socialist backwater to a modern market economy. At stake in next week's vote on NAFTA is whether the United States will bless this change or curse it.

In trying to make his convoluted case that Mexico is too poor to be a trading partner, Perot described Mexico as an impoverished dictatorship where three dozen families control most of the wealth. Perot said the typical Mexican dreams of having running water and an outhouse. He asked why we would want to trade with such a poor neighbor anyway. "People who don't make anything cannot buy anything," he quipped.

Residents of the Valley know Perot is wrong. Many merchants here depend heavily on purchases by our neighbors to the south, just as many businesses on the Mexico side of the border count on the dollars of Americans. A recent study by professors at the University of Texas-Pan American found Mexican nationals put about $1 billion into the Valley economy, four times that spent by Winter Texans. As they account for about one-third of total retail expenditures here, it seems Mexican nationals manage to buy at least a few things.

Like much of what Perot has claimed about the North American Free Trade Agreement, his portrait of Mexico is divorced from reality. In the past decade Mexico has made dramatic strides in freeing its economy from the shackles of state control. Under the leadership of President Carlos Salinas de Gortari, hundreds of state-owned enterprises, including the giant telephone company, have been sold to private investors. Economic controls have been loosened and import barriers lowered. In other words, the free market has been allowed to work.

Mexican workers and families have been the chief beneficiaries. While Mexico remains a poor country relative to the United States, its per-capita income has risen smartly in the past decade to $3,700, putting it on a par with emerging East Asian countries such as Malaysia and Thailand. Real wages in Mexico have risen steadily since 1987, and today about 15–20 percent of its 85 million people are in the middle class.

Mexico's lower trade barriers and rising prosperity have whetted the country's appetite for American goods. Since 1986, American exports to Mexico have soared from $12.6 billion to $40.6 billion last year. Those exports support an estimated 750,000 jobs in the U.S.

Approval of NAFTA would reinforce every one of these positive trends. It would encourage greater economic ties between the United States and Mexico—to the benefit of people on both sides of the border. It would create the "level playing field" advocates of fair trade say they want. It would nurture Mexico's emergence into the modern global economy, gradually replacing its slums with productive consumers.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose

of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, November 16, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 17

9:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the nominations of Anthony A. Williams, of Connecticut, to be Chief Financial Officer, Grant B. Buntrock, of South Dakota, to be a Member of the Commodity Credit Corporation, and Wally B. Beyer, of North Dakota, to be Administrator of the Rural Electrification Administration, all of the Department of Agriculture, and John E. Tull, Jr., of Arkansas, and Barbara Pedersen Holum, of Maryland, each to be a Commissioner of the Commodity Futures Trading Commission.

SR-332

Labor and Human Resources

Business meeting, to mark up S. 1595, Bone Marrow Donor Program Reauthorization, S. 1597, Organ Transplant Program Reauthorization, S. 1040, Technology for Education Act, S. 244, National Community Economic Partnership Act, and S. 784, Dietary Supplement Health and Education Act, and to consider pending nominations.

SD-430

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

To hold hearings to examine the role stolen military parts may play in incidences of gun violence.

SD-342

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the consolidation of regulatory agencies.

SD-538

Commerce, Science, and Transportation

To hold hearings on S. 1350, to revise the Earthquake Hazards Reduction Act of 1977 to provide for an expanded Federal program of hazard mitigation and insurance against the risk of catastrophic natural disasters, such as hurricanes, earthquakes, and volcanic eruptions.

SR-253

Finance

Business meeting, to consider miscellaneous no-cost legislative provisions relating to health and welfare that were omitted from the Budget Reconciliation Act.

SD-215

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on how to meet the health care needs of all Americans.

SD-430

Select on Intelligence

To hold hearings on the use of commercial imagery.

SH-216

3:30 p.m.

Foreign Relations

To hold hearings on the nominations of M. Douglas Stafford, of New York, to be Assistant Administrator for Food and Humanitarian Assistance of the Agency for International Development, and L. Ronald Scheman, of the District of Columbia, to be U.S. Executive Director of the Inter-American Development Bank.

SD-419

NOVEMBER 18

9:00 a.m.

Judiciary

To hold hearings on pending nominations.

SD-226

9:30 a.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 316, to expand the boundaries of the Saguaro National Monument in Arizona, S. 472, to improve the administration and management of public lands, National Forests, units of the National Park System, and related areas by improving the availability of adequate, appropriate, affordable, and cost effective housing for employees needed to effectively manage the public lands, and S. 1631, to revise the Everglades National Park Protection and Expansion Act of 1989.

SD-366

Indian Affairs

Business meeting, to mark up S. 1618, to establish Tribal Self-Governance, H.R. 1425, to improve the management, productivity, and use of Indian agricultural lands and resources, S. 1501, to repeal certain provisions of law relating to trading with Indians, and proposed technical amendments; to be followed by a hearing on S. 1345, to provide land-grant status for tribally controlled community colleges and postsecondary vocational institutions, the Institute of American Indian and Alaska Native Culture and Arts Development, Southwest Indian Polytechnic Institute, and Haskell Indian Junior College.

SR-485

10:00 a.m.

Armed Services

To hold hearings on the nominations of Togo Dennis West, Jr., of the District of Columbia, to be Secretary of the Army, Joe Robert Reeder, of Texas, to be Under Secretary of the Army, and Richard Danzig, of the District of Columbia, to be Under Secretary of the Navy.

SR-222

Foreign Relations

Business meeting, to mark up S. Res. 160, regarding the October 21, 1993, attempted coup in Burundi, and proposed legislation on reform in emerging new democracies and support and help for improved partnership with Russia, Ukraine, and other New Independent States, S. 1627, to implement the North American Free Trade Agreement (NAFTA) (Subtitle D with regard to supplemental agreements), proposed legislation with respect to the compliance of Libya with United Nations Security Council resolutions, S. 1625, the Anti-Economic Discrimination Act, S. Con. Res. 50, relating to the Arab-Israeli boycott, and to consider pending nominations and treaties.

SD-419

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on the needs of rural America.

SD-430

10:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine arson research, prevention, and control issues.

SR-253

2:00 p.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings to examine the impact of recent diesel fuel price increases on the motor carrier industry.

SR-253

Energy and Natural Resources

To hold hearings on the nomination of Christine Ervin, of Oregon, to be an Assistant Secretary of Energy (Energy Efficiency and Renewable Energy).

SD-366

Finance

International Trade Subcommittee

To hold hearings on proposed legislation on the effects of foreign shipbuilding subsidies on the U.S. shipbuilding industry.

SD-215

2:30 p.m.

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on the role of the pharmaceutical industry.

SD-430

Indian Affairs

To hold hearings on H.R. 734, to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona.

SR-485

NOVEMBER 19

9:30 a.m.

Armed Services

To hold hearings on the nomination of Morton H. Halperin, of the District of Columbia, to be Assistant Secretary of Defense for Democracy and Peacekeeping.

SH-216

Finance

Social Security and Family Policy Subcommittee

To hold hearings to examine welfare reform issues.

SD-215

Indian Affairs

To hold hearings on S. 1526, to improve the management of Indian fish and wildlife and gathering resources.

SR-485

10:00 a.m.

Foreign Relations

East Asian and Pacific Affairs Subcommittee

Closed briefing on North Korea's intransigence on the nuclear inspection issue.

S-116, Capitol

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on the needs of Americans with disabilities.

SD–430

NOVEMBER 22

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research, Conservation, Forestry and General Legislation Subcommittee

To hold hearings to review the Federal meat inspection programs.

SR–332

10:00 a.m.

Labor and Human Resources

Labor Subcommittee

To hold hearings on the Administration's proposed Health Security Act, focusing on retiree health benefit coverage.

SD–430

NOVEMBER 30

9:30 a.m.

Indian Affairs

To hold hearings on S. 1216, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe, and the United States and various other issues pertaining to the Crow Indian Reservation.

SR–485