The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Mr. LONGLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker: Washington, DC, October 24, 1995.

I hereby designate the Honorable JAMES B. LONGLEY, J. R. to act as Speaker pro tempore on this day.

NEWT GINGRICH, Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes. The Chair recognizes the gentlewoman from Connecticut [Ms. DELAUR0] for 5 minutes.

BULK SALES OF SPEAKER GINGRICH'S BOOK

Ms. DELAUR0, Mr. Speaker, they say that people who live in glass houses should not throw stones. Well, it might also be advised that people who throw stones at glass houses should not move into glass houses.

In 1988, when then-Congressman NEWT GINGRICH led the call for an investigation into then-Speaker Jim Wright, GINGRICH claimed that Wright had violated House rules by arranging for bulk sales of a book he had authored.

At the time, GINGRICH alleged that the bulk sales were being used by Wright to get around limits on lecture fees. Now, according to a story that in yesterday’s New York Daily News, Speaker GINGRICH is profiting from some bulk sales of his own.

The Daily News story reveals that Speaker GINGRICH is wracking up his own bulk sales of his book, “To Renew America.” According to records, bulk sales of the Gingrich manifesto have been made to both political organizations which he has personal ties to and to organizations which have business before Congress. In one case, a company purchased $10,000 dollars’ worth of Mr. GINGRICH’s book. That is a lot of books.

What is wrong with that, you may ask? Plenty, according to experts on congressional ethics. In fact, Richard Phelan, the independent counsel who led the ethics investigation into the Wright book deal, said yesterday that Speaker GINGRICH’s bulk sales raise a lot of questions. When asked to compare the charges against former Speaker Wright with the latest allegations against current Speaker GINGRICH, Phelan said: “There is a definite parallel.”

Among the organizations that have purchased the Speaker’s book in bulk, are the Rev. Jerry Falwell’s Liberty University in Virginia and the Georgia Public Policy Center. Both organizations are run by Gingrich political allies and both purchases were made just prior to GINGRICH attending events sponsored by the groups.

When former prosecutor Phelan was told of one case where the bulk sales were made, just prior to a speech by GINGRICH, he said: “It could be a quid pro quo for the speech and this is precisely what we got Wright on. No, no, no, Mr. Speaker.”

No, no, no, Mr. Speaker, indeed. The latest twist in the Speaker’s troublesome book deal with Rupert Murdoch only serves to underscore the need for an outside counsel to investigate the ethics charges against Mr. GINGRICH. As the Speaker himself said in 1988, when urging an outside counsel to investigate Mr. Wright:

The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of the Speaker of the House, a position which is third in the line of succession to the Presidency and the second most powerful elected position in America. Clearly, this investigation has to meet a higher standard of public accountability and integrity.

The standard of public accountability and integrity cannot be expected to be upheld when the investigation into the highest ranking member of the U.S. House of Representatives is being conducted by people who are politically indebted to him.

It is hard to say “no” to the Speaker of the House. Republicans on the House Ethics Committee feel pressured to defend the Speaker’s book deal, just as Repubican organizations feel pressured to purchase the Speaker’s book.

Without an independent, outside counsel to investigate the allegations against Speaker GINGRICH, we will never lift the ethical cloud that hangs over the House.

MEDICARE PRESERVATION ACT

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from Florida [Mr. FOLEY] is recognized during morning business for 5 minutes.

Mr. FOLEY. Mr. Speaker, I have just concluded a number of town hall meetings in my district. I must say the response from my constituents was very favorable. My district is the sixth oldest district in America of Medicare recipients. Of the freshmen who came to the 104th Congress, I am No. 1 in seniors in my district.
Clinton demonstrated again last week why he is a President with many enemies and also few friends. He spent Tuesday night explaining that he had raised taxes too much.

Folks in this Congress, the 104th Congress, they come here to make a difference. We have problems in our system. Do I think the Republicans have solved all the problems in Medicare? Absolutely not. Do I think we have a silver bullet to erase years of wasteful spending in our system? Absolutely not.

I want to target fraud, waste, and abuse in our bill. I want to strengthen the provisions that we brought to this floor, strengthen the provisions for fraud and abuse. Anyone who rips off our taxpayers should do jail time. Anyone who rips off our taxpayers in Medicare should have their licenses removed, be it a hospital, be it an insurance company, be it a provider.

But, ladies and gentlemen, make no bones about it, the budget is not balanced, interest payments on the debt will eventually consume all of the Federal budget and leave no room for anything else. What do the Democrats plan to do then?

I have asked commentary from my districts through a newsletter we submitted to our constituents. Do you support the Medicare Preservation Act? They had four choices: strongly support, to strongly oppose. A gentleman, Oto Fredro, from West Palm Beach, FL, somewhat support. Would like to stay with the current Medicare plan. Oto, you can do that under the Republican's plan.

Doug Weaver, strongly support, would consider a new plan like an HMO. Also urges us to decrease funding for the B-2 bomber. Decrease money for food stamps. Increase money for Medicare. Decrease money for foreign aid. Decrease money for welfare.

Glenn Shaffer, Lake Placid, FL, strongly supports Medicare Preservation Act. But wants to stay in the current Medicare plan. Glenn, you get to stay in the current Medicare plan as you choose.

Leonard Keal from Palm City, FL, strongly support. Again, wants to stay in the Medicare plan.

Miriam Dunst, somewhat opposed, very skeptical about the plan, wants to stay with Medicare. She wants to have that assurance that the care stay there and we appreciate your response.

Joseph Cerzosie from West Palm Beach, FL, strongly opposes our plan, but would like to consider an HMO. Under the current plan, he cannot select an HMO. Under our plan, you can. Now, there has been a lot of talk about tax cuts. There has been a lot of talk about balancing Medicare in order to provide for the tax cuts. They are not related. The Post Times the other day asked the President about what he plans. He press suggested that the Speaker's political action committee, GOPAC, was more deeply involved and involved earlier in Federal campaigns and campaigns for Members of Congress and trying to change the majority in Congress before it was authorized to do so.

The New York article that was published a couple of weeks ago outlines exactly what took place in communication between GOPAC and members of the Republican Party. So where are we?

We are a year later. What is an ethics committee and a chairman of that ethics committee doing that continues to manage the flow and to manage the spin and to manage the flow of information to Members of Congress, to the press, and to the public rather than engaging in an investigation. A year later, when witnesses still have not been called, when documents have still not been subpoenaed, and information has not been gone through that is relevant to this information, according to the popular press.

What we need, what this House needs and what this House deserves and what the American people deserve is a full-blown independent investigation, not an investigation managed by Members of the Speaker's party who are indebted to the Speaker politically in this House or for their daily activities in the United States.

What we need is an investigation, as the Speaker called for for the previous Speaker, and that is an independent counsel. As the Speaker said of the previous Speaker, if you have done nothing wrong, you have nothing to fear.

What this House cannot tolerate and what Members of this House cannot tolerate and what the public should not tolerate is the continued efforts to try to manage this investigation, to get past the Contract With America. Then they wanted to manage it to get past the Medicare fight. Then they wanted to manage it to get past reconciliation. Then there is a question of whether the Speaker is going to run for President. Will the revolution continue?

Those are all interesting. Those all my be consequences of the Speaker's activities and the consequences of this investigation, but they are not reasons of which an independent investigation should be forgone.

We are talking about the most powerful Member of this House, obviously one of the most powerful politicians in the country, one of most powerful people in line of succession to the Presidency in the United States. The suggestion is somehow that we are going to manage and we are going to change the nature of the investigations that this Congress is engaged in in the past when it has to unfortunately investigate one of its own. That is that you have to eventually get to an individual, an independent counsel.

Apparently the ethics committee has arrived at this conclusion after a year of seeing that they could not properly manage an investigation to find out what they are trying to do is to manage the charter of the independent counsel, to suggest that he can only go down road A, but he cannot go down road B,
can only go down so far on this path of evidence, but he cannot go down too far. He cannot stumble across things that may come up in the nature of that investigation.

If they had done that to the independent counsel in the Espy case, then we would have never discovered J im I m Lake and his scheme to provide illegal contributions to a federal candidate.

That is the nature of an independent counsel, to be independent and as free to go as far as the facts and the truth take that individual; not as far as the facts and the political realities of the political debts and the political obligations take that investigation, but as far as the facts and the truth take that investigation.

The time has come for the chairman of the Committee on Standards of Official Conduct to admit they cannot do a job that will satisfy the needs of the Members of this House of Representatives in terms of telling their constituents that we have a different way of doing business, that we have a different way of handling congressional ethics, that we have a different way of handling the transgressions of those ethics because it is now Speaker Gingrich, as opposed to Speaker Wright, or it is not Speaker Gingrich, as opposed to 9 or 10 other Members of Congress, that had independent counsels. Let us meet the standard that Speaker Gingrich has set our for the House, and that is an independent counsel.

TOURISM: THE WORLD'S LARGEST INDUSTRY AND GREATEST JOB CREATOR

The SPEAKER pro tempore (Mr. LONGLEY). Under the Speaker's announced policy of May 12, 1995, the gentleman from Wisconsin [Mr. ROTH] is recognized during morning business for 5 minutes.

Mr. ROTH. Mr. Speaker, I have an important statement here which might take me longer than 5 minutes.

Mr. Speaker, thank God for the tourists. Here in Washington, in the small towns and big cities across America, the sight of a camper or a tour bus packed with people eager to spend money in local motels, restaurants, and gift shops is an answer to many a prayer. The value that these vacationers is an economic miracle funding and fueling a massive industry, travel and tourism. That is America's second-largest employer and provides billions of dollars in revenue for every State, city, town, and across America.

In today's changing world of high technology and increasing mobility, tourism is an economic sleeping giant. Futurist John Naisbitt has written that tourism in the next century will be the largest industry not only in America, but worldwide, and I agree. I believe that Naisbitt is right. Travel and tourism is also awakening politically from its slumber.

Mr. Speaker, now we have 302 members of our Travel and Tourist Caucus, an indication of how important this industry is to Congress. In 1995 travelers in the United States will spend an estimated $535 billion. This is real economic muscle. Today we support 14 million jobs and provide $493 billion in wages and salaries. That comes out of travel and tourism. The revenue generated by travel and tourism will total $127 billion in Federal, State, and local taxes. That is what travel and tourism contributes to our economy.

Mr. Speaker, I can tell you exactly what it means for each and every household in America. It means that you are paying $652 less in taxes. Let me repeat that, $652 less in taxes for each household, every year because of travel and tourism. This decrease in taxes comes to the American taxpayer from the travel and tourist industry and from the tourists.

Given these statistics, Mr. Speaker, convincing Congress to actively support travel and tourism should be easy. But, as my colleagues know, in spite of the growing support for the travel and tourism industry, the United States is losing ground. We must seriously focus on travel and tourism so that we can add jobs and income here in America.

In the recent hearing I held right here on Capitol Hill in our Economic Policy and Trade Subcommittee, Greg Forner, National Administrator for Travel and Tourism, delivered some startling news. He pointed out that the United States ranks 33rd in the world among nations spending funds to promote tourism. That is even behind Malaysia and Tunisia. For the past 3 years, the U.S. market share in tourism has declined from 18 percent down to 15 percent. This means a lot of jobs and a lot of revenue right here in America, and the United States is losing ground. Yet, the U.S. has invested less money in tourism, and now we are paying the price for that neglect. We are losing our share of the international tourist market.

We cannot allow that to continue to happen, and, Mr. Speaker, this means one thing for the working people in America: lost jobs. In the past 3 years the United States has lost 177,000 tourist jobs to other countries. Why? Because travelers are choosing destinations like the United States, and we must reverse that trend, and that is what we are attempting to do in the Travel and Tourism Caucus. We want to bring travel and tourism, which has a great story to tell, here to the Congress, America, and around the world because travel and tourism is in the coming tide of a strong economy.

The need for action in this area is clear, and that is why we have, in my opinion, 302 members of the Travel and Tourist Caucus. Caucus members know that travel and tourism is America's economic prosperity, and it must be considered as two sides of the same coin.

Next week, as my colleagues know, on Monday and Tuesday a week from today and tomorrow, we are having our first ever White House Conference on Travel and Tourism. We are having some 1,700 people from every congressional district in America, Capitol Hill, and from that conference we are going to take the recommendations and implement them into legislation. We can get in step with travel and tourism, the greatest economic engine that is propelling America into a strong economy.

Mr. Speaker, I just want to add that travel and tourism will have more impact on our country and in our world economically than any other industry.

ACTIONS, NOT WORDS, ARE IMPORTANT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I have come to talk a bit about words, words, words and how we often think we know what they mean, but they are not meaning what we think they mean so often as they are used by the Republicans in this time.

First of all, the words "family friendly." This was going to be a big "family friendly" Congress. Well, guess what they are selling first? They are selling the day care center for staff, and the day care center has been gagged. When you call and say, "What's going to happen to you, are you going to move somewhere?" they say, "We have been ordered not to talk to anybody about it." That does not sound very family friendly to me, and so, when you hear family-friendly, just think of the child care center for the staff being put on the auction block by these guys and see if you think that is family friendly.

Now the other thing that we hear about is independent counsel. We now hear that we are moving toward an independent counsel. Well, when you think of independent counsel means independent. But we hear the big hangup as to why we cannot have an independent counsel is because they want to find a way to leaning the independent counsel, put blinders on the independent counsel, and keep the independent counsel in a cage. That is not an independent counsel. That is a lap dog, and no one wants a lap dog from the Committee on Standards of Official Conduct as we look into these issues dealing with the Speaker's ethics charges.

We also hear the big fight about, that was in the paper today, about the Speaker and his bulk sales in the new care center, that put blinders on the independent counsel, and the Speaker piled up in front of the door of the Committee on Standards of Official Conduct, and what does the word "bulk" mean? The newspapers today are filled with
all sorts of articles on what does the word “bulk” mean. Were 200 books a bulk sale? Well, that was yesterday’s news because today’s news in the St. Petersburg Times says the 200 appears to be 400 books. Are 400 books to Capital F and not know. So, does any books does it take to make a bulk, and how many books does it take to really get people’s attention? There is also they will say, well, but when you look at ex-Speaker Wright’s books, he sold a whole lot more. Yes, but he sold them at 5 bucks, you know. So, does anybody do this, and how much does come back to the person count? I mean what is all of this nonsense?

Once again what we really need here is action and not words, action, action, action, and I have never seen so much inaction with so much to act on. Maybe that is why we are seeing the inaction, and maybe that is why we do not want a real independent counsel who has got to be these huge fights as to how do we call him independent and make him something else?

So I just say, as I get more and more frustrated, I keep remembering what my grandmother always told me: It is in the actions and not in the words, it is in the deeds and not in the words. It is in what people do and not what they say, and it is in the record and not the rhetoric because the rhetoric over here sounds wonderful, warm, fuzzy, family friendly, independent counsel, oh they are so much that the Secretary was selling, yatta, yatta, yatta. Well, guess what? When you peel away all of those wonderful, warm, fuzzy things, you find out they are selling the day care center, and they cannot even talk to you about it. Hum, makes me suspicious.

The reason we have not had any action on the independent counsel is they do not really want it to be independent except in name. We will call them that, but we will keep them somethingally. We will make them kind of a lap dog, and that when you come to the issues around the Secretary’s different charges, of which there are more and more piled up at the door, they want to dismiss them away and argue about them in the press.

That is what is supposed to happen. We are supposed to have somebody on the outside with subpoenas and proper authority go out and find out what those sales are rather than day-by-day are going through and finding all sorts of charges flying around in the newspaper, and one newspaper reporter found this, and another newspaper reporter found that, and another newspaper reporter found out. Maybe we ought to hire them. I mean, if we are not going to hire anybody, maybe we ought to hire them; I do not know.

But I think that it really brings more cynicism to this body, and it certainly does away with the potential for institution-building in this body because people expect us to act as we speak and do as we say we are going to do, so all I do is take the floor today to say, “Please, please, if you’re going to sell the day care center, tell us how our staffs are going to be able to find child care here.” Mr. Speaker, Members take their children to their office and let their staffs provide the child care. I am not sure that is quite so fair, but what do the Staff of the Roberts do, and how do we make this family friendly?

And please do not gag them, and please let us find out about that, and then when we come to the Committee on Standards of Official Conduct, let us get an independent counsel, let us get on with this, and let us decide, let them decide, how much bulk is bulk rather than this continuing day-by-day press thing.

**RENEWAL OF HEIRS OF CERTAIN HISTORIC CABIN PERMITS IN THE SEQUOIA NATIONAL PARK**

The Speaker pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from California [Mr. RADANOVICh] is recognized during morning business for 5 minutes.

Mr. RADANOVICh. Mr. Speaker, I rise today to introduce legislation in defense of the property rights of cabin permittees at the Mineral King Area of Sequoia National Park. Many permittees in Mineral King are apprehensive about evictions from property that their families have used for decades, because the National Park Service no longer believes it has discretion to renew the permits of those permittees who die. This issue has the attributes of a Federal land seizure. What a discouraging sight it would be if these properties are boarded up and the families who have responsibly occupied these historic cabins are evicted. I believe that as a matter of public policy they should be allowed to continue using these cabins. It is in this spirit that I introduce this bill.

H. R. —

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

**SECTION 1. RENEWAL TO HEIRS OF CERTAIN HISTORIC CABIN PERMITS IN THE MINERAL KING ADDITION OF THE SEQUOIA NATIONAL PARK.**

Section 314(d)(2) of the National Parks and Recreation Act of 1978 (16 U.S.C. 439d)(2) is amended—

(1) in subparagraph (B)—

(A) by striking “be reviewed by the Secretary, and may” in the second sentence; and

(B) by striking “shall be reviewed” in the second sentence;

(D) by striking “and may” in the second sentence and inserting in lieu thereof “shall”;

(E) by striking “the date of enactment of this Act” in the third sentence and all that follows and inserting in lieu thereof “or November 10, 1978, or their heirs, and any such lease or permit shall provide that the Secretary may terminate the lease or permit only for a breach of the terms and conditions detailed in the lease or permit.”;

(2) by adding at the end the following:

“(C) In the case of any lease or permit which—

“(i) was continued under subparagraph (A);

“(ii) was held by a person who died after November 10, 1978; and

“(iii) expired on or before the date of the enactment of this subparagraph without being renewed or extended under subparagraph (A), the Secretary shall grant a renewal or extension of such lease or permit to the heirs of the person in the same manner as leases and permits are renewed or extended under subparagraphs (B) and (D) if the same terms and conditions as those applicable to such leases or permits.”

**THE FOOD AND DIETARY SUPPLEMENT CONSUMER INFORMATION ACT OF 1995**

The Speaker pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, in a few weeks this Congress will begin consideration of reform of the Food and Drug Administration, the FDA.

Now the FDA now regulates 25 cents of every dollar of spending on a good or service in this economy, and its impact in our everyday lives runs very deep. It performs several important functions such as protecting public health and safety.

Mr. Speaker, on June 29 of this year I added to the debate over the FDA reform, and I introduced a bill called the Food and Dietary Supplement Consumer Information Act of 1995, and this addresses how the FDA regulates food and dietary supplements. I am aware that the issue of dietary supplement regulation was considered in the last Congress and legislation was enacted, but that legislation fell short in a number of areas and also created an unlevel playing field for foods and dietary supplements. Most importantly, a recent U.S. Supreme Court decision has raised the issue whether we ought to clarify the law with respect to claims, advertising and important health information to the public on this issue.

One key issue that must be resolved, Mr. Speaker, is whether the American public has the right to receive and hear truthful, nonmisleading information concerning the potential and proven health benefits of food and dietary supplements.

A recent U.S. Supreme Court decision, Rubin versus the Coors Brewing Company, has provided us with guidance on clarifying the law with respect to claims and health information. The issue of regulation of food and dietary supplements is among the most important to my constituents. We must all eat food daily to stay healthy, that is obvious. Over 100 million Americans are now supplementing their diets on a regular basis.

There are three important issues raised by the American people and my...
constituents that Congress, I think, must act decisively upon when we talk about this issue: First, the right to receive and hear truthful, nonmisleading information. The American public has been demanding to have access to all the scientific information available about foods and dietary supplements. And Americans have realized the power and influence of our health that nutrition plays on our well-being. I think the public policy has to respect these objectives. I would also emphasize the legislation I have introduced does not affect the current statutory and enforcement authority of the FDA to protect the public. The FDA will continue to have its present authority to prosecute and remove mislabeled and fraudulent products.

Second, Mr. Speaker, the American public does not want food or dietary supplements turned into drugs. They want unhampered, affordable access to health-promoting food and supplements. One of the ways the FDA uses its power to interfere with our public access to these products is by declaring them to be drugs and forcing their removal from the market. I think there is an important distinction and clarification that should be made. We should enact my legislation to make it clear that food and dietary supplements cannot be drugs. In the context of health care, we have created a system where, when one classifies something as a drug, a whole new set of regulations befalls that product. This system is specifically designed for patentable products for which industry is given the ability to recover the hundreds of millions of dollars required to go through the patent approval process.

Unfortunately, the system is poorly designed for foods and dietary supplements which are generally naturally occurring products and are nonpatentable. It also creates the unfortunate consequence on the public health that there is no low cost medicine. Other than the best low cost medicine is prevention. Nutrition foods, dietary supplements and an overall healthy lifestyle can be good preventive medicine. It is therefore important that foods and supplements be kept out of the drug category in order to protect their ability to be used economically and affordably in the maintenance and presentation of good health.

Third and finally, Mr. Speaker, the American public has the right to make its own health choices. The American people want their health freedom. With a $1 trillion sickness-based health care system, people are looking for prevention and more treatment options. Let us give the people the information and access they want, and let us empower them to take responsibility for their own health. Enforcement of this legislation preserves this principle without sacrificing the role of government to be the guardian of the public health.

There are some other provisions in my bill which will save money and help to create uniformity among the 50 States. The legislation will ensure uniformity among the States by requiring the same labeling definitions and claims standards for food and dietary supplements. I agree on the necessity to make it economically efficient for manufacturers and consumers to have uniform standards for labeling definition and claims. The legislation also acts to resolve what has now become, in my opinion. That is, the Presidential Commission on Dietary Supplement Labels. The Commission is unnecessary and would be a waste of taxpayers’ money. I do not believe, and many of my colleagues would agree with me, that we really need another commission to spend the next 2 years and the FDA another 2 years thereafter to figure out how to inform the public.

As long as the communicated information is truthful and nonmisleading, as outlined by Supreme Court decisions, there should be no difficulty in arriving at a cohesive and sensible public policy on labeling.

Mr. Speaker, I would urge consideration of this bill.

Mr. Speaker, in a few weeks, this Congress will begin consideration of reform of the Food and Drug Administration. This Agency now regulates 25 cents out of every dollar spent on a good or service in this economy and its impact in our economy runs deep. It performs several important functions such as protecting public health and safety.

Mr. Speaker, on June 29, 1995 I added to this debate and discussion by addressing how the Agency regulates foods and dietary supplements by introducing the Food and Dietary Supplement Consumer Information Act of 1995. I am aware that the issue of the dietary supplement regulation was considered in the last Congress and legislation was enacted. But that legislation fell short in a number of areas and also created confusion for foods and dietary supplements. More importantly, a recent U.S. Supreme Court decision has raised the issue whether we ought to clarify the law with respect to claims, advertising, and important health information to the public.

One key issue that must be resolved, Mr. Speaker, is whether the American public has the right to receive and hear, truthful, nonmisleading information concerning the potential and proven health benefits of foods and dietary supplements. A recent U.S. Supreme Court decision PUB v. Coors Brewing Co. has provided us with guidance on clarifying the law with respect to claims and health information.

The issue of regulation of food and dietary supplements is among the most important to consumers. We all must eat food daily to stay healthy. And over 100 million Americans are now supplementing their diets on a regular basis. There are three important issues raised by the American people that the Congress must act decisively upon:

First, the right to receive and hear truthful, nonmisleading information.

Mr. Speaker, the American public has been demanding to have access to all the scientific information available about foods and dietary supplements. Americans have recognized the power and influence on our health that nutrition plays in our well-being. Public policy must reflect those objectives.

When we passed the Nutrition Labeling and Education Act in 1990 [NLEA], we authorized the FDA to pre-clear all health claims, claims that a food or dietary ingredient could prevent a disease or health related condition. Congress wanted the FDA to allow such claims because of the overwhelming scientific evidence between disease and food status. It also was allowed that industry could better educate its consumers regarding the benefits of their products. The FDA was given the discretion to use a standard that they called “significant scientific agreement” to decide whether to approve a health claim.

When the NLEA was passed, the FDA was asked to evaluate nine health claims for foods and supplements. It approved only two for supplements; first was that calcium prevents osteoporosis and second, after initially rejecting the claim, that folic acid prevents neural tube birth defects for women of child bearing age. It also approved claims that antioxidant and fiber rich foods like fruits and vegetables could help prevent heart disease and cancer. It refused to approve the same claims for supplements of those nutrients.

The case of the folic acid health claim is most illustrative of the problem with the FDA being the censor of truthful, nonmisleading information and the terrible price our country pays for being kept in the dark. When NLEA was passed, the FDA was asked to evaluate a health claim for folic acid preventing certain birth defects. In November of 1991, the FDA denied the health claim, stating that there was no “significant scientific agreement” to approve the claim. Subsequently in July of 1992, the U.S. Public Health Service published an advisory asking all women of child bearing age to get adequate folic acid in their diets by foods or supplements to prevent these tragic birth defects. Public and scientific outrage finally forced the FDA to reverse itself in the fall of 1993. Mr. Speaker, in a few weeks, this Congress will begin consideration of reform of the Food and Drug Administration. When we passed the Nutrition Labeling and Education Act in 1990 until the fall of 1993, we had the claim that what was most outrageous Mr. Speaker, was that the FDA testified in a Senate Labor and Human Resource Committee hearing in October 1993 that it had been aware of scientific data that folic acid could prevent these birth defects for 10 years. They argued that in their opinion, there was no “significant scientific agreement” when the Nutrition Labeling and Education Act was first enacted in 1990 until the FDA reversed itself in the fall of 1993. In the interim, the American public was kept in the dark, and an estimated additional 2,000 children were born with what could have been prevented had the information been allowed to reach women in a responsible manner. For 10 years when the first scientific data started coming in, women were not allowed to be told on food and supplement labels that folic acid may prevent neural tube birth defects. In this period of time, these tragic and irreversible birth defects struck approximately 20,000 babies. If any of my colleagues have ever seen a child born with anencephalopathy or spina bifida, then they know how desperate these children and their parents face. These are children who are disabled, disfigured, and have short life spans. The costs to take care of these children run in the millions. Yet the information...
was out there that an adequate amount of folic acid had the potential to avert these birth defects. The risk to women of child bearing age who could have received this information was zero. The benefit potential was thousands of birth defects prevented.

Now the whole issue is happening with a class of nutrients called antioxidants which scientific research is showing huge potential in reducing or eliminating known risk factors for cancer and cardiovascular disease. When I introduced this legislation, the June 21st edition of the Journal of the American Medical Association published a study on vitamin E which provides compelling evidence that it can reduce the risk of heart disease. This is another study that adds to the overwhelming number of scientific studies that antioxidants have important contributions to make in the fight against degenerative disease that are driving our health care costs into oblivion. And in May, scientists confirmed that a mineral antioxidant, selenium, has the ability to protect the human immune system and minimize damage from viral infections. These studies promise innovative and effective treatments for people with viral illnesses. But such information will never reach the consumer in time under current FDA policies.

I want to emphasize that this legislation does not affect the current statutory and enforcement authority of the agency to protect the public. The FDA will continue to have its present authority to prosecute and remove mislabeled and fraudulent products.

Our desire must be to avail ourselves of this information so that the public can safely and beneficially use these inexpensive nutrients to protect their health. The American people have a right to hear truthful and nonmisleading health information about the foods and supplements they consume.

I think the philosophy and public policy objective concerning claims should be guided by the sage words of Justice Stevens who recently wrote in Rubin versus Coors Brewing Co. Any "interest" in restricting the flow of accurate information because of the perceived danger of that knowledge is anathema to the First Amendment; more speech and a better-informed citizenry are among the central components of our free speech clause. Accordingly the Constitution is most skeptical of supposed state interests that seek to keep people in the dark for what the government believes to be for their own good.

Over 100 million Americans consume dietary supplements on a regular basis. Americans are getting better educated and familiar about the food they eat by reading improved labels for foods. The payoff we anticipate is that Americans will use the power of nutrition and a diet to prevent or delay chronic disease and achieve optimal health.

Second, the American public does not want food or dietary supplements turned into drugs. They want unhampered and affordable access to health promoting foods and supplements.

Mr. Speaker, one of the ways the FDA uses its power to interfere with public access to products is by declaring them to be drugs and forcing their removal from the market. I think this is an important distinction and clarification that needs to be made. The Senate passed version of S 784, the 103d Congressmand can be clear that dietary supplements could not be classified as drugs. However, this provision was deleted in the House when the final bill was passed. We should enact my legislation to make it clear that foods and dietary supplements cannot be drugs. In the context of health care we have created a system where when one classifies something as a drug a whole new set of regulations behalts that product. This system is specifically designed for pharmaceutical products. It takes years to recover the hundreds of millions of dollars required to go through the approval process. Unfortunately this system is poorly designed for foods and dietary supplements which are generally naturally occurring and nonpatentable. It also creates the unfortunate consequence on the public health that there is no low cost medicine. The best low cost medicine is prevention, Mr. Speaker. Nutritious foods, dietary supplements, and an overall healthy lifestyle can be good preventive medicine. It is therefore important that foods and supplements be kept out of the drug category in order to protect their ability to be used economically and affordably in the maintenance and preservation of good health.

Third, the American public has the right to make its own health choices. The American people want their health freedom. With a $1 trillion sickness based health care system, people are looking for prevention and more treatment options. Let's give the people the choices they want and need and let us empower them to take responsibility for their own health. Enactment of this legislation preserves this principle without sacrificing the role of Government to serve the guardian of the public health.

There are some other minor provisions in the bill which will save money and help to create uniformity among the 50 States. The legislation will ensure uniformity among the 50 States by requiring the same labeling, definitions, and claims standards for foods and dietary supplements. I think we all would agree on the necessity to make it economically efficient for manufacturers and consumers to have uniform standards for labeling, definitions, and claims.

The legislation also acts to resolve what is now a no longer needed result of Public Law 103-147, the establishment of a Presidential Commission on Dietary Supplement Labels. This Commission is unnecessary and would be a waste of taxpayer money. I don’t believe, and many of my colleagues would agree with me, that we really need another Commission to spend the next 2 years and the FDA another 2 years thereafter to figure out how to inform the public. As long as the communication and information is truthful and not misleading as outlined by Supreme Court decisions, there should be no difficulty in arriving at cohesive and sensible public policy on labeling.

What the American people asked for in the food and vitamin labeling debate was clear, cohesive, rational, and sensible public policy with the responsible regulatory agency. In the 103d Congress, the U.S. Senate enacted legislation which would have accomplished this. However, the House amended the legislation to defer the most important issue on the information access question. The food and vitamin labeling debate was not fully resolved and outstanding issues remained. But the 103d Congress didn’t act into law. This debate will linger and smolder unless we act decisively to resolve this issue once and for all. The U.S. Supreme Court has offered its wisdom to guide us to resolving some of these issues and I am confident that the 104th Congress will act decisively on the subject.

I am aware that some in this Congress believe that we ought to wait and see how the FDA regulates foods and supplements. However, the truth is that millions of letters were sent to Congress asking for a definitive solution and reform of this agency’s regulatory mission. The public did not get what it asked for. Rather than tolerate anymore delays and foot dragging by this agency in implementing the will of Congress, it is time now. I believe this Congress can deliver comprehensive and all-inclusive FDA reform. Reform of the Food and Drug Administration is one area where Congress can really make a difference to improve the lives of our constituents.

DEcision Day For America’s Future

The SPEAKER pro tempore (Mr. LONGLEY). Under the Speaker’s announced policy of May 12, 1995, the gentlemen from Pennsylvania (Mr. Fox) is recognized during morning business for 5 minutes.

Mr. Fox of Pennsylvania. Mr. Speaker, we are fast approaching a decision date for America’s future. The decision deals with balancing the budget for the first time since 1969. This is a bipartisan issue. While the Republicans are leading the way, it is for all Americans that we want to balance the budget. By doing so, it will halt economic dividends for families and individuals. It will mean, by balancing the budget, Mr. Speaker, lower housing costs.

According to a study conducted by the National Association of Realtors and McGraw-Hill, the average 30-year mortgage will drop by 2.7 percentage points on a 30-year $50,000 mortgage at 8.23 percent. Families will save $1,081 annually or $32,400 throughout the life of the loan.

By balancing the budget, we will lower car expenses. Car loan rates will be 2 percentage points lower than they otherwise would be. On a $15,000 5-year car loan, Mr. Speaker, at 9.4 percent interest, that is an extra $900 in the family budget.

By balancing the budget we will lower college costs. Student loan rates will be 2 percentage points lower than they otherwise would be. A college student who borrows $13,000 at 8 percent interest will pay $2,100 almost $2,200 less for schooling.

A balanced budget will lower taxes. A child born today will pay an average of $187,000 in taxes over 75 years to cover a $1 trillion deficit. A college graduate will pay an average of $1,181,000 in his or her share of the interest on the national debt. By balancing the budget we can keep these payments from getting any larger.

Balance the budgeting will mean more jobs. By lowering interest rates, a balanced budget will create 6.1 million new jobs in 10 years. That will provide greater opportunity and economic stability for high school graduates, for college graduates, and for those who...
are looking for new opportunities. We must also, Mr. Speaker, reduce the tax burden for all Americans. By reducing taxes for single mothers with a $500 child tax credit, the single parent with 2 children will pay $7,000 less in taxes over 7 years. For working families, with a $500 per child tax credit a 2-income family with 3 children will keep $10,500 more of their own hard-earned money.

Also by reducing taxes for senior citizens, we will repeal the 1993 unfair tax on Social Security, which reduces the average tax liability of $7.7 million for our seniors, and this is something that is supported by the National Committee to Preserve Social Security and Medicare.

We also will lower taxes for working senior citizens. Right now, Mr. Speaker, seniors under 70 who wish to work are capped at earning $11,280. If they earn $1 over, that is deducted from their existing Social Security. Under our plan to reduce taxes for senior citizens, we will be able to have them make up to $30,000 a year over the next 5 years without having deductions from their Social Security.

I believe, Mr. Speaker, this is a bipartisan Republican-sponsored package to make sure we balance the budget, which is fair to our seniors, fair to working-class families, and fair to all Americans. We are about the business here this week in the House of making sure we return choices to our citizens, we restore fiscal integrity to our country, and we reduce the cost of families trying to move ahead in this country to earn a living, to provide for their education of their family, and to make sure they are secure in their Medicare and their other health care needs as they move on in the years here in the United States.

CUTS IN MEDICARE AND MEDICAID AFFECT ALL AMERICAN FAMILIES

The SPEAKER pro tempore. Under the Speaker’s announced policy of May 12, 1995, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized during morning business for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, there comes a time when it is very important for us to reflect upon this Nation and some of the actions of this august body. However, sometimes we cavalierly resort to viewing events as yesterday’s headlines, or yesterday’s story on the 6 o’clock news.

Last week on October 19, 1995, this body, controlled by the Republicans, offered to cut, and did, some $270 billion out of our Medicare Program. Of course it was under the pretense that seniors themselves wanted to see the program fixed, and certainly no one would argue with that point.

Many of us have stood on the House floor and will repeat the that unfair tax, waste, and abuse that has plagued that system needs to be remedied. But nowhere could any of the statisticians and financial experts, and even the trustees, of which the Republican body has so much relied upon, that is the trustees of the Medicare trust account, none of these persons can justify the $270 billion in cuts. In fact, one trustee, Deputy Secretary Rubin, wrote a letter and said that such cuts would be harsh, and he paraphrased him, “and devastating.”

Was anybody listening? No, they were only gloat over the headlines of Friday and the big articles, and that they now had another victory for an other notch in their gunbelt. Why gunbelt, because these cuts destroy the very lives of those who have made this country—senior citizens—by cutting their health care.

Yesterday, I was in my district, the 18th Congressional District in Houston, TX, and visited with a room full of seniors, about 80 to maybe 1,000 seniors at a luncheon program. I did not make a speech. I went table to table, hand to hand, face to face, and looked into the faces of these senior citizens, some worn, some wrinkled, to talk seriously about this issue called Medicare. I told them that I voted against, resoundingly, the Republican plan, but I was prepared to fix this system and to eliminate the waste, fraud, and abuse, and so I voted for a $90 billion reduction that in fact was responsible, but as well, accepted by the trustees as reasonable to deal with this question of reducing unnecessary Medicare costs and services, and to attack the scaring tactics of the Republicans, Medicare is not going bankrupt. There is a 7-year life until the year 2002.

I do not know about you, and we do more talking rather than the necessary work to repair Medicare, but I think there could be a lot of fixing in 7 years. Those seniors told me the pain they would experience with increased premiums, not being able to see their own physician, the cuts in the hospital payments, it would be senior citizens, some worn, some wrinkled, to talk seriously about this issue called Medicare. I told them that I voted against, resoundingly, the Republican plan, but I was prepared to fix this system and to eliminate the waste, fraud, and abuse, and so I voted for a $90 billion reduction that in fact was responsible, but as well, accepted by the trustees as reasonable to deal with this question of reducing unnecessary Medicare costs and services, and to attack the scaring tactics of the Republicans, Medicare is not going bankrupt. There is a 7-year life until the year 2002.

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Unfortunately, this is just one of a host of signs that things may be beginning to unravel in that small Caribbean nation. October 15 marked 1 year since more than 20,000 American troops returned President Aristide to his democratic home.

Even as Vice President Gore traveled to Haiti to celebrate the first anniversary of that happy event, wire services began to report the Haitian Prime Minister, Smarce Michel, unable to get the support of the President for his vital economic reform proposals, had tendered his resignation.

While the American media was quick to suggest on Monday that he stepped down because of pressure from the incoming Parliament, the fact is that Prime Minister Michel has been fighting for many weeks against the rear guard action of left-leaning, antireform elements, and apparently anti-American activists in the Aristide government.

Why is this so important? Because the inability of the Aristide government to summon the collective will to make the economic reforms required to access $1.2 billion international aid package means that Haitians could face their worst economic crisis to date.

For Americans, this ultimately could mean another costly refugee interdiction operation in the windward passage. The Aristide government has been talking reform with the international community, there are troubling reports that, as happened in 1991, it may be actually working behind the scenes to gain control of key industries like flour, cement, sugar, and rice rather than privatizing as promised.

Already what were very promising bidding cycles for the cement and flour plants have been suspended indefinitely—not for lack of bids.

An unnamed international official quoted in the New York Times last week summed up well the frustration of working with a government that appears to be working dual agendas: "The President is not playing straight with us and that means we are on a collision course ** it is unacceptable for him to give aid and comfort to the international community behind closed doors and then say something completely different to his own people.

With the overwhelmingly Lavalas National Assembly seated last weekend with the blessing of the Clinton administration—but not of the Haitian political parties—President Aristide and his supporters now have a Parliament to rubberstamp the creation of a new cabinet and what is apparently their real agenda—the consolidation of power for the left and leftist authoritarian rule.

It should come as no surprise then that, after publicly stating his intention to depart, Aristide has said he will let his Parliament guide him with regard to his tenure in office. We may be further from the Presidential elections in Haiti than any of us dared to think—even though the 1987 Haitian Constitution says that President Aristide must go come February.

The U.S. House of Representatives has even passed the Goss amendment to encourage the Haitians to stick to that Constitution and elect a new president to lead them forward.

With almost $3 billion American tax dollars on the line, rest assured that Americans across the country, myself included, are going to be looking to Port-au-Prince come February expecting a new Haitian President to take office and to help his people take the fate of their country back into Haitian keeping.

If that isn't going to happen, then the Clinton administration owes this Congress and the taxpayers of this country an explanation about what is happening and what is not happening, as they have promised.

These things matter for lots of reasons. They matter because we are the champions of democracy, and they matter because we have a lot of taxpayers' dollars invested, and when we do that we have an accountability to the world and to our taxpayers, and that accountability time has come.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule 1, the House will stand in recess until 2 p.m.

Accordingly (at 1 o'clock and 18 minutes p.m.), the House stood in recess until 2 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

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

We know that Your words of grace and truth reign in all eternity, O God, and today we pray that those same words will live in our hearts and minds and souls. O gracious Creator, from whom we have come and to whom we shall return, we pray that Your message of good will and understanding, of life and peace, of faith and hope and love, will prevail not only in the wonders of the heavens, but lead us in our tasks, guide us in our thoughts, forgive us in our errors, and bring us in the way everlasting. 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 1, the Journal stands approved.

Mr. HEFLEY. Mr. Speaker, pursuant to clause 1, rule 1, I demand a vote on agreeing to the Speaker's approval of the Journal.

Mr. HEFLEY. 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. Evidently a quorum is not present.

Pursuant to clause 5 of rule 1, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

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

Mr. TRAFICANT 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.

TOURISM

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

Mr. ROTH. Mr. Speaker, I am proud as can be today, as chairman of the Travel and Tourism Caucus, to announce that as of last Friday, we had our 300th Member sign up as member of the Travel and Tourism Caucus. This is a most propitious time, because a week from today we are going to have the White House Conference on Tourism.

As my colleague, the gentleman from Ohio, PAUL GILLMOR, representing the Fourth District, who became our 300th member knows, if you want to have jobs in America, then you have to be in sync with travel and tourism. It is the second largest employer in America.

Travel and tourism employs 11 million people. That is why I am so delighted to point out today that the largest caucus in the Congress it the Travel and Tourism Caucus.

Next week we are going to have 1,700 people from all over America, every congressional district in America, will be converging on Washington for the White House conference on travel and tourism. From this conference, we are going to develop a strategy for the 21st century, because, as Nesbitt points out in his most recent book, in the 21st century travel and tourism is going to be the key to economic success.

In my district alone, Mr. Speaker, we have some $700 million coming in from tourism. We have 302 members today. There is room for more. Please come and join.
OPPOSING THE DEVASTATING CUTS IN BUDGET RECONCILIATION BILL

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

Mr. UNDERWOOD. Mr. Speaker, I rise today in strong opposition to the devastating cuts proposed in the budget reconciliation bill—a measure anything but conciliatory toward families and their hopes for their children.

Let’s examine how this bill would harm children. First, it jeopardizes immunizations for children; second, it eliminates emergency health care for millions of children from poor families; third, it cuts Head Start services which would only result in lower academic performance; fourth, it reduces funding for programs that keep drugs and violence away from children and their schools; fifth, it eliminates meaningful summer job opportunities; sixth, it ignores the need for child care and child protection services for abused and neglected children.

Yes, we must make the tough choices to balance the budget, but not at the expense of harming our children. Can’t we reconcile the budget while being conciliatory to the opportunities for the next generation? Let’s not pave over the chances for success of the next generation as we construct the road to financial solvency.

ANOTHER WHITE HOUSE FLIP-FLOP

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

Mr. HEFLEY. Mr. Speaker, recently President Clinton admitted to a fundraising event that he made a mistake by raising taxes too much.

The next day he said that he did not really mean what he had said the day before. Actually, he said, it was late in the day and he was a little bit sleepy. My goodness. It is not exactly news that Mr. Clinton has occasionally tailored his remarks to suit whatever group he happens to be talking to at the moment, but this one is a real doozy.

Mr. Speaker, we are going to give the President another opportunity to make amends for his mistake in 1993. We are going to present him with a tax bill that will reduce the taxes on those same middle class Americans to whom he promised a tax cut in 1992, then raised their taxes instead, soon after becoming President.

Mr. Speaker, 75 percent of our tax cuts go to people who make less than $75,000. Let us hope that when the tax cut bill comes before him this year, he will be in the right frame of mind and he will sign our middle-class tax cut.

NEW MAJORITY WILL GIVE PRESIDENT CLINTON THE OPPORTUNITY TO ROLL BACK HIS RECORD-BREAKING TAX INCREASE

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

Mr. CHABOT. Mr. Speaker, the President, who in 1993 gave the American people the largest single tax increase in peacetime history, told us last week that he made a mistake by raising taxes too much.

The goal is to get the community involved so students see that prevention isn’t just taught in class,” said Linda Higdon, who coordinates the school district’s drug-free program.

Mr. CHABOT. Mr. Speaker, the President, who in 1993 gave the American people the largest single tax increase in peacetime history, told us last week that he made a mistake by raising taxes too much.

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RED RIBBON CELEBRATION

(Mrs. THURMAN asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mrs. THURMAN. Mr. Speaker, today I will remind my colleagues that we all have a role to play in the battle against illegal drugs—and that no one is more serious about that fight than the people of Citrus County, FL.

This week marks the eighth annual National Red Ribbon Celebration.

We all know that it takes a solid community effort to steer kids away from drugs. This week, Citrus County businesses are joining in the effort in many ways.

More than 14,000 ribbons, each symbolizing the wearer’s commitment to a drug-free lifestyle, will be donated to the county’s schools.

Those who wear the ribbons will receive discounts for food and entertainment and other events will be built around the drug-free theme.

Mr. Speaker, I commend all the committed people of Citrus County for making this year’s events the biggest and best ever. They are giving the young people in Citrus County something to say “yes” to when they say “no” to drugs.

The article follows:

[From the Tribune, Citrus County, FL]

STUDENTS AND TEACHERS TURN RED WHEN IT COMES TO DRUGS—WEARERS DISPLAY COMMITMENT TO A DRUG-FREE LIFESTYLE

(By Gary Sprott)

CRYSTAL RIVER—Thousands of Citrus County students, teachers and school support workers will don red next week in the fight against drugs.

The eighth annual National Red Ribbon Celebration, Oct. 23-31, will feature a variety of school and community events. The celebration is sponsored by The National Federation of Parents for Drug Free Youth. About 14,000 ribbons, each symbolizing the wearer’s commitment to a drug-free lifestyle, will be donated to the county’s schools by Spring/United Telephone-Florida.

“The goal is to get the community involved so students see that prevention isn’t just taught in class,” said Linda Higdon, who coordinates the school district’s drug-free school program.

Schools and community groups will sponsor guest speakers, special presentations and healthy-lifestyle promotions.

The celebration strengthens the district’s year-round efforts through its school resource officers and Drug Abuse Resistance Education program, also known as DARE.

“We’ve had really good participation and every year it keeps growing,” she said. “It’s just not enough to tell kids what to say ‘No’ to, you’ve got to show them what to say ‘Yes’ to.”

Among the planned community events:

Oct. 25: The Burger King in Inverness will offer 10 percent discount on purchases for students wearing red ribbons.

Publix and Winn-Dixie stores will use grocery bags decorated by the county’s elementary school students.

Oct. 27: The Roller Barn in Inverness will offer $1 off admission from 6 to 11 p.m. for students wearing red ribbons.

The Parks and Recreation Department will sponsor a free Halloween costume contest from 6:30 to 7:30 p.m., at the county auditorium in Inverness.

The contest will be followed by a dance for middle-school students from 7:30 to 10:30 p.m. Tickets are free for students wearing red ribbons or Halloween costumes, $1 for others. For information, call 795-2202.

Oct. 28: Manatee Lanes in Crystal River will offer discount rates and free shoe rental from noon to 5 p.m. for students wearing red ribbons.

TIME TO LOOK AT THE UNITED NATIONS

(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, it is time to take a look at the United Nations. It is bad enough American troops have served under the command of the United Nations, but now the United Nations is talking about a world tax. The United Nations wants the power to tax things, transactions and arms sales. Beam me up here, Mr. Speaker. Congress better wake up.

The last I heard, Members of Congress swear an oath to the Constitution to be true to the charter of the United Nations. George Washington once warned Congress about foreign entanglements. I say here today, the United Nations is the mother of all foreign entanglements. Boutros-Boutros Ghali may be the Secretary General of the United Nations, but deep down, I do not think he is a fan or that much of a friend of the United States to start with. Wake up, Congress. This has gone too far.
NEAR TRAGEDY PREVENTED AT DENVER AIRPORT DURING SNOWSTORM

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

Mrs. SCHROEDER. Mr. Speaker, Sunday night Denver had a terrible snowstorm in Denver. We really want to thank the crew of the United flight that prevented a terrible accident by aborting the landing that would have crashed into equipment that was, unfortunately, on the field. I am pleased to say that after notifying the FAA of my great concern about this, the FAA now has a team of experts on the ground at DIA. They have decertified the ground radar, and are looking at the other systems as well.

The city and the FAA must quickly work closely together so that we'll be able to make it through the many storms to come.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment a bill of the House of the following title:

H.R. 927. An act to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes.

The message also announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

S. 132. An act to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

BUDGET RECONCILIATION WILL LOWER TAXES

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

Mr. NORWOOD. Mr. Speaker, I am here to tell you something that the people back home in Georgia thought they'd never hear me say. I am here to tell you that I agree with the President. Mr. President, I do believe you raised taxes too much. And that's why this week we are going to pass a budget reconciliation that lowers taxes. We will be doing more with less and keep the money we earn. We will lower the capital gains rate; 77 percent of those benefiting from a lower capital gains rate will have an income of less than $75,000 a year. And we will pass a $500 per child tax credit, which will eliminate the tax burden for families making less than $25,000 and will cut the tax liability of those making between $25,000 and $30,000 in half. We are cutting taxes to benefit seniors, families, and the middle class. That's exactly what we were elected to do.

Mr. President, 2 years ago, you took away $260 billion; and this week, we're going to refund that money.

The SPEAKER pro tempore (Mr. Foley). The Chair would advise Members to address the Chair, not the President of the United States.

NEAR TRAGEDY PREVENTED AT DENVER AIRPORT DURING SNOWSTORM

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

Mr. WELDON of Florida. Mr. Speaker, last week the President made an astonishing confession. He said that his tax increases of 1993 might have been too much. What he failed to admit is that in his 1992 campaign he promised to cut taxes, not increase them.

Republicans promise to cut taxes for the middle class and small business, not raise them, and that is just what we are going to do. Our $500 per-child tax credit will eliminate Federal taxes for families making less than $25,000 a year. Those making between $25,000 and $30,000 will have their Federal liability cut in half. In addition our capital gains tax cut will benefit the middle class. The IRS found that 77 percent of those who paid capital gains in 1993 earned less than $75,000.

You won't hear this Republican-led Congress apologizing to the American people for raising taxes too much, because unlike the President, we have no intention of doing so.

THE ANTITAX REVOLUTION

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

Mr. RIGGS. Mr. Speaker, these presidential gyrations on taxes are fascinating. Watch the President flip, flop, flip. Well, we all remember when candidate Bill Clinton promised a middle-class tax cut, but then President Bill Clinton raised taxes on the American people. Now the President, as the train is leaving the station, says he wants on board the antitax revolution.

Well, Mr. Speaker, we are in Congress—the Republican majority anyway—heartily agree with the President that his 1993 tax increases were way too big and a big policy mistake. That is why we want to give American families a $500-per-child tax credit. The average family of two will get a $1,000 tax credit. Those making between $25,000 and $30,000 will see their taxes cut in half, and 4.57 million very low income families will see their tax liability eliminated altogether.

Mr. Speaker, President Clinton is right. His taxes are too high, and we
Republicans this week are going to cut those taxes and let Americans keep more of the fruit of their labors.

ARE WE TAKING CARE OF OUR NATION’S CHILDREN?

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

Mr. ROEMER. Mr. Speaker, 22 percent of our nation's children live below the poverty line—22 percent. That is the largest percentage of any developed country. So what are we doing about that? Are we acting in a bipartisan way to make sure that we take care of our Nation's children? No.

In this reconciliation package this week, we are cutting Head Start programs by $137 million, kicking children out of existing programs; and this is a program that President Ronald Reagan sought to increase funding for.

At the same time, lobbyists are arguing very successfully for more funding for B-2 bombers that the Defense Department does not even want, and we are cutting children out of Head Start programs.

Mr. Speaker, this is coldhearted, this is short-sighted, and I hope that we work together in a bipartisan way to take care of our Nation's children, 22 percent of which live below the poverty line.

THE MEDICARE BILL WILL COST SENIORS MORE

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

Mr. PALLONE. Mr. Speaker, I have been saying for some time on the floor that the Medicare bill which passed the House last week, the Republican-sponsored Medicare bill, would cost seniors a lot more. They would have to pay more in order to get less quality care.

I was therefore amazed when I found out about the hole in the rule that was adopted in this House in which the Republican leadership boasted about requiring a three-fifths vote majority to raise any taxes was waived when the Medicare bill came to the floor last week. That was a recognition of the fact that this bill had major tax increases, doubled premiums for part B for physicians' care, eliminated the guarantee that certain low-income seniors have their Medicaid part B paid for and also implemented a means test which required seniors to pay more.

There is no question in my mind that what the Medicare bill did was charge a lot more to seniors in order to finance this tax cut that is coming up this week, a $245 billion tax cut that is going to be going mainly to wealthy Americans.

Mr. ROEMER. Mr. Speaker, 22 percent of our nation's children live below the poverty line.

THE AMERICAN PEOPLE WANT ACTION

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

Mr. WELLER. Mr. Speaker, last week, President Clinton was caught in the act of selling another huge whopper to the American people. This time Bill Clinton told an audience of fat cat Democrat contributors that he thinks the act of selling another huge whopper to the American people. This time Bill Clinton told an audience of fat cat Democrat contributors that he thinks the Medicare bill that he signed into law last week, the Republican-sponsored Medicare bill, would cost seniors a lot more.

Mr. Speaker, I have not forgotten my mother by saying he forgot her advice. My mother told me to go to Washington and cut taxes, save Medicare, reform welfare, and balance the budget. My momma wouldn't care how tired I was or about the time of day. My mother and my constituents gave me a clear agenda that I will not go back. Go Braves, Go Braves.

NEW MAJORITY WILL DELIVER TAX CUTS

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

Mr. BALLenger. Mr. Speaker, this week the new majority will deliver on the tax cuts we promised during the last election. We will provide much needed relief to overburdened families.

In 1948, the average American family with children paid only 3 percent of their income to the government. Today, that same family pays 24.5 percent. In fact, the average family pays more in taxes than it does on food, clothing, and housing combined.

Our $500-per-child family tax credit will provide relief to more than 35 million American families. For families with two children, that's $1,000 that is now in their hands—not the government's.

In addition, the $500-per-child tax credit will eliminate the tax burden for 4.7 million families.

Mr. Speaker, all Americans deserve a tax cut. President Clinton believed this when he was a candidate. This week, Republicans will deliver.

WHERE IS THE BILL?

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

Mr. STUPAK. Mr. Speaker, we are going to vote on reconciliation this week, and the last speaker in the well said that they are going to keep their contract provisions and give everybody a tax break. Well, here is a draft of the reconciliation bill. It is 1,563 pages. On page 1,563 title 19 says, contract tax provisions, text to be supplied. Text to be supplied.

They do not have a bill. We will never see the bill, but they are going to expect every one of us, 435, to vote on it come Thursday, a bill we have never seen.

Mr. Speaker, we know from the past 10 months what the Republican plan
As chairman of the Page board, I want to acknowledge the dedication of these educators who are serving on the validation team. The chairperson is Ms. Maureen K. Newman of Great Neck, NY. She is ably assisted by Mr. James M. Skeens of Randallstown, MD, Mrs. Kathryn Draper of Centreville, MD, Mr. Robert C. Williams of Edgewood, MD, and Mr. Don Miezckowski of Sandy Spring, MD.

CORRECTIONS CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Corrections Calendar. Without objection, the first bill on the calendar will be called. There was no objection.

The SPEAKER pro tempore. The Clerk will call the second bill on the Corrections Calendar.

SENIOR CITIZENS HOUSING SAFETY AND ECONOMIC RELIEF ACT OF 1995

The Clerk called the bill (H.R. 117) to amend the United States Housing Act of 1937 to prevent persons having drug or alcohol use problems from occupying dwelling units in public housing projects designated for occupancy by elderly families, and for other purposes.

The Clerk read the bill, as follows:

S. 1. SHORT TITLE.

This Act may be cited as the "Senior Citizens Housing Safety Act of 1995.

S. 2. LIMITATION ON OCCUPANCY IN PUBLIC HOUSING DESIGNATED FOR ELDERLY FAMILIES.

(a) In General. — Section 7(a) of the United States Housing Act of 1937 (42 U.S.C. 1437e(a)) is amended—

(1) in paragraph (1), by striking "Notwithstanding any other provision of law" and inserting "Subject only to the provisions of this subsection";

(2) in paragraph (4), by inserting ", except as provided in paragraph (5) before the period at the end; and

(3) by adding at the end the following new paragraph:

"(5) LIMITATION ON OCCUPANCY IN PROJECTS FOR ELDERLY FAMILIES. —

(A) LIMITATION. — Notwithstanding any other provision of law, a dwelling unit in a project (or portion of a project) that is designated under paragraph (1) for occupancy by only elderly families or by only elderly and disabled families shall not be occupied by—

(i) any person with disabilities who is not an elderly person and whose history of use of alcohol or drugs constitutes a disability; or

(ii) any person who is not an elderly person and whose history of use of alcohol or drugs provides reasonable cause for the agency to believe that the occupancy by such person may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants.

(B) RULE OF CONSTRUCTION. — The provisions of paragraphs (2) and (3) requiring eviction of a person may not be construed to require a public housing agency to evict any other person who occupies the same dwelling unit as the person required to be evicted.

S. 3. EVICTION OF NONELDERLY TENANTS HAVING DRUG OR ALCOHOL USE PROBLEMS FROM PUBLIC HOUSING DESIGNATED FOR ELDERLY FAMILIES.

Section 7(c) of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended—

(1) in subsection (a), by inserting "(c) STANDARDS REGARDING EVICTIONS. —"

(2) by adding at the end the following new section:

"(3) REQUIREMENT TO EVICT NONELDERLY TENANTS HAVING DRUG OR ALCOHOL USE PROBLEMS IN HOUSING DESIGNATED FOR ELDERLY FAMILIES. — The public housing agency administering the project (or portion of a project) described in subsection (a)(5), shall evict any person whose occupancy in the project (or portion of the project) violates subsection (a)(5).

S. 4. STANDARDS FOR LEASE TERMINATION AND EXPEDITED GRIEVANCE PROCEDURE.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended—

(1) in subsection (k), in the first sentence of the matter following paragraph (6), by striking "criminal" in the first place it appears; and

(2) in subsection (1)(5), by striking "criminal" the first place it appears.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. Mr. Foley. The Clerk will report the Committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute. Strike out all after the enacting clause and insert in lieu thereof the following:

DEDICATED EDUCATORS

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

Mr. Emerson. Mr. Speaker, I rise today to inform you and all of my colleagues of a special event taking place beginning this evening and for the balance of the week.

Our Page School is being visited by a validation team from the Middle States Association of Colleges and Schools. This visitation occurs once every 10 years, and a favorable report is critical to the accreditation of the school. I know Dr. Knautz, the principal of the Page School, and his very able staff have spent a year in preparation, and I am confident the school will be recognized for its continued excellence.

As chairperson of the validation team, I want to acknowledge the dedication of these educators who are serving on the validation team. The chairperson is Mrs. Maureen K. Newman of Great Neck, NY. She is ably assisted by Mr. James M. Skeens of Randallstown, MD, Mrs. Kathryn Draper of Centreville, MD, Mr. Robert C. Williams of Edgewood, MD, and Mr. Don Miezckowski of Sandy Spring, MD.

These educators who are serving on the validation team will be recognized for its continued excellence, and I am confident the school will be able to demonstrate excellence.

Mr. EMERSON. Mr. Speaker, the President has finally confirmed what the Republicans have been saying all along—that he raised taxes too much. While speaking in Houston at a fundraiser he stated that a lot of people think "I raised their taxes too much. It might surprise you to know that I think I raised them too much too." The Republicans promised tax cuts last year and this week we plan to vote on a budget package that will include a tax cut totaling $245 billion dollars. We are offering a $500 per child tax credit which will eliminate taxes for families making less than $25,000. We reduce capital gains taxes by 50 percent. We reduce the tax burden on our Nations seniors by repealing the 1993 Clinton tax increase over the next 7 years.

Everyday it is more clear that the Republicans want to lead this Nation into the next century, while the President and Democrats can only offer rhetoric, scare tactics, and flip-flops.

PRESIDENT RAISES TAXES TOO MUCH

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

Mr. Ewing. Mr. Speaker, the President has finally confirmed what the Republicans have been saying all along—that he raised taxes too much. While speaking in Houston at a fundraiser he stated that a lot of people think "I raised their taxes too much. It might surprise you to know that I think I raised them too much too." The Republicans promised tax cuts last year and this week we plan to vote on a budget package that will include a tax cut totaling $245 billion dollars. We are offering a $500 per child tax credit which will eliminate taxes for families making less than $25,000. We reduce capital gains taxes by 50 percent. We reduce the tax burden on our Nations seniors by repealing the 1993 Clinton tax increase over the next 7 years.

Everyday it is more clear that the Republicans want to lead this Nation into the next century, while the President and Democrats can only offer rhetoric, scare tactics, and flip-flops.
SECTION 1 SHORT TITLE.
This Act may be cited as "Senior Citizens Housing Safety and Economic Relief Act of 1995".

SEC. 2. AUTHORITY FOR PUBLIC HOUSING AGENCIES TO PROHIBIT ADMISSION OF DRUG OR ALCOHOL ABUSES TO ASSET-SUBSIDIZED HOUSING.
Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended—
(1) in the section heading by striking "INCOME''; and
(2) by adding at the end the following new subsection:
"(e) AUTHORITY TO LIMIT ADMISSION OF DRUG OR ALCOHOL ABUSERS.—
"(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may establish standards for occupancy in public housing dwelling units and assistance under section 6 that prohibit admission to such units and assistance under such section by any individual—
"(A) who currently illegally uses a controlled substance or alcohol, or
"(B) whose history of illegal use of a controlled substance or use of alcohol, or current use of alcohol, provides reasonable cause for the agency to believe that the occupancy by such individual may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.
"(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1), to deny occupancy to an elderly person based on a history of use of a controlled substance or alcohol, a public housing agency may consider whether such elderly person—
"(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable); or
"(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable); or
"(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable).
"(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES TO PROHIBIT ADMISSION OF NONELDERLY FAMILIES.—
"(A) to achieve the housing goals for the jurisdiction under the comprehensive housing plan under section 105 of the Cranston-Gonzalez National Affordable Housing Act; and
"(B) to meet the housing needs of the low-income population of the jurisdiction; and
"(2) includes a description of—
"(A) the project (or portion of a project) to be designated;
"(B) the types of tenancies for which the project is to be designated;
"(C) any supportive services to be provided to tenants of the designated project (or portion);
"(D) how the agency will secure any additional resources or housing assistance that is necessary to provide supportive services to nonelderly families that would have been housed if occupancy in project were not restricted pursuant to this section; and
"(E) how the design and related facilities (as such term is defined in section 202(d)(18) of the Housing Act of 1959) of the project accommodate the special environmental needs of the intended occupants.

For purposes of this subsection, the term 'supportive services' means services designed to meet the special needs of residents.

(e)(6) REVIEW OF PLANS.—
(1) REVIEW AND NOTIFICATION.—The Secretary shall conduct a limited review of each plan under subsection (d) that is submitted to the Secretary to ensure that the plan is complete and complies with the requirements of subsection (d). The Secretary shall notify each public housing agency submitting a plan under subsection (d) of any deficiency in such requirements not later than 60 days after receiving the plan. If the Secretary does not notify the public housing agency, as required under this paragraph or paragraph (2), the plan shall be considered, for purposes of this section, to comply with the requirements under subsection (d) and the Secretary shall consider to have notified the agency of such compliance upon the expiration of such 60-day period.
(2) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under subsection (d) only if—
"(A) the plan is incomplete in significant matters required under such subsection; or
"(B) there is evidence available to the Secretary that challenges, in a substantial manner, any information plan submitted under this section; or
"(C) the plan fails to comply with the requirements under subsection (d). An agency that the plan complies with the requirements under subsection (d) only if—

(4) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a public housing agency shall be considered to have submitted a plan under this subsection if the agency has submitted to the Secretary an application and allocation plan under this section (as in effect before the date of the enactment of the Cranston-Gonzalez National Affordable Housing and Economic Relief Act of 1995) that have not been approved or disapproved before such date of enactment.

(f) EFFECTIVENESS.—
(1) SYEAR EFFECTIVENESS OF PLAN.—A plan under subsection (d) shall be in effect for purposes of this section only during the 5-year period that begins upon notification under subsection (e)(1) of the public housing agency that the plan complies with the requirements under subsection (d). An agency may extend the effectiveness of the designation and plan for an additional 2-year period beginning upon the expiration of such period (or the expiration of any previous extension under this paragraph) by notifying the Secretary the agency information needed to up date such plan.
Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LaLuz] to explain this program.

Mr. LAUZ. Mr. Speaker, time and again Members have come to the floor of the House of Representatives and spoken about the tremendous opportunity we have in the 104th Congress. Today, through the corrections day process and through the hard work of many Republican Members, we are seizing that opportunity to right the wrongs of misguided public policies and to make sure our seniors can be secure in their homes.

H.R. 117 accomplishes two very important goals. By allowing PHA’s to take steps to evict dangerous tenants, this bill ensures that seniors who have trusted the government to provide them with decent, safe housing can feel secure in their own homes. By authorizing the Home Equity Conversion Mortgage [HECM] program, this bill also ensures seniors who own their own home and who want to stay in their own neighborhood can do so in comfort, by not worrying about whether they can afford it.

Too often, the best laid plans of HUD and Congress have effects that were never intended. Certainly, providing good housing for disabled Americans is something we should do and elderly-only housing projects tend to be some of the best federally-assisted housing available. Too many people who receive a housing subsidy are current drug addicts or alcoholics living under the guise of disabled persons. This mix has proven to be harmful to seniors and truly needy and deserving disabled people as well.

We cannot tolerate the harassment, intimidation, and even physical abuse that is heaped on older Americans by residents in their own building who are living at taxpayer expense. We cannot tolerate those who would prey on residents in their own building who are living in a safe environment in which to live, but one in neighborhoods where they have been brought up in a community with their past and current families.

In cities in particular, it is thus designed to halt gray flight.

For this initiative, I would compliment Mr. BLUZI, who introduced this approach, and Mr. FLANAGAN, who has been such an advocate of this change.

The second group of senior citizens this legislation—which was put together by the excellent work of Representative RICK LAUZ, chairman of the Housing and Community Opportunity Subcommittee—would help are those whose major asset is the house in which they have lived for many years, in which they have raised their family and in which they hope to continue to live, as long as they are physically capable of doing so.

Many of these elderly home-owning persons are facing financial pressures which can be eased by allowing them to enter into so-called reverse mortgages through which they can remain in their homes while receiving either a lump sum payment or monthly payments based on the value of their homes.

Mr. Speaker, I yield 2 minutes to the gentlelady from Iowa [Mr. LEACH].

Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the House this afternoon is H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act. The bill is designed to address the physical and economic needs of senior citizens.

On physical grounds, it is intended that senior citizens not be required to live with those who have brought drugs and crime into their housing projects. It is imperative to give seniors not only a safe environment in which to live, but one in neighborhoods where they have been brought up in a community with their past and current families.

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Many of these elderly home-owning persons are facing financial pressures which can be eased by allowing them to enter into so-called reverse mortgages through which they can remain in their homes while receiving either a lump sum payment or monthly payments based on the value of their homes.
very strongly about the need to reautho-
ize this program because of the tremen-
dous value reverse mortgages have for seniors around the country.

This provision encourages those who want to stay in their homes and in the neighborhood they love but at the same time making their life more livable. The HECM program can ensure the quality of life of older Americans at no additional cost to the government, making everybody winners.

In closing, I would remind my col-
leagues of the strong showing of sup-
port we have received for this legisla-
tion. The American Association of Reti-
red Persons, the National Association of Home Builders, the American Associa-
tion of Homes and Services for the Aging, and the National Assisted Housing Management Association have all voiced strong support for this bill. But in the final analysis we are passing this bill today not for political reasons: We are passing it because the millions of seniors groups represent and for the millions of Americans who look to this Congress for help and support. The Senior Cit-
izen Housing Safety and Economic Re-
 lief Act of 1995 is a good bill and I urge all of us to support it.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me read to this Chamber the headline from an article written in the Boston Herald last Friday, October 20. The headline says: “Chelsea Widow, 73, Raped at Gunpoint.”

This 73-year-old woman had just lost her husband 4 or 5 months prior to this outrageous incident, and was living alone in what was supposed to be an el-
derly-only public housing building in Chelsea, MA, a working-class city just outside of Boston.

Unfortunately, over the past several years more and more younger people have been allowed to move into this supposedly elderly-only public housing project, many with substance abuse problems. While nobody who actively abuses drugs or alcohol is supposed to get into public housing, too often screening is inadequate, old habits return, or drug pushers “game” the system and gain admittance to public housing under the guise of being disabled in order to ply their trade. As we all know, drug addicts commit crimes, particularly violent crimes and, as in Chelsea, the victims are often the el-
derly and the frail.

We have tried several times over the past several years in the Congress to make it possible for public housing au-
thorities to set underelderly-only public housing, and to kick out trouble mak-
ers who are threatening the elderly for any reason. In fact, later this year I ex-
pect the committee to consider wheth-
er or not former drug or alcohol abu-
ers should be considered disabled at all for the purposes of public housing.

But for various reasons, the attempts to restore elderly-only housing have failed. So, today we are moving for-
ward on a bipartisan basis to try to ad-
dress this terrible problem and I want to commend Chairman LAZIO for bring-
ing this bill to the floor.

This bill will give housing authori-
ties to get rid of nonelderly tenants who have cur-
rent narcotics or drug abuse problems. It en-
ables housing authorities to get rid of tenants in family or elderly projects who are threatening the health and safety of other tenants.

It clears away the existing barriers to the creation of elderly-only public housing, and allows for the creation of disabled-only housing or housing for mixed populations.

While I support this bill and urge my Democratic colleagues to do the same, I must point out that the Republicans have not always been so friendly to the elderly who live in our public and as-
sisted housing.

I just a few short weeks ago, the Re-
publicans voted to kill new rental assis-
tance that the Secretary of Housing and Urban Development was allowing largely to move the disabled out of senior-only housing.

I just a few short weeks ago, the Re-
publicans voted to raise rents on senior citizens living in public and assisted housing, and the Republicans defeated amendments offered by me and my col-
league BARNEY FRANK to roll back these rent increases.

These same Republicans came to the floor and voted for a budget that will absolutely decimate public housing, in spite of the fact that about one-third of public housing units are occupied by the elderly. Where will they go when the walls start falling down around them, or there is no heat or hot water?

Finally, while authorizing public housing authorities to create disabled-
only housing, the notion that any such housing will ever be built, given the tight-fisted budgets passed for housing by this Republican Congress is, frank-
ly, a fantasy. The need will be greater, but there will be less and less housing for these extremely vulnerable people.

So, I ask my Republican colleagues not just to cast the easy votes and make speeches on the House floor, but to vote to the needs of the elderly and disabled, but to cast the tough votes and fight the tough battles for increased housing for the el-
derly, the disabled, and the poor.

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

Mr. LAZIO of New York. Mr. Speak-
er, I yield 2 minutes to my friend, the distinguished gentleman from Massa-
echusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Speaker, I thank the gentle-
man for yielding me the time.

Mr. Speaker, just over a year ago, this House passed on a voice vote an amend-
ment to the Housing and Com-
unitv Development Act that would have prevented drug addicts and al-
coholics from residing in elderly public housing.

However, the Senate did not act on this legislation, and, therefore, I re-
troduced it this year. Since then I have worked with Chairman LEACH and Chair-
man LAZIO on perfecting this bill and I believe that with their leadership and with the leadership of many mem-
bers of the committee on both sides of the aisle, that we have before this House a bill which everyone can be proud of and can support.

The fact of the matter remains as it did last year and the year before that fewer citizens are living in fear because of a law which Congress passed back in 1988. That law allows young drug and alcohol addicts into senior housing facilities. The result of this misguided statute has brought terror into the lives of elderly Americans across the country who deserve to live out their retirements in safe and se-
cure housing.

Not only are our parents and grand-
parents subjected to loud music and all-night parties, they are also being shaken down for loans, harassed, robbed, assaulted and, yes, in some tragic cases even raped.

Let me just state some of the horri-
ble situations that our seniors are living with under current Federal law:

In my district, an elderly woman was shaken down for a $1,000 loan by a 38-
year-old former drug abuser who lived in her complex. He then threatened the life of the woman’s relatives after being confronted by them.

In the city of Boston, a 92-year-old woman was raped in her public elderly housing apartment by a 38-year-old neighbor in her building who was a drug abuser.

More recently the Committee on Banking and Financial Services heard em-
otional testimony from a senior cit-
izen from Worcester, MA, Anneliesse D’Angelo, who said that young men lined up outside as a prostitute tossed her keys out the window, and a drug abuser and resident running naked through the hallway harassing elderly tenants.

In addition, the committee heard testi-
mony from Jack Mather of the Brockton, Massachusetts Housing Au-
thority who said that the percentage of nonelderly disabled in senior housing has risen from 9 percent to 38 percent. This bill will change this disastrous policy. I can think of nothing that is more important to correct in the Fed-
eral code than this policy. I urge this House to adopt this bill.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield such time as I may consume to the gentleman from Texas [Mr. GONZALES], the former chairman of the committee, an individual who has done more for public housing and housing of our Nation’s poor and senior citizens than any individual in this Chamber.

Mr. GONZALES. Mr. Speaker, I appre-
ciate the very kind remarks of...
Chairman Kennedy, particularly coming from him, whom I greatly admire. In a grandfatherly way, I have watched him grow up, so it is something that I deeply appreciate.

Mr. Speaker, the bill before the House is not new, but it does change the current law. As a practical matter the bill is not necessary. The fact is that housing authorities already can screen applicants for disabled housing, to ensure that persons who are likely to be disruptive or a threat to their neighbors are not placed in vulnerable senior citizen projects. And housing authorities already can evict tenants who are disruptive or who threaten other tenants. But to the extent that housing authorities believe they need clearer legal guidance, this bill provides that guidance.

In its original form, this bill would have permitted public housing authorities to refuse housing or to evict virtually anyone, on an arbitrary basis. We worked in a bipartisan way to make improvements to the bill, to provide a reasonable level of protection against arbitrary and capricious actions by housing authorities. However, even as it stands, the bill could be read as permitting actions against tenants based solely on costs and rumor, rather than any real evidence of misconduct. Therefore I want to emphasize that it is not the intent of this bill to deny anyone the right to a reasonable process.

Every tenant of a public housing unit, or other citizen, has the right to be protected against neighbors who pose a threat or who engage in criminal conduct of any kind. That is what this bill is about—to make clear that disabled individuals who use drugs or alcohol, and who are disruptive or threaten their elderly neighbors, will promptly be evicted. And in addition, this bill makes it clear that a housing authority can deny housing to a person who is likely to threaten the peace and safety of a senior citizen housing project. This protection can be provided without violating anyone’s right to a reasonable process. Moreover, as I have stated before, housing authorities can already do this under current law—all this bill does is to make that fact clear to anyone who feels a clarification is needed.

The majority did work with us to make needed revisions in the bill, and I appreciate the cooperation that we received. The bill in its current form is much improved, and I support it.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute and 30 seconds to the distinguished gentleman from Iowa, [Mr. NUSSELE].

(Mr. NUSSELE asked and was given permission to revise and extend his remarks.)

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

On July 24, the citizens of Waterloo, IA, spoke to the Speaker of the House and myself during a town meeting. During that visit, the Speaker made a commitment to the people of Waterloo that we were going to act today on this important legislation. So today we do act.

I commend the chairman, the gentleman from New York, [Mr. LAZIO], and the gentleman from Iowa, [Mr. LEACH], and many others who have worked tirelessly on this issue.

I want to read to you the pleas of the citizens group in Waterloo that has been working on this issue. In part it says this: when a drug dealer lives in Federal housing, more specifically in section 8 housing, we find our battle is not only with the drug dealer, but also with the Federal Government. They went on to say: as poor families sit on waiting lists, sometimes for years, to receive section 8 housing, drug dealers roll up their thick wad of twenties and continue to get their rent paid by the Federal Government. Federal housing, more specifically in section 8, is the most crime-free housing in our Nation. Instead it has become synonymous with drugs and violence. Being poor should not mean you are forced to live among drug dealers and violent criminals.

Therefore, families are forced to live with drug dealing and with violent neighbors because of regulations that go unenforced by Housing and Urban Development. Today we will stop this practice by this important legislation.

We answer the pleas of Leon Moseley and Donna Jones and many others from Waterloo and across the country that have been pleading for help and action by the Federal Government so that they do not have to live in communities that are full of drugs and violence. I commend this entire Congress for working in an area where Housing and Urban Development would not. Mr. KENNEDY of Massachusetts, Mr. Speaker, I yield 6 minutes to the gentleman from Virginia, [Mr. MORAN], who worked tirelessly to clean up elderly housing in his district. I commend him for his steadfast efforts in that regard.

Mr. MORAN. Mr. Speaker, I thank my very good friend from Massachusetts and the ranking Democrat on the Subcommittee on Housing and Community Opportunity.

This is a very good bill. Certainly all of us are aware of the fact that we have so many seniors who are asset rich and cash poor, and so this home equity conversion mortgage extension works out very well for them and is going to relieve a lot of anxiety for them. I am particularly excited about the provisions that relate to the screening and eviction of alcohol abusers in public and publicly assisted housing.

I did not come to the conclusion in any easy way. In fact, when I got involved in public service, back many years ago, I was really more focused on what I called law and order and the fight against drug dealers and drug transactions. But I will not get into the specifics of that, but it became clear that we had to do something.

I went to Secretary Kemp and got a waiver to do exactly what this bill does today. In fact, the bill broadens the provisions that were in last year’s Housing and Community Development Act that expanded the grounds for eviction for criminal activity to any activity that threatens the health, safety, or physical well-being of the premises by the residents and by public housing employees.

This measure includes language that I offered last year to remove the geographic limitation that places the expedited eviction procedure by striking the on-or-near-such-premises language. What happens is that drug dealers know very well where the boundary is, they just step over to deal their drug dealing.

This bill also clarifies that ignorance of illegal drug activity should not by itself be grounds for exempting a tenant from the expedited eviction procedure. That actual-knowledge standard is really easy to understand. It encourages the leasehold, which is oftentimes the parent, to avoid knowing what the members of their family, who should be under their control, are actually doing on the premises.

Mr. Speaker, one outstanding concern is that the eviction and screening provisions should be extended to all government assisted privately owned housing. There are approximately 1.4 million public housing units, while there are more than 21 million section 8 publicly assisted housing units.

What is effective for public housing should be applied to the privately owned publicly assisted housing as well. In reviewing the legislation, it is not exactly clear if tenants in project-based section 8 programs and tenants in FHA-insured subsidized housing are covered. I am not aware of any legislation standards for eviction from section 8 project-based on FHA-subsidized housing, although I believe HUD has issued rules and a handbook for this housing.

I think it would be helpful if we could clarify with respect to the project-based section 8 housing and the FHA-subsidized housing whether this applies to them.

Mr. Speaker, could the gentleman from New York [Mr. LAZIO], clarify that?

Mr. LAZIO. Mr. Speaker, will the gentleman yield?
Mr. MORAN. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Speaker, I would be happy to respond to the gentleman.

I want to thank the gentleman from Virginia for his leadership and for that clarification, as well as the gentleman from New York [Mr. LAZIO], the gentlewoman for her leadership and for all seniors and disabled. I assure that that kind of protection is afforded for all seniors and disabled. I think them very much for clarifying that, and the substance of this legislation is very important.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], the Ranking Member of the Subcommittee on Financial Institutions and Consumer Credit and a great friend of seniors throughout America.

Mrs. ROUKEMA. Mr. Speaker, recovering alcoholics and drug abusers should never have been allowed to live in these housing projects that are clearly reserved for the elderly and the disabled. We have the opportunity today to close this shameful chapter for our senior citizens. Our seniors have a right to live their lives in quiet and trouble-free environments rather than to be filled with drug abusers, dealers and alcoholics. It should never have happened.

I want to commend the gentlewoman from Massachusetts [Mrs. BLUETE], I worked with him since 1992. We thought we had the problem resolved. As has already been stated, the problem goes back to the 88 act. At the time of that 1988 legislation, I opposed the change in the law. In 1992, I worked with the chairman of the committee and many others who rewrite the laws and protect against it. But we said at the time it would probably need more working. In 1994, we went through the same exercise, a good exercise. It was a good piece of legislation. Unfortunately, the Senate did not act on the legislation. So I want to thank the chairman, thank the ranking member, and all those who are working here today to finally get this problem resolved for clarity, not only in the law but also for the regulatory process so that there will be no more confusion and that we will give the safety to the senior citizens that they deserve and close this shameful chapter in the history of public housing and subsidized housing.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to my friend, the gentlewoman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Speaker, I really appreciate the gentleman for his work and the work of the gentlewoman from Massachusetts [Mrs. BLUETE] on this bill. This is a long time coming. It is great work, and I am proud to be associated with it. It seems to me that what we have done here finally is we have injected some common sense into a process that was very short on it. We are saying very clearly and for the first time that there are certain things, certain standards that we can demand that people must adhere to in order to qualify for, in order to be able to take advantage of public assisted housing.

One of those things is that we are not going to allow drug addicts and drugs to be disrupting the lives of senior citizens in federally subsidized housing. I have got a specific project in Cleveland on the west side of the Cuyahoga River that I am so delighted that it is a wonderful community, a diverse community of senior citizens who care for each other, who care about each other, who take care of each other in a very remarkable way. Yet, they were victimized by drug dealers in their building, and I am so delighted that we are fixing that problem today. I commend the gentleman for his efforts.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. FLANAGAN], a great advocate of this legislation.

Mr. FLANAGAN. Mr. Speaker, before I give the statement I prepared, I would like to call to the House’s attention the testimony given by the gentleman from Virginia [Mr. MORAN] before the full committee. If Members are in any way undecided about this bill, I urge them to pull that testimony and read Mr. MORAN’s remarks. He was very self-effacing today when he said he would not go through the details, but it is an amazing story, and it is truly a moving one. I wish that there was time for him to repeat it fully here.

Mr. Speaker, as a cosponsor of H.R. 117, the Senior Citizens Housing Safety Act of 1995, I am pleased that this legislation is on the House floor today. I am very proud of this legislation. It is the result of a bipartisan effort to protect our seniors and to make their housing safer.

Mr. Speaker, earlier this year I visited with the coalition to save the Greenview and Eckhardt apartments in Chicago. Seniors discussed many of the problems that they face everyday as residents in public housing facilities that they painted was horrifying. The housing of substance abusers in these complexes is despicable. Our seniors’ safety is threatened with guns, gang crime, violence, and prostitution into what should be their safe haven—their homes.

The Eckhardt apartment complex clearly illustrates that mixing elderly and nonelderly substance dependent residents does not work. Mr. Speaker, it is nothing less than tragic that our poor and innocent senior citizens who should have to live in public housing facilities designated for the elderly and the elderly and disabled families with nonelderly tenants who are substance abusers. These drug and alcohol abusers are a threat to the health and safety to the seniors who live in these projects. For elderly citizens, who are most susceptible to physical attack, having to live in the same project with these substance abusers in an outrage.
This legislation toughens placement and eviction policies in order to protect residents of public and assisted housing programs from substance abusers. It gives public housing directors the authority to bar troublesome tenants from their buildings, and this reduces the threat to others.

Although I am not on the committee, I have attended hearings on public housing by the Banking and Financial Services Committee and its Subcommittee on Housing and Community Opportunity. Time and time again it was brought up that one of the most important actions that can be taken to protect our seniors from such atrocities in public housing is the careful pre-screening of applicants. Everyone wants this to happen, the tenants, the managers, the Federal, State, and local public officials. The only ones who are not happy about this bill are those who know that they wouldn't be allowed in.

Mr. KLINK. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. Kennedy] for yielding this time to me. This is an issue that is very important across the Nation, but particularly I have seen it in the Pittsburgh region. I know the gentleman from Massachusetts [Mr. Kennedy] has worked very hard on this issue, as has the former chairman, the gentleman from Texas [Mr. Gonzalez], now ranking member, and I thank the gentleman from New York [Mr. Lazio] for his hard work on this because this is an issue that, I think, we can see that something good occurs today.

As my colleagues know, back in 1968 housing provisions were enacted that resulted really in commingling of senior citizens and substance abusers in public housing complexes, and obviously the introduction, as my colleagues have heard from Members here today, Mr. Speaker, had led to conflicts, and it had led to crime. In response in 1992 Congress designated seniors-only, disabled-only, and mixed housing, but there has been some confusion by those people who run the public housing. I think that this bill today will clarify how these designations can be made. I think this will be a great help. The rules to implement these three categories have been difficult to enforce. If we talk to our housing directors, we have talked to them in western Pennsylvania. They tell us that only 10 of 3,400 public housing authorities have had their plans approved so far. We hear all the time from people who say:

Look, we don’t want to go down to common areas because we are afraid of who we are going to see down there. We don’t want to go down to shared laundry facilities because we don’t want to see any kind of situation we are going to get involved with.

I thought the comments of the gentleman from Massachusetts [Mr. Blute] were particularly enlightening because we heard the same thing where they get shaken down by people who really kind of intrude in giving them loans, and it is really a shake-down, and the seniors really at this point in their lives are supposed to feel some kind of security in their home situation.

In Pittsburgh we have also had in recent news; in fact this was back on the sixth of September of this year, the attempted rape of a 90-year-old woman in the Wilmerding Apartments just outside of the city of Pittsburgh. This is just the kind of thing that residents there had feared would happen for a long time. This is a senior citizens’ high rise. Betty Pehanic, who is 76 years old who lived in the Wilmerding Apartments for 10 years said, “We are all frightened, this fellow has got to be put away.” Of course she was referring to a 40-year-old man named Earl Thomas who was arrested within an hour after the assault. Now this 90-year-old woman who he attempted to rape must have been just a little bit too much for Mr. Thomas to handle despite the difference in age because she bled his eye, she got away from him, and she chased him away. Not only did she chase him away, but when the police were summoned, they found blood droplets. They found out it was not her, it was his. But they also found his plastic bank card, and they were able to identify him, and within 1 hour Mr. Thomas was arrested. He was taken out, he was arraigned on $100,000 bond. As we have said, the police station is right next door to the highrise, and the police officers arrived, and they saw Mr. Thomas peeking out of his apartment. What is going on here? And they noticed that he had a fresh wound on his eye. They said, “Come out here, we'd like to talk to you.” He did, and within a matter of a few moments after they found the bank card, they talked to him, and they were able to arrest him, but this is really not the kind of peace of mind that residents of the Wilmerding Apartments had. And this is just the kind of thing that residents have feared would happen for a long time. This is a senior citizens’ high rise.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. Roth].

Mr. ROTH. Mr. Speaker, I thank the gentleman from New York [Mr. Lazio], chairman of this committee, for yielding me the time and for the excellent work he has done in this area, and also the speaker, the gentleman from Iowa [Mr. Nussle], the gentleman from Massachusetts [Mr. Blute], the gentleman from Massachusetts [Mr. Kennedy], the gentleman from Virginia [Mr. Moran], and all the people that have been involved in straightening out, bringing some common sense back to, this 1988 legislation that people were eligible to live in public housing and disabled people were people who had doctor’s certificates, they were mentally ill, drug addicts and the like, alcoholics. We are restoring a little common sense back into the law today.

This again, I think, shows and points to the fact that law in many areas of our country today has run amok. We have got too much Government, we have got to bring some common sense back into these areas again, and I think we could be in session here 2 weeks or longer taking up bills like this.

Drug dealers have no place in public housing. In fact, drug dealers have no place anywhere, and we are going to force them out of public housing, but where are these rats going to run? We have to make sure that we get after the drug dealers, not just push them out of public housing, although that is a first step.

We have waged wars all over the world, hot and cold, to go after, against, murderous regimes so people throughout the world could live in peace, dignity, and safety. We are doing it for people in public housing here today. We have some 3,400 public housing projects throughout the country.

It has been mentioned before that we heard excellent testimony, and we did at the hearing. We heard from many senior citizens. Quite frankly it was very moving when people would tell us, “Hey, I moved into this beautiful apartment, Members of Congress, but after a few months the drug dealers came in, the alcoholics came in, and they took over, and I was a prisoner in my own apartment.” Is that the kind of America we want? I do not think so, and that is why I think the legislation of the gentleman from New York [Mr. Lazio] is so important.

I want to digress here, make a point. We have got drug dealers and alcoholics who are so-called disabled on SSI. Why do we have 250,000 people, drug addicts and alcoholics, as disabled? They should not be disabled. It is costing us $2 billion a year, and I hope we address that issue, too.

Mr. Speaker, the dreaded knock on the door is no longer just a famous metaphor representing the power of evil in foreign dictatorships, but sinister knocking is being heard increasingly by our Nation’s elderly living in our public housing projects.

So who is doing the knocking here? The answer sometimes means life or death to the frail elderly person reaching for the door knob. Is it a delivery person with essential food or medicine as ordered? Or is it a menacing neighbor disabled by drugs, alcohol, or mental illness? Often that is exactly whom it is.
Often, the vulnerable aged person finds robbery, rape, injury, and even death waiting when the door opens.

Such crazed or addicted neighbors live legally cheek by jowl with the elderly in public housing projects.

The threat comes from the doctor-certified mentally disabled—the mentally ill, drug addicts, and alcoholics.

The threat affects the entire population of public housing projects, including children. It is particularly terrifying for the hundreds of thousands of our vulnerable senior citizens forced by economics to live there. And we must put a stop to it.

The legislation before us today, H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act of 1995, addresses this intensifying problem of our senior citizens. I intend to vote for this bill, and I urge my colleagues to join me.

We have waged wars—both cold and hot—against murderous regimes around the world to try to make sure our people—all of them—can live in peace, dignity, and safety. But in our country's 3,400 public housing projects, many, particularly our senior citizens, live frightened, often terrified lives.

Testimony received by the committee is compelling.

It suggests addicts' attacks and threats aimed most often at the frail elderly are occurring hundreds of times a day throughout our 1.3 million public housing apartments and units.

Of these units, about 35 percent are occupied by elderly persons averaging 76 years of age.

Four out of five are women.

About 10 percent of the units are occupied by mostly younger persons disabled by mental illness, drugs, or alcohol.

Of the remaining units, 45 percent are families with children, and 10 percent are families without children.

The liberals argue that the disabled component is only a small number of people, and that they should have the right to try to live independently and to try fit in if they can.

Housing project managers tell me, however, that it only takes one disruptive disabled person to keep an entire building in a constant uproar.

Disabled persons have no business being intermixed, as present Federal law mandates, with the elderly.

The test for the elderly and others should be whether ages are high enough, whether incomes are low enough to make them eligible whether ages are high enough, whether in dates, with the elderly.

intermingled, as present Federal law mandates that it only takes one disruptive disabled person to keep an entire building in a constant uproar. I urge my colleagues to join me.

Mr. BLUTE, who have worked hard on this legislation and who have made a commitment to supporting and protecting older Americans. As a member of the Banking Subcommittee on Housing and Community Development, I am pleased that we are voting on this legislation today.

The Senior Citizens Housing Safety and Economic Relief Act addresses a problem that has arisen both as a result of a national housing policy which allows for the mixing of elderly and disabled populations in public housing, and a 1988 law that expanded the definition of disabled to include former abusers of drugs and alcohol.

Senior housing units were created to aid older or disabled people who needed a place to live by. By expanding the definition of disabled, we have virtually made seniors prisoners in their own homes. They are afraid to leave their own apartments due to the harassment, intimidation, and even physical abuse that they must endure at the hands of some disabled residents who are living at the expense of American taxpayers.

I have visited housing complexes in Delaware, and when I toured Electra Arms high-rise apartments and East Lake family housing complexes, I heard time and time again from both the housing authorities and residents that other than weapons and crime in some of the lower income housing, they thought this was the single greatest problem they have.

Just last week, a female, a mentally disabled resident with a history of drug dependency who is not elderly, but is...
living in the elderly-only Crestview Apartments in Wilmington, set fire to her 8th floor unit. The fire was set intentionally, and did considerable damage before being brought under control. Thankfully, no one was hurt. But, unfortunately, Mrs. Davis’s seniors endure incidents such as this every day.

Seniors should feel protected and secure in their homes. This bill takes us one major step closer to making public housing communities safer and bringing peace of mind to residents.

Again, I applaud the leadership of Chairman LAZIO and Congressman BLUTE and urge my colleagues to support the bill.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 5 minutes to my friend, the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise this afternoon really to say thank you to my colleagues on both sides of the aisle for their work on this very, very important bill. I will tell my colleagues that this bill makes public housing safe for our seniors, and amen. We have waited for this day for a very, very long time.

Mr. Speaker, this bill employs better screening of potential tenants prior to admission and a more streamlined procedure for evicting tenants who put the health, and safety, and peaceful enjoyment of other residents at risk in senior housing.

In addition, this legislation clarifies the ability of public housing authorities to create elderly-only, disabled-only and mixed population housing based on local needs.

I have worked with elderly residents and public housing authorities in New Haven to ensure that such protections were passed into law as part of the Community Development Act in 1992.

Seniors have the right to feel safe in their homes; particularly, elderly residents who can afford to live nowhere else.

I am proud to join my Republican and Democratic colleagues today, as we embark on the next stage in providing seniors a safe and more secure living environment.

The Community Development Act of 1992, included language to permit public housing authorities to designate certain projects for elderly-only, for disabled residents only, or mixed housing.

In addition, we did not provide the tools necessary to implement these laws. To date, only 10 out of 3,400 local public housing authorities have had mixed housing plans approved by the Department of Housing and Urban Development.

The Senior Citizens Housing Safety and Economic Relief Act, that we are taking up today, clarifies the rules for implementing these plans while providing essential safeguards against wrongful exclusion and eviction of tenants under current law.

This can truly be an issue of life and death. In New Haven, CT, several years ago, an elderly public housing resident living in the Crawford Manor public housing development was killed by a non-elderly resident. This painful tragedy created a reaction of fear and resentment among the elderly, not only in Crawford Manor, but throughout the city.

Despite the passage of the mixed housing legislation, I continue to receive letters from local tenants, organizations citing complaints from residents of elderly housing complexes regarding abusive or violent tenants.

Here is a portion of a letter I received from Sylvin Nisbet, president of the New Haven Tenants Representative Council in October of last year.

The problems that certain persons are subjecting the elderly to are extraordinary and catastrophic. I have received complaints about fighting, lack of security, intoxication, urine in hallways, loud, offensive, obscene language, threats on seniors lives, confession, disorder and criminal activities. Senior citizens deserve to have a better living environment. At the very least, we are entitled to our rights of peace and quiet enjoyment in our apartments.

Mr. Speaker, I wholeheartedly agree with Sylvin Nisbet. This bill will assist in bringing that peace and security and community that our seniors deserve.

Mr. Speaker, let me make a personal comment here. My mother is 82 years old. She sits on the city council in New Haven at age 77 she said to me when I was elected to this body, "If there is one issue that you can work on that I have seen day after day in every senior housing complex that I go into, it is the fear that seniors live in because of the situation with drug addicts and alcohol abusers."

She said "If you can work on anything, please see if you can do something about this."

I do not sit on this committee, but I have been active in this area. I have told my colleagues for bringing this bill forward today, and helping me make good on a promise to my mother and to the seniors of the city of New Haven and the Third District and the seniors of Connecticut.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. WELLER], a fine member of the Subcommittee on Housing of the Committee on Banking and Financial Services.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I rise in support of H.R. 117. I am proud to co-sponsor this initiative with the chief sponsor, the gentleman from Massachusetts [Mr. BLUTE].

Mr. Speaker, let us keep this issue real simple. This bill rights a wrong, that wrong that jeopardizes the safety of my constituents, seniors living in hardwood. I ask the physical FYD bureaucrats say my seniors must live alongside recovering drug addicts and alcoholics, a situation that has forced many seniors to live in fear.

In fact, according to testimony from seniors living in the Chicago housing authority and other public housing authorities in Joliet, Will, Grundy, Kankakee, and LaSalle counties, many seniors have been victims of rape, physical assault, and other violent crimes and are afraid. According to many of the news articles that many of us are sharing, and I will include this in the RECORD, they are afraid even to leave their apartments to go to the store, simple daily activities.

H.R. 117 rights this wrong and lets local housing authorities keep senior housing for seniors. This is authority they have asked for. I urge an aye vote.

Let us allow our senior highrisers to be safe housing for seniors. Keep senior housing safe for seniors by putting this into law.

Mr. Speaker, I include for the RECORD an article by Joseph Mallia:

[From the Boston Herald, Feb. 22, 1994]

RAPE VICTIM SUES BHA—SAYS Attacker SHOULD HAVE BEEN EVICTED

(By Joseph Mallia)

A 92-year-old woman who was raped in her elderly-housing apartment two years ago is suing the Boston Housing Authority for failing to protect her from her assailant, another resident with a history of violence.

The housing authority is responsible because officials knew the assailant, Eric Lee Davis Jr., was dangerous but failed to evict him. The woman maintains in her Suffolk Superior Court civil suit.

The woman's name was not made public because she was the victim of a sexual crime.

"The elderly have been asking for help for years. But the only time the BHA or other agencies take notice is when a lawsuit is filed," said the victim's lawyer, Jeffrey A. Newman. "This was a man who would assault them, threaten them, walk around without clothes—they were absolutely responsible to evict him."

The attack "severely psychologically damaged" the victim the lawyer said. "She has essentially lost her independence. She's untrusting and fearful."

BHA officials could not be reached for comment last night.

Davis, who is 6-foot-3-inches and weighs 190 pounds, was found unfit to stand trial and was committed to Bridgewater State Hospital, Newman said. After he was charged, Davis gave police a tape-recorded confession, authorities said.

Davis, who was 38 at the time of the attack, had faced a previous attempted rape charge in a 1986 assault on a 66-year-old woman, law enforcement sources said. That charge was dropped and Davis instead was civilly committed to Bridgewater State Hospital for treatment, and later released.

Federal law allows disabled and handicapped persons to live in the Dorchester complex at 784 Washington St. which was designed for the elderly. And elderly tenants of public housing across the country face similar dangers, Newman said.

For a year before the rape, Davis "had harassed various tenants; had threatened them; had demanded money and food from them; had made a practice of roaming the hallways causing various tenants to be afraid to walk the hallways unaccompanied," according to court documentation.
Davis also "roamed the halls semi-naked; loudly expressed threats and desires to kill various people and to rape various people, including tenants and his own mother; he grabbed various tenants including the rape victims," the lawsuit claims.

He also forcibly kisses the victim, and forced his way into elderly tenant apartments, the lawsuit says.

The lawsuit accuses the BHA and its officials with "deliberate indifference to a known danger . . . the dangerous activities and presence of Mr. L. Davis."

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. METCALF], another fine member of the committee.

Mr. METCALF. Mr. Speaker, I commend the gentleman from Massachusetts [Mr. BLUTE] for his relentless commitment to senior citizens living in federally assisted housing. The reforms in H.R. 117 are long overdue.

In title VI of the Housing and Community Development Act of 1992, Congress allows public housing authorities and federally assisted apartment owners to designate elderly only housing. However, even in mixed populations housing, especially in buildings where the level of nonelderly residents remain high or where drug- and alcohol-abusing much younger tenants continue to be admitted.

Our seniors deserve to live in a peaceful environment from the threats of violence and inappropriate conduct from a small group of residents.

As a senior myself, I can understand the problems which arise when different age groups live in close proximity to each other. H.R. 117 provides the tools to fix this problem.

This legislation will achieve the following:

Authorizes public housing authorities to establish occupancy standards. This would allow public housing authorities to screen potential tenants first, before providing housing. The Everett Housing Agency in my district has had problems with some nonelderly tenants with alcohol abuse. If they could screen potential tenants first, they can assist these individuals and direct them to treatment centers.

Amend the lease provisions which give public housing agencies greater flexibility in evicting residents in cases where the behavior of one resident affects the safety of others.

Last, nonelderly residents who do not display inappropriate behavior or are drug users are not protected by this comprehensive reform which will protect both our seniors and other tenants. I encourage my colleagues to support H.R. 117.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I want to continue to be complimentary of the gentleman from New York [Mr. LAZIO] on this bill, and other Members on the other side of the aisle with regard to their concerns about elderly only housing, I cannot ignore the fact that while this has taken place on the House floor today, this Congress, over the course of the last few months, has absolutely decimated the public housing budget of this country.

We have seen a quarter of the Nation's housing eliminated by the Republicans in a move, at the same time while they are providing a tremendous tax cut to the richest people in this country.

So while we are reaching out to the House floor today indicating they are standing up for our Nation's senior citizens, let us recognize that there are millions and millions of Americans that are becoming senior citizens and losing access to any housing because of the housing cuts that have taken place under the leadership of the Republicans that are now sanctioningly standing up and looking as though they are protecting the seniors of the country. It is the height of hypocrisy to indicate that we are protecting seniors as we go about gutting the very programs and projects which they need.

Mr. Speaker, we will see housing for senior citizens decimated at a result of these cuts. We will see homeless people created as a result of these cuts. We will see the homeless budget cut by 50 percent as a result of these cuts.

Mr. Speaker, I just think it is unbelievable that people can stand up here on the House floor and look like they are standing up for our Nation's elders, like they want to stand up for every grandmother that writes them, and at the same time they walk in the back door and cut the very legs off of the programs that provide for this housing.

Mr. Speaker, I just believe we ought to be honest with the American people, that if we are going to provide a $245 billion tax cut and at the same time we go about absolutely decimating the public housing budget, absolutely decimating the assisted housing budget, and we go back in and add people like we are actually doing them a favor, then it is just not intellectually honest, it does not hold up for the kind of politics that the Lincoln Republican Party has stood for in the past; that it in fact ends up going after and blaming the victims.

We refer time and time again to the worst public housing, ignoring the fact that out of 34,000 public housing authorities in this country, 33,300 of them are well-run. We cannot tell the difference between the private housing and the public housing. Yet, we go about indicting public housing, as a result of the worst public housing in America.

Let us stand up for housing. Let us stand up for our senior citizens. Let us give them housing. Let us house our homeless. However, let us not do that, and the same time coming on the House floor and looking like we are acting and standing up for our Nation's seniors, and going in the back door and decimating these budgets, that they depend on so they can lead a life of dignity in their senior years.

Mr. LAZIO of New York. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Pennsylvania [Mr. GOODLING].

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

Mr. Speaker, I would just ask the following question: Is a $500 credit for long-term care insurance, which every senior citizen wants, something for the rich? Is a $500 credit for home care something for the rich, which is part of that tax package? Is a $148 marriage penalty correction something for the rich? Is $5,000 for the adoption of a child something for the rich? Is $2,000 for the IRA for parents that stay at home with their children something for the rich?

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New Jersey [Mr.LOBiONDO], one of the outstanding Class of '94.

Mr. LOBIONDO. Mr. Speaker, I rise today in strong support of our Nation's senior citizens. H.R. 117, the Senior Citizens' Housing Safety and Economic Relief Act, addresses a problem that is facing housing authorities throughout the country and in the Second District in New Jersey.

For months now, the Housing Authority of the city of Millville has been attempting to designate its three highrises as "elderly only" under the bureaucratic nightmare imposed by current statutory and regulatory law. The delay that Millville has encountered in this designation has led to several problems. First, as we heard in the very compelling testimony presented to the committee, our senior citizens should be allowed to live together in peace and quiet without fear for their own safety. The current law simply delays Millville's ability to put this designation into effect. An additional effect of this delay is that without approval of the designation plan, this housing authority cannot acquire and renovate another building that will be used for housing the young disabled even though funding is available.

Enactment of H.R. 117 will streamline the process of elderly or disabled only designations while also giving our housing authorities greater power to exclude those with a history of drug or alcohol abuse. The designation and exclusion provisions of this bill will ensure that seniors have clean and safe quality housing. I strongly support this very important legislation and urge my colleagues to vote in favor of our elderly and disabled by voting yes on H.R. 117.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself 1 minute to answer the allegations that were just made.

The truth of the matter is that the vast majority of the tax cuts that are being provided by the Republicans go to people with incomes above $100,000. There are some small provisions that trickle down to the working people,
and to people that fit certain categories, but the overwhelming majority of the benefits go to the richest people in the country. No. 1; No. 2, the Republicans are gutting the Medicare program, they are gutting the Medicaid program, and they are gutting the basic standards for all of the nursing home care in this country.

If we are going to talk about who is standing up for our Nation’s senior citizens, go look at their own budget, go look at who benefits, who wins, and who loses.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. González].

Mr. González. Mr. Speaker, I thank the gentleman for yielding time to me, and at the very outset wish to identify and adhere to his remarks and his position, and once again express my admiration for his superb leadership in this respect.

Mr. Speaker, what the Republican cuts mean, simply put, is less housing, higher costs, and lower quality. We will see more homeless than ever before, and more people who are forced to choose between paying the rent and buying fuel. We should not delude ourselves, making these better, what we have here before us; housing will not be improved, that is, made possible to be improved. It will only be made worse.

This bill may be a good and sensible thing in itself to do, but at the same time, the Republicans are intent on wrecking housing, not making it better. The Republicans are using this bill to look as if they are concerned, even as they wreck housing and housing programs. Therefore, while this bill in itself may be good, what comes next is the wrecking ball. That makes senior citizens and everyone else pay more and get a lot less.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. Lahood].

(Mr. Lahood asked and was given permission to revise and extend his remarks.)

Mr. Lahood. Mr. Speaker, I want to reframe the attention on what we are here to debate today, and try to be intellectually honest with the American people about what we are talking about. We are talking about the fact that the Republicans want to make the existing housing that exists in this country safe for senior citizens, and are doing it in a bipartisan way.

I think it is a little unfortunate that those Members that want to accuse Republicans of doing things against senior citizens do not take the time to do that in another place and another time, perhaps on the debate on budget reconciliation, or as you did during the Medicare debate, but the debate here today and the discussion here today is on the Republicans of this Congress, the gentleman from Massachusetts, Peter Blute, who, when he was elected, came here and introduced this bill while you were in control, not when we were talking about tax cuts.

I think the gentleman from Massachusetts deserves an awful lot of credit for bringing this bill to the floor when he was first elected.

Mr. Kennedy of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. Lahood. I yield to the gentleman from Massachusetts.

Mr. Kennedy of Massachusetts. Mr. Speaker, I would like to point out that we did pass this bill.

Mr. Lahood. I know, and I think your colleague, the gentleman from Massachusetts, deserves an awful lot of credit for bringing it back up again, not the idea now that we are trying to use this to leverage and try to scare senior citizens, when what we are really trying to do is protect them.

Mr. Speaker, I want to make one comment about my own aunt. I have traveled all over central Illinois, whether it be in Jacksonville, Havana, Beardstown, Springfield, or my hometown of Peoria. My aunt is 90 years old. She was lived in senior housing for 25 years. She is blind. She has lived in that housing scared to death for many years of the kind of people that were there.

I think because of the leadership of the gentleman from Massachusetts, Peter Blute, the gentleman from New York, Rick Lazio, and the other side to bring this bill forward and get it passed, not only in this House but in Senate, it is a credit to our majority, along with the minority, who care deeply about senior citizens and improving their community, because these senior housing projects are their community within a community. I laud all of those for getting the bill forward and ask support.

Mr. Speaker, I yield today in complete support of this important piece of legislation, not only for my district as well. Next to balancing the Federal budget, public safety in our housing communities is something I hear about all the time. Everywhere I go, senior citizens tell me of the horror stories of having their lives terrified by crime in public housing facilities. Senior citizens are being held hostage, because crime is out of control. Our Nation’s public housing facilities have become a breeding ground for criminals and criminal behavior. I am sometimes outraged at the stories told me throughout my district.

Mr. Speaker, I also speak from personal experience. My 90-year-old aunt, Ann Tapscott, who happens to be blind, is a resident of the Sterling Towers Apartments in Peoria, Illinois. She has lived there for over 25 years. Not a tiny girl by which she has not felt threatened by the drug activity at Sterling Towers. This type of activity is reprehensible and we have an obligation to bring it to a halt.

Fortunately, the bill we are considering today, H.R. 117, the Senior Citizens Housing Safety Act of 1995, would prohibit the placing of violent drug abusers and alcoholics intentionally into taxpayers subsidized senior housing project defies common sense. More important, it puts at risk some of the most frail of our society, as we have heard numerous times here.

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Mr. Speaker, once again I just want to urge a "yes" vote on this important legislation which also extends the home equity conversion mortgage program, which is of great interest to many seniors.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again I just want to say that I strongly support this legislation that we are acting on today. It is legislation that was passed in the last Congress. It was also interesting to see earlier this year when we were attempting to work out a policy that had begun by Secretary Cisneros to get these drug abusers and alcoholics out of public housing, that was finally coming to grips with this terrible problem.

Senior citizen housing should be for the elderly and those who are truly disabled.

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Senior citizen housing should be for the elderly and those who are truly disabled.
Mr. Speaker, today I rise in support of H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act of 1995. Passage of this measure is vital to ensure that our Nation’s seniors are kept safe in their homes to pay basic daily expenses. This bill will provide comfort to seniors whose public housing rent will go up at the same time the quality of that housing will decline. It will provide little comfort to a senior whose Medicare premiums will double over the next 7 years. It will provide little comfort to a senior whose public housing will go up at the same time the quality of that housing will decline. It will provide little comfort to a senior who has to pay the doctor who took care of them for years as they are hustled into managed care. It will provide little comfort to a senior whose spouse is in a nursing home where restraints, inadequate staffing, drugging patients, and people sitting in their own waste are once again common practice. This bill will provide comfort to politicians looking for cover. Those who today vote to protect seniors, are doing seniors no service if last week and this Thursday they vote to dismantle Medicare and Medicaid. These are conflicts that cannot be reconciled. The safety offered to seniors in this bill is real and laudable, but let’s be honest: it pales in comparison to the safety seniors are losing in almost every other measure considered in this Congress.

Mr. VENTO. Mr. Speaker, I rise in support of this legislation. H.R. 117 reauthorizes the Home Equity Conversion Mortgage Program. That has been incorporated into this bill. Rhode Island has a special interest in the survival of this program. The hundreds and sixty-three Rhode Islanders have benefited from the conversion program since its inception in 1989, giving us one of the top five participation rates in the country. The typical conversion participant in Rhode Island is 72 years old, with an annual income of $13,500. The conversion program is ideally suited to the needs of Rhode Island’s senior population. Sixty-two percent of older Rhode Islanders own their own homes. In 1989, the median income of households for persons over 65 was only $16,403. This program targets those in need with help tailored to their particular circumstances. This bill could not have come at a better time, because after what was approved last week and what stands to be enacted this week, seniors are going to need to mortgage their homes more than ever. More seniors will need to mortgage their homes to pay medical bills. More seniors will need to mortgage their homes to pay housing bills. More seniors will need to mortgage their homes to pay basic daily expenses.

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This bill will provide comfort to some, but nothing compared to the harm caused by the cuts to Medicare, Medicaid, and housing programs.
Mr. Speaker, I rise in strong support of H.R. 117 today and also stand up for all other residents of public housing during later deliberations on funding for federally assisted housing.

Mr. REED. Mr. Speaker, I rise in strong support of H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act of 1995. All too often, I have spoken with residents of my State’s senior housing complexes who are concerned about their safety and quality of life. For too many, expectations of a quiet, all elderly environment have gone unfulfilled because of a few drug abusing neighbors who are destructive. Our seniors are afraid to leave their apartments. Instead of enjoying the golden years of life with their contemporaries, our older citizens have been unable to live in the type of peaceful environment that was promised to them.

This legislation will clarify the current discrepancy in the mixed population language for section 8 housing. H.R. 117 will allow public housing officials to deny admission to persons whose use and abuse of alcohol and illegal drugs causes a severe threat to the security and well-being of our senior citizens. It establishes specific terms and conditions for leases with respect to termination of tenancy. The bill also provides for an expedited grievance hearing process before local public housing authorities, allowing these potential problems to be solved much quicker.

I urge my colleagues to support this bill and make our senior housing complexes safe again.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered.

The committee amendment in the nature of a substitute, offered by Mr. GOODLING:

(b) DEFINITION.—For purposes of subsection (a), scrap paper balers and paper box compactors shall be considered safe for 16 or 17 year old employees who are 16 and 17 years of age shall be permitted to load materials, but not operate or unload materials, into scrap paper balers and paper box compactors—

(1) that are safe for 16 and 17 year old employees; and

(2) that cannot operate while being loaded.

(a) GENERAL RULE.—In the administration and enforcement of the child labor provisions of the Fair Labor Standards Act of 1938, employees who are 16 and 17 years of age shall not operate or unload materials, into scrap paper balers and paper box compactors—

(1) that are safe for 16 and 17 year old employees; and

(2) that cannot operate while being loaded.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. GOODLING:

Strike all after the enacting clause and insert the following:

SECTION 1. AUTHORITY FOR 16 AND 17 YEAR OLDS TO LOAD MATERIALS INTO SCRAP PAPER BALERS AND PAPER BOX COMPACTORS.

(a) GENERAL RULE.—In the administration and enforcement of the child labor provisions of the Fair Labor Standards Act of 1938, employees who are 16 and 17 years of age shall not operate or unload materials, into scrap paper balers and paper box compactors—

(1) that are safe for 16 and 17 year old employees; and

(2) that cannot operate while being loaded.

(b) DEFINITION.—For purposes of subsection (a), scrap paper balers and paper box compactors shall be considered safe for 16 or 17 year old employees who are 16 and 17 years of age shall be permitted to load materials, but not operate or unload materials, into scrap paper balers and paper box compactors—

(1) that are safe for 16 and 17 year old employees; and

(2) that cannot operate while being loaded.

The Clerk called the bill (H.R. 1114) to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards.

Amendment in the nature of a substitute offered by Mr. GOODLING:

Amendment in the nature of a substitute offered by Mr. GOODLING:

FAIR LABOR STANDARDS ACT REVISIONS REGARDING PAPER BALERS.
Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

Mr. GOODLING. Mr. Speaker, I yield my time.

Mr. Speaker, the bill before us is a substitute which I am offering today.

The substitute provides that 16 and 17 year olds would be permitted to load, but not to operate or unload, a paper baler or paper compactor, provided that 16 and 17 year olds may only load or unload the machine meets the ANSI standard, and posts notice on the machine that 16- and 17-year-olds to load balers and compactors. The effect of H.O. 12 is to eliminate any occupational justification for a minor to engage in the vicinity of a baler or compactor when it is operating. The amendment before us permits 16 and 17-year-olds to load, operate, or unload balers or compactors. The effect of H.O. 12, prohibits minors from being employed to load, operate, or unload balers or compactors. The effect of H.O. 12 is to require that in the vicinity of a baler or compactor when it is operating, the amendment before us permits 16 and 17-year-olds to load, operate, or unload balers or compactors.

Mr. Speaker, I reserve the balance of my time.
in full compliance with ANSI standards. Compared to government regulations, ANSI standards are both broader and more prescriptive than those typically adopted by agencies. However, at the same time, because legal liability typically does not directly depend on compliance with voluntary standards, ANSI standards are more vague and less precise than agency regulations.

In order to comply with this legislation and use minors to load balers and compactors, an employer must comply with, in his department of Labor must ascertain compliance with, cumbersome requirements that are not directly related to the safety of workers. At a time when agency resources are being cut, this legislation increases enforcement burdens on the Department of Labor.

More importantly, because of the vague and uncertain requirements contained in the ANSI standards, an employer, despite good faith efforts, will have difficulty determining with certainty weather or not he or she has met the requirements of the legislation. Far from immunizing employers from enforcement vagaries, this legislation only increases them. Further, because compliance is now dependent upon the state of the machine at the time a minor loads it, this bill also potentially increases the liabilities for noncompliance. That is, a violation will now occur each and every time a minor loads a machine that is not in full compliance with ANSI standards. Finally, the failure of the legislation to provide any regulatory authority to any government agency, or anyone outside of ANSI, means the Department of Labor cannot specify permissible activity for employers. Particularly where employee safety is at issue, it is in no one’s interest to enact a statute imposing confusing and imprecise requirements.

I have never intended that it is not possible to craft legislation permitting minors to load balers and compactors in a manner that both clearly states the obligation of employers and fully states the obligations of employers and fully protects the safety of workers. My concern with the bill before us is that it does not adequately do either. Therefore, I oppose H.R. 1114.

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

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. EwING], who was very active in bringing this legislation before us.

(Mr. EwING asked and was given permission to revise and extend his remarks.)

Mr. EwING. Mr. Speaker, I would like to thank Chairman GOODLING for his assistance in passing this legislation through his committee and bringing it to the floor today. I would like to thank my colleague, BEST, whom I have worked closely with over nearly 3 years to resolve this issue, and ROB ANDREWS, who was instrumental in helping to bring labor and management together to address concerns raised by both sides.

Many of my colleagues are aware that the Labor Department in its enforcement of H.O. 12 has been levying fines on grocery store owners of up to $10,000 per violation because teenage employees merely tossed empty boxes into paper balers.

Many of us have visited grocery stores in our district and have seen how safe the modern machines are. It is impossible to load a modern machine unless the machine is already operating. These machines include an on-off switch, a key lock, and a lift gate which must be completely closed before the machine may operate. When the gate is lifted the slightest bit, the machine automatically shuts down. In order to load the machine, the machine must be shut down, non-operable, dormant.

The Labor Department, in my opinion, has misused their power by fining grocers huge amounts of money for a casual violation, when there is not a real safety concern. This is an example of the Department’s regulatory overreach.

For example, I recently heard from a chain of stores which was requested by the Department to pay over $500,000 for H.O. 12 violations. To arrive at this total, the Department tracked down isolated violations of H.O. 12 during their investigation of a small number of the chain’s stores, asked some employees if they had ever thrown some items into a company paper baler, thereby a technical violation of H.O. 12, then multiplied that number by the number of stores the chain owned to come up with the fine. This chain did not have a single injury involving a paper baler in any of their stores.

Our legislation brings a commonsense approach to this regulation and I think that it is extremely reasonable. We allow 16- and 17-year-olds to load machines meeting the modern safety features, but not permit them to operate any paper balers, even the modern ones. We require that grocers wishing to allow teenagers to load balers always maintain the most modern machines and therefore provide an important incentive for grocers to get rid of the old, potentially dangerous machines that are out there. This is the best way to ensure the safety of all workers.

We worked very hard to accommodate the concerns raised by the minority members of this Committee and the United Food and Commercial Worker’s Union.

In fact, the manager’s amendment which has been offered would make nine major changes to the original legislation which we wrote. Every single one of these provisions were requested by labor union representatives. For example, under this amendment, we explicitly require that machines to be loaded by 16- and 17-year-olds must not be operable while being loaded, we require them to have a key-lock system and that the key be maintained in the custody of adult employees. We also require notice to be given to adult employees that the machine meets current ANSI standards and post notice on the machine that this is the case and that the teenage employees are therefore permitted to load, but not operate or unload the machines.

We believe that we have accommodated every reasonable request made by all the parties interested in this issue.

Mr. Speaker, the American people want us to put an end to government policies which kill jobs and harm small businesses without any benefit to worker safety. The Labor Department’s policies on paper balers is a perfect example of this. It is a case where people are so frustrated that I want to thank Speaker Gingrich for establishing this corrections day process which provides us an opportunity to alter this outdated and costly regulation.

Mr. OWENS. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. ANDREWS].

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank the ranking member of the subcommittee for yielding me the time. I thank him and the staff for their outstanding cooperation throughout this process in trying to improve this bill. I also want, with a due respect to my friend, I rise in support of the bill. It has been a long-standing tradition in our country that very often someone’s first job was in a grocery store or a supermarket. It is a way that they helped to pay their way through school or help their family meet its family obligations. That is a tradition that I think we should support and promote, and that is what we are doing by this legislation today.

I would not support this legislation if I thought it was going to take jobs away from full-time adult workers. I do not believe there is any evidence that says that it does. Nor would I support this legislation if I thought that it raised significant safety concerns for our district and have seen how safe the modern machines are.

Load the machine, the machine must be shut down, non-operable, dormant.

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

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would activate the machine must be in the custody of an adult who is supervising the minor worker.

In short, I think that this legislation is common sense. I think it is sensible, I think it has very excellent safeguards for the employer working who are involved, and I believe it helps us to continue that tradition of a young person, a 16 of 17-year-old, getting his or her first job in the supermarket or the grocery store.

I thank the majority staff, the chairman and subcommittee chairman for their work on this. Again, I thank our ranking subcommittee member for his cooperation and his staff's cooperation. I support the measure. I urge its adoption.

Mr. GOODLING. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina [Mr. BALLENGER], and I ask unanimous consent that he be permitted to control that time.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BALLENGER. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. EHRlich].

(Mr. EHRlich asked and was given permission to revise and extend his remarks.)

Mr. EHRlich. Mr. Speaker, I rise in strong support of H. R. 1114, the Ewing-Combest bill, which will bring about one modest but long overdue change to a 1954 Labor Department regulation. This bill will bring fairness and good dose of common sense to a 40-year-old child labor law clearly out of step with today's workplace technology.

In 1954, the Department of Labor issued an order to prohibit minors from working in occupations involving the operation of power-driven paper product machines, including the cardboard balers and compactors. These balers are primarily found in supermarkets and grocery stores.

This order was issued more than 40 years ago, and despite the advancement in safety standards, designs, and mechanisms made since then, it is still enforced. Regulations are necessary, but they must reflect the safety technology currently in use in the workplace. The prohibition does not embrace new safety standards. It simply prohibits minors from loading materials into a baler, even balers which meet the highest standards of safety in the industry.

An employer can be fined as much as $10,000 for a violation of this order. Some companies have even been fined as much as $250,000—clearly, an excessive burden to small businesses where there is no longer a safety threat.

Since 1989, the Department of Labor, has assessed an estimated $6 million against employers.

Does it make sense to penalize employers when there is no longer a risk to the young worker? As a result many food retailers no longer hire young people or have to cut back on the number of jobs offered to teenagers. If I owned a grocery store making a net profit of less than a penny on the dollar—the industry average—would I hire young people and run the risk of a $10,000 fine from the Labor Department? Of course not, it would not be worth it.

Mr. Speaker, on August 8, upon the request of a constituent, Harold Graul, I visited Graul's, a small, family owned supermarket which is the mainstay of a real world neighborhood community within my district. Graul's is a typical, locally owned business which tries to reach out to its community and give young people their first job opportunity. Graul's baler is a modern piece of equipment with up-to-date safety devices. Harold Graul, the proprietor, has no intention of expecting his young employees to operate this machinery. However, he would like to be able to allow 16- and 17-year-old employees to throw cardboard boxes into a machine, which isn't even turned on at the time. He would like to avoid unreasonable fines for having cardboard tossed into what is essentially a glorified trash bin.

It was on this visit which clearly illustrated to me how mistakes made here in Washington can reach all the way out to my congressional district and have a real effect on the small businessman and even a teenager.

Let me add the minor problem is by no means limited to the small markets—many large-volume grocers, such as Giant, Mars, Santoni's, are equally adversely impacted.

Mr. Speaker, the sad thing about this whole issue is that because of large fines against grocery stores, job opportunities for young people have been curtailed significantly in recent years to the extent that some grocers no longer hire anybody under 18 years of age.

Lawmaking is simply not the means to which the Federal Government must aspire to anticipate with precision every possible situation, obligation, and exception. Laws and regulations must be built upon a foundation of practicality and common sense.

Corrections day is precisely a vehicle which will push the kind of change Americans demanded last November. Corrections day will prove that changes can take place, corrections can be put into force quickly, and Federal Government can remove burdens from individuals, families, and small businesses.

Mr. Speaker, let's correct this bureaucratic mess. Let's reform Hazardous Occupation Order No. 12, and let's be fair to both supermarket employers and young people who want job opportunities. We can all do this enacting H.R. 1114. I urge my colleagues to vote for this common sense legislation.

Mr. OWENS. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. Peterson].

Mr. Peterson of Minnesota. Mr. Speaker, I am pleased to be here today in support of the manager's amendment to H.R. 1114, which will revise the Federal Department of Labor's Hazardous Occupation Order No. 12.

Mr. Speaker, this legislation is somewhat unusual by congressional standards. It delivers a common sense solution to a real world problem. Furthermore, it was developed in a collegial and bipartisan manner with input from all concerned parties. No one walked away from the table, no one refused to work in good faith, and in the end a consensus was reached.

Mr. Andrews, Mr. Ewing, Mr. Combest, and Chairman Goodling are all to be commended for their work on this legislation. Their efforts should set the standard by which we develop all future corrections day legislation.

For Members on my side of the isle I would note that H.R. 1114 was developed with the full participation of the United Food and Commercial Workers, and they are not actively opposed to this legislation.

To put it simply, H.R. 1114 will allow 16- and 17-year-old grocery store employees to throw cardboard boxes into a compacting or baling machine. The only time that this will be allowed is when the doors to the machine are locked open, and the machine itself is turned off with the key removed and in the possession of an adult supervisor. In addition, the machines themselves will be required to meet the most current design safety standards of the American National Standards Institute. That's it.

The bill will not damage current standards for workplace safety in the retail food marketing industry. But it will eliminate an unnecessary regulatory burden on large retail grocery business who often provide that important first job to 16 and 17-year-old young men and women in all of our home towns.

The manager's amendment to H.R. 1114 addresses all of the pertinent safety questions satisfactorily. It will insure maintenance of a rational workplace safety standard while deactivating the Federal Government out of the silly business of regulating who throws away cardboard boxes in the back of the supermarket.

Mr. Speaker, H.R. 1114 solves a specific problem in a rational and responsible manner. In my opinion, Congress should take on more issues in this manner—responsibly and rationally. I urge the Members to support this consensus legislation, and I yield back the balance of my time.

Mr. BALLENGER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. Bonilla].

Mr. Bonilla. Mr. Speaker, I rise to speak on the importance of the provisions in H.R. 1114 that will allow 16- and 17-year-old grocery store employees to load cardboard boxes into a baler, even balers.
Mr. BONILLA. Mr. Speaker, I rise in strong support of this legislation to repeal one of the dumbest rules we have on the books today.

Going back to the 1950's when this rule was written with good intent at the time, how could they have seen back then to the 1950's and for the notion that in the 1950's we would have good machines, good balers that worked very effectively and are perfectly safe? I speak from firsthand knowledge of having put my arms, put my head and shoulders into machines to know that the safety precautions that are now part of these balers, and they are perfectly safe. I would allow my child to operate one of these balers, if properly employed at a supermarket, and would feel perfectly fine with them doing so.

What has happened is the Labor Department, taking this ancient law, is now using it as a punitive measure to fine grocery stores, in many cases small grocery stores but big employers in communities, $10,000 a pop when they have teenagers throw these boxes into the balers, and in most cases they are not even putting their hands or their arms into the balers. They are just taking the box and throwing it in the baler. The baler, then the safety mechanism, if operating properly, will smash the cardboard boxes and dispose of them.

The old machines not covered under these safety standards would not be affected in any way by this law. This is an important piece of legislation. It is also very important for those who believe we need to put teenagers to work in neighborhoods across this country.

It is an effort that we have been working on for a long time. Labor Secretary Reich has told us he is going to try to get rid of this dumb old law. He has not done anything about it.

Here today we have an opportunity to correct a wrong that has been in existence for too long. I am proud to be a strong supporter of this effort to repeal this cardboard baler law.

Mr. OWENS. Mr. Speaker, I yield myself 2 minutes to point out that we have worked out some language for this bill which I hope we will all reach agreement on, but let us not call the regulations dumb.

In 1991 alone, more than 50 baler accidents among employees were reported nationally when minors at that time were prohibited, as they are now, by law from operating balers and compactors, there have been very serious injuries. A minor working in a supermarket had his arms severely crushed when he reached into a baler to remove a catsup bottle. A minor was seriously injured when his hand was caught in a baler. He broke several fingers and underwent surgery to install pins in the knuckles. A 17-year-old worker in Pennsylvania was killed when he reached into a baler to free some jammed paper. A 13-year-old minor was killed when he became caught in a paper compactor. At the time the injury occurred, he was stuffing cardboard boxes into the baler.

This is not a dumb regulation. We are going to make some changes. We are not dealing with a dumb regulation. Lives were saved by this regulation, I assure you. It has helped to keep the grocers of America, while protecting the health and safety of our young workers.

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

Mr. OWENS. I yield to the gentleman from Illinois, Mr. EHING. The question I have is what type of balers were they operating? We have these statistics. We cannot get from the department one statistic that shows that the accidents which the gentleman referred to happened to the new modern balers, and that is all we are talking about here. The latest, up-to-date baler is the only one that would be exempt. Can you tell me?

Mr. OWENS. Reclaiming my time, I think the gentleman reinforces my point. We had a regulation which dealt with a serious problem which currently deals mostly with the old balers. In this bill, we are saying we want only the balers that are new. We believe this non-law is going to be adapted from that new condition and new standards by ANSI. The gentleman is saying what I am saying. It is not a dumb law. This applies now because we have new machines under new standards.

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman. I believe we need to have an agreement on, but let us not call the regulations dumb.

I oppose the contents of the bill as it will gut vital protections for youth in the retail industry, and I also oppose the manner in which this matter is being considered by the Congress.

As I understand this new correction day procedure it is meant to bring up non-controversial bills which seek to eliminate frivolous and useless regulations that are contrary to basic common sense. H.R. 1114 weakens a child labor law regulation that is neither frivolous or useless. Preventing the lives and limbs of the countless number of teenagers working in grocery stores or other retail outlets as part-time jobs, sounds like pretty good common sense to me. Hazardous Occupation Order 12, which prohibits minors under 18 years of age from loading paper balersÐdangerous machinery used in a variety of businesses including grocery stores, department stores, hospitals, and recycling operations.

I urge my colleagues to support H.R. 1114.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in opposition to H.R. 1114, a bill which will allow minors 16 and 17 years of age to load paper balers—dangerous machinery used in a variety of businesses including grocery stores, department stores, hospitals, and recycling operations.

Even with HO 12 in place there have been serious injuries and fatalities when the law has been ignored. Between 1993 and 1995, there were six fatalities involving paper baling machines, including two cases where the victims fell into the compacting area of a machine while attempting to clear jams that occurred during the loading process. A paper baler is not merely a trash or recycling bin. It is a large, dangerous machine, with a large power-driven steel plunger which crushes and compresses paper into a tight mass. These machines are almost always located in the basement or backroom of a retail outlet, away from supervision.

HO 12 is based on the same kind of common sense that parents use everyday in telling their children to not play with matches. When you play with matches you get burned. When you spend more time minors spend around dangerous, complicated machinery the more apt they are to get hurt.

The flaw in this legislation is clear. It replaces a straightforward directive to businesses on how to keep its younger employees safe under new standards. The manager's amendment will allow 16- and 17-year-olds to load paper balers as long as the machine complies with American National Standards Institute [ANSI] standards, the machine has an on-off locking ignition system, and notices are posted regarding these regulations.
This so-called compromise bill attempts to make a bad bill better, but it falls far short of this goal.

Reliance on ANSI standards is a basic flaw that is unworkable and unenforceable. The National Institute of Occupational Safety and Health's primary authority on occupational safety, determined that only one out of five balers currently in use were safe to load and that the ANSI standards are not sufficient to protect minors. NIOSH further determined that HO 12 should be maintained as is.

Of particular concern to NIOSH was the great number of older machines being used, and the necessity for periodic equipment inspection and maintenance to ensure safe working conditions for all employees.

H.R. 1114 does nothing to address this major concern raised by NIOSH. It does not address how adherence to ANSI standards will be enforced, does not include specific requirements on maintenance, and does not include assurances that young people will be properly trained in loading the machine and avoiding dangerous situations.

I fear that H.R. 1114 simply opens the door for allowing minors to utilize this machinery without appropriate safeguards.

Proponents of H.R. 1114 argue that HO 12 is preventing thousands of young people from getting jobs in supermarkets and retail stores, yet there is no solid evidence that this is the case. We have solid evidence that HO 12 protects the lives and limbs of our young people.

We have responsibility to maintain this protection of health and safety. I urge my colleagues to vote no on H.R. 1114.

Mr. STEINHOLM. Mr. Speaker, passing this measure simply makes good common sense. Think about it.

Hazardous Occupation Order No. 12 has been on the books for 41 years. In 1954, heavy-duty industrial machinery, like the paper baler, was substantially more dangerous than today. Since that time, technology and concern for worker safety have helped create a much safer workplace. As a matter of fact, the Waste Equipment Technology Association’s 7-year review of 8,000 compensation cases involving injuries could not identify a single injury attributable to a baler or compactor failing to meet acceptable standards. Unfortunately, H.O. 12 has never been updated to reflect the changes brought about by advances in workplace safety. It’s time we updated this regulation.

The economic effects of this measure have been substantial. Fines in excess of $250,000 have been levied against grocery store owners. Faced with this kind of punishment, is it any wonder that store owners are less likely to hire 16 and 17 year olds?

Mr. Speaker, to put things in perspective, I was 16 when this regulation took effect. I remember needing extra money to pay the insurance on my car and to take care of other necessities. Young people today are no different and we need to be doing everything we can to encourage employers to hire them.

The bottom line is this: H.R. 1114 is a proemployer, prolabor, proyoung person, projobs bill. We don’t see this kind of measure too often, and when we do, we ought to support it.

Mr. LANTOS. Mr. Speaker, I rise in strong opposition to H.R. 1114, legislation which would overturn existing child labor protections prohibiting young people under the age of 18 from loading paper balers and compactors. I oppose this legislation because I believe that any weakening of current child labor standards will only lead to more exploitation and endangerment of our Nation’s most precious resource—our youth.

As the former Chairman of the House Subcommittee on Employment and Housing which investigated workplace injuries of minors, including the death in 1988 of a 17-year-old boy who was crushed while operating a paper baler at the direction of his supervisor, I am appalled to see how little has been done to correct this dangerous and ill-conceived step. This legislation will unfortunately result in more tragic deaths and injuries involving our Nation’s teenagers.

In 1988, my subcommittee found that, although minors are prohibited by law from operating balers and compactors, serious injuries and deaths occur because the law is ignored by employers. According to the latest figures available from the Department of Labor, this tragedy continues. There were six fatalities involving paper balers in 1994, and 17 in 1995. In 1991, the most recent statistical year available, more than 50 accidents were reported involving minors and paper balers.

Children have suffered amputated limbs and crushed bones. I do not want to imagine how many more of our children will suffer once these regulations are loosened.

Mr. Speaker, it has become popular these days to question regulations without considering the important reasons behind the regulation. Some regulations are out-dated and should be repealed, this regulation emphatically should not be repealed.

A paper baler is not merely a recycling bin or a waste paper bin. It is a large, dangerous machine that can severely injure a careless, untrained, or inexperienced worker. It has a power-driven steel plate which crushes and compresses paper into a tight mass. The paper is then secured by steel straps or wire. When the baler is hand-fed, an arm or a hand can get caught and crushed. A worker can receive serious lacerations to the face or other parts of the body if there is an accidental release of the baling steel or wire.

The legislation before us today would amend the Fair Labor Standards Act to permit minors to load balers and compactors and provides a legal and occupational justification for minors to be present while a baler is being operated. I oppose any effort which will increase the proximity of minors to these machines, even if minors are not actually turning the machines on. It does not take a genius to figure out that permitting children to work in and near these machines will increase the likelihood of serious injury or death.

Let me cite a few examples of the horrific injuries which can occur when minors were allowed or were directed to work illegally in the vicinity of paper balers and compactors:

An 11-year-old boy who was loading paper boxes in a paper baler at the C-Town Food Corporation in the Bronx, NY, when his arm got caught in the baler which pulled his body up against the machine and crushed him. He died as a result of internal injuries.

A 16-year-old girl at an IGA Supermarket in Haldon, NJ, has written me and documented how the present law has affected his company. As a businessman in my congressional district, Mr. Maniaci has shown me that H.R. 1114 is just one of the many bills that this Congress has proposed to level the playing field and increase productivity for this Nation. This legislation recognizes the safety enhancements that are now being incorporated into the design and manufacturing of balers and compactors, and adjusts the current law accordingly.

The feedback that I have received from companies in my congressional district has provided me with a clear understanding of why we need to pass H.R. 1114. David Maniaci, president and chief executive of Nicho- las Markets in Haldon, NJ, has written me and documented how the present law has affected his company. As a businessman in my congressional district, Mr. Maniaci has shown me the inadequacies of the system and why we need to pass this measure. This constituent has shown me that H.R. 1114 will not only affect business on a national level, but will help small businesses in local communities in this country.

Mr. Speaker, small business provides the backbone of the U.S. economy as 97 percent of the Nation’s and retail workforce. We cannot sit idly and allow outdated regulations to continue to slow the economic growth of this Nation. The time for change and reform is upon us.
Mr. OWENS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to the rule, the previous question is ordered on the amendment and the bill.

The question is on the amendment in the nature of a substitute offered by the gentleman from Pennsylvania [Mr. GOOLING].

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEE REPRESENTATION IMPROVEMENT ACT OF 1995

The SPEAKER pro tempore. The Clerk called the bill (H.R. 782) to amend title 18 of the United States Code to allow members of employee associations to represent their views before the United States Government.

The Clerk read the bill, as follows:

H.R. 782

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Employee Representation Improvement Act of 1995”.

SEC. 2. REPRESENTATION BY FEDERAL OFFICERS AND EMPLOYEES.

(a) Extension of exemption to prohibition. Subsection (d) of section 205 of title 18, United States Code, is amended to read as follows:

“(d)(1) Nothing in subsection (a) or (b) prevents an officer or employee, if not inconsistent with the faithful performance of that officer’s or employee’s duties, from acting without compensation as agent or attorney for, or otherwise representing—

“(A) any person who is the subject of disciplinary, loyalty, or other personnel administrative proceedings in connection with those proceedings; or

“(B) except as provided in paragraph (2), any cooperative, voluntary, professional, recreational, or similar organization or group not established or operated for profit, if a majority of the organization’s or group’s members are current officers or employees of the United States or of the District of Columbia, or their spouses or dependent children.

“(2) Paragraph (1)(B) does not apply with respect to a covered matter that—

“(A) is a claim under subsection (a)(1) or (b)(1); or

“(B) is a judicial or administrative proceeding where the organization or group is a party; or

“(C) involves a grant, a contract, or other agreement (including a request for any such grant, contract, or agreement) providing for the disbursement of Federal funds to the organization or group.”.

(b) Application to labor-management relations. Section 306 of title 18, United States Code, is amended by adding at the end the following:

“(i) Nothing in this section prevents an employee from acting pursuant to chapter 71 of title 5 or section 1004 or chapter 12 of title 39.”.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The clerk read as follows:

Committee amendment in the nature of a substitute.

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Employee Representation Improvement Act of 1995”.

SEC. 2. REPRESENTATION BY FEDERAL OFFICERS AND EMPLOYEES.

(a) Extension of exemption to prohibition. Subsection (d) of section 205 of title 18, United States Code, is amended to read as follows:

“(d)(1) Nothing in subsection (a) or (b) prevents an officer or employee, if not inconsistent with the faithful performance of that officer’s or employee’s duties, from acting without compensation as agent or attorney for, or otherwise representing—

“(A) any person who is the subject of disciplinary, loyalty, or other personnel administrative proceedings in connection with those proceedings; or

“(B) except as provided in paragraph (2), any cooperative, voluntary, professional, recreational, or similar organization or group not established or operated for profit, if a majority of the organization’s or group’s members are current officers or employees of the United States or of the District of Columbia, or their spouses or dependent children.

“(2) Paragraph (1)(B) does not apply with respect to a covered matter that—

“(A) is a claim under subsection (a)(1) or (b)(1); or

“(B) is a judicial or administrative proceeding where the organization or group is a party; or

“(C) involves a grant, a contract, or other agreement (including a request for any such grant, contract, or agreement) providing for the disbursement of Federal funds to the organization or group.”.

(b) Application to labor-management relations. Section 306 of title 18, United States Code, is amended by adding at the end the following:

“(i) Nothing in this section prevents an employee from acting pursuant to chapter 71 of title 5 or section 1004 or chapter 12 of title 39.”.

Mr. HOKE (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

There was none.

The SPEAKER pro tempore. The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. Hoke] will be recognized for 30 minutes, and the gentleman from
Mr. HOKE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill.

Mr. Speaker, H.R. 782, the Federal Employee Representation Improvement Act of 1995 is good Government measure with broad bipartisan support. The act is a remedial measure necessary to protect the right of Federal employees as representatives of their employee organizations to communicate with Federal departments and agencies in appropriate circumstances.

In an effort to influence the crime bill before the 103d Congress in 1994, some employees of the Department of Justice, who are also members of the National Association of Assistant United States Attorneys, met with Justice Department officials to express their views as an employee organization.

Attorney General Reno asked for an official opinion from Assistant Attorney General Dellinger of the Office of Legal Counsel regarding the propriety of this group’s expression of their opinion to top Justice Department officials. The Department was concerned that communications by the employees on behalf of the employee organization was a conflict of interest under section 205 of title 18, a criminal statute, which prohibits Federal employees from representing persons in matters in which the United States has a direct and substantial interest.

The Justice Department issued an opinion concluding that no general exception exists for employee organizations from the restrictions of section 205 of title 18. Under that opinion, any representation made by a Federal employee on behalf of the employee organization was a conflict of interest under section 205. Included among these organizations are credit unions, child care centers, health and fitness organizations, recreational associations, and professional associations.

This interpretation of the law has had a chilling effect on communications between Federal employees and management on exactly those issues where the organization or group is seeking money from the Government.

Mr. Speaker, H.R. 782 will restore and protect the rights that Federal employees have enjoyed for over 30 years until the Justice Department reversed those rights through its interpretation of the law. I urge my colleagues to support this legislation.

Mr. Speaker, I reserve balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio [Mr. Hoke] has accurately stated the purpose of this bill and its purpose. As a member of the Committee on the Judiciary conference, I thought the Assistant U.S. Attorneys Association was dead wrong in what they were arguing. Why they insisted on keeping people locked up for many, many years, whose sole crime was the possession of relatively small amounts of marijuana, I will never understand. But this institution defends in part the right of people to do the things that do not make a great deal of sense, and certainly to say things that I disagree with. I believe the response of the Justice Department was erroneous, in that it did lead to a curtailment of the rights of Federal employees.

We have taken some steps to expand the rights of employees, and we certainly should not be going back, so I was glad to cooperate with the chairman of the Subcommittee on the Constitution, the gentleman from Florida [Mr. Canady] and the ranking member, the gentleman from California, the gentleman from the Future, in moving this bill quickly forward.

As evidence of the importance of this bill, Mr. Speaker, I will include into the RECORD a letter from Leonard Hirsch, president of the Board of Directors of the Gay, Lesbian or Bisexual Employees of the Federal Government, who testified in this letter to the importance of this kind of right of free expression for the kind of efforts that they and other organizations engage in.

Mr. Speaker, the gentleman from Virginia [Mr. Wolf] was the moving force behind this bill, and is entitled to a great deal of credit for it.

Mr. Speaker, I want to take this opportunity to thank you for your past support for H.R. 782. To amend title 18 of the US Code to allow members of employee associations to represent their views before the US Government—and to urge you to continue this support as the bill comes to the floor this week.

As you know, this law returns basic rights of free association and speech to Federal employees. These rights were inadvertently removed during the important process of streamlining the Federal Personnel Manual. This legislation simply returns these rights to Federal employees.

Good business practice, in addition to the basic ideals of this country, undergird the need for this small but important piece of legislation. Federal agencies are able to gather information and advice from the most knowledgeable and useful sources. This often means their own employees who by joining cooperative, voluntary, professional organizations bring together information and wisdom that can, through consultation and discussion, make for better and more efficient workplace policies.

Absent this bill, all employee groups—senior managers, women, African-Americans, Native Americans, health care professionals, scientists, etc.—cannot, as a group, give advice or advocate for better policy implementation within their areas of purview. This makes for bad process and bad policy. Employees must feel free to join groups and know that they can speak within the workplace for these groups and the knowledge they bring forward. As the federal workplace strives to make itself free from harassment and discrimination against its lesbian, gay, and bisexual employees (which it sadly is not), it is vital that the GLOBE groups in the agencies are able to help the department and agency administration in developing workable and useful procedures and programs. This bill will enable such cooperation to continue without bounds.

Thank you for your continued support and we look forward to working closely with you on future issues.

Sincerely,

LEONARD P. HIRSCH,
President Board of Directors.
things like that. When the Department of Justic e came down with their ruling, they were no longer able to do it. This will now permit them to do it.

Mr. Speaker, this is strongly supported by a number of Federal employees. It will protect the rights of Federal employees that they have enjoyed until the Department of Justic e removed them through its interpretation of section 205. It is a good measure.

Mr. Speaker, I want to express my gratitude to the gentleman from Florida [Mr. CANADY], the chairman of the Subcommittee on the Constitution, and the gentleman from Massachusetts [Mr. FRANK], the ranking member of the subcommittee, for quickly moving this, and also appreciate the hard work of the Office of Government Ethics and the staff of the Subcommittee on the Constitution, all of whom worked with my staff to create this bipartisan legislation.

Mr. Speaker, I also want to commend and thank Will Moschella, who works for me, who really did the bulk of the work on this.

Mr. Speaker, I rise in support of H.R. 782, the Federal Employee Protection and Improvement Act. This legislation, which has bipartisan support, would allow Federal employee management and professional organizations to have Federal employees speak on their behalf without violating criminal law. This legislation is necessary because the Department of Justice [DOJ] issued a legal opinion on November 7, 1994, explaining Federal employee speaking on behalf of a nonunion association to their superiors could be guilty of violating 18 U.S.C. section 205, a criminal provision. It is apropos that H.R. 782 is being considered under the correction calendar process because we must correct the consequences of the DOJ legal opinion which has had negative repercussions throughout the entire Federal Government.

Federal employees who are members of employee organizations, like child care centers, health and fitness organizations, recreation associations, and professional associations, have traditionally been able to represent the views of the employee organization to the employing department or agency. I think all would agree that active employee participation in matters of employment should be encouraged.

Until now, Federal employees’ ability to represent their agencies the interests of their employee organization has peacefully coexisted under 18 U.S.C. section 205, which inhibits a Government employee, except in the performance of official duties, from acting as agent or attorney for anyone before any agency or court of the United States in connection with a covered matter. A covered matter is described at 18 U.S.C. sections 205(h) as including “any judicial or other proceeding, opinion, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter.” Until now, issues affecting employees as employees, such as pay and benefits issues, have not been viewed as covered matters.

DOJ legal opinions and guidelines state that managers or supervisors who are Federal employees and who represent the interests of their peers or associations before senior management officials are guilty of a violation of 18 U.S.C. sections 205 and could be prosecuted as felons and subject to imprisonment and fines. Technically, according to DOJ, an employee who asks to use office space on behalf of an employee organization may have violated the law and could be subject to criminal prosecution or a civil penalty of not more than $50,000 for each violation. This is chilling to employee participation and is the wrong policy to pursue. During this time of downsizing and layoffs, we must be encouraging more employee participation instead of less.

18 U.S.C. section 205 was enacted in 1962 and there has not been a problem until DOJ issued its opinion. Now, if a Federal employee wishes to discuss child care on behalf of his or her employee organization, he or she is in violation of the law. This situation is outrageous and must be corrected. This legislation, which reverses the Department of Justice’s interpretation of the law, allows a Federal employee to represent an employee association or the interests of its members in an executive branch or any agency of the Government.

For example, this legislation would allow a Federal employee member of the Conference of Administrative Law Judges to represent its views on changes in the Social Security adjudication process or to a Federal department or agency. Under DOJ’s interpretation of current law, administrative law judges who have experience in matters involving the administrative adjudicatory process, would not be able to share that knowhow with the agency. This is an absurd situation and H.R. 782 will change it.

This bill will protect the rights that Federal employees have enjoyed for years until the Department of Justice removed them through its interpretation of section 205. This legislation is a good-government measure, is good for Federal employees and maintains the integrity and purpose of section 205. I urge unanimous support for this legislation.

Mr. Speaker, I want to express my gratitude to Congressman CANADY, chairman of the Constitution Subcommittee, and Congressman FRANK, the ranking member of the subcommittee, for quickly moving this legislation. I also appreciate the hard work of the staff of the Office of Government Ethics and the staffs of the Constitutional Law Subcommittee, all of whom worked with my staff to craft this bipartisan legislation.

Mr. Speaker, I ask unanimous consent to include a list of Federal employee groups who support H.R. 782.

WHO SUPPORTS H.R. 782?

American Federation of Federal Employees
American Foreign Service Association
Asian Pacific American Network in Agriculture
Blacks in Government
Classification and Compensation Society
Coalition for Effective Change (29 Federal Employee Groups)
Customs National Hispanic Associates Association
Federal Investigators' Association
Federal Bar Association
Federal Bureau of Investigation Agents Association
Federal Law Enforcement Officers Association
Federal Managers Association

Federal Physicians Association
Federal Asian Pacific American Council
Fraternal Order of Police, National Park Ranger Lodge
International Personnel Management Association
National Association of Assistant United States Attorneys
National Association of Black Customs Enforcement Officers
National Association of Federal Veterinarians
National Association of Retired Federal Employees
National Association of Treasury Agents
Naval Civilian Managers Association
NNS Child Care Association
Organization of Professional Employees of the USDA
Professional Managers Association
Senior Executives Association
Senior Foreign Service Association
Social Security Management Associations, Inc.

Mr. DAVIS. Mr. Speaker, I rise to voice my strong support for this important legislation and to thank my friend and neighbor, Mr. WOLF, for crafting this solution to what has become a stifling regulatory burden on the free speech rights of Federal employees. I would also like to thank Mr. CANADY, chairman of the Subcommittee on the Constitution, for advancing this bill through the legislative process and bringing it to the floor today.

The Federal Employee Representation Improvement Act corrects a Department of Justice [DOJ] legal opinion that promulgated an overly broad interpretation of section 205 of the 1962 Government Ethics Statute, Public Law 87–849. This controversial legal opinion stated that Federal employees would be subject to prosecution if they communicated with the U.S. Government in any way on any matter currently before a Federal agency. Now, this might make sense in the context of Federal employees interfering in a rulemaking that affects the general public, but the Department of Justice legal opinion is so overbroad that it could be interpreted to forbid Federal employees from contacting their employing agency regarding personnel and administrative matters.

I have been contacted by numerous constituents who report that the DOJ legal opinion has had a chilling effect on what we all would agree are merely routine contacts between employees and management. Federal employees are currently afraid to communicate with management regarding administrative issues in Federal agencies, such as child care centers, health and fitness facilities, credit unions, and professional associations. The modern workplace is often the site of many activities that are not related to the official duties carried out by the office or agency. Employees should be encouraged to get involved in these activities and to speak out when necessary. H.R. 782 will correct the existing confusion and allow an open dialog on administrative issues within government agencies.

I believe it is especially appropriate that we advance this legislation via the new correction day procedure which was designed by the Speaker to resolve poorly written or interpreted regulations and laws. H.R. 782 will correct an overbroad legal opinion that has stifled Federal employees’ right to exchange of ideas on Federal workplace on administrative matters. I urge my colleagues to unanimously support this important legislation.
Mrs. MORELLA. Mr. Speaker, I rise in strong support of H.R. 782, a commonsense measure aimed at protecting the channels of communication between Federal employees and management. One of the key factors that is driving the continuous improvement initiatives in government and the private sector is employee involvement. In fact, employee involvement and employee empowerment are cornerstones in the administration’s national performance review and are essential to an agency’s ability to explore new paths in solving problems.

For employees, who speak on behalf of employee associations, having an entree to management is vital in the process. For management, having this feedback system is essential in staying abreast of emerging workplace concerns and in developing solutions that reduce conflict and costly potential grievances.

And for years, no one questioned this beneficial relationship between employees and management. However, a Justice Department interpretation of Title 18, section 205 prohibits employee representatives from expressing the views of an employee organization or association before a government agency. In fact the employee could be prosecuted if he/she does so.

Mr. Speaker, I ask you to imagine being prosecuted for offering suggestions to make a day care facility safer and more enjoyable for our children. I ask you to imagine being arrested because as a representative of blacks in government or the Professional Managers Association you raise concerns about new hiring initiatives in your agency, or as a representative of the Coalition for Effective Change you had the nerve to comment on suggestions to improve the efficiency of the organization.

The Justice Department was correct in its interpretation of the law, but in doing so, it compromised the spirit of the law and the spirit of cooperation between employees and management.

H.R. 782 restores the voice of these employees and the spirit of the law, without overextending the rights of employee associations or infringing on the responsibilities of executives. I urge my colleagues to support H.R. 782.

Mr. HOYER. Mr. Speaker, I hope that the House will approve this legislation that will revive rules for representational activities of Federal employees.

This is commonsense government and, as a cosponsor, I am pleased to see H.R. 782 included on today’s agenda. The legislation authored by Congressman WOLF will resolve existing problems that make it illegal for Federal employees to view the views of an employee organization or association to a governmental agency.

This has been a troublesome issue for child care groups, credit unions, recreational associations, and other employee organizations. This bill will allow members of such groups to discuss all matters except judicial proceedings and grant requests.

In my view, the 1962 ethics provisions, as interpreted by the Department of Justice in 1994, were never intended to prohibit such communication. It does not make sense to stop the president of a credit union from discussing his needs or issues with representatives of the agency or Department. In fact, open discussion benefits both the organizations, the employees involved, and the employer.

I thank the Committee on the Judiciary for reporting the legislation and I urge its adoption.

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

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to. The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time. The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed. A motion to reconsider was laid on the table.

APPOINTMENT OF ADDITIONAL CONFEREE ON H.R. 4 PERSONAL RESPONSIBILITY ACT OF 1995

The SPEAKER pro tempore. Without objection, the gentleman from California [Mr. Cunningham] is appointed as a conferee on H.R. 4.

There was no objection. The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferences.

COMMUNICATION FROM HONORABLE SAM M. GIBBONS, MEMBER OF CONGRESS

The Chair laid before the House the following communication from the Honorable Sam M. Gibbons, Member of Congress:

SAM M. GIBBONS,
HOUSE OF REPRESENTATIVES,

Hon. Newt Gingrich,
Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that a member of my staff has been served with a subpoena issued by the United States District Court for the Middle District of Florida.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

SAM M. GIBBONS,
U.S. Congressman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, 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 rollover votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

FISHERIES ACT OF 1995

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 716) to amend the Fishermen’s Protective Act.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Title I—high Seas fishing compliance

Sec. 1. Short title.
Sec. 2. Table of contents.

The Table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

Title I—High Seas Fishing Compliance

Sec. 1. Short title.
Sec. 2. Purpose.
Sec. 3. Definitions.
Sec. 4. Permitting.
Sec. 5. Responsibilities of the Secretary.
Sec. 6. Unlawful activities.
Sec. 7. Enforcement provisions.
Sec. 8. Civil penalties and permit sanctions.
Sec. 9. Criminal offenses.
Sec. 10. Forfeitures.
Sec. 11. Effective date.

Title II—Implementation of Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries

Sec. 1. Short title.
Sec. 2. Representation of United States under convention.
Sec. 3. Requests for scientific advice.
Sec. 4. Authorities of Secretary of State with respect to convention.
Sec. 5. Interagency cooperation.
Sec. 6. Rulemaking.
Sec. 7. Prohibited acts and penalties.
Sec. 8. Consultative committee.
Sec. 9. Administrative matters.
Sec. 10. Definitions.
Sec. 11. Authorization of appropriations.

Title III—Atlantic Tunas Convention Act

Sec. 1. Short title.
Sec. 2. Research and monitoring activities.
Sec. 3. Definitions.
Sec. 4. Advisory committee procedures.
Sec. 5. Regulations and enforcement of Convention.
Sec. 6. Fines and permit sanctions.
Sec. 7. Authorization of appropriations.
Sec. 8. Report and savings clause.
Sec. 9. Management and Atlantic yellowfin tuna.
Sec. 10. Study of bluefin tuna regulations.
Sec. 11. Sense of the Congress with respect to ICAT negotiations.

Title IV—Fishermen’s Protective Act

Sec. 1. Findings.
Sec. 2. Amendment to the Fishermen’s Protective Act of 1967.
Sec. 3. Reauthorization.
Sec. 4. Technical corrections.

Title V—Fisheries enforcement in the Central Sea of Okhotsk

Sec. 1. Short title.
Sec. 2. Fishing prohibition.
TITLE VI—DRIFTNET MORATORIUM

Sec. 601. Short title.
Sec. 603. Findings.
Sec. 605. Certification.
Sec. 606. Enforcement.

TITLE VII—YUKON RIVER SALMON ACT

Sec. 701. Short title.
Sec. 702. Purpose.
Sec. 703. Definitions.
Sec. 704. Panel.
Sec. 705. Advisory committee.
Sec. 706. Expiration.
Sec. 707. Authority and responsibility.
Sec. 708. Continuation of agreement.

TITLE VIII—MISCELLANEOUS

Sec. 801. South Pacific tuna amendment.
Sec. 802. Foreign fishing for Atlantic herring and Atlantic mackerel.

T I T L E I—H I G H S E A S F I S H I N G C O M P L I A N C E

SEC. 101. SHORT TITLE.
This title may be cited as the "High Seas Fishing Compliance Act of 1995".

SEC. 102. PURPOSE.
It is the purpose of this Act—
(1) to implement the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, adopted by the Conference of the Food and Agriculture Organization of the United Nations on November 24, 1993; and
(2) to establish a system of permitting, reporting, and regulation for vessels of the United States fishing on the high seas.

SEC. 103. DEFINITIONS.
As used in this Act—
(2) The term "FAQ" means the Food and Agriculture Organization of the United Nations.
(3) The term "high seas" means the waters beyond the territorial sea or exclusive economic zone (or the equivalent) of any nation, to the extent that such territorial sea or exclusive economic zone (or the equivalent) is recognized by the United States.
(4) The term "high seas fishing vessel" means any vessel of the United States used or intended for use—
(A) on the high seas;
(B) for the purpose of the commercial exploitation of living marine resources; and
(C) as a harvesting vessel, as a mother ship, or as any other support vessel directly engaged in a fishing operation.
(5) The term "international conservation and management measures" means measures to conserve or manage one or more species of living marine resources that are adopted and applied in accordance with the relevant rules of international law, as reflected in the 1982 United Nations Convention on the Law of the Sea, and that are recognized by the United States. Such measures may be adopted by global, regional, or sub-regional fisheries organizations, subject to the rights and obligations of their members, or by treaties or other international agreements.
(6) The term "length" means—
(A) for any high seas fishing vessel built after July 18, 1982, 96 percent of the total length on a waterline at 85 percent of the least molded depth measured along the top of the keel, or the length from the forepoint of the keel to the centerline of the vessel at the top of the keel, or the length from the foreside of the stem to the axis of the rudder stock on that waterline, if that is greater, except that in ships designed with a rake of the waterline on which this length is measured shall be parallel to the designed waterline; and
(B) for any high seas fishing vessel built before July 18, 1982, registered length as entered on the vessel's documentation.
(7) The term "person" means any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any state, or of the United States, or of any foreign state, or of any local government or any entity of any such government.
(8) The term "Secretary" means the Secretary of Commerce.
(9) The term "vessel of the United States" means—
(A) a vessel documented under chapter 121 of title 46 of United States Code, or numbered in accordance with chapter 123 of title 46, United States Code;
(B) a vessel owned in whole or part by
(i) the United States or a territory, commonwealth, or possession of the United States;
(ii) a State or political subdivision thereof;
(iii) a citizen or national of the United States;
(iv) a corporation created under the laws of the United States or any State, the District of Columbia, or any territory, commonwealth, or possession of the United States, unless the vessel has been granted the nationality of a foreign nation in accordance with article 92 of the 1982 United Nations Convention on the Law of the Sea, and any foreign nationality or registry for the vessel is made by the master or individual in charge at the time of the enforcement action by an officer or employee of the United States authorized to enforce applicable provisions of the United States law; and
(C) a vessel that was once documented under the laws of the United States and, in violation of the laws of the United States, was either sold to a person not a citizen of the United States or placed under foreign registry or a foreign flag, whether or not the vessel has been granted the nationality of a foreign nation in accordance with article 92 of the 1982 United Nations Convention on the Law of the Sea.
(10) The terms "subject to the jurisdiction of the United States" and "vessel without nationality" have the same meaning as in section 3(c) of the Maritime Drug Law Enforcement Act (46 U.S.C. 1903(c)).

SEC. 104. PERMITTING.
(a) In General.—No high seas fishing vessel shall engage in harvesting operations on or after July 18, 1982 unless it holds a permit issued under this section.
(b) Eligibility.—Any vessel of the United States is eligible to receive a permit under this section, unless the vessel was previously authorized to be used for fishing on the high seas by a foreign nation, and
(A) the foreign nation suspended such authorization because the vessel undermined the effectiveness of international conservation and management measures, and the suspension has not expired; or
(B) the foreign nation, within the last three years preceding application for a permit under this section, withdrew such authorization because the vessel undermined the effectiveness of international conservation and management measures.
(c) Limitation on Permitting.—The restriction in paragraph (1) does not apply if ownership of the vessel has changed since the vessel undermined the effectiveness of international conservation and management measures.
(d) Duration.—A permit issued under this section is valid for 5 years. A permit issued under this section shall not exceed the administrative costs incurred in issuing such permits. The permitting fee may be in addition to any fee required under any regional permitting regime applicable to high seas fishing vessels.

SEC. 105. RESPONSIBILITIES OF THE SECRETARY.
(a) RECORD.—The Secretary shall maintain an automated file or record of high seas fishing vessels issued permits under section 104, including all information submitted under section 104(c)(2).
(b) INFORMATION TO FAQ.—The Secretary, in cooperation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, shall—
(1) make available to FAQ information contained in the record maintained under subsection (a);
(2) promptly notify FAQ of changes in such information; and
(3) promptly notify FAQ of additions to or deletions from the record, and the reasons for any deletions.

Title VI—Driftnet Moratorium

October 24, 1995
CONGRESSIONAL RECORD—HOUSE
H 10671

TITLE VI—DRIFTNET MORATORIUM
Sec. 601. Short title.
Sec. 603. Findings.
Sec. 605. Certification.
Sec. 606. Enforcement.

TITLE VII—YUKON RIVER SALMON ACT
Sec. 701. Short title.
Sec. 702. Purpose.
Sec. 703. Definitions.
Sec. 704. Panel.
Sec. 705. Advisory committee.
Sec. 706. Expiration.
Sec. 707. Authority and responsibility.
Sec. 708. Continuation of agreement.

TITLE VIII—MISCELLANEOUS
Sec. 801. South Pacific tuna amendment.
Sec. 802. Foreign fishing for Atlantic herring and Atlantic mackerel.
factors relevant to the Secretary’s determination to issue the permit; (5) report promptly to FAO all relevant information regarding any activities of high seas fishing vessels; (6) provide to the flag nation any information about the enforcement of international conservation and management measures, including the identity of the vessels and any sanctions imposed; and (7) provide a summary of evidence regarding any activities of foreign vessels that undermine the effectiveness of international conservation and management measures.

(b) REGULATIONS.—The Secretary, in cooperation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, may promulgate such regulations as may be necessary to establish whether the vessel has engaged in activities undermining the effectiveness of international conservation and management measures recognized by the United States.

(c) NOTIFICATION.—If the Secretary, in cooperation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, has reasonable grounds to believe that a foreign vessel has engaged in activities undermining the effectiveness of international conservation and management measures recognized by the United States, the Secretary shall notify the flag nation.

SEC. 107. ENFORCEMENT PROVISIONS.

(a) DUTIES OF SECRETARIES.—Any vessel that shall be engaged in activities undermining the effectiveness of international conservation and management measures, including appropriate evidentiary material, relating to such enforcement measures shall be subject to investigation by such Secretary who is performing such duties, in the performance of such duties. Such Secretaries shall, and the head of any Federal or State agency that has entered into an agreement with either such Secretary under this section, may if the agreement so provides, authorize officers to enforce the provisions of this title or any regulation or permit issued under this title.

(b) DISTRICT COURT JURISDICTION.—The district courts of the United States shall have exclusive jurisdiction over all violations arising under the provisions of this title in the case of a foreign vessel that is voluntarily in the United States, under this title; in the case of any vessel that is voluntarily in the United States, under any other fishery conservation and management measure recognized by the United States; in the case of any vessel that is voluntarily in the United States, under the Constitution, laws, or regulations of the United States; the United States District Court for the District of Hawaii.

(c) POWERS OF ENFORCEMENT OFFICERS.—(1) Any officer who is authorized under subsection (a) to enforce the provisions of this title may—(A) with or without a warrant or other process—(i) arrest any person, if the officer has reasonable cause to believe that such person has committed an act prohibited by subsection (b) of section 106; or (ii) board, and search or inspect, any high seas fishing vessel; (iii) seize any high seas fishing vessel (together with its fishing gear, furniture, apparatus, and fish) stored or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, the violation of any provision of this title or any regulation or permit issued under this title; (iv) seize any living marine resource (wherever found) taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 106; (v) seize any other evidence related to any violation of any provision of this title or any regulation or permit issued under this title; (vi) execute other process is issued by any court of competent jurisdiction; and (C) exercise any other lawful authority.

(2) Subject to the direction of the Secretary, a person who is authorized to perform the duties of enforcement responsibilities by the Secretary who is performing a duty related to enforcement of a law regarding fisheries or other marine resources may make an arrest without a warrant, in the absence of any provision of this title that or permit issued under this title.

(3) In imposing a sanction under this subsection, the Secretary shall take into account—(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and (B) with respect to the violator, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(4) In the case of any vessel that is voluntarily in the United States, under any other fishery conservation and management measure recognized by the United States, the Secretary may require any person to report any act committed by such vessel, and such person shall give the report in writing to the prospective transferee the existence of any permit sanctions that will be imposed under this title.

(5) If any owner or operator of a vessel or any other person has been issued or has applied for a permit under section 104 has acted in violation of any provision of this title or any regulation or permit issued under this title.

(6) To forcibly assault, resist, oppose, impede, intimidate, or interfere with any authorized officer in the conduct of any search or inspection described in paragraph (5).

(7) To resist a lawful arrest or detention for any act prohibited by this section; and (8) to interfere with, delay, or prevent, by any means, the apprehension, arrest, or detection of another person, knowing that such person has committed any act prohibited by this section; (9) to sell, purchase, sell, purchase, exchange, sell, buy, exchange, ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any living marine resource taken or retained in violation of this title or any regulation or permit issued under this title; or (10) to violate any provision of this title or any regulation or permit issued under this title.

SEC. 108. CIVIL PENALTIES AND PERMIT SANCTIONS.

(a) CIVIL PENALTIES.—(1) Any person who is found by the Secretary, after notice and opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 106 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $100,000 for each violation.

(b) PERMIT SANCTIONS.—(1) In any case in which—(A) a vessel of the United States has been used in the commission of an act prohibited under section 106; (B) the owner or operator of a vessel or any other person who has been issued or has applied for a permit under section 104 has acted in violation of any provision of this title or any regulation or permit issued under this title; or (C) any amount in settlement of a civil forfeiture imposed on a high seas fishing vessel or on an owner or operator of such a vessel or on any other person who has been issued or has applied for a permit under any fishery resource statute enforced by the Secretary, has not been paid and is overdue, the Secretary may—(i) suspend such permit for a period of time considered by the Secretary to be appropriate; (ii) deny such permit; or (iii) impose additional conditions or restrictions on such permit.

(2) In imposing a sanction under this subsection, the Secretary shall take into account—(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and (B) with respect to the violator, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(3) Transfer of ownership of a high seas fishing vessel, sale of sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be imposed under this title.

(4) In the case of any permit that is suspended under this subsection for nonpayment of a civil penalty or criminal fine, the Secretary shall reissue the permit upon the payment of the fine or interest thereon at the prevailing rate.
(5) No sanctions shall be imposed under this subsection unless there has been prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in any civil penalty proceeding under this section or otherwise.

(c) Hearing.—For the purposes of conducting any hearing under this section, the Secretary may issue an order requiring the attendance of witnesses. Any failure to obey such order of the Secretary or to appear and produce documents before the Secretary, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(d) Review.—Any person against whom a civil penalty is assessed under subsection (a) or against whose vessel a permit sanction is imposed under subsection (b) (other than a permit suspension for nonpayment of a monetary value of such property pursuant to an order of the appropriate court upon order thereof, with allowance in rem that is issued by a court under section 107) may obtain review thereof in any district court of the United States in a civil proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this title or for which security has not previously been obtained. The provisions of the customs laws relating to seizures for violation of the customs laws; the disposition of such property or the proceeds from the sale thereof; and the commission or mitigation of any such forfeiture; shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this title, unless such provisions are inconsistent with the purposes, policy, and provisions of this title.

(1) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the United States, the Attorney General, who shall recover the amount assessed in any appropriate court of the United States. In such action the validity and appropriateness of the final order imposing the civil penalty shall be subject to review. The Secretary shall promptly file in such court a certified copy of the record upon which such penalty or sanction was imposed, as provided in section 202 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

(e) Collection.—

(1) If any person fails to pay a governmental fee, fine, or any other sum assessed thereon, the Secretary, or the Attorney General, who shall recover the amount assessed, as provided in section 202 of title 28, United States Code.

(2) Any living marine resources seized pursuant to an act prohibited by section 106 are presumed to have been taken or retained in violation of this title, but the presumption can be rebutted by appropriate showing of evidence to the contrary.

(3) Effective date.

This title shall take effect 120 days after the date of enactment of this Act.

TITLE II—IMPLEMENTATION OF CONVENTION ON NORTH ATLANTIC MULTILATERAL COOPERATION IN THE NORTHWEST ATLANTIC FISHERIES

SEC. 201. SHORT TITLE.

This title may be cited as the "Northwest Atlantic Fisheries Convention Act of 1995."

SEC. 202. REPRESENTATION OF UNITED STATES UNDER CONVENTION.

(a) Commissioners—

(2) Americans elected as members of the Scientific Council, which shall each be known as a "United States Commissioner to the Northwest Atlantic Fisheries Organization"; and

(3) Experts and Advisers. The Commissioners, Alternate Commissioners, Representatives, and Alternate Representatives may be accompanied at meetings of the Organization by experts and advisers.
(f) Coordination and Consultation.—
(1) In general.—In carrying out their functions under the Convention, Commissioners, Alternate Commissioners, Representatives, and Alternate Representatives shall—
(A) coordinate with the appropriate Regional Fishery Management Councils established by section 302 of the Magnuson Act (16 U.S.C. 1852); and
(B) consult with the committee established under section 208.
(2) Relationship to other law.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to coordination and consultations under this subsection.

SEC. 203. REQUESTS FOR SCIENTIFIC ADVICE.
(a) In general.—The Fishery Management Councils and other interested individuals shall not make a request or specification described in subsection (b) (1) or (2), respectively, unless the representatives have first—
(1) consulted with the appropriate Regional Fishery Management Councils; and
(2) received the consent of the Commissioners for that action.
(b) Requests and terms of reference described.—The requests and specifications referred to in subsection (a) are, respectively—
(1) to cooperate in the conduct of scientific and enforcement activities under Article VIII(1) of the Convention, that the Scientific Council consider and report on a question pertaining to the scientific basis for the management and conservation of fishery resources in waters under the jurisdiction of the United States within the Convention Area; and
(2) any specification, under Article VIII(2) of the Convention, that the Scientific Council consider and report on a question referred to the Scientific Council pursuant to Article VIII(1) of the Convention.

SEC. 204. AUTHORITIES OF SECRETARY OF STATE WITH RESPECT TO CONVENTION.
The Secretary of State may, on behalf of the Government of the United States—
(1) report, requests, recommendations, proposals, and other communications of and to the Organization and its subsidiary organs;
(2) object, or withdraw an objection, to the proposal of the Fisheries Commission;
(3) give or withdraw notice of intent not to be bound by a measure of the Fisheries Commission;
(4) object or withdraw an objection to an amendment to the Convention; and
(5) act upon, or refer to any other appropriate authority for the further communication referred to in paragraph (1).

SEC. 205. INTERAGENCY COOPERATION.
(a) Authorities of Secretary.—In carrying out the Convention or this title, the Secretary may arrange for cooperation with other agencies of the United States, the States, the New England and the Mid-Atlantic Fishery Management Councils, and private institutions and organizations.
(b) Other agencies.—The head of any Federal agency may—
(1) cooperate in the conduct of scientific and other programs, and furnish facilities and personnel, for the purposes of assisting the Organization in carrying out its duties under the Convention; and
(2) accept reimbursement from the Organization for providing such services, facilities, and personnel.

SEC. 206. RULEMAKING.
The Secretary shall promulgate regulations as may be necessary to carry out the purposes and objectives of the Convention and this title. Any such regulations made shall—
(a) cooperate with theU.S. Representative to the Northwest Atlantic Fisheries Scientific Council established by section 202(c).
(b) be published in the Federal Register and shall be subject to the procedures for rules-making under the Federal Advisory Committee Act (5 U.S.C. App.) or other appropriate law.

SEC. 207. PROHIBITED ACTS AND PENALTIES.
(a) Prohibition.—It is unlawful for any person or vessel that is subject to the jurisdiction of the United States—
(1) to violate any regulation issued under this title or any measure that is legally binding on the United States under the Convention;
(2) to fail to permit any authorized enforcement officer to inspect any vessel that is subject to the person's control for purposes of conducting any search or inspection in connection with the enforcement of this title, any regulation issued under this title, or any measure that is legally binding on the United States under the Convention;
(3) forcibly to assault, resist, oppose, impede, intimidate, or interfere with any authorized enforcement officer in the conduct of any search or inspection described in paragraph (2);
(4) to resist a lawful arrest for any act prohibited by this section;
(5) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of this section; or
(6) to interfere with, delay, or prevent, by any means, the apprehension or arrest of another person, knowing that the other person has committed an act prohibited by this section.
(b) Civil penalty.—Any person who commits an act that is unlawful under subsection (a) shall be subject to a civil penalty, under section 308 of the Magnuson Act (16 U.S.C. 1858).
(c) Criminal penalty.—Any person who commits an act that is unlawful under paragraph (2), (3), (4), or (6) of subsection (a) shall be guilty of an offense punishable under section 308(b) of the Magnuson Act (16 U.S.C. 1858(b)).
(d) Civil forfeitures.
(1) In general.—Any vessel (including its gear, furniture, appurtenances, stores, and cargo) used in the commission of an act that is unlawful under subsection (a) or (c) and any fish (or the fair market value thereof) taken or retained, in any manner, in connection with or as a result of the commission of any act that is unlawful under subsection (a) shall be subject to seizure and forfeiture as provided in section 310 of the Magnuson Act (16 U.S.C. 1860).
(2) Disposal of fish.—Any fish seized pursuant to this title or any measure that is legally binding on the United States under the Convention shall be disposed of pursuant to the order of a court of competent jurisdiction or, if permissible, in a manner prescribed by regulations issued by the Secretary.
(e) Enforcement.—The Secretary and the Department of the Interior shall cooperate with the Secretary of the Navy and the Coast Guard in carrying out the Convention, and the Secretary shall not receive any compensation from the United States or any other government for performing any acts or services provided under the Convention.
(f) Relationship to other law.—The Federal Travel Regulations and sections 5701, 5702, 5704 through 5708, and 5731 of title 5, United States Code, and chapter 17 of title 28, United States Code, respectively, shall not apply to expenditures incurred in connection with the performance of duties pursuant to this title, in accordance with the Federal Travel Regulations and sections 5701, 5702, 5704 through 5708, and 5731 of title 5, United States Code.
(g) Status as Federal employees.—A person shall not be considered to be a Federal employee by reason of the person's service in a position described in subsection (a) except for purposes of injury compensation and tort claims liability under chapter 81 of title 5, United States Code, and chapter 17 of title 28, United States Code, respectively.

SEC. 210. DEFINITIONS.
In this title the following definitions apply:
(1) Authorized enforcement officer.—The term "authorized enforcement officer" means any person authorized to enforce this title, any regulation issued under this title, or any measure that is legally binding on the United States under the Convention.
(2) Commissioner.—The term "Commissioner" means any person appointed under section 202(c).
(4) Fisheries Commission.—The term "Fisheries Commission" means the Commissioners provided for by Articles II, XI, XII, XIII, and XIV of the Convention.
(5) General Council.—The term "General Council" means the General Council provided for by Article II, III, IV, and V of the Convention.
(6) Magnuson Act.—The term "Magnuson Act" means the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).
(7) Organization.—The term "Organization" means the Northwest Atlantic Fisheries Organization provided for by Article II of the Convention.
(8) Person.—The term "person" means any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State).
(9) Representative.—The term "Representative" means a United States Representative to the Northwest Atlantic Fisheries Scientific Council appointed under section 202(c).
Atlantic bluefin tuna and other highly migratory species through the use of permits, logbooks, aerial surveys of fishing grounds and known migration areas; a program to support the conservation and management of highly migratory species that occur in the region;

(b) provide for comparable monitoring of all United States fishermen to which the Atlantic Tunas Convention Act applies with respect to United States waters where such vessels are fishing, or have fished during the preceding calendar year, within the convention area in a manner or under circumstances that diminish the effectiveness of a conservation recommendation;

(c) consult with relevant Federal and State agencies, scientific and technical experts, commercial and recreational fishermen, and other interested persons, public and private, and shall publish a proposed plan in the Federal Register for the purpose of receiving public comment on the plan; and

(d) through the Secretary of State, encourage other member nations to adopt a similar program.

**SEC. 302. RESEARCH AND MONITORING ACTIVITIES.**

(a) **Report to Congress.**—The Secretary of Commerce shall, within 90 days after the date of enactment of this Act, submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Resources of the House of Representatives—

(1) identifying current governmental and non-governmental research and monitoring activities on Atlantic bluefin tuna and other highly migratory species;

(2) describing the personnel and budgetary resources supporting such activities;

(3) explaining how each activity contributes to the conservation and management of Atlantic bluefin tuna and other highly migratory species.

(b) **Monitoring Program.**—Section 3 of the Act of September 4, 1980 (16 U.S.C. 971l) is amended—

(1) by adding the section heading to read as follows:

"SEC. 3. RESEARCH ON ATLANTIC HIGHLY MIGRATORY SPECIES."

(2) by striking the last sentence;

(3) by inserting "(a) Biennial Report on Bluefin Tuna.—" before "The Secretary of Commerce shall"; and

(4) by adding at the end the following:

"(b) Highly Migratory Species Research and Monitoring.—

(1) Within 6 months after the date of enactment of the Atlantic Tunas Convention Authorization Act of 1995, the Secretary of Commerce, in cooperation with the advisory committee established under section 4 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971b) and in consultation with the United States Commissioners on the International Commission for the Conservation of Atlantic Tunas (referred to elsewhere in this section as the 'Commission') and the Secretary of State, shall develop and implement a comprehensive research and monitoring program to support the conservation and management of Atlantic bluefin tuna and other highly migratory species that shall—

(A) identify and define the range of stocks of highly migratory species in the Atlantic Ocean, including Atlantic bluefin tuna; and

(B) provide for appropriate participation by nations which are members of the Commission and the Secretary of State.

(2) The program shall provide for, but not be limited to—

(A) statistically designed cooperative tagging studies;

(B) genetic and biochemical stock analyses;

(C) population censuses carried out through aerial surveys of fishing grounds and known migration areas;

(D) adequate observer coverage and port sampling of commercial and recreational fishing activity;

(E) collection of comparable real-time data on commercial and recreational catches and landings through the use of permits, logbooks, landing reports for charter operations and fishing tournaments, and programs to provide reliable reporting of the catch by private anglers;

(F) evaluation of the status of Atlantic bluefin tuna and other highly migratory species;

(G) integration of data from all sources and the preparation of data bases to support management decisions; and

(H) other research as necessary.

(3) In designing a program under this section, the Secretary shall—

(A) ensure that personnel and resources of each regional research center shall have substantial involvement in all areas of stock assessments and monitoring of highly migratory species that occur in the region;

(B) provide for comparable monitoring of all United States fishermen to which the Atlantic Tunas Convention Act applies with respect to the stock assessments carried out by that Nation;

(C) consult with relevant Federal and State agencies, scientific and technical experts, commercial and recreational fishermen, and other interested persons, public and private, and shall publish a proposed plan in the Federal Register for the purpose of receiving public comment on the plan; and

(D) through the Secretary of State, encourage other members to adopt a similar program.

**SEC. 303. DEFINITIONS.**

Section 2 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971d) is amended—

(1) by designating paragraphs (3) through (10) as (4) through (11), respectively, and inserting after paragraph (2) the following:

"(3) The term 'conservation recommendation' means any recommendation of the Commission made pursuant to article VII of the Convention and acted upon favorably by the Secretary of State under section 6(a) of this Act."

(2) by striking paragraph (5), as redesignated, and inserting the following:

"(4) The term 'exclusive economic zone' means an exclusive economic zone as defined in section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802)."

(3) by striking "fisheries zone" wherever it appears in the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971 et seq.) and inserting "exclusive economic zone".

**SEC. 304. ADVISORY COMMITTEE PROCEDURES.**

Section 4 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971b) is amended—

(1) by inserting "(a)" before "There;" and

(2) by adding at the end the following:

"(b)(i) A majority of the members of the advisory committee shall constitute a quorum, but one or more such members designated by the advisory committee may hold meetings for purposes of discussing issues relating to the United States implementation of Commission recommendations."

"(ii) The advisory committee shall elect a Chairman for a 2-year term from among its members.

(3) The advisory committee shall meet at appropriate times and places at least twice a year, at the call of the Chairman or when requested by the majority of its voting members, the United States Commissioners, the Secretary, or the Secretary of State. Meetings of the advisory committee, except for executive sessions, shall be open to the public, and prior notice of meetings shall be made public in a timely fashion.

(4)(A) The Secretary shall provide to the advisory committee in a timely manner such administrative and technical support services as are necessary for the effective functioning of the committee.

(B) The Secretary and the Secretary of State shall furnish the advisory committee with relevant information concerning fisheries and international fishery agreements.

(5) The advisory committee shall determine its organization, and prescribe its practices and procedures for carrying out its functions under this Act, the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) and the Convention. The advisory committee shall publish and make available to the public a statement of its organization, practices, and procedures.

(6) The advisory committee shall, to the maximum extent practicable, consist of an equitable balance among the various interested groups with the fisheries covered by the Convention and shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

**SEC. 305. REGULATIONS AND ENFORCEMENT CONVENTION.**

Section 6(c) of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971d(c)) is amended—

(1) by striking "and other measures" after "regulations" in the section caption; and

(2) by inserting "or fishing mortality level" after "quota of fish" in the last sentence of paragraph (3);

(3) by inserting the following after paragraph (3):

"(E) IDENTIFICATION AND NOTIFICATION.—

(A) Not later than July 1, 1996, and annually thereafter, the Secretary, in consultation with the Secretary of State, the Commissioners, and the advisory committee, shall—

(i) identify those nations whose fishing vessels are fishing, or have fished during the preceding calendar year, within the convention area in a manner or under circumstances that diminish the effectiveness of a conservation recommendation;

(ii) notify the President and the nation so identified, including an explanation of the reasons therefor; and

(iii) publish a list of those Nations identified under subparagraph (A).

In identifying those nations, the Secretary shall consider, based on the best available information, whether those Nations have measures in place for reporting, monitoring, and enforcement, and whether those measures diminish the effectiveness of any conservation recommendation.

(7) CONSULTATION.—Not later than 30 days after a Nation is notified under paragraph (6), the President may enter into consultations with the government of that Nation for the purpose of obtaining an agreement that will—

(A) effect the immediate termination and prevent the resumption of any fishing operation by vessels of that Nation within the convention area as is conducted in a manner or under circumstances that diminish the effectiveness of the conservation recommendation;

(B) when practicable, require actions by that Nation to mitigate the negative impacts of fishing operations on the effectiveness of the conservation recommendation involved, including but not limited to, the imposition and subsequent-year deductions for quota overages; and

(C) result in the establishment, if necessary, by such nation of reporting, monitoring, and enforcement measures that are adequate to ensure the effectiveness of conservation recommendations.

**SEC. 306. FINES AND PERMIT SANCTIONS.**

Section 7(e) of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971e) is amended to read as follows:

"(e) The civil penalty and permit sanctions of section 7(e) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1858b) are hereby made applicable to violations of this section as if they were violations of section 307 of this Act."

**SEC. 307. AUTHORIZATION OF APPROPRIATIONS.**

Section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971l) is amended to read as follows:

"(b) Authorization of Appropriations."

(1) For fiscal year 1995, $4,103,000, of which $5,000 are authorized in the aggregate for the..."
shall submit to the Committee on Commerce, Science, and Transportation of the Senate a report, that—

SEC. 310. STUDY OF BLUEFIN TUNA REGULATION.

(1) the President should continue to review all agreements between the United States and Canada to identify other agreements that may be taken to convince Canada that any reinstatement of the transit license fee would be against Canada's long-term interests, and should immediately seek representational and, if the President deems appropriate, amend the Fishermen's Protective Act;

(2) the President should continue to convey to Canada in the strongest terms that the United States will not, nor at any time in the future, tolerate any action by Canada which would prejudice or otherwise interfere with the right of passage of vessels of the United States in a manner inconsistent with international law; and

(3) the United States should continue its efforts to provide its citizens on appropriate fishery conservation and management measures that can be implemented through the Pacific Salmon Treaty to address issues of mutual concern.

SEC. 402. AMENDMENT TO THE FISHERMEN'S PROTECTIVE ACT OF 1967.

(a) The Fishermen's Protective Act of 1967 (22 U.S.C. 1971 et seq.) is amended by adding at the end the following new section:

"Sec. 11. (a) In any case on or after June 15, 1967, in which a vessel of the United States exercising its right of passage is charged a fee by the government of a foreign country to engage in transit passage between points in the United States (including a point in the exclusive economic zone or in an area over which jurisdiction is in dispute), and such fee is regarded by the United States as being inconsistent with international law, the Secretary of State shall, subject to the availability of appropriated funds, reimburse the vessel owner for the amount of any such fee paid under protest.

(b) In seeking such reimbursement, the vessel owner shall provide, together with such other information as the Secretary of State may require—

(1) a copy of the receipt for payment;

(2) an affidavit attesting that the owner or the owner's agent paid the fee under protest; and

(3) a copy of the vessel's certificate of documentation.

October 24, 1995

H 10676

CONGRESSIONAL RECORD—HOUSE

TITLE IV—FISHERMEN'S PROTECTIVE ACT

SEC. 401. FINDINGS.

The Congress finds that—

(1) customary international law and the United Nations Convention on the Law of the Sea guarantee the right of passage, including innocent passage, to vessels through the waters commonly referred to as the "Inside Passage" off the Pacific Coast of Canada;

(2) in 1994 Canada required all commercial fishing vessels of the United States to pay $50,000 for United States commercial and recreational fishing vessels of the United States are accorded the same treatment that commercial fishing vessels of the United States are accorded for anchorage in the waters of Canada off British Columbia;

(3) a copy of the vessel's certificate of documentation.
"(c) Requests for reimbursement shall be made to the Secretary of State within 120 days after the date of payment of the fee, or within 90 days after the date of enactment of this section, whichever is later, for the refusal, or the failure to provide, an obligated balance of previously appropriated funds remaining in the Fishermen’s Protective Fund established under section 9. To the extent that requests for reimbursement exceed such funds, there are authorized to be appropriated such sums as may be needed for reimbursements authorized under subsection (a), which shall be deposited in the Fishermen’s Protective Fund established under section 9.

"(e) The Secretary of State shall take such action as the Secretary deems appropriate to make and collect claims against the foreign country imposing such fee for any amounts reimbursed under this section.

"For purposes of this section, the term ‘owner’ includes any charterer of a vessel of the United States.’

"(B) The Fishermen’s Protective Act of 1967 (22 U.S.C. 1971 et seq.) is further amended by adding at the end the following:

Sec. 403. REAUTHORIZATION.

The Fishermen’s Protective Act of 1967 (22 U.S.C. 1971 et seq.) is further amended by adding at the end the following:

Sec. 404. TECHNICAL CORRECTIONS.


Sec. 502. FISHING PROHIBITION.

(a) The Fishermen’s Protective Act of 1967 (22 U.S.C. 1971 et seq.) is amended by adding at the end the following:

(b) The Fishermen’s Protective Act of 1967 (22 U.S.C. 1971 et seq.) is amended by adding at the end the following:

Sec. 503. ADDITION OF CENTRAL SEA OF OKHOTSK.

The Fishermen’s Protective Act of 1967 (22 U.S.C. 1971 et seq.) is amended by adding at the end the following:

Sec. 601. SHORT TITLE.

This title may be cited as the ‘Sea of Okhotsk Fisheries Enforcement Act of 1995.’

Sec. 602. FINDINGS.

The Congress finds that—

(1) Congress has enacted and the President has signed into law 3 Acts to control or prohibit large-scale drift net fishing both within the jurisdiction of the United States and beyond the exclusive economic zone of any nation, including the Driftnet Fishing Moratorium Protection Act (title I, P.L. 102-220, the Drifftnet Act Amendments of 1990 (P.L. 101-627), and the High Seas Fisheries Enforcement Act of 1982).

(2) The President is a party to the Convention for the Prohibition of Fishing with Long Drift Nets in the South Pacific, also known as the Wellington Convention.

(3) The General Assembly of the United Nations has adopted resolutions and three decisions which established and reaffirmed a global moratorium on large-scale drift net fishing on the high seas, beginning with Resolution 44/225 in 1989 and most recently in Decision 48/45 in 1993.

(4) The General Assembly of the United Nations adopted these resolutions and decisions at the request of the United States and other concerned nations.

(5) The best scientific information demonstrates the wastefulness and potentially destructive impacts of large-scale drift net fishing on marine life, especially seabirds; and

(6) Resolution 46/215 of the United Nations General Assembly calls on all nations, both individually and collectively, to prevent large-scale drift net fishing on the high seas.

Sec. 603. PROHIBITION.

The United States, or any agency or official acting on behalf of the United States, may not enter into any international agreement with respect to the conservation and management of living marine resources or the use of the high seas by fishing vessels that would prevent full implementation of the global moratorium on large-scale drift net fishing on the high seas, as such moratorium is expressed in Resolution 46/215 of the United Nations General Assembly.

Sec. 604. NET ANNUNCIATIONS.

The Secretary of State, on behalf of the United States, shall seek to enhance the implementation and effectiveness of the United Nations moratorium on large-scale drift net fishing by taking appropriate international agreements regarding the moratorium on large-scale drift net fishing on the high seas through appropriate international agreements and organizations.

Sec. 605. CERTIFICATION.

The Secretary of State shall determine in writing prior to the signing or provisional application of the United States or any international agreement with respect to the conservation and management of living marine resources or the use of the high seas by fishing vessels that the United States is in compliance with the moratorium contained in paragraphs (3) and (5), and (6) as paragraphs (3), (4), (5), (6), (7), respectively, of subsection (a).

Sec. 606. ENFORCEMENT.

The President shall utilize appropriate assets of the Department of Defense, the United States Coast Guard, and other Federal agencies to detect, monitor, and prevent violations of the United Nations moratorium on large-scale drift net fishing on the high seas by fishing vessels under the jurisdiction of the United States and, in the case of fishing vessels not under the jurisdiction of the United States, to the fullest extent permitted under international law.

Title VII—Yukon River Salmon Act

Sec. 701. SHORT TITLE.

This title may be cited as the “Yukon River Salmon Act of 1995.”

Sec. 701. PURPOSES.

It is the purpose of this title—

(1) to implement the interim agreement for the conservation of salmon stocks originating from the Yukon River in Canada agreed to through an exchange of notes between the Government of the United States and the Government of Canada on February 3, 1995;

(2) to provide for representation by the United States on the Yukon River Panel established under such agreement; and

(3) to authorize to be appropriated sums necessary to carry out the responsibilities of the United States under such agreement.

Sec. 703. DEFINITIONS.

As used in this title—

(1) the term “Agreement” means the interim agreement for the conservation of salmon stocks originating from the Yukon River in Canada agreed to through an exchange of notes between the Government of the United States and the Government of Canada on February 3, 1995.

(2) the term “Panel” means the Yukon River Panel established under the Agreement.

(3) the term “Yukon River Joint Technical Committee” means the technical committee established by paragraph C.2 of the Memorandum of Understanding concerning the Pacific Salmon Treaty between the Government of the United States and the Government of Canada recorded January 28, 1985.

Sec. 704. PANEL.

(a) REPRESENTATION.—The United States shall be represented on the Panel by six individuals, of whom—

(1) one shall be an official of the United States Government with expertise in salmon conservation and management; and

(2) one shall be an official of the State of Alaska with expertise in salmon conservation and management; and

(3) four shall be knowledgeable and experienced with regard to the salmon fisheries on the Yukon River.

(b) APPOINTMENTS.—Panel members shall be appointed as follows:

(1) The Panel member described in subsection (a)(1) shall be appointed by the Secretary of State.

(2) The Panel member described in subsection (a)(2) shall be appointed by the Governor of Alaska.

(3) The Panel members described in subsection (a)(3) shall be appointed by the Secretary of State from a list of at least 3 individuals nominated for each position by the Governor of Alaska. The Governor of Alaska may consider nominations for general qualifications not limited by the provisions of this section for nominations provided by organizations with expertise in Yukon River salmon fisheries. The Governor of Alaska may make appropriate nominations to allow for, and the Secretary of State shall appoint a member under subsection (a)(3) who is qualified to represent the interests of Lower Yukon River
fishing districts, and at least one member who is qualified to represent the interests of Upper Yukon River fishing districts. At least one of the Panel members under subsection (a)(3) shall be an Alaskan Native.

(c) ALTERNATES.—The Secretary of State may designate an alternate Panel member for each Panel member the Secretary appoints under subsection (a)(2) or (a)(3) who meets the qualifications, to serve in the absence of the Panel member. The Governor of the State of Alaska may designate an alternate Panel member for each Panel member appointed under subsection (b)(2), who meets the same qualifications, to serve in the absence of that Panel member.

(d) TERMINATION.—Panel members and alternate Panel members shall serve four-year terms. Any individual appointed to fill a vacancy occurring before the expiration of any term shall be appointed for the remainder of that term.

(e) REAPPOINTMENT.—Panel members and alternate Panel members shall be eligible for reappointment.

(f) DECISIONS.—Decisions by the United States section of the Panel shall be made by the consensus of the Panel members appointed under paragraphs (a)(1), (a)(2), and (a)(3) of subsection (a).

(g) CONSULTATION.—In carrying out their functions under the Agreement, Panel members may consult with such other interested parties as they may consider appropriate.

SEC. 705. ADVISORY COMMITTEE.

(a) APPOINTMENTS.—The Governor of Alaska may appoint an Advisory Committee of not less than eight, but not more than twelve, individuals who are knowledgeable and experienced with regard to the salmon fisheries on the Yukon River. At least 2 of the Advisory Committee members shall be Alaska Natives. Members of the Advisory Committee may attend all meetings of the United States section of the Panel, and shall be given the opportunity to examine and be heard with regard to any consideration by the United States section of the Panel.

(b) COMPENSATION.—The members of such advisory committee shall receive no compensation for their services.

(c) TERM LENGTH.—Advisory committee members shall serve two-year terms. Any individual appointed to fill a vacancy occurring before the expiration of any term shall be appointed for the remainder of that term.

(d) REAPPOINTMENT.—Advisory committee members shall be eligible for reappointment.

SEC. 706. EXEMPTION.

(a) General Authority.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Panel, the Yukon River Joint Technical Committee, or the Advisory Committee created under section 705 of this title.

(b) EXCEPTION.—In addition to recommendations made by the Panel to the responsible management entities in accordance with the Agreement, the Panel may make recommendations concerning the conservation and management of salmon originating in the Yukon River to the Department of the Interior, Department of Commerce, North Pacific Fishery Management Council, and other Federal or State entities as appropriate. Recommendations by the Panel shall be advisory.

SEC. 707. ADMINISTRATIVE MATTERS.

(a) Panel members and alternate Panel members who are not State or Federal employees shall receive compensation at the daily rate of GS-15 of the General Schedule when engaged in the actual performance of duties.

(b) Travel and other necessary expenses shall be paid by the United States for all Panel members, United States members of the Joint Technical Committee, and members of the Advisory Committee when engaged in the actual performance of duties.

(c) Except for officials of the United States Government, individuals described in subsection (b) shall not be considered to be Federal employees with regard to the performance of their duties, except for the purposes of injury compensation or tort claims liability as provided in chapter 81 of title 5, United States Code, and chapter 71 of title 28, United States Code.

SEC. 710. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $4,000,000 for each fiscal year for carrying out the purposes and provisions of the Agreement and this title including—

(1) necessary travel expenses of Panel members, alternate Panel members, United States members of the Joint Technical Committee, and members of the Advisory Committee in accordance with Federal Travel Regulations and sections 5701, 5702, 5704 through 5708, and 5731 of title 5, United States Code;

(2) the United States share of the joint expenses of the Panel and the Joint Technical Committee; Provided, That Panel members and alternate Panel members shall not, with respect to commitments concerning the United States share of the joint expenses, be subject to section 262(c) of title 22, United States Code, insofar as it limits the authority of the United States representatives to commit United States resources to organizations with respect to such commitments;

(3) not more than $3,000,000 for each fiscal year to the Department of the Interior and to the Department of Commerce for survey, restoration, and enhancement activities related to Yukon River salmon; and

(4) $400,000 in each of fiscal years 1996, 1997, 1998, and 1999, to be contributed to the Yukon River Restoration and Enhancement Fund and used in accordance with the Agreement.

TITLE VIII—MISCELLANEOUS

SEC. 801. SOUTH PACIFIC TUNA AMENDMENT.

Section 9 of the South Pacific Tuna Act of 1988 (16 U.S.C. 973g) is amended by adding at the end thereof the following:

'(h) Notwithstanding the requirement of—

'(1) section 1 of the Act of August 26, 1983 (97 Stat. 587, 46 U.S.C. 12108);

'(2) the general permit issued on December 1, 1980, to the American Tuna Association under section 201(h)(1) of the Marine Mammal Protection Act (16 U.S.C. 1374(h)(1)); and

'(3) sections 104(h)(2) and 306(a) of the Marine Mammal Protection Act (16 U.S.C. 1374(h)(2) and 1374(a));

any vessel documented under the laws of the United States as of the date of enactment of the Fisheries Act of 1995 for which a license has been issued under subsection (a) may fish for tuna in the Treaty Area, subject to the jurisdiction of the United States in accordance with international law, subject to the provisions of the treaty and this Act, provided that no fishing shall be conducted in the Treaty Area intentionally to encircle any dolphin or other marine mammal in

close proximity with the course of fishing under the provisions of the Treaty or this Act.';

SEC. 802. FOREIGN FISHING FOR ATLANTIC HERRING AND ATLANTIC MACKEREL.

Notwithstanding any other provision of law—

(1) no allocation may be made to any foreign nation or vessel under section 201 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) in any fishery for which there is not a fishery management plan implemented in accordance with that Act, and

(2) the Secretary of Commerce may not approve the portion of any permit application submitted under section 204(b) of the Act which proposes fishing by a foreign vessel for Atlantic mackerel or Atlantic herring.

(A) the appropriate regional fishery management council recommends under section 204(b)(5) that the Secretary approve such fishing, and

(B) the Secretary of Commerce includes in the permit any conditions or restrictions recommended by the appropriate regional fishery management council with respect to such fishing.

Mr. SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska [Mr. Young] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. Studds] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Alaska [Mr. Young].

(Mr. Young of Alaska asked and was given permission to revise and extend his remarks.)

Mr. Young of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a collection of bills that passed the House and the Senate. I am the sponsor of one of the most distinguished gentlemen from the State of Alaska. In fact, Massachusetts is another sponsor; the gentleman from New Jersey [Mr. Saxton] is a sponsor of another bill; I am the sponsor of another two bills, and Senator Stevens from Alaska is also a sponsor of the last remaining two bills.

Mr. Speaker, I am pleased to bring before the House H.R. 716, the Fishermen's Protective Act.

Mr. Speaker, in the interest of continuing consideration of this legislation in the Senate, several other pending international fisheries bills were added to the original text of H.R. 716. This package of fisheries bills represents over 2 years of work on various bills dealing with the conservation and management of fisheries resources at the international level.

Included in this package are the Fishermen's Protective Act, which passed the House on April 3, 1995; the Northwest Atlantic Fisheries Convention Act, which passed the House on March 28, 1995; the Sea of Okhotsk Fisheries Enforcement Act, passed by the House on March 14, 1995; the Atlantic Tunas Convention Act, which has been held over by the House and is awaiting floor action; and several other noncontroversial provisions dealing with the United States' obligation to the protection and conservation of fish species that are important to many nations, including the United States.

Mr. Speaker, I will now briefly discuss the provisions of H.R. 716, now titled the Fishery Act of 1995, as amended by the Senate:
Title I of the bill establishes permitting, reporting, and other regulations for U.S. vessels fishing on the high seas in accordance with the United Nations Food and Agriculture Organization’s Agreement To Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas adopted in 1995.

Title II implements the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries. While this convention was negotiated in 1993, it has taken until now to enact the implementing language for the U.S. participation in the Northwest Atlantic Fisheries Organization (NAFO). This title allows the United States to participate in NAFO, an international organization which assesses and manages high seas fishery resources off the Atlantic coasts of Canada and New England, and provides the mechanisms for United States selection of commissioners and coordination with other domestic management provisions.

Title III reauthorizes the Atlantic Tunas Convention Act through fiscal year 1998. This act implements the International Convention on the Conservation of Atlantic Tunas, which is an international treaty signed by 22 countries for the conservation and management of highly migratory species such as bluefin tuna and swordfish. This title also establishes procedures for the U.S. Advisory Committee and takes important steps in urging international cooperation with the recommendations of ICCAT.

Title IV reauthorizes and amends the Fishermen’s Protective Act of 1967 to protect U.S. fishermen whose vessels are seized by a foreign government under laws which are inconsistent with international law. This title also allows those United States fishermen who, last year, were forced to pay an illegal fine by the Canadian Government to recover those fees.

Title V prohibits United States fishermen from fishing in an international area known as the “Peanut Hole” in the Central Sea of Okhotsk unless the fishing operations are in accordance with fishery agreements signed by the United States and Russia. This measure protects the important fishery stocks which travel through the Peanut Hole and allows the United States to pursue agreements with other fishing nations whose vessels fish in this area.

Title VI prohibits the United States from entering into any international agreements which would be contrary to the United Nations global moratorium on large-scale driftnet fishing on the high seas.

Title VII implements the Yukon River Salmon Treaty between the United States and Canada to protect and manage Yukon River salmon stocks. This title establishes the mechanism for the United States to appoint representatives to the Yukon River Panel, establishes voting procedures for the U.S. representatives, and authorizes appropriations for the U.S. contributions required under the treaty.

Title VIII includes two miscellaneous provisions. The first corrects a problem encountered under the South Pacific Tuna Treaty. The second establishes procedures under which the Secretary of Commerce may allow any foreign fishing for Atlantic herring and mackerel with the consent of the appropriate Fishery Management Council.

This package of fisheries bills represents a lot of bipartisan work by both the House and Senate to continue the leadership of the United States in rational management of the world’s fishery resources. I urge this legislation to be forwarded to the President for his signature.

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

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume. (Mr. STUDDS asked and was given permission to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, I rise in strong support of H.R. 716, a legislative package that will strengthen multilateral fisheries management on the high seas.

Time and time again, I have come to the floor to speak about the decline of our fisheries, both in the United States and in oceans around the world. In the United States alone, more than 40 percent of our fisheries are being harvested at an unsustainable rate, costing tens of thousands of jobs in regions like New England and a loss of billions of dollars to the U.S. economy.

Last week, the House overwhelmingly supported the reauthorization of the Magnuson Act, the principal law governing fisheries management in the United States. I worked very hard with Chairman YOUNG and SAXTON to ensure that we passed the strongest bill possible to begin the process of rebuilding our fisheries.

Yet, this will only address a part of the problem. Fish recognize no boundaries, and the conservation efforts we implement within our waters are also the responsibility of all coastal nations. We must continue to work with all nations who fish on the high seas and encourage participation in international agreements to ensure that conservation and management is a cooperative effort.

The bill we are passing today demonstrates the U.S. commitment to the continued development of multilateral conservation agreements. It ensures that U.S. fishermen will comply with international fishery management regimes in the Bering Sea, the Northwest Atlantic, and elsewhere where agreements recognized by the United States have been reached.

It also provides strong incentives for all nations to share in the conservation burden for Atlantic highly migratory fisheries. If our swordfishermen and bluefin tuna fishermen are going to play by the rules established by international agreement, there is no reason why fishermen from other countries should not share the conservation burden. There is also no reason that our Nation should fish in violation of international law by allowing the importation into this country of fish that are caught in violation of and diminish the effectiveness of those international agreements.

This bill ensures that this will not continue.

In short, this bill is an important step toward continued multilateral efforts to conserve and rebuild our fisheries on the high seas and here at home, resulting in more jobs and greater benefits to the U.S. economy. It has broad support and I urge its passage.

Mr. YOUNG of Alaska, Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I want to thank the gentleman for yielding me time and I want to say that I am pleased we are considering H.R. 716, which was developed on a bipartisan basis and contains a number of vital conservation and fishery provisions.

Let me pause at this point, Mr. Speaker, to just say that the gentleman from Alaska [Mr. YOUNG] and the gentleman from Massachusetts [Mr. STUDDS] have worked together for many years on a bipartisan basis and this is a product of a process which is a good example, I believe, of what this Congress should be about: How to arrive at solutions that are of benefit to the American people and others by Members of Congress without regard to party affiliation. That truly happened in this case and I, for one, appreciated it very much.

H.R. 716 was amended by the other body to include the text of S. 267, which contains eight titles to authorize national fisheries. Title I of S. 267 includes the High Seas Fishery Compliance Act, the Northwest Atlantic Fisheries Convention Act, the Fishermen’s Protective Act, Fisheries Enforcement in the Sea of Okhotsk, and the enforcement of all appropriate laws prohibiting driftnet fishing.

Title III, the Atlantic Tunas Convention Act of 1995, which I have sponsored, is of particular importance to me.

The Atlantic Tunas Convention Act delineates the involvement of the United States in the International Convention on the Conservation of Atlantic Tunas (ICCAT). It establishes guidelines and procedures for various activities, including the selection of U.S. delegates to the ICCAT Commission, the U.S. Advisory Committee, and the Species Working Groups.

One of the provisions in this title requires the government to encourage noncomplying nations. The annual report will list those nations that are not in compliance with the International Convention on the Conservation of Atlantic
The rules were suspended and the Senators having voted in favor thereof, the rules and concurred in the Senate adoption of the United States Embassy Act of 1995.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Jerusalem Embassy Act of 1995".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Each sovereign nation, under international law and custom, may designate its own capital.
(2) Since 1967, the city of Jerusalem has been the capital of the State of Israel.
(3) The city of Jerusalem is the seat of the President, Parliament, and Supreme Court; contains the sites of numerous government ministries and social and cultural institutions.
(4) The city of Jerusalem is the spiritual center of the Jewish people, and is also considered a holy city by the members of other religious faiths.
(5) From 1948-1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan.
(6) In 1967, the city of Jerusalem was reunified during the conflict known as the Six Day War.
(7) Since 1967, Jerusalem has been a united city administered by Israel, and persons of all religions have been guaranteed full access to holy sites within the city.
(8) This year marks the 28th consecutive year that Jerusalem has been administered as a unified city in which the rights of all faiths are protected.
(9) In 1990, the Congress unanimously adopted Senate Concurrent Resolution 113 of the One Hundred Second Congress to commemorate the 25th anniversary of the reunification of Jerusalem, reaffirming the Congress' position that Jerusalem must remain an undivided city in which the rights of every ethnic and religious group are protected.
(10) In 1992, the United States Senate and House of Representatives unanimously adopted Senate Concurrent Resolution 113 of the One Hundred Second Congress to commemorate the 25th anniversary of the reunification of Jerusalem, reaffirming the Congress' position that Jerusalem must remain an undivided city.
(11) In 1993, the United States Senate and House of Representatives jointly adopted Senate Concurrent Resolution 113 of the One Hundred Second Congress to commemorate the 25th anniversary of the reunification of Jerusalem, reaffirming the Congress' position that Jerusalem must remain an undivided city.
(12) The Agreement on the Gaza Strip and Jericho Area was signed May 4, 1994, beginning the five-year transitional period laid out in the Declaration of Principles.
(13) In March of 1995, 93 members of the United States Senate signed a letter to Secretary of State Warren Christopher encouraging him to plan for relocation of the United States Embassy to the city of Jerusalem.
(14) The Senate of 1993-1995, 257 members of the United States House of Representatives signed a letter to the Secretary of State Warren Christopher stating that the relocation of the United States Embassy to Jerusalem "should take place no later than . . . 1999".
(15) The United States maintains its embassy in the functioning capital of every country except in the case of our democratic friend and strategic ally, the State of Israel.
(16) The United States conducts official meetings of its business in the city of Jerusalem in de facto recognition of its status as the capital of Israel.
(17) In 1996, the State of Israel will celebrate its 3000th anniversary, the Knesset and the Knesset, the site of government in Jerusalem, and the House of Representatives of the Democratic Party of the United States of America, Congress, and the President of the United States have determined that this year is a fitting time to activate the "Jerusalem Embassy Act of 1995".
(18) The Clerk read as follows:

"Not later than 30 days after the date of enactment of this Act, the Secretary of State shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate detailing the progress made toward opening the United States Embassy in Jerusalem under the provisions of the United States Embassy Act of 1995. Subsequent reports shall be submitted to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate every six months thereafter, the Secretary of State determining and reporting to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate the need for an additional six month period to be expended only for construction and other necessary expenses associated with the establishment of the United States Embassy in Jerusalem in the capital of Jerusalem.

SEC. 4. FISCAL YEARS 1996 AND 1997 FUNDING.

(a) OPENING DETERMINATION.—Not more than 50 percent of the funds appropriated to the Department of State for fiscal year 1999 for "Acquisition and Maintenance of Buildings Abroad" for the United States Embassy in Israel shall be made available until the end of any period during which the suspension is in effect under this subsection if the President determines and reports to Congress in advance of the additional suspension that the additional suspension is necessary to protect the national security interests of the United States.

(b) FISCAL YEAR 1997.—Of the funds authorized to be appropriated for "Acquisition and Maintenance of Buildings Abroad" for the Department of State in fiscal year 1997, not less than $25,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Israel in the capital of Jerusalem.

SEC. 5. REPORT ON IMPLEMENTATION.

The Secretary of State shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, not later than 180 days after the date of enactment of this Act, detailing the progress made toward opening the United States Embassy in Jerusalem under the provisions of the United States Embassy Act of 1995. Subsequent reports shall be submitted to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate every six months thereafter, the Secretary of State determining and reporting to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate the need for an additional six month period to be expended only for construction and other expenses associated with the establishment of the United States Embassy in Jerusalem in the capital of Jerusalem.

SEC. 6. SEMIANNUAL REPORTS.

At the time of the submission of the President's fiscal year 1997 budget request, and every six months thereafter, the Secretary of State shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the progress made toward opening the United States Embassy in Jerusalem.

SEC. 7. PRESIDENTIAL WAIVER.

(a) WAIVER AUTHORITY.—(1) Beginning on October 1, 1998, the President may suspend the limitation set forth in section 3(b) for a period of six months if he determines and reports to Congress in advance that such suspension is necessary to protect the national security interests of the United States.

(2) The President may suspend such limitation for an additional period of six months at the end of any period during which the suspension is in effect under this subsection if the President determines and reports to Congress in advance that such additional suspension is necessary to protect the national security interests of the United States.

(3) Any report under paragraph (1) or (2) shall include—

(A) a statement of the interests affected by the limitation that the President seeks to suspend; and

(B) a discussion of the manner in which the limitation affects the interests.

(b) APPLICABILITY OF WAIVER TO AVAILABILITY OF FUNDS.—If the President exercises the authority set forth in subsection (a) in a fiscal year, the limitation set forth in section 3(b) shall apply to funds appropriated in the fiscal year and the limitation set forth in such section 3(b) except to the extent that the limitation is suspended in such following fiscal year.
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fiscal year by reason of the exercise of the authority in subsection (a).

SEC. 8. DEFINITION.

As used in this Act, the term "United States Embassy" means the offices of the United States diplomatic mission and the residence of the United States chief of mission.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York, Mr. GILMAN, will be recognized for 20 minutes, and the gentleman from Indiana, Mr. HAMILTON, will be recognized for 5 minutes.

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

Mr. Speaker, the legislation pending before us today, S. 1322 would move the United States Embassy in Israel from Tel Aviv to Jerusalem. This has been a priority of many in Congress for decades. Each time the issue was raised, successive administrations maintained that Congress was infringing on the Executive's power to conduct foreign policy, or that the hopes and dreams for peace in the Middle East rested on the United States abstaining. United Nations Resolution 904, considered in the U.N. on February 1, 1948, stated that Jerusalem was "occupied territory". In 1949, Secretary of State George C. Marshall modified United States policy further by stating that Jerusalem should remain a "united city", a point made repeatedly by subsequent Presidents.

The United States policy on Jerusalem was changed both before and after the onset of the negotiations Israel signed with the PLO or its successors. Each time the issue was raised, the Secretary of State who was negotiating reserved authority in subsection (a).

Under the Speaker's leadership, and that of Senate majority leader Dole, legislation was introduced which is finally seeing the light of day, and which we fully expect will become law. Original sponsors of H.R. 1595, Speaker Gingrich, is legislation, in addition to myself, Mr. HORN, Mr. LAZIO, Mr. ZIMMER, Mr. SMITH of New Jersey, Mr. WELLER, Mr. DELAY, Mr. PAXON, Mr. SOLOMON, Mr. MCINTOSH, Ms. MOLINARI, Mr. HASTERT, Mr. ARCHER, Mrs. MYRICK, Mr. NUSSLE, Mrs. VUCANOVICH, Mr. BARR, Mr. TORKILDSEN, and Mr. BURTON of Indiana.

This measure, the Jerusalem Embassy Act of 1995, makes a series of findings, concluding with stipulation that "Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected; Jerusalem should be recognized as the capital of the state of Israel; and the United States Embassy in Jerusalem should be established no later than May 31, 1999.

In negotiations with the administration and other opponents on the original bill, this revised measure does contain a 6 month, renewal Presidential waiver, so relevant national security interests are protected; Jerusalem should be recognized as the capital of the state of Israel; and the United States Embassy in Jerusalem should be established no later than May 31, 1999.

In January 1989, the United States signed a 99-year lease with the Government of Israel at $1 per year for a 14-acre site in southwest Jerusalem. The Middle East peace process did not collapse when it was disclosed that the site had been chosen. That action, 6 years prior to the Madrid peace talks from convening, did not prevent them from moving forward, and did not prevent the various agreements Israel signed with the PLO or its peace treaty with Jordan. Unfortunately, no response was received from the Secretary of State, and no attempt at outreach to discuss the letter's contents was made by the administration.

Congress today has the opportunity of expressing its support through the adoption of this legislation that would relocate our embassy to Jerusalem no later than 1999. I urge my colleague's strong support for this legislation, despite the inclusion of the waiver language. Moving our embassy in Israel is something the United States should have done in 1948. We have an historic opportunity today to right a wrong, to rectify an imbalance against one of our staunchest allies. Accordingly, I urge strong support of this bill.

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

Mr. HAMILTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise to oppose S. 1322, the Jerusalem Embassy Act of 1995.

I do so reluctantly because I share the goal of the legislation—eventually moving our embassy in Israel from Tel Aviv to Jerusalem, which is and has been Israel's capital since the founding of the state in 1948. This is not a major departure from existing U.S. policy to support moving the U.S. Embassy from Tel Aviv to Jerusalem by 1999, which is what the legislation being considered today proposes to do. The administration, Israel, and my colleagues have stated that the peace process is irreversible.

This past spring, along with other Members of the House, I circulated a letter to Secretary of State Christopher, expressing support for Jerusalem as the undivided capital of Israel, noting that with negotiations on Jerusalem expected to begin in May 1996, discussion should begin in order to move the United States Embassy from Tel Aviv to Jerusalem by May 1999. When the negotiations are expected to end, the House of Representatives, by a vote of 202 to 186, established no later than May 31, 1999. This bill is important because it rectifies an imbalance in our relationship with a nation that has shown itself again, the best friend that the United States has in the world, bar none.

When Saddam Hussein was raining Scud missiles throughout Israel, Israel did not retaliate, abiding by the United States' request not to do so. To those cynics who may believe that Israel complied because of United States foreign assistance, I say—I say—no moral nation, especially one that was born out of the ashes of the Holocaust as Israel was, will sacrifice its people for any sum of money.

But, a nation that has proven its friendship and reliability over the decades, as Israel has, often suppressing its own national interests in favor of ours, especially when the very lives of its own citizens are at stake, deserves our particular American brand of loyalty. There is nothing more basic than recognizing the capital of a country, which is why I strongly endorse this bill.

Since 1967, when Israel reunified Jerusalem, access for the three major religions, an American priority, became the norm. It is only under Israel that each religion has had free access to their holy places as well as control over them. In 1999, Secretary of State William Rogers modified United States policy further by stating that Jerusalem should remain a unified city, a point made repeatedly by subsequent administrations.

Administration officials maintain that the United States should not move our Embassy until negotiations have taken place on Jerusalem. This policy infers that such a move would demonstrate a preference for one of the parties and also cast a role as honest broker would be compromised. But, United States policy on Jerusalem changed both before and after the onset of the peace talks in 1991.

In January 1989, the United States signed a 99-year lease with the Government of Israel at $1 per year for a 14-acre site in southwest Jerusalem. The Middle East peace process did not collapse when it was disclosed that the site had been chosen. That action, 6 years prior to the Madrid peace talks from convening, did not prevent them from moving forward, and did not prevent the various agreements Israel signed with the PLO or its peace treaty with Jordan.

Another departure from previous U.S. policy took place in March 1994. In prior instances, the United States had supported U.N. resolutions claiming Jerusalem to be "occupied territory". That month, the United States insisted on voting paragraph by paragraph on U.N. Resolution 160 in the aftermath of the Hebron massacre.

On language pertaining to Jerusalem, I do so reluctantly because I share the goal of the legislation—eventually moving our embassy in Israel from Tel Aviv to Jerusalem, which is and has been Israel's capital since the founding of the state in 1948. I do so reluctantly because I share the goal of the legislation—eventually moving our embassy in Israel from Tel Aviv to Jerusalem, which is and has been Israel's capital since the founding of the state in 1948.

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On language pertaining to Jerusalem, I do so reluctantly because I share the goal of the legislation—eventually moving our embassy in Israel from Tel Aviv to Jerusalem, which is and has been Israel's capital since the founding of the state in 1948.

Israel should be established in Jerusalem as the capital of the state of Israel, recognized as the capital of the state of Israel, and the United States Embassy in Israel from Tel Aviv to Jerusalem by May 1999.
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Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN], who always presents the most persuasive arguments, I rise in strong support of relocating the U.S. Embassy in Israel to its ancient capital in Jerusalem.

Mr. Speaker, for 3,000 years, Jerusalem has been the cultural, religious, and spiritual capital of the Jewish people—and yet our 200-year-old Nation still does not afford it the proper dignity virtually every other nation enjoys. In fact, Israel is the only country in the world where the United States neither recognizes the designated capital of the host country nor has our embassy located in that city.

Let me remind my colleagues, no matter what happens as the peace process unfolds, Jerusalem will remain the capital of Israel.

We must bring an end to this 50-year debate about when is the right moment to move the embassy to Jerusalem.
Tomorrow, Prime Minister Yitzhak Rabin will participate in a congressional ceremony in the rotunda of the U.S. Capitol to celebrate the 3,000th anniversary of Jerusalem as the capital of Israel. What better time than now for the United States to acknowledge, with historical and political insight, the enduring significance of Jerusalem to the Jewish people, and Israel itself.

I call on my colleagues today to make a clear statement to one of our strongest allies—and support this resolution.

Mr. HAMILTON, Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. FROST].

(Mr. FROST asked and was given permission to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I rise in support of S. 1322, the Jerusalem Embassy Relocation Implementation Act. Israel is a country in the world where the United States does not maintain its embassy in the host nation’s declared capital. It is now time for the United States to accept Jerusalem as Israel’s capital and to move the U.S. Embassy accordingly.

Israel has never wavered from its position that Jerusalem is its capital. Jerusalem is Israel’s seat of government—the president, the prime minister, and the supreme court are located in the capital city of Jerusalem. The recognition and the sovereignty of Jerusalem underpinned by the United Nations, and its restoration as the capital of Israel is of utmost importance to the Jewish people in Israel—as well as to all friends of Israel around the world. As a matter of duty and principle, the United States must take a leadership role and support Jerusalem’s permanent status as the capital of Israel and locate the U.S. Embassy there.

Furthermore, I reject that this bill will undermine the peace process. The Israeli Government has never committed itself to opening up to negotiation the issue of its sovereignty over unified Jerusalem. Israel has always asserted that Jerusalem is its capital, and it is unrealistic for anyone to believe that Israel will compromise on the issue. In fact, I believe that the reluctance of the United States to locate its embassy in Jerusalem is more likely to undermine the peace process. It implies that Jerusalem is not the eternal, undivided capital of Israel and to begin the process of relocating our embassy there.

I call on my colleagues today to make a clear statement to one of our strongest allies—and support this resolution.

Mr. Speaker, let us not forget something: For any of the time that Israel has had control of the portion of Jerusalem, it has been open. The world’s holy places have been open. When the Arab nations had control of Jerusalem between 1948 and 1967, no Jew was allowed to visit any of those holy places, and many are important to the Jewish religious community, as well as the Christian and Islamic religions.

Mr. Speaker, whenever I went to Israel and would have to meet with American officials and leave Jerusalem and go to Tel Aviv, it was embarrassing. It was humiliating. It was wrong. As has been said before, it is a nation’s sovereignty to choose its capital. Israel has chosen Jerusalem. It is about time the United States went along.

Mr. Speaker, I salute the gentleman from New York [Mr. GILMAN] for his resolution.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. FORBES].

(Mr. FORBES asked and was given permission to revise and extend his remarks.)

Mr. FORBES. Mr. Speaker, I believe that the time is right for the action of this Congress, both this House and the Senate, to support the relocation of the United States Embassy to Jerusalem. Jerusalem has a seat for the Holy City of Jerusalem. It is the time to do it. I wholeheartedly embrace this legislation and think it is long overdue.

Mr. Speaker, we need to send a signal that this embassy, which is so critical in such a critical part of the world, should be located in the Holy City. I am very honored to rise in support of the action today and look for its swift and final passage, and urge the administration to embrace the tenets of this bill and support it as well.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, we should not be jeopardizing the prospects for peace for the sake of political posturing.

Mr. Speaker, I understand that the Presidential candidate that is pushing this legislation used to be opposed to this move. What compelling reason is there to depart from our policy on Jerusalem that has served both Republican and Democratic administrations for over 45 years?

Mr. Speaker, since President Truman, this Nation has stuck firmly to the policy that Jerusalem’s final status could only be determined by negotiation. Now, we have a chance for lasting peace through United States-sponsored negotiations between Israel and the Palestinians. In these peace talks, sometime next year the permanent status negotiations on Jerusalem will occur.

Mr. Speaker, both the Palestinians and the Israelis recognize that this issue must be deferred to the end of the peace process in order to make the progress that has been made to date. This is not the time, unilaterally, for the United States, contrary to the direction of the Administration, to begin the process of relocating the capital to Jerusalem.

Mr. Speaker, I say to my colleagues, do not do this to Prime Minister Rabin and do not do it to the peace process.

Mr. HAMILTON, Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I just want to emphasize that this bill will not damage the peace process. In fact, it complements the peace process in terms of when construction would actually begin on the embassy and when it would actually be completed.

Mr. Speaker, I think that we have to show that we understand Jerusalem needs to be recognized as the capital of Israel and that our embassy should be moved there. This move is long overdue. Particularly now, with Jerusalem’s 3,000th anniversary as the capital of Israel, I think it is time to support it or to be bipartisan.

Mr. Speaker, I would stress that this is not a Republican bill; it is not a Democratic bill; it is a bipartisan bill and will, I think, complement the peace process and not take away from it.

Mr. Speaker, I urge support for the legislation.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise today in strong support of this bill, which establishes a time-frame for the United States embassy in Israel to be relocated to Jerusalem.

I, along with many of my colleagues, have been fighting for this relocation for many years. It is fitting that as we celebrate the 3,000th anniversary of King David’s establishment of Jerusalem as the capital of Israel, we will finally pass this bill to move our embassy to Jerusalem.

Mr. Speaker, Jerusalem is the capital of Israel, and it shall always remain the capital of Israel. Yet Israel is the only country in which the United States embassy is not located in the capital. This is not right.

By having our embassy anywhere other than Jerusalem, we are sending mixed signals about the United States’ position on Jerusalem as the capital of the Jewish homeland. This is not the type of message we should be sending. Our position should be unequivocal: the United States recognizes Jerusalem as the capital of Israel.

Mr. Speaker, I urge my colleagues to support this sensible bill that puts into law what we have been talking about for all these years.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. LOBIONDO].
Mr. LoBIONDO. Mr. Speaker, I rise in strong support of S. 1322—the Jerusalem Embassy Relocation Improvement Act.

Mr. Speaker, Jerusalem has been a United City, administered by Israel since 1967. For 28 years, it has been a city in which the rights of all faiths have been respected and protected. It is not only the historic center of Judaism, but it is clearly the functioning capital of Israel.

Yet Jerusalem is the only functioning capital in which the United States does not maintain its embassy.

Mr. Speaker, Israel is a proven friend of the United States. It is a strategic ally and a democratic state. The United States should recognize Jerusalem as the capital of Israel and a such, should begin construction on, and open, its U.S. Embassy in the city of Jerusalem as soon as is practicable. This bill accomplishes that goal and I urge all of my colleagues to support the bill.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California, [Ms. HARMAN].

Ms. HARMAN asked and was given permission to revise and extend her remarks.

Ms. HARMAN. Mr. Speaker, I rise in strong support of this resolution.

Mr. Speaker, there are three things to commend it. First of all, it reflects a bipartisan compromise on the issue, and it is my view, absolutely, that the more bipartisanship we can have in this institution, the better.

Second of all, it recognizes something which was, is, and will be the fact, and that is that Jerusalem is the capital of the State of Israel. It is very important that everyone understand that Jerusalem was, is, and will be the capital of the State of Israel.

Mr. Speaker, third, it allows for flexibility in the timing and manner of the move of the U.S. Embassy from Tel Aviv to Jerusalem, consistent with progress on the peace talks. It is imperatives of the peace process that the peace process go forward and do nothing to undermine it.

For all of these reasons, Mr. Speaker, I strongly support the resolution and urge all of my colleagues to support it as well.

Mr. Speaker, I rise today in strong support of H.R. 1595, the Jerusalem Embassy Relocation Implementation Act.

First, the bill reflects a bipartisan approach to the issue—something essential to effective policy.

Second, the bill officially acknowledges that Jerusalem is and should always be the capital of the State of Israel. I have always supported a unified Jerusalem under Israeli rule, and note that in the world celebrates the 3000th anniversary of King David's establishment of Jerusalem as the capital of Israel. In this century, after suffering one of the greatest tragedies in history, the Jewish people have finally been able to return to Israel, and to call Jerusalem their own.

By moving the U.S. Embassy to Jerusalem, America reasserts the success of that struggle, and the incomparable friendship between our Nation and the State of Israel.

Third, the bill carefully permits the time and manner for moving our Embassy to take into account developments in the peace process now underway. The Clinton and Rabin administrations have made tremendous strides in recent days, and it would be counter to the interests of both nations to destabilize that process for the sake of a timetable to move an embassy.

I strongly support moving the U.S. Embassy to Jerusalem, and urge my colleagues to support this bipartisan resolution.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, in the Roman Empire the idea of Rome was more than it simply a city. It was a symbol of its power and its majesty. The time when Britain rose to prominence, London was more than simply its largest collection of people. It was the seat of its merchant and industrial power. So with Israel, Jerusalem is more simply than a place where its citizens live. Jerusalem is a symbol of the Jewish State; the capital of its faith, not only its nation.

The United States plays an important role in this great truth, this special role of Jerusalem to Israel and to the Jewish people, because America is not an equal among the families of nations. We set a standard. So, with 184 other nations, the presence of an American Ambassador, the flying of our flag, is an important recognition of the legitimacy of those governments and the place of its power.

Yet, today, Mr. Speaker, though the United States was the first Nation in the world to recognize the state of Israel, our Ambassador is absent from the seat of its capital.

This is more than a matter of prestige. It is also an important matter of political power. Unless and until an American Ambassador sits in Jerusalem, this matter will be misunderstood and misinterpreted by those who will have hatred against the Jewish State. This resolution sets the matter right, that America will stand with Israel.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. RAHALL].

(Mr. RAHALL asked and was given permission to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, I thank the gentleman for yielding to me. I rise in vehement opposition to this legislation.

Mr. BONIOR. Mr. Speaker, it is not hard to understand the passions on both sides of this issue. Jerusalem is sacred to Jews, Muslims, and Christians—and we should respect the beliefs of all religions to honor Jerusalem as a holy place.

But this bill today is the wrong move—at the wrong time.

Not only will it disrupt the peace process;
Not only could it lead to an explosion of passions on the West Bank and Gaza;
If we pass this bill today, we may very well put the lives of innocent Israelis, Palestinians, and Jordanians at risk.

That is what our negotiators in the Middle East tell us today—and I believe we should heed their warnings.

Mr. Speaker, we have made great strides toward peace in the Middle East the past few years.

As a nation, we have historically supported Israel. At the same time, America has been able to play a strong role in these negotiations because we’ve been seen as something of an honest broker.

If we vote to move our Embassy today—we would be siding more directly with one side on one of the major issues in the peace process.

And I believe we could disrupt negotiations entirely.

Mr. Speaker, the question of Jerusalem must be resolved. But it can only be resolved through honest discussion and negotiation in the context of the peace process.

The fact is, every country but two is keeping its embassy in Tel Aviv—pending the outcome of negotiations.

Every President and every Secretary of State since the 1950s has said that Jerusalem must be worked out in negotiations.

The Government of Israel itself says that this issue must be worked out in negotiations.

The leaders of Israel have shown tremendous courage and vision in embracing the peace process. Passing this bill will be a step backwards.

Mr. Speaker, we should not try to resolve 3,000 years of history with 40 minutes of debate under suspension of the Rules.

This bill weakens our hand—undercuts our effectiveness—and destroys the trust we have worked so hard to build in the peace process.

It is the wrong move—at the wrong time—and I urge my colleagues to reject it.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to join my colleagues in support of the legislation which will recognize for the first time that Jerusalem is the appropriate place for our Embassy, the capital of Israel. In every other country across the world, the United States has its Embassy in the capital of the country; not so, of course, in Israel.

This will send a clear signal to everyone around the world that we regard Israel as one of the most important allies we have, a country that has stood the test of time in its steadfastness toward peace.

Mr. Speaker, we have made great strides toward peace in the Middle East, a country that is the only democracy in the Middle East, a country that has been America’s best
friend. There is no better substantive or symbolic item that I think could come before this Congress today than to have us approve the legislation.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Missouri [Mr. GEPPARD].

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

Mr. GEPPARD. I yield to the gentleman from Michigan.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I express myself in opposition to this legislation.

Mr. Speaker, with no hearings, no report, no adequate consideration of this legislation in committee the House is taking up legislation passed just today in the Senate.

This is no way to legislate.

It disregards the normal, correct, and proper practices of the House. It, like other recent actions in this body, raises questions of the propriety of the process here.

Adoption of this legislation at this time raises real fears as to the continued viability of the peace process in the Middle East.

I do not believe it is in the national interest, which we don't need.

I yield a few minutes to the distinguished gentleman from New York, said:

Mr. GEPPARD. Mr. Speaker, I rise today to urge my colleagues to support this bill—to move the American Embassy to Israel, Jerusalem, which is the real and permanent capital of Israel.

Tomorrow in this very building, many of us will join with Prime Minister Rabin to celebrate the 3,000th anniversary of the founding of Jerusalem. I can't think of a better anniversary gift than to move past the rhetoric and the nonbinding resolutions, and finally acknowledge the city that the people of Israel chose as their own capital nearly five decades ago.

To me, Jerusalem embodies the very notions of liberty justice and freedom from persecution upon which Israel was founded. That is why we must follow the example of the other body, which passed this bill by an overwhelming bipartisan margin this morning.

Of course, we must all be concerned about the delicate peace process in the Middle East, above all else. That is why this bill is designed to move the American Embassy to Jerusalem in 1999, when the peace process is expected to be completed.

But if, for some unforeseen reason, moving the embassy at that time would damage the peace process, this bill gives the President the authority to delay the move. The Speaker and I, along with many other strong supporters of Israel, felt it was important to include that condition, because a lasting peace in the Middle East must take precedence over all other goals and concerns.

Barring that kind of unforeseen development, we can allow no further delay or excuses. It is only fitting that the holiest city in the world be acknowledged as the official center of the Jewish people, who have strived for so long to express their faith freely and openly.

Let's pass this bill, and affirm what the Jewish people have known for 3,000 years—that Jerusalem is their capital, not just spiritually, but politically as well.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON].

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

Mr. Speaker, I rise in opposition to the pending measure that would relocate the U.S. Embassy now located in Tel Aviv, to Jerusalem.

Mr. Speaker, when this legislation was first introduced in May of this year, and word went out in the world about it, there were quite a few statements made about its negative impact upon the Middle East peace talks.

A spokesperson for Prime Minister Rabin said: "The rightist Likud opposition is behind the effort in the hope of torpedoing the peace negotiations."

Shimon Peres, Israeli Foreign Minister, said: "There is no need for our involvement at this point."

Shulamit Aloni, Israeli Minister of Communications, said: "If the Americans decide to do it immediately, they would be liable to cause tensions, which we don't need."

Martin Indyk, our new Ambassador to Israel, said: "Any move now, I believe strongly, would explode the peace process."

The Forward, a Jewish Newspaper based in New York, said:

"Efforts by individuals to emerge as the 'greater champion of Israel' would be laughable, were it not so blatant a play for positioning in the coming primaries."

It is not lost on anyone that five Presidential candidates have come out in support of the legislation.

The bill, which will have the force of law, emphatically states that Jerusalem is the capital of Israel. Yet it is a matter of record that no nation—no country—since Israel's annexation of east Jerusalem in...
1967 has recognized Jerusalem as Israel's capital. As a matter of fact, no country has moved an embassy to Jerusalem since 1967 except Costa Rica. The fact that the new embassy would be in west Jerusalem does not change a thing. I understand that waivers have been placed in the Senate measure passed yesterday in that body, to allow the President to waive this move in the interest of our National Security, but that it does not necessarily mean that the President may consider a breakdown of ongoing peace talks in the Middle East, or a breakdown of relations between Israel and the PLO, as being "in the national security interests." What kind of "National Security Interest waiver authority" is that? No doubt, King Hussein of Jordan, Yasser Arafat of Palestine, King Hassan of Morocco—now feel they have been made unwitting collaborators in a plot to destroy the peace process.

Mr. Speaker, not since 1967 has a single country, including the United States, recognized Israel's annexation of east Jerusalem, nor that Jerusalem was the capital of Israel. Not one. How then is it that we have a bill on the floor today that states—unequivocally—that Jerusalem is, and always has been, the capital of Israel and that being so, we should move our embassy there?

Jerusalem is a holy city, and it is called the City of Peace. It belongs to Judaism, to Christianity, and to Islam. It is not only Israel that feels bound by its history and its religious beliefs and practices to Jerusalem. It is not only Israel's holiest cities—it is the holy city of Christians and of Moslems too. It always was, and it always will be.

Passage of this bill flies in the face of the recent outstanding gains the United States has made in the Arab world as an honest, and objective, broker of peace in the Middle East.

The President has been advised, by the Department of State, to veto the bill, because of constitutional questions about its usurping the President's constitutional authority to conduct foreign affairs and set foreign policy.

I understand that, the President will sign the bill, based on these waivers, and that no veto can be expected.

Mr. Speaker, as our Amabassador to Israel, Martin Indyk, stated in May of this year, I believe strongly that any move now would explode the peace process." I also believe it will have an extremely adverse effect on Prime Minister Rabin's ability to continue as Prime Minister, playing dangerously into the hands of the hard-line Likud party. Certainly I believe it will place chairman Arafat in an untenable position with respect to his ability to continue the peace process with the United States, particularly with respect to the first Palestinian elections scheduled to take place in January 1996.

I hope that the President will see the so-called waivers as actually binding his hands as an honest broker of Middle East Peace. That he will see such binding of his hands is a threat to our national security interests and that he will veto, based on this vote, the bill vetoing any message stating that the upending of the Middle East Pace talks is, in his view, a matter of our National Security Interest, and further that he demand a bill that says so in no uncertain terms.

Mr. Speaker, I am opposed to passage of this legislation.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Speaker, I thank the gentleman for yielding time to me. I rise today in support of H.R. 1959, of which I am a proud original coposnor. Jerusalem has been the spiritual capital of Israel since King David established it as the capital of the Jewish Kingdom 3,000 years ago. Since 1950, it has been the official capital of modern Israel. It is time the United States recognizes this fact. We will insist that the world maintain our embassies in the functioning capitals of every country except Israel—we didn't build our embassy in Lyons instead of in Paris, or in Bath instead of London. It is time we extend the same diplomatic courtesy to Israel. To do otherwise is to ignore Israel's legitimate historic claim.

With the significant progress that has been made in the peace process, I firmly believe that the recognition of Jerusalem as the undivided capital of Israel and a city open to all ethnic and religious groups—is the next step to take.

This is the first time we will vote on legislation that is real. It is more than just a promise or a resolution; it is an action that demonstrates the seriousness of our intentions. It is my hope that we can accomplish this goal by the date we have set—May 31, 1999.

The Congress has adopted four resolutions on this matter. Now is the time for the rhetoric to cease. Now is the time to take action.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

[Mr. DEUTSCH asked and was given permission to revise and extend his remarks.]

Mr. DEUTSCH. Mr. Speaker, I rise today in support of H.R. 1959, which is a piece of legislation that will facilitate a long overdue movement of the United States Embassy in Israel from Tel Aviv to Jerusalem. This is the only Embassy in the world, American Embassy, that is not in the capital that is designated by the country that the Embassy is in.

It is unprecedented and almost bizarre that it exists at this point in time. It is an anachronism from a misguided policy of really 40 years ago that this country is still supporting. I realize congratulations my colleagues in the leadership of this House for bringing this bill to the floor at this time.

It is a bill that really should not be necessary, but we are here today discussing it and hopefully we will pass it in a few minutes. It is setting the size of the sandbox. Why should this Congress be dictating to another country what its capital is? Obviously Jerusalem is the center of the world for most people on this planet. But still that remains the capital of the State of Israel. To offer anything else but passage of this resolution today, I think, would be real to send a terrible signal to the world, a terrible signal. In fact, I would argue very strongly that failure to get the two-thirds vote on this bill today would be sending an exactly wrong message because it would be sending a message that there is not resolve in this Congress of support of the peace process and that there is an opening in terms of what could happen in terms of Jerusalem, that the United States Congress has weakened its supports for this peace process.

So I really urge my colleagues, hopefully as close to unanimous as we can be in support of this bill and that we will continue an effort, and I hope we have a situation in the Middle East that we will have peace in that region for all time.

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

Mr. Speaker, a reunited Jerusalem has been a dream for so many throughout the world. As for many of us right here in the Congress, our dream has been to see the day that our United States Embassy would be moved from Tel Aviv to Jerusalem. This legislation moves us that much closer to reality, the reality of a comprehensive peace in the Middle East and the reality of the United States Embassy property in Israel's capital, Jerusalem.

Accordingly, Mr. Speaker, I urge my colleagues to fully support this landmark legislation.

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

Mr. HAMILTON. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore [Mr. FOLEY]. The gentleman from Indiana [Mr. HAMILTON] is recognized for 1 minute.

Mr. HAMILTON. Mr. Speaker, let me just give a quote from Secretary Chrishopher, if I may, about the question of Jerusalem. This is the quote:

"There is no issue related to the Arab-Israeli negotiations that is more sensitive than Jerusalem. It is precisely for this reason that any effort by Congress to bring it to the forefront is ill-advised and potentially very damaging to the success of the peace process."

Mr. ENGEL. Mr. Speaker, for almost 45 years only one country has had the dubious distinction of having to send its government officials out of its capital to visit the United States Embassy. This insult was not reserved for Libya, North Korea, Cuba, or any of America's historic detractors. It was reserved for Israel—one of America's closest friends and our
Mr. HEINEMAN. Mr. Speaker, I rise in strong support of S. 1322, the Jerusalem Embassy Relocation Act. The United States enjoys diplomatic relations with 184 countries. Israel is the only country in which our nation does not have it’s Embassy located in the nation’s capital. I believe that is wrong. I realize the historical and religious importance of Jerusalem to all sides involved in this matter and support the ongoing peace process taking place between Israel and the Palestinians.

I believe it is important for the United States’ position on Jerusalem to be clear. S. 1322 declares that it is official United States policy to recognize Jerusalem as the capital of Israel. The actual moving of the U.S. Embassy from Tel Aviv to Jerusalem would not take place for several years. This would allow enough time for peace negotiations between Israel and the PLO to be completed. This is a bipartisan piece of legislation which should receive strong support from the Congress and the President of the United States. Now is the time for our Nation to show some leadership by supporting S. 1322.

Mr. LANTOS. Mr. Speaker, I rise today in strong support of the legislation we are considering, S. 1322—the Jerusalem Embassy Relocation Implementation Act of 1995. Symbolically, this is an important and an appropriate gesture for the United States to make at this particular time. This week we commemorate the anniversary of the date 3,000 years ago when David, the King of Israel, captured the city of Jerusalem and made it his capital. Under David and his successors, Jerusalem became the religious and political and emotional center of Israel, and it remains so to this very day.

Mr. Speaker, almost 12 years ago—in November of 1983—I introduced legislation in the Congress that was identical in purpose to the legislation that we are considering here today. At that time, a majority of the Members of the Senate, the House floor, and a majority of the Members of the Senate cosponsored the identical bill which was introduced in the other body by the distinguished Senator from New York, Senator Daniel Patrick Moynihan.

Then—as now—this legislation had broad bipartisan support. Our distinguished colleague, Congressman Benjamin A. Gilman of New York, was the principal cosponsor of our bill in the House, and a broad bipartisan group of our Democratic and Republican colleagues joined us in cosponsoring the bill. I might add that there were fewer Republican Members of the House in those days. I might add that 12 years ago, the administration of Republican President Ronald Reagan and his Vice President, George Bush, opposed our legislation.

Mr. Speaker, we have witnessed important changes since 1983 and 1984—changes which now make the adoption of this legislation more timely and appropriate. The peace process has transformed the Middle East. The States of both parties with bipartisan support. Our distinguished colleagues, Members of Congress—all have done business with the Government of Israel at the seat of government in West Jerusalem. When Anwar Sadat of Egypt paid a historic visit to Israel and addressed the Israeli Knesset, he spoke at the Knesset building in West Jerusalem.

Moving the U.S. Embassy to West Jerusalem does not affect any of the issues surrounding the peace process. The Palestinians. The end of the cold war has created the fundamental conditions that have permitted this peace process to move forward. U.S. administrations have played a critical role in encouraging and facilitating this peace process—administrations of both parties with the bipartisan support of the Congress. The Bush administration played a major role in starting the process following the victory of U.S.-led forces in the gulf war. The Clinton administration continued actively to encourage, cajole, and support the process, culminating in the signing ceremony on the White House lawn in September 1993. With the support of the United States, a peace treaty between Israel and Jordan has been signed, and agreements have been signed regarding Palestinian administration of Palestinian-inhabited territories and arrangements for democratic Palestinian elections.

Although conditions in the region have changed that now permit us to move forward on this legislation, the arguments and reasons for adopting this legislation have not changed over the past 12 years.

Mr. Speaker, the United States maintains diplomatic relations with 184 countries. In virtually all of these countries where we have a resident Embassy, our Embassy is located in the capital city. When the Government of Brazil decided to move its capital from Rio de Janeiro to Brasilia, the United States moved its Embassy to the new capital. When the Government of Saudi Arabia, which until a few years ago indicated that it would like to have our Embassy located in the capital city, the United States Government followed traditional diplomatic practice and constructed an Embassy building in Riyadh. This is as it should be. An Embassy should be in the same city as the Government to which it is accredited.

In one case, however, our Embassy is not located in the capital city—despite the expressed desire of the house country that this be done. Although Jerusalem is the capital of Israel, our Embassy is located in Tel Aviv.

Jerusalem has been the capital of Israel since 1949. Presidents of the United States, Republican and Democratic, have recognized Jerusalem as the capital. As Israel’s closest ally, the United States must take the lead in supporting the capital of the only Jewish state. Today, Jerusalem is more than Israel’s capital city; it is a seat of government in West Jerusalem. When Anwar Sadat of Egypt paid a historic visit to Israel and addressed the Israeli Knesset, he spoke at the Knesset building in West Jerusalem.

Moving the U.S. Embassy to West Jerusalem does not affect any of the issues surrounding the peaceful resolution of the Palestinian issue. West Jerusalem has been an integral part of Israel since 1949 and this has been recognized by all nations with whom Israel maintains diplomatic relations.

An analogy with the situation in East Germany prior to the unification of Germany just 4 years ago this month is particularly appropriate in this case. The Government of East Germany claimed that East Berlin was an integral part of its territory. The United States, however, did not recognize this claim and maintained that East Berlin and West Berlin had a unique status guaranteed by the four occupying powers—the Soviet Union, the United States, Britain and France. Nevertheless, when the United States established diplomatic relations with East Germany in 1971, we located our embassy in East Berlin. At that time the State Department affirmed:

The United States Government proceeds on the basis that the locations and functions of an American Embassy in East Berlin, where it will be convenient to the government offices with which it will deal, will not affect the special legal status of the Berlin area.

We were broadminded enough to enunciate and observe this rational principle in dealing with a communist dictatorship which sought to undermine our own treaty obligation for all of Berlin. Why should we not follow the same rational principle in dealing with a democratic ally?

Mr. Speaker, I urge my colleagues to join in supporting the adoption of this legislation. The time has come to end inconvenience, inefficiency, and expense by moving our Embassy to Israel’s capital city—Jerusalem.
Mr. DEUTSCH. Mr. Speaker. I rise today to speak in support of S. 1322, a piece of legislation that will facilitate a long overdue movement of the United States Embassy in Israel from Tel Aviv to Jerusalem. As an original cosponsor and strong advocate of relocating our embassy to Jerusalem, I congratulate the leadership of the House and Senate for making this a priority and moving this legislation.

For 3,000 years Jerusalem has been the capital of the Jewish people, the very heart of its religious, spiritual, cultural, and national life. It is a fact that it will be the eternal, undivided capital of Israel. Yet for nearly five decades Israel's closest ally—the United States—has failed to acknowledged Jerusalem as the capital. In fact, the United States is the only country in the world that the United States does not recognize the designated capital of the host country.

When you think about it, out position is nothing short of bizarre, illogical, and offensive. For 47 years, the United States has shared an extraordinary friendship with Israel but for 47 years, the United States has been frozen in this state of inconsistency and insensitivity.

But instead of looking back at what may be our mistake let's look at what may be our fortune. As the peace process moves forward, moving the United States embassy to Jerusalem will send a clear message to the world, to the Middle East and most importantly, to the Palestinians that America supports Israel's claim to Jerusalem. We must stand behind Prime Minister Rabin's words to the Knesset:

United Jerusalem will not be open to negotiation. It has been and will forever be the capital of the Jewish people, under Israeli sovereignty, a focus of the dreams and longings of every Jew.

For far too long, the United States has allowed this matter to linger in ambiguity throughout the peace talks. There is absolutely no reason to risk uncertainty about the U.S. Government's commitment to the status and the destiny of Jerusalem.

Tomorrow, Prime Minister Rabin will be here to celebrate the 3,000th anniversary of Jerusalem as the capital of Israel. What better way for the United States to celebrate this occasion with Israel than to begin the process of relocating our embassy to Jerusalem.

Mr. ACKERMAN. Thank you, Mr. Speaker. I rise in strong support of this extremely important resolution, and I want to commend the leadership for bringing this bill, a bill that is 47 years overdue, to the floor for consideration today.

Mr. Speaker, in the last half century, the United States has rightly shown its support and respect for our most loyal ally in the Middle East, and one of our best friends in the world, in just about every area—except for one. That, of course, is in the matter of proper diplomatic recognition. Yes, we obviously recognize the sovereignty of Israel, yet by not placing our Embassy in Israel's declared capital, we do a great disservice to her, as well as to us. Israel is the only nation, out of 184 with which we maintain diplomatic relations, in which we do not have our Embassy in its declared capital. I think it is highly inappropriate to continue this backward, and undiplomatic gesture on our part.

This issue as a whole is intrinsically emotional and complex. However, the bottom line is that Jerusalem has been and always will be, the capital of Israel. Undeniably speaking, the Middle East peace process is a fragile entity. It is a process that has been almost a century in the making. Just as Israel has greatly committed to the success of this venture, so too have many in the Arab world. However, the future is not a given, and we have a clear responsibility to do everything in our power to help make sure that the Peace Process moves forward.

For years overdue, to the floor for consideration a resolution, and I want to commend the rise in strong support of this extremely important legislation.

Mr. DORNAN. Mr. Speaker, today the House passed a historical piece of legislation, the Jerusalem Embassy Relocation Improvement Act. This legislation, H.R. 1595, declares that it is official United States policy that Jerusalem be recognized as the permanent and undivided capital of Israel. Pursuant to this recognition, the bill directs the State Department to begin the relocation of the United States Embassy in Israel from Tel Aviv to Jerusalem.

Jerusalem, a city of great historical and religious significance for Jews, Muslims, and Christians, has been the capital of Israel since 1950. But for millennia, Jerusalem has been the focal point of Jewish life and has held a unique place and exerted a special influence on the moral development of western civilization. The city was divided between Israel and Jordan from 1948 to 1967, during which Jordan has allowed full access to all holy sites in the city for persons of all faiths. It is a unique place and exerted a special influence on the moral development of western civilization.

Although the United States recognizes Jerusalem as an important friend and ally in the Middle East and conducts official meetings in Jerusalem, it does not maintain an embassy there, but rather in Tel Aviv. By moving our embassy from Tel Aviv to Jerusalem, a much more appropriate and productive location, the United States will demonstrate a firm commitment to the national sovereignty and unity of Israel. As someone who has had a warm place in my heart for Israel, I am pleased with this legislative accomplishment. I look forward to a deeper, closer, stronger working relationship between the United States and Israel.

Mr. LAZIO of New York. Mr. Speaker, I rise today in support of this legislation to move the United States Embassy in Israel from Tel Aviv to Jerusalem. Israel is the only country in the world in which the American Embassy is located outside of the host nation's capital. It is time for the United States to show that it supports Jerusalem and its permanent status as the capital of Israel.

Much has been said about how this legislation could send the wrong signal at a time when both sides of the conflict in the Middle East are pursuing peace. However, the realities of what we have seen to date in the peace process do not support this argument. Significant progress in the peace process has occurred since the introduction of this legislation in the House and Senate. Just a few weeks ago, Israel and the Palestinians signed the second phase of the Oslo Accords. This agreement came after the Palestinians and the Arab world had time to consider this legislation. This is compelling evidence that the peace process is not impeded by this legislation.

Mr. Speaker, the location of our embassies abroad is not a subject in the ongoing peace negotiations. Next year marks the 3,000th anniversary of King David's establishment of Jerusalem as the capital of the Jewish kingdom. Now is the time to begin the process of transferring the U.S. Embassy to Jerusalem, just as our other 183 embassies are located in the capitals of their host nation. I urge support for S. 1322.

Mr. ALLARD. Mr. Speaker, I want to take a few minutes to show my support for H.R. 1595, the Jerusalem Embassy Relocation Improvement Act.

Jerusalem is a city of great historical significance for Jews, Christians, and Muslims. Since the 1950's, Jerusalem has been the capital city of Israel. However, the United States has never maintained its Embassy in Jerusalem. We have located it instead in Tel Aviv. This is inconsistent with every other U.S. Embassy which is located in the host country's capital city. Our policy is particularly inappropriate since Israel has been one of our strongest allies. I strongly believe it is time for the United States to fully recognize Jerusalem as the capital of Israel.

Some critics say that the moving of the Embassy to Jerusalem would upset the tense peace negotiations. I do not believe this to be the case. In fact, I believe this change shows that the United States is strongly supports the peace process and wants to see a peace which includes a unified Jerusalem.

I believe this matter to be one of principle and priority for the Jewish people. Jerusalem is the seat of government. The President, the Prime Minister, the supreme court, and most of the government agencies are located there. As one of Israel's closest allies and friends, the United States should lead the
way in showing its support for the unity of Jerusalem and its permanent status as the capital of Israel.

H.R. 1595 is the most direct and strongest statement the United States can make concerning a unified Jerusalem. That is why I am proud to be a cosponsor and supporter of this legislation.

Mr. SKAGGS. Mr. Speaker, the United States has a crucial role to play as the honest broker—the convening authority—in the Middle East peace effort. To fulfill the responsibilities we must maintain a semblance of official evenhandedness regarding matters in controversy among the parties. It is of overarching importance, as we fashion Middle East policy, not to do anything that would undermine our own role and responsibility. That's why its long been official U.S. policy that the final status of Jerusalem be left to negotiations among the parties in interest.

I personally want to see Jerusalem as a unified city, with free access for people of all religions to its great holy sites. I also personally believe that Jerusalem is the legitimate capital of the State of Israel. Clearly, that's the view of most of us. But it is not appropriate to transpose our personal views into a mandate of U.S. policy at this sensitive time.

We should not pretend that the legislation will not be seen as compromising the U.S. role as honest broker in the peace process. By declaring that "Jerusalem should be the recognized capital of the State of Israel," we will be sending a clear signal to the Palestinians and the Arab States that we have prejudged the solution on Jerusalem.

In dictating how President must deal with a foreign policy matter of great delicacy and subtlety, this bill is also on extremely questionable constitutional grounds. It seeks to micromanage a function that falls squarely within the Executive's foreign policy authority under article II. It would set a precedent by legislating for the first time in history where an Embassy must be located. The escape clause, enabling the President to defer the requirements of the bill for 6 month intervals under a finding of national security necessity, may save it from unconstitutionality in law, but not in spirit.

We should recognize this measure for what it is—something driven by domestic Presidential politics—not an effort to make sound foreign policy. The Government of Israel itself has made it clear—though off the record—that a law like this would be counterproductive. This legislation, however well intended, is unwise, and we should reject it.

Mr. BURTON of Indiana. Mr. Speaker, I rise in strong support of the Jerusalem Embassy Relocation Act. I am very proud to be an original cosponsor of this moral, long- overdue legislation.

It is nothing short of preposterous that we keep our Embassy in Tel Aviv rather than in Jerusalem. In every country in the world, the U.S. Embassy is located in the capital of the country. Why not in Israel? Every day that passes by without our Embassy in Jerusalem is 1 day too many.

Israel's claim to Jerusalem as its eternal capital is stronger than any of that other country in the Middle East. That claim is rooted in a 3,000-year-old bond that is recorded in the Bible itself. "By the waters of Babylon, there we sat and wept, as we remembered thee, O Zion!"

For 3,000 years, the Jewish people have kept their faith with Jerusalem. Every year, on Yom Kippur, and at Passover, Jews repeat the phrase: "Next year in Jerusalem!" Mr. Speaker, it is time for this Congress to tell the President, regarding the United States Embassy: "Next year in Jerusalem!"

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the Senate bill, S. 1322. The question was taken.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2002, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mrs. WALDHOLTZ, from the Committee on Rules, submitted a privileged report (Rept. No. 104-289) on the resolution (H. Res. 241) waiving points of order against the conference report to accompany the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NOTIFICATION OF INTENT TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGE

Ms. SLAUGHTER. Mr. Speaker, pursuant to rule IX, I hereby give notice of my intention to offer a resolution that raises a question of privilege of the House. The form of the resolution as a follows:

RESOLUTION

To direct the Speaker to provide an appropriate remedy in response to the use of a forged document at a subcommittee hearing. Whereas, on September 28, 1995, the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, Committee on Government Reform and Oversight held a hearing on political advocacy of Federal grantees; Whereas, the president of the Alliance for Justice, a national association of public interest and civil rights organizations testified at that hearing; Whereas, a document was placed upon the press table for distribution at the hearing which contained the letterhead, including the name, address, phone number, fax number, and e-mail address of the Alliance for Justice, and the names of certain member organizations and the dollar amounts of Federal grants they received; Whereas, in a closing statement at the hearing, the president of the Alliance for Justice identified the document as being forged and contained errors and requested an explanation from the chairman of the subcommittee as to the source of the document; Whereas, in response, the chairman acknowledged that the document was created by the subcommittee staff; Whereas, the document was prepared using official funds; Whereas, the chairman of the subcommittee acknowledged in a letter, dated September 28, 1995, to the president of the Alliance for Justice that "The graphic design, unfortunately, appeared to simulate the Alliance's letterhead"; Whereas, the September 29, 1995, issue of the National Journal, Committee on Justice reported that Representative McIntosh's communications director said that "the letterhead was taken from a faxed document, scanned into their computer system and altered"; and Whereas, questions continue to arise regarding the distribution of unattributed documents and announced a necessity requiring that materials disseminated on the floor of the House must bear the name of the Member authorizing their distribution;

Whereas, Members and staff of the House have an obligation to ensure the proper use of documents and other materials and exhibits prepared for use at committee and subcommittee hearings and which are made available to Members, the public or the press, and to ensure that the source of such documents or other materials is not misrepresented;

Whereas, committees and subcommittees should not create documents for use at their proceedings that may give the impression that such documents were created by other persons or organizations, as occurred at the September 28, 1995, hearing of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs;

Whereas, the dissemination of a forged document at a hearing distorts the integrity of the legislative process and affects the ability of the House of Representatives, its committees, and Members to perform their legislative functions, and constitutes a violation of the integrity of committee proceedings which form a core of the legislative process; Now, therefore, be it Resolved, that the Speaker shall take such action as may be necessary to provide an appropriate remedy to ensure that the integrity of the legislative process is protected, its shall require the committee to prepare the appropriate report for use at committee and subcommittee meetings and which are made available to Members, the public or the press, and to ensure that the source of such documents or other materials is not misrepresented;

Resolved, that the Speaker shall take such action as may be necessary to provide an appropriate remedy to ensure that the integrity of the legislative process is protected, its shall require the committee to prepare the appropriate report for use at committee and subcommittee meetings and which are made available to Members, the public or the press, and to ensure that the source of such documents or other materials is not misrepresented;

Resolved, that the Speaker shall take such action as may be necessary to provide an appropriate remedy to ensure that the integrity of the legislative process is protected, its shall require the committee to prepare the appropriate report for use at committee and subcommittee meetings and which are made available to Members, the public or the press, and to ensure that the source of such documents or other materials is not misrepresented;
The Chair is not at this point making a determination as to whether the resolution constitutes a question of privilege. That determination will be made at the time designated by the Speaker for consideration of the resolution.

REMOVAL OF NAME OF MEMBER AS A COSPONSOR OF H.R. 500
Mr. SAXTON. Mr. Speaker, I ask unanimous consent that my name may be withdrawn as a cosponsor of H.R. 500.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?
There was no objection.

GENERAL LEAVE
Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on S. 1322.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?
There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1058, SECURITIES LITIGATION REFORM ACT
Mr. BLILEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

Mr. DINGELL. Reserving the right to object, Mr. Speaker, is this the legislation which relates to securities reform? Is that correct?

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

Mr. DINGELL. I yield to the gentleman from Virginia.

Mr. BLILEY. Yes, that is correct, Mr. Speaker.

Mr. DINGELL. This is legislation which the gentleman has talked to me about going to conference on?

Mr. BLILEY. Yes, Mr. Speaker, it is. Mr. DINGELL. Mr. Speaker, we have no objection to the gentleman's unanimous-consent request, and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from VA?
There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on Commerce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. BLILEY, TAUSIN, FIELDS of Texas, COX of California, WHITE, DIN- GELL, MARKEY, BRYANT of Texas, and MS. ESCH.

As additional conferees from the Committee on the Judiciary, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. HYDE, MCCOLLUM, and CON-

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore. Pursuant to clause 5 of rule 1, the Chair will now put the question on each question on which further proceedings were postponed earlier today in the order in which that question was entertained.

Votes will be taken in the following order:
Vote No. 1 will be approval of the Journal; No. 2, H.R. 117 by the yeas and nays; and, No. 3, S. 1322 by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule 1, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HOBBON. Mr. Speaker, is this the legislation about going to conference on?

Mr. Speaker, we have no objection to the request of the gentleman from Virginia.

There was no objection.

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. Is there objection to the request of the gentleman from Virginia?
There was no objection.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

Mr. DINGELL. Reserving the right to object, Mr. Speaker, is this the legislation which relates to securities reform? Is that correct?

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

Mr. DINGELL. I yield to the gentleman from Virginia.

Mr. BLILEY. Yes, that is correct, Mr. Speaker.

Mr. DINGELL. This is legislation which the gentleman has talked to me about going to conference on?

Mr. BLILEY. Yes, Mr. Speaker, it is. Mr. DINGELL. Mr. Speaker, we have no objection to the gentleman's unanimous-consent request, and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from VA?
There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on Commerce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. BLILEY, TAUSIN, FIELDS of Texas, COX of California, WHITE, DIN-
Mr. HILLEARY and Mr. SHADEG\nchanged their vote from "nay" to\n"yea."

So the journal was approved.

The result of the vote was announced as above recorded.

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ANNOUNCEMENT BY THE SPEAKER\nPRO TEMPORE

The SPEAKER pro tempore, Mr. GUTKNECHT, pursuant to the provisions of clause 5, rule 1, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on any additional question on which the Chair has postponed further proceedings.

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SENIOR CITIZENS HOUSING SAFE\nETY AND ECONOMIC RELIEF ACT OF 1995

The SPEAKER pro tempore. The pending business is the question of passage of the bill, H.R. 117.

The Clerk reads the title of the bill.

The SPEAKER pro tempore. The question is on the passage of the bill, H.R. 117, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device and there were—yeas 415, nays 0, not voting 17, as follows:

[Ballot 1674]

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JERUSALEM EMBASSY ACT OF 1995

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 122.

The Clerk reads the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILL] that the House suspend the rules and pass the Senate bill, S. 122, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 374, nays 37, not voting 17, as follows:

[Ballot 1757]
Mr. WATT of North Carolina changed his vote from "nay" to "present." So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that the House adjourn today, it adjourn to 11 a.m. tomorrow.

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

Mr. DOGGETT. Mr. Speaker, reserving the right to object, subject to that reservation, I would ask the gentleman, this is as I understand it to my mind, there is nothing to be done by agreement with the minority to allow for 3 hours of debate to start tomorrow night. However, should the gentleman not use all of that time, should it only be 2 hours and 10 minutes, you would not be carrying that time over. We would then still live up to our end of the bargain on the rule the following day.

Mr. DOGGETT. That is our understanding.

Mr. Speaker, with that understanding, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. BLUETE). Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2491, SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that it be in order, at any time for the Speaker, pursuant to clause 1(b) of rule XXIII, to declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 2491) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996; that the first reading of the bill be dispensed with; that all points of order against consideration of the bill be waived; that general debate be confined to the bill and the text of H.R. 2517; that general debate be limited to 3 hours equally divided and controlled by the chairman of the Committee on Budget and Representative GEHARDT, or his designee; that after general debate the Committee of the Whole rise without motion; and that no further consideration of the bill be in order except pursuant to a subsequent order of the House.

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

There was no objection.
PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUB-COMMITTEES TO SIT TOMORROW, WEDNESDAY, OCTOBER 25, 1995, DURING THE 5-MINUTE RULE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit tomorrow while the House is meeting in the Committee of the Whole House under the 5-minute rule: Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce, Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on House Oversight; Committee on International Relations; Committee on the Judiciary; Committee on Resources; Committee on Science; Committee on Small Business; and Committee on Veterans' Affairs.

It is my understanding that the minority has been consulted and that there is no objection to these requests. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1617, CAREERS ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

The Chair hears none and, without objection, appoints the following conferees: Messrs. Goodling, Gundersen, Cunins, Mahon, Steinfurth, Riggs, Graham, Souder, Clay, Williams, Kildee, Sawyer, and Gene Green of Texas.

There was no objection.

ANNOUNCEMENT OF INTENT TO OFFER ON TOMORROW, WEDNESDAY, OCTOBER 25, 1995, MOTION TO INSTRUCT CONFEREES ON S. 4, THE SEPARATE ENROLLMENT AND LINE-ITEM VETO ACT OF 1995

Mr. DEUTSCH. Mr. Speaker, pursuant to rule XXVIII, I hereby announce my intention to move to instruct conferees on S. 4 tomorrow.

The form of the motion is as follows:

Mr. DEUTSCH moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendments to the bill S. 4 be instructed, within the scope of the conference, to insist upon the inclusion of provisions to require that the bill apply to the targeted tax benefit of any relief or reconciliation bill enacted into law during or after fiscal year 1995.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:


Hon. NEWT GINGRICH, Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the President on Monday, October 23, 1995 at 10:55 a.m. and said to contain a message from the President whereby he transmits notification that he has declared a national emergency regarding foreign narcotics traffickers centered in Colombia.

With warm regards,

ROBIN H. CARLE, Clerk, House of Representatives.

DECLARATION OF NATIONAL EMERGENCY REGARDING FOREIGN NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-129)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) and section 301 of the National Emergencies Act, 50 U.S.C. 1621, I hereby report that I have determined that the extraordinary threat posed by significant foreign narcotics traffickers centered in Colombia and to the national security, foreign policy, and economy of the United States.

Such trafficking undermines dramatically the health and well-being of United States citizens as well as the domestic economy. Such trafficking also harms trade and commercial relations between our countries. The penetration of legitimate sectors of the Colombian economy by the so-called Cali cartel has frequently permitted it to corrupt various institutions of Colombian government and society and to disrupt Colombian commerce and economic development.

The economic impact and corrupting financial influence of such narcotics trafficking is not limited to Colombia but affects commerce and finance in the United States. The United States law enforcement authorities estimate that the traffickers are responsible for the repatriation of $4.7 to $7 billion in illicit drug profits from the United States to Colombia annually, some of which is invested in ostensibly legitimate businesses. Financial resources of that magnitude, which have been illicitly generated and injected into the legitimate channels of international commerce, threaten the integrity of the domestic and international financial systems on which the economies of many nations now rely.

For all of these reasons, I have determined that the actions of significant narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause within the United States or with United States persons or with United States property or with United States financial interests, constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I have, accordingly, declared a national emergency in response to the relentless threat posed by significant foreign narcotics traffickers centered in Colombia to the national security, foreign policy, and economy of the United States.

Narcotics production has grown substantially in recent years. Potential cocaine production—a majority of which is bound for the United States—is approximately 850 metric tons per year. Narcotics traffickers centered in Colombia have exercised control over more than 90 percent of the cocaine entering the United States.

Narcotics trafficking centered in Colombia undermines dramatically the health and well-being of United States citizens as well as the domestic economy. Such trafficking also harms trade and commercial relations between our countries. The penetration of legitimate sectors of the Colombian economy by the so-called Cali cartel has frequently permitted it to corrupt various institutions of Colombian government and society and to disrupt Colombian commerce and economic development.

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The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

[Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

A SALUTE TO GREECE: OXI DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 5 minutes.

Mr. BILIRAKIS. Mr. Speaker, October 28, 1995, marks the 55th anniversary of a very historic day in Greek history, and for that matter world history.

On October 28, 1940, the Italian Minister in Athens presented an ultimatum to the Prime Minister of Greece, demanding the unconditional surrender of Greece. His answer: "Oxi," which means "no" in Greek.

Military success for the Italians would have sealed the Balkans from the south and helped Hitler's plan to invade Russia. Indeed, with an army that was fully equipped, well supplied, and backed by superior air and naval power, the Italians were expected to overrun Greece within a short time.

However, despite their lack of equipment, the Greek Army proved to be well trained and resourceful. Within a week after the Italians first attacked, it was clear that their forces had suffered a serious setback in spite of having control of the air and fielding armored vehicles.

On November 14th, the Greek Army launched a counteroffensive and quickly drove Italian forces back well into Albania. On December 8th, the Greeks captured Porto Edda and continued their advance along the seacoast toward Valona. By February 1, 1941, the Italians had launched strong counterattacks, however the determination of the Greek Army coupled with the severity of the winter weather, nullified the Italians' efforts.

The Italians, in an effort to bring the war to a close before they would need the help of German intervention, launched another offensive on March 12, 1941. However, after 6 days of fighting, the Italians made only insignificant gains and it became clear that German intervention was necessary.

On March 28th, Hitler shouted "I will make a clean sweep of the Balkans." It took him 5 weeks, until the end of April, to subdue Greece. It turned out to be an important 5 weeks for the world.

As a result of this campaign, Hitler's plan to invade Russia had to be delayed. Instead of launching the Russia invasion on May 15, 1941, as planned, Hitler had to set a new date of June 22, 1941.

This delay proved catastrophic for the Germans and contributed to the failure of their Russian campaign.

The victory of the Greek Army against the Italians and the repudiation of Mussolini astonished the world. Greece was attacked after the
fall of France and at a time when the Axis powers were seemingly unbeatable.

The heroic stance by the Greeks against insurmountable odds, was the first glimmer of hope for the Allies, and today we can take great pride in those who risked their lives to defend their country. They sought to defend their own land, but they helped to save Europe.

THE ENDLESS GROWTH OF OUR NATIONAL TRADE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I am here today because I think it is absolutely imperative that a proper amount of attention be given to the disturbing facts about the seemingly endless growth of the U.S. international trade deficit, and the impact of that growth on the American economy and American jobs.

In the first two quarters of 1995, the U.S. international trade deficit was over $64 billion, compared to $50 billion last year for the same period, and the second quarter’s deficit of $33.8 billion was the largest since 1987.

What these numbers signify is a growing assault on American jobs as foreign goods and services pour into the United States at a pace that far exceeds the exit of American exports. When one stops to consider these facts, Mr. Speaker, it becomes quite clear that the incessant push to enter into free trade agreements without first stopping to assure they include fair trade safeguards is, pure and simple, reckless.

Perhaps there is no better example to illustrate this point than the recently broken-down negotiations between Congress and the Administration over the reauthorization of fast-track trading authority, and the relation of those negotiations to the runaway momentum in both the Congress and the executive branch to expand NAFTA.

The debate over fast-track’s reauthorization has centered on the Administration’s position that U.S. trade negotiators should continue to be allowed to address labor and environmental concerns and the Republicans’ drive to revoke that authority. In my opinion this difference represents a flawed point on which to base negotiations, as it begs the very fundamental question of whether fast-track should be reauthorized at all.

While the Administration’s position is apparently better than the Republican alternative. It is, rather, the lesser of two evils. For even under a fast-track program that safeguards the right of U.S. trade negotiators to address both labor and environmental concerns, Congress would still have to agree in advance of seeing a trade agreement.

Mr. Speaker, I think it is tragically wrong for Congress to agree to stifle itself and surrender its constitutionally granted authority when considering trade pacts that will have far reaching effects on American jobs. Those pacts should, on the contrary, be scrutinized from top to bottom in order to prevent the type of disaster that is currently going on as a result of the NAFTA pact.

Indeed, those who would see fast-track reauthorized and subsequently support the use of that tool to expand NAFTA much be living under rocks. As the last 20 months have shown, the impact of NAFTA on the American economy has been anything but what its proponents promised. To push for expanding that ill-conceived trade pact represents nothing short of a callous disrespect for the notion of protecting American jobs.

Consider, for instance, the claim made often by NAFTA’s strongest supporters before the NAFTA agreement was approved by Congress that the trade pact would create 200,000 jobs by 1995. That claim was made by using the calculation that every billion dollars of net exports creates 20,000 jobs. It is with no pleasure, and I assure you with no pleasure on my part, that I point out that in the first 6 months of 1995 the United States recorded an $8.3 billion trade deficit with Mexico, whereas last year during the same period the U.S. had recorded a surplus of $1.1 billion.

In order to reach the goal of 200,000 new NAFTA jobs, the United States would have to run a yearly trade surplus with Mexico exceeding $8.6 billion. Thus what is clear is that the reality of the situation is drastically different from what NAFTA’s champions promised the American people; with a projected $15 billion 1995 trade deficit with Mexico, and the situation with Canada not being much better, by the year’s end, instead of creating 200,000 new employment opportunities, NAFTA probably will have eliminated some 800,000 American jobs.

What is, moreover, as equally disturbing is the Labor Department’s recent report that as of September 30 it had certified 42,221 citizens as eligible for NAFTA-related trade adjustment assistance.

In light of these facts, the push to expand NAFTA is not just bad policy, it is shockingly bad policy. Congress need not accept or endorse it. Today, I would venture to say that we are going to put on the ground in Bosnia. That really equates to a number much larger than that, because you have to have the support troops to support these 20,000 or 25,000 troops that we are going to put on the ground in Bosnia.

Take a look very carefully at the situation in Bosnia. We have an absolute responsibility to question Bill Clinton about his intent to put these young people into that country into that conflict to assess the situation. Is the situation in Bosnia a security threat to this country? That answer is easy; no. Is it a security threat to any of our allies? The answer is no. Is it an economic threat to the United States of America? The answer is no. Is it an economic threat to any of our allies? The answer is no. If we do not go into Bosnia, will it mean the collapse of NORAD? No, it will not.

How can this President justify it? Because he has made a commitment to this? Take a look at what the cost of Bosnia will be. We know that there is a very high likelihood of loss of life, and it could be my son. I have a son who is 18 years old. It could be your daughter or your son.

Think about it before we put these troops into Bosnia, before we let Bill Clinton put us into a situation that has no exit strategy. We need to ask Bill Clinton about some pretty tough questions: One, what are the rules of engagement? Have you made any kind of strategy as to how we are going to get out or how long we are going to be there?

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I would venture to say that we are woefully short of the kind of answers we need before we even consider supporting this President in sending American troops into the country of Bosnia. I think that it is imperative and incumbent upon us to demand from this President that he be forthright
with the people of the United States of America and explain what that situation is. Right now he has got the cover of Medicare, he has got the cover of budget. While all this is going on, the Pentagon is buzzing away down there preparing to send these troops over to a country that is not a threat to this country.

I think the test, the ultimate test that each and every one of us in these chambers should employ, is the test that I gave when I sat down to listen to a graduation speech this last spring. An 18 year old young man just got his degree and walked by. The person next to me leaned over and said, "We are very proud. That young man is going into the United States Marines."

At that very instant I thought to myself, could I look at his parents if I lose this young man in Bosnia? Could I look at his parents eye-to-eye and tell them that the life of their son was necessary not only for the national security of the United States of America? Could I look in the eye and tell them that it was necessary to send their son over to Bosnia? Were we able to look in the eye and consider over in Lebanon or Somalia? I venture to say before we give our support to this President to send those troops into Bosnia, we ought to consider what our response is going to be to those parents.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. McINNIS. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, by saying I just returned from that part of the world this weekend, I had a chance to meet with all of our top NATO officials and to go to observation posts on the Serbian border.

I am not going to disagree with anything the gentleman said. What I would say as a member of the minority party talking to a member of the majority party is I would ask that this gentleman tell the Speaker of the House that we be allowed to vote on this. It is our constitutional duty.

Everything the gentleman said I agree with. Congress ought to vote on it. The gentleman and I and the other 400 Members ought to decide this issue, not the President of the United States.

Mr. McINNIS. Mr. Speaker, reclaiming my time, I absolutely agree with the gentleman. This should not be the decision of the President of the United States. The President of the United States should come to the U.S. Congress and ask us for our permission. Frankly, I am going to be leading the charge against it, because while I have not been to Bosnia, I have an 18-year-old son.

THE NEED FOR AN INDEPENDENT, CONSOLIDATED STATISTICAL AGENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Deutch] is recognized for 5 minutes.

Mr. Deutch. Mr. Speaker, I am going to speak tonight on something we did last week and we are probably going to do again on Thursday, and that is to pass a bill that basically eliminates Medicare in this country. We will pass it again as part of the reconciliation bill on Thursday, and it will go over to the Senate.

The reason I am speaking about it is with the faint hope that my colleagues on the majority side will try to make some changes. I just doubt that will happen between now and Thursday, but the good news is it is a bicameral legislature, and the Senate will have the possibility to deal with it, and ultimately this is a piece of legislation that will go in front of the President. The President has issued a statement he will veto this legislation. I urge him
and I think all Americans need to urge him to follow through on that veto.

I think it is worth it to really focus on the facts on this issue. I am going to talk about three facts and just go through them very clearly, very specifically. The first is the actuarial life of Medicare, which is 12 years. The second is the cost of the Medicare program. No one has come up with anything else. The third is the $270 billion number. And the third and final big lie that I will mention is this whole idea of choice. My Republican colleagues consistently say that the Medicare proposal that they pass, and they will pass again this week, provides choice. They continuously say it provides choice for Medicare recipients.

What it provides is a false choice. It provides a false choice, because what will inevitably happen, and this legislation is set up to make this happen, is that for anyone who remains in traditional Medicare, the out of pocket costs will be astronomical. 4, 5, 6, 7, 8,000 a year for seniors. To put it in perspective, 75 percent of the seniors in this country, their income is less than $25,000 a year, so we are talking about $4,000 out-of-pocket for someone in that category. It just does not work.

So what will end up inevitably happening is that 90 plus percent of seniors will be forced into substandard HMO's. I urge everyone to both write their Senators and urge the President to veto this legislation.

AN INCREASE TO MINIMUM WAGE WILL LIST WORKERS OUT OF POVERTY AND OFF WELFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. GENE GREEN, is recognized for 5 minutes.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise tonight in support of the legislation that my Republican colleagues have made in this legislation. This is unprecedented. That is just not the case.

The second flat out lie that they have made is that the $270 billion number is correct. Where did the $270 billion number come from? There are actuarial, nonpolitical, technical people whom evaluate the solvency of the Medicare program. No one has come up with any numbers anywhere near $270 billion. Where did that number come from?

Where it came from, it was a derived number from the budget process. The Republicans, as they were drawing up their budget, came up with a hole of $270 billion. It was the only place that they could have gone to Social Security, but they were a little bit more fearful of that. They went to Medicare for a $270 billion gap to fill the hole.

What is in that hole? Well, there is a variety of things in that hole, including a military budget above what the President has requested and what the Joint Chiefs of Staff and divisions of different branches of the military has requested. There is also tax breaks of the worst kind that are outrageous from this government’s and from the people of this country’s perspective.

Special interests at the worst level; it is a list that gets longer and longer. Who did what for who? College football coaches, convenience stores, certain specific companies get tax breaks in this legislation, on the backs of 36 million Medicare recipients, who worked hard and played by the rules, and yet this legislation raises and is not vetted, would in fact occur.

So that is the second big lie, which is a $270 billion number. And the third and final lie that I will mention is the Medicare proposal that they pass, and they will pass again this week, provides choice. They continuously say it provides choice for Medicare recipients.

What it provides is a false choice. It provides a false choice, because what will inevitably happen, and this legislation is set up to make this happen, is that for anyone who remains in traditional Medicare, the out of pocket costs will be astronomical. 4, 5, 6, 7, 8,000 a year for seniors. To put it in perspective, 75 percent of the seniors in this country, their income is less than $25,000 a year, so we are talking about $4,000 out-of-pocket for someone in that category. It just does not work.

So what will end up inevitably happening is that 90 plus percent of seniors will be forced into substandard HMO's. I urge everyone to both write their Senators and urge the President to veto this legislation.
IMPACT OF REPUBLICAN BUDGET CUTS ON RURAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. Bishop] is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, we are here today to discuss the effects of budget cuts on rural communities and the impact of the proposed Republican budget cuts on rural America. Current common wisdom is that two elements are essential for sustainable rural development: first, a strong economic base; and second, local leadership. We must support the efforts of State and Federal officials, and more importantly, the motivation and leadership shown by local community leaders who have been successful in making educational advances, and rural economic development a reality in their own communities. But we must look forward to more.

We have all heard the statistics describing the decline of agriculture as the main rural economic base. And we know that rural areas differ greatly by region in terms of publication, income levels, and the relative importance of agriculture to the local economy. We also know that the shift in the national agricultural policy toward worldwide trade requires rural areas—which are hampered by geographic isolation, inadequate infrastructure, and a shortage of capital—to compete in an unfamiliar global arena. But I believe that the citizenry of Georgia, and particularly in the second district, have some of the most enterprising, efficient, and effective rural communities in the Nation.

But the budget cuts proposed by the Republican Leadership work against the common wisdom of how we can best support the vitality of our rural communities and citizens. First of all, let me speak about the Republican budget proposal which cuts over $13 billion from our farm commodity programs. These cuts will come out of the pockets of farmers who live in my district. According to a recent letter sent to the Speaker from 15 members of the Speaker's own party, the current Freedom to Farm proposal will cause the U.S. taxpayer to actually spend even more on subsidies under the Freedom to Farm proposal than under the proposal put forth by the Democrats, or even the farm proposal put forward by the Republicans in the other body.

Other cuts by the Republicans will put a dagger in rural America. From health care to agriculture to education, the Republican budget targets rural America, where we can least afford to lessen our efforts. The Republican budget raises taxes on over 229 thousand working families in rural Georgia by an average of $368 by the year 2002. In addition, the Republican cuts to the earned income tax credit will add an $84.5 million tax increase on working families and their children in rural Georgia.

Republican education cuts will deny 113,000 children basic and advanced skills instruction in rural America in 1996 alone. Title I funds for reading instruction in rural areas will be cut by $113 million, denying crucial assistance at a time when many small-town and rural school systems are already having trouble making ends meet.

The Republican budget will cut rural housing funding in our small communities. Cuts to public housing capital assistance in rural areas will total $460 million next year, which will severely hinder efforts by rural housing agencies to provide security and anticrime programs. The Republicans will also cut $108 million in funding for assistance to the homeless in rural America. This will mean 4.9 million fewer nights of shelter for America's rural homeless.

Republicans propose to cut Medicare by $270 billion in this body—three times larger than the largest cuts in history—just to pay for a tax cut for the wealthy. Their budget will cut Medicare spending in rural communities by $58 billion over 7 years, a 20 percent cut in the year 2002. The Republican cuts will force 9.6 million older and disabled Americans in rural America to pay higher premiums and higher deductibles. In Georgia, it will cut $2.7 billion for our rural areas from Medicare.

The Republican Medicaid cuts will eliminate coverage for children, nursing home residents, and people who need long-term care throughout rural America. Two million, two hundred thousand rural Americans—including over 1 million children—will be denied Medicaid coverage. The budget will cut Medicaid in rural areas by as much as 95 billion, forcing poor children, people with disabilities, and older Americans to lose coverage.

We should be focusing on four key principles that will help our rural communities:

First: Providing economic opportunity that will create jobs within the community and region, and training for jobs that offer upward mobility;

Second: Offering assistance for sustainable community development to further the creation of vibrant community institutions;

Third: Encouraging community-based partnerships that involve all segments of the community, including our centers of learning and community institutions; and

Fourth: Helping to provide a strategic vision for change that builds on the assets of the community—coordinating a response to community needs in a comprehensive fashion.

We must look forward to the survival of small and rural communities, and should not be looking for opportunities to twist the dagger into the heart of rural America, the dagger that is offered by the Republican budget proposals.

MEDITCAIE AND MEDICAID PROPOSALS WILL DEVASTATE SENIORS, POOR WOMEN, AND CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. Brown] is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, the House of Representatives is the People's House. We were sent here to Congress with a mission: to serve the people. As Members of Congress, we should be listening to our constituents and voting against proposals that will devastate our seniors, poor women, and children.

First, the Republicans went after Medicare, saying they were going to save it by cutting $270 billion out of it. And this time, the Republicans are going after Medicaid, the program that serves the poorest, the sickest—people most in need.

They said they were saving Medicare. Now they say they are saving Medicaid by cutting $182 billion from the program. Well, I come from Florida where I served for 10 years in the Florida House. In Florida we have a saying for that kind of thing, "That dog won't hunt."

Thousands of my constituents have told me that they are outraged at the Republicans' reverse Robin Hood tactics, stealing from the working people and the poor and giving tax breaks to the wealthy.

Mr. Speaker, we can fool some of the people some of the time, but we cannot fool all the people all of the time.

I am most concerned about how the Republican Medicaid plan will hurt Florida. Basically, it is a big slap in the face to the thousands of Floridians on a fixed income, just managing to get by.

According to our Governor, the Medicaid plan will cost our State $8.4 billion over the next 7 years. But forget about these huge numbers for a moment. Let's look at this in real terms: people.

Under the Republican Medicaid plan formula, hundreds of thousands of Florida residents would be cut from the program. Let me ask you: What do the Republicans think the Floridians cut off from Medicaid are going to do for health care? Do they have a plan for that? I don't think so.

The biggest problem with the Republican Medicaid plan is that the Republican formula for distributing funds to the States does not take into account Florida's population explosion. Florida's growth should not be overlooked. My State will be capped at a 6 percent growth rate from 1998 to 2002, while Florida can expect that the growth in Florida is expected to go from 12 to 14 percent.

That, my friends, is a cut. The Republicans are putting up smoke and mirrors when they say that these are not cuts.
Let us look at the facts. Holding Florida to the measure of other States' growth rate is completely unfair. The numbers just do not add up. I do not care how you slice it, a cut is a cut is a cut.

The Florida delegation should be working together in a bipartisan fashion to protect Florida. If these Medicaid cuts pass, we may well be declaring Florida a permanent disaster area.

Not only are the Republicans cutting away at funds for these programs, they are cutting away Federal Medicaid protection for our Nation's seniors. Over 60 percent of our nursing home residents get help from Medicaid. In 1994, over 100,000 Florida seniors lived in our State's 649 nursing homes. Right now, these nursing home residents have rights. They are protected by the Federal guidelines. The Republican Medicaid plans cut out quality care standards which are currently in place.

Take out these provisions, and I can see the newspaper headlines now: "Abuse in Nursing Homes Increase." "Doesn't Anyone Care About Nursing Home Residents?" "Where Have All the Nursing Home Watchdogs Gone?" This is outrageous, and the Republicans should be ashamed of themselves.

So, although I share the goals of balancing the budget, I cannot, in good faith, balance the budget on the backs of the poor, women, children, elderly, and the disabled.

Last week in Florida, I spoke to the National Council of Senior Citizens; and, as I close, I want to close with one saying: Wake up, America. In particular, wake up Florida.

EFFECTS OF BUDGET CUTS ON AMERICA'S CHILDREN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Connecticut [Ms. DeLAURO] is recognized for 60 minutes as the designee of the minority leader.

Ms. DE LAURO. Mr. Speaker, let me begin tonight with a quote from Hubert Humphrey, and this is something that Hubert Humphrey said in 1977, and I quote:

"It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; those who are in the shadow of life, the sick, the needy, and the handicapped.

When this Congress is put to those tests, it fails miserably on all of these counts. Last week, the GOP budget ax came down on seniors; and, this week, it comes down on kids.

Now, my Republican colleagues will argue that they are making tough decisions to balance that budget, that this budget represents a shared sacrifice for a noble purpose; but, folks, the sacrifice is not shared, and the purpose is not noble.

There is nothing noble in asking the poor to sacrifice for the rich. There is nothing noble in asking the sick to sacrifice for the healthy. There is nothing noble in asking the weak to sacrifice for the strong.

Winners in this budget are the corporations that will now be allowed to legally dodge paying taxes and the other special interests whose loopholes have been left wide open.

The sacrifices in this budget come from our most vulnerable citizens: the poor, the sick, the disabled, the elderly and, yes, our children.

Yesterday, the White House released a report on the impact of the Republican budget on America's children. In its analysis, the White House, in conjunction with the Department of Health and Human Services and the Urban Institute, looked at nine areas where kids will be asked to bear the brunt of GOP budget cuts.

According to the study, the health of our children will be put in jeopardy by a combination of Medicaid cuts, the repeal of the vaccine for children program, and cuts in child nutrition.

Consider the number of children who benefit from these programs and the number of children who stand to lose without these programs:

Medicaid helps to pay for wheelchairs, for respite care for families, and for home modifications. Without this help, patients may be forced to see institutional placement for their disabled children.

The Republican budget repeals the vaccines for children program. Now, that means it cuts $1.5 billion that would otherwise provide vaccinations, immunizations for our children.

As in all of these calculations, I am told today, and yesterday, and this week, and it comes down like this:

I would like to just introduce you to one family and tell you their story in their own words. A mother from Illinois tells us how Medicaid has helped her to earn her nursing degree without putting her children's health at risk. This is a quote.

In December of 1996, I will graduate with an associate degree in nursing and a lot of
pride knowing that I am fully capable of supporting my family. I would not be in this position today if public aid was not there to bridge the gap of no medical coverage.

That was signed by Kathy Davis, and the specific spending cuts in the Republican plan forces seniors to pay more and essentially get less. But this week Congress will be debating what we call the budget reconciliation, which will include once again this Medicare package.

Mr. Speaker, I hope that New Jersey can count again on most of its Members. I am sympathetic to this, Mr. Speaker. When I look at them and I think about Mr. Pallone, who has joined with me and with several of us almost on a nightly basis, to talk about some of these issues: Medicare, Medicaid and the budget and its impact. I would like to ask my colleagues to ask yourself, is it worth it? Is it worth it?

Balancing the budget is a tremendously important goal, but if we balance the budget on the backs of sick children, disabled children, of just children in general, it will be a truly shameful day in the history of this great Nation of ours; and it will be a sad day in the history of this institution, which is charged with creating good public policy, sound public policy, responsible public policy that will allow the people in this country, in fact, to have a better standard of living for themselves and for their families, especially when they are working as hard as they are and playing by the rules and trying to help themselves and their families.

Thank you, Mr. Speaker.

Mr. Speaker, I would like now to ask the gentleman from New Jersey [Mr. Pallone], who has joined with me and with several of us almost on a nightly basis, to talk about some of these issues: Medicare, Medicaid and the budget and its impact. I would like to ask my colleague from New Jersey to let us know about his sentiments on this issue.

Mr. Pallone. Mr. Speaker, I want to thank the gentlewoman from Connecticut [Ms. DeLauro] for allowing me some time to talk about some of the specific issues, particularly with regard to children.

Mr. Speaker, I wanted to start by pointing out that last week when the House passed the Medicare bill it passed the largest tax increase on senior citizens in the history of this Congress through Speaker Gingrich's Medicare plan, while reducing the quality of health care that seniors can expect to receive.

Many of us, including the gentlewoman from Connecticut and myself, have continued to talk the last few weeks about how this Medicare plan forces seniors to pay more and essentially get less. But this week Congress will be debating what we call the budget reconciliation, which will include once again this Medicare package.

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Mr. Pallone. Mr. Speaker, I want to thank the gentlewoman from Connecticut [Ms. DeLauro] for allowing me some time to talk about some of the specific issues, particularly with regard to children.

Mr. Speaker, I wanted to start by pointing out that last week when the House passed the Medicare bill it passed the largest tax increase on senior citizens in the history of this Congress through Speaker Gingrich's Medicare plan, while reducing the quality of health care that seniors can expect to receive.
Why are the Republicans cutting funding for school nutrition programs? School nutrition programs we know work. In my districts there are a lot of children that are able to take advantage of them. We are also cutting or reducing child abuse protections by nearly 20 percent in this bill.

And to me it just boggles the mind. The Speaker, Speaker Gingrich, and the Republican leadership, I believe, are destroying the next generation and whacking seniors, who have already made this country great, through Medicare, Medicaid, nutrition program, and other program cuts. All of this just in order to pay for tax cuts for the rich. I think there are other ways to balance the budget. I voted in the past to support balanced budgets, but this budget plan is terrible. I really would urge my colleagues to vote against it.

I want to thank the gentlewoman from Connecticut, once again, for organizing this, because I think it is very important to know that just as these Republican plans last week in Medicare were hurting the elderly, now with this budget reconciliation, we are really hurting severely children.

Ms. DeLAURO. I thank my colleague for her comments and say that it really is rather incredible. I take a look at some of the other cuts in Connecticut, and you have similar numbers and probably larger numbers in New Jersey. But we are going to see that about 1,374 children in Connecticut will be denied Head Start, about 380,000 children nationwide; 9,200 Connecticut children will be denied basic and advanced skills, and that happens through the cuts in the title I program of our education budget. It is a 17-percent cut in 1995.

We are going to cut safe- and drug-free schools, which 170 out of 175 school districts in Connecticut use to keep crime and violence and drugs away from kids.

We are jeopardizing the nutrition programs for about 300,000 kids in the State of Connecticut; 130,000 children in Connecticut live in working families that are going to have their taxes raised an average of about $300 under this Republican budget.

And yet, we are going to see a tax break for the richest people in this country. It is just so out of sync. It is out of whack.

Mr. PALLONE. Mr. Speaker, I know we have other speakers, but the gentlewoman mentioned certain things that are really so important. Head Start, which I did not even mention, we have waiting lists, long waiting lists in New Jersey. In most of my towns for Head Start. It is a prudent program that was supported by President Bush and President Reagan before him. It was never a partisan issue. All of a sudden now we are talking about cutting back on Head Start.

The earned income tax credit, which again I did not get into, basically goes against the whole philosophy which says that you want to encourage people to work. The main reason why that was put in place, again, not just by Democrats but also by Republican Presidents beforehand, the way I understood it, was to get people off welfare and let them have a little extra money to keep their family together. Would you allow them to use it and be discouraged to go back on welfare. Now we are talking about eliminating that earned income tax credit.

Third, you talk about nutrition programs. I spent some time, I guess it was a couple months ago now, going into some of the schools in my district and actually partaking of school lunch with the kids.

Ms. DeLAURO. So did I.

Mr. PALLONE. It is amazing. There are some school districts that I represent where overwhelming majorities of the kids take advantage of the school lunch program. Sometimes they get it for free, sometimes they have to pay something. But without that school lunch program a lot of them just would not eat. So, again, I yield back, but it is just incredible to think how this impacts children.

Ms. DE LAURO. Mr. Speaker, I ask unanimous consent to yield to my colleague from Texas.

There was an article in yesterday's New York Times by Bob Herbert. It is entitled, "Kiss and Cut, Empty Promises About Children." I think that there are two pieces that are particularly important in the discussion and the debate that we are going to have over the next few days here, because we are going to hear a lot of talk on this floor.

This is Dr. Irwin Redlener who was president of the Children's Health Fund. Their mission is to deliver services to youngsters in rural and urban communities. He says here, the fact that there are proposals on the table now that will further undermine health care, the health care safety net for children is really incredible. It suggests that some tests that have terrible consequences for society in the future because what it really means is that there will be children who will suffer from disabilities, physical and mental, that will haunt them for the rest of their lives. It is incredibly stupid and shortsighted to take down Medicaid in this way.

Then he concludes the article, because again what we are to hear on this floor in the next couple days is that, even if we were doing in this budget is saving this country for our children, that all of this, all of these cuts in nutrition and in health care and in education, and just go down the line, all of these cuts are going to be there for our children's future.

There is a particularly, I think, poignant finish to this article. It says, when the budget cutters smile in your face and tell you how much they love your children, boy, so that they would disease region known as the fine print. You will need a guide and a strong stomach. What they do to children there is not to be believed.

I encourage everyone to look, to listen, to watch in the next couple of days about what is in that fine print and what, in fact, is being proposed for the children of this country.

Mr. PALLONE. Mr. Speaker, I just have a few comments. It is true that I had previously quoted from this New York Times story of the same day, yesterday. It is interesting, it is not the same one but a different one from what the gentlewoman has. They bring up how the Republican leaders are basically trying to emasculate this $500-a-child tax credit.

What this article says, and I would just quote from it briefly, it says the tax credit would do little to help children in low-income households, and families that have no Federal income tax liability other than exemptions, after other exemptions and deductions, would not be eligible for refunds.

For example, a family of four with both parents working and both children in child care programs would not qualify for the credit if it earned less than $24,000 a year. It says the Center on Budget and Policy Priorities, a Washington research group with a reputation for accurate statistics, has calculated that $3.7 million children or 34 percent of the Nation's children, live in families too poor to qualify for the credit. Another 7.1 million children, or 10 percent, would qualify only for a partial credit. The real winners from the Republican tax and budget plans are likely to be affluent children who receive relatively little direct Federal spending.

So again there is going to be all the emphasis on this $500-a-child tax credit. It is not a bad idea. But the bottom line is the way they put this together ultimately means that it is primarily affluent children who benefit, and many of the children who really need it are getting nothing.

Ms. DeLAURO. Mr. Speaker, I ask unanimous consent to yield the balance of my time to my colleague, the gentlewoman from Texas [Ms. JACkSON-LEE], who truly spends so much time here on behalf of the people of this Nation and really fighting for their causes.

The SPEAKER pro tempore (Ms. BLUTE). Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 30 minutes.

Ms. JACkSON-LEE. I thank the gentlewoman from Connecticut for her wisdom and also her tenacity in not giving up.

I was on the House floor this morning, and I began to sense maybe even a glimmer of frustration in my own voice because I drew those words with pressing attention that if I did not say this, in body sometimes tend to view incidences, votes, and occurrences like yesterday's news. We tend to think that it was last
Mr. Speaker, something that really caught my attention, and it might be the frustration of some of my colleagues in the other body, but one Member was quoted to say when they were being approached about matters dealing with working out resolutions to avoid having such severe cuts in Medicaid and whether or not they would be willing to compromise and bring those cuts substantially down and maybe out of frustration, this person was heard to say, "I’m willing to swallow a lot to get to that."

I would simply say that the children of this country cannot swallow a lot, they are little, small tykes, and we have an obligation not to be frustrated, not to be over-demanded not to worry about the next vote, or the next headline, or the next news byline, but simply to fight, fight, fight, if we have to, for these abominable cuts that are going to devastate our children and those children, you see, are citizens of this country with Medicaid, but those in long-term care, by this $187 billion in Medicaid cuts as well as this budget reconciliation process.

I draw you attention, Mr. Speaker, to these children who are standing here with me by way of a photograph, and this really speaks to the issue of what Medicare is all about. Medicare is not about the so-called deadbeat that we have always being hearing about, the one who gets accused of being on the dole. Children like this, a boy from New York and a mother from Rhode Island, Jacqueline, who says:

I have three children. My two girls are asthmatic, and they have to be on medication at all times. This medicine costs an average of $1,521 a year. My third child is a diabetic, and he needs two types of medication. If it was not for Medicaid, I would not be able to keep my children and myself alive.

Mr. Speaker, I think the bottom line here is, is alive, not even healthy, but just alive, a diabetic and asthmatic children, and so, Mr. Speaker, I rise this evening realizing that it has to be a continued opposition to what has to be an extreme response to the alleged necessity of this budget. The budget is a budget for children, and our priorities. This is the question of the moral fabric of this Nation.

The Republicans plan cuts' effect on the one-quarter of the Nation’s children who live in poverty would be substantial. The White House has calculated the poorest fifth of American families with children would lose an average of $1,521 a year in income and $1,662 a year in health benefits under Republican. The simple question is: Where do they go from here? What is their alternative? What are we simply saying to them? You cannot pay your rent, go out into the street? We cannot provide you with health care, so be part of the epidemic of measles and other childhood diseases that will plague this Nation?

Furthermore, the Republicans' proposed $500 child tax credit would do little to help children in low-income households, and this becomes a real dilemma. Is anyone accusing or castigating those families who have been able to work and do well, provide for their children and not indicate that the $500 which the underlying current in this effort is to suggest that children are precious—of course we believe that children are precious, but I would simply ask, and I do not know if we have had a reconciliation on this issue, do we give it to families making $500,000 a year, but not to those children who live in poverty.

I just this morning I heard a constituent citizen of the Nation calling up saying that he is tired of taxes, but he makes $28,000 a year, and he takes care of at least five persons. Well, you know what? The tax cut that Republicans are proposing would not help this gentleman. The took away his very bridge, the earned income tax provision. He will not benefit at all. He is hard-working, He is not on the dole. He goes to work every day, and he supports his family and his children, but yet when this Government could do something for him, give him an extra measure of opportunity, not giving him the opportunity to buy a television set or maybe some used 15-year-old car, but possibly providing the extra incentive that he needs, the extra light bill that he has to pay this year or too hot that year and utilities have gone up. This is the opportunity we provide hard-working Americans under Democrats.

Mr. Speaker, I would not want to live in a nation that promotes those kinds of ideals. All children are precious. All
of them should be embraced. All of them should be given the opportunity to fulfill the highest achievement they can possibly achieve, and our physically challenged youngsters should particularly be encouraged for great things because... and they can do these great things as we of the Nation provide the underpinnings and the support for them as well. Families that have no Federal income tax liability after other exemptions and deductions would not be eligible for refunds. That is the earned income tax credit which helps so many of the working poor.

We talk and talk in this Congress about children and our family values, but, despite all the lip service given to children, proposed Republican budget cuts are antifamily and antichildren. For the past few months I have been fighting to prevent cuts in health care which would remove the health safety net for many Americans. These cuts were cooked up behind closed doors without public input and an apparent lack of the devastating consequences the proposed cuts would have on the very old and the very young in our society. Even in the Medicare debate simple assets such as mammograms for our senior citizens and rejected simple opportunities to provide physicians in underserved areas, denied and rejected. What an attitude, but other kinds of cooked-up deals that smell very smelly to me, they were put into the bill, and they are moving along quite well. It really is a shame that those aspects of the bill that provide the most devastating occurrences were provided and allowed in the Medicare bill that was just passed last week, but, oh well, just as I have said, another headline, another day in the United States Congress.

But I simply say, no, these are devastating consequences. Proposed Republican majority that would have devastating impact on the very old and the very young.

Just this past weekend, as I said this morning, I had the opportunity to visit with seniors at a large Luncheon provided, of course, by the city of Houston and provided under Federal funds, sometimes the only meal that these seniors would have, and off to the side an older woman pulled me and said, looking sad, “Can you help me with my utility bill?” This is not the senior citizen bill, and they are moving along quite well. It really is a shame that those aspects of the bill that provide the most devastating occurrences were provided and allowed in the Medicare bill that was just passed last week, but, oh well, just as I have said, another headline, another day in the United States Congress.

But I simply say, no, these are devastating consequences proposed by the Republican majority that would have devastating impact on the very old and the very young.

I pray, humbly so, that I can call upon my Republican colleagues, more of them, that will join the dignity, the respect, the strength, that was offered by their colleagues last week when they voted absolutely no on the Medicare so-called Preservation Act.

I stand for these very children who are here and who would want to be saved and to be contributing Americans.
killed by their current or former male partners than by any other kind of assailant. And every year more and more children find themselves living in violent homes, often the victims of violence themselves. Mr. Speaker, we cannot allow these staggering statistics to continue.

I will be holding a domestic violence public forum in my district in the coming weeks to explore how to reduce this growing problem. At this forum I will be speaking with professionals from domestic violence and family crisis agencies who last year served over 10,000 individuals in the state of Maine. They provided 10,077 hours of crisis intervention through their hotline; 15,829 bed nights of shelter; and 14,252 hours of community education about the horrors of domestic violence. While we are fortunate that such facilities exist to help us cope with the massive numbers in need of assistance, it is unfortunate that such facilities are needed at all.

We need to continue funding such legislation as the Violence Against Women Act. We need to continue supporting law enforcement and family crisis agencies in their efforts to create community based responses to coping with domestic violence. We need to continue to train health care professionals to recognize and respond to domestic violence. And we need to continue to educate men and women alike about the evils of domestic violence, reminding them that no one asks to be beaten, no one deserves to be beaten while in the supposed safety of one's own home.

Working together, we can create a society where there is no longer a need for shelters, for hotlines, or for domestic violence counselors. Until that time, however, we must continue to work to stop domestic violence surrounding this issue, and to address the critical needs of battered women and their children.

In closing, Mr. Speaker, again I want to thank the gentlewoman from Texas [Ms. JACKSON-LEE] for yielding the time to give these remarks in regard to domestic violence and Domestic Violence Awareness Month, and applaud her efforts in bringing more attention to the overall budget reconciliation and what is going to be happening this week in the House. I want to thank the gentlewoman.

Ms. JACKSON-LEE. I thank the gentleman from Maine for his very important statement, Mr. Speaker. He is joining in with many of us in adding to some of the problems with the Budget Reconciliation Act. Mr. Speaker, let me applaud him for that, and add, as well, my comments on domestic violence. It is a crisis, and for any diminishing of the domestic violence funding, we are again doing something extremely tragic to this Nation. I will add my comments on this issue for the RECORD and expand on such.

THE RECONCILIATION BILL

The SPEAKER pro tempore (Mr. BLUTE). Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, I am delighted to be here tonight with my colleague, the gentleman from the Keystone State of Pennsylvania [Mr. J. Fox, D-Pa.], to talk a little bit about this historic reconciliation vote we are going to vote on here in the next couple of days. The debate will begin tomorrow. It really is a historic time in American history.

I note that some of my colleagues from the other side of the aisle have had pictures of children with them tonight to show. When we were sworn in as new Members of this body, we were given essentially two things. One is this nice little card case that included our voting card, and some have said is the most expensive credit card in the world, because on this credit card our predecessors have run up something like $4.9 trillion worth of debt on our children and grandchildren. I put into this case three of the most important people in my life, and they are my three kids. They are all teenagers, and some people would say that teenagers are difficult, and all the things about teenagers you have heard. Some of it is true, but I think they are the really the inspiration to me about what this is about and what our real responsibilities are.

I carry those picture of my kids with me, because I think when we talk about reconciliation, we talk about the budget, we talk about balancing the budget, we really are talking about what are we going to do for future generations of Americans, what are we going to do on behalf of our kids.

If I would have really got into this, and I want to yield to my colleague, the gentleman from Pennsylvania, remind my colleagues and some of the folks who may be watching this special order on C-SPAN of a quote, and we have heard a lot about children, but one of my favorite quotes is from one of our colleagues over in the Senate, representative PHIL GRAMM of the great State of Texas. He has said many times that we will hear, especially in the next several days, that this is a debate about children. It is a debate about how much we are going to spend on education and how much we are going to spend on nutrition, how much we are going to spend on medical care.

The truth of the matter, Mr. Speaker, this is not a debate about how much we are going to spend on children or how much we are going to spend on education or how much we are going to spend on health care, this is a debate about who is going to do the spending. We know government bureaucracies and we know families. Some of us on this side of the aisle, at least, know the difference. So the debate is about who is going to do the spending.

We are talking about balancing the budget for the first time in 25 years, and really, it is about future generations, because historically, and I do not know, you probably do not recognize as many farmers as I do, I would say to the gentleman from Pennsylvania [Mr. Fox],

Mr. FOX of Pennsylvania. We have our share.

Mr. GUTKNECHT. Back in my district, it is fairly heavily agricultural, and those who do not actually live on farms are not far removed from living on the farm, and they understand this, that historically what Americans wanted to do was to pay off the mortgage and leave their kids the farm. But we have been doing as a society and what we have been doing as a government, what this Congress has been doing for the last 40 years, we have been selling the farm and leaving our kids the mortgage.

I think we all know, deep down in our bones, that there is something fundamentally immoral. For the first time in 25 years, as we approach this reconciliation, we are going to do something about that. I think it is a very historic moment. Frankly, the people who should be the most enthusiastic about this are young people, because it is their future that has been mortgaged. I think it is important, that step we are going to take. Mr. Speaker, I yield to the gentleman from the great State of Pennsylvania [Mr. Fox].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding. He has been at the forefront in our freshman class in this 104th Congress in identifying those issues that are most important to Americans, and one of them is to make sure we achieve a balanced budget, without forgetting that we have human concerns to be addressed; that what we want to see is elimination of that Government, but using the moneys we have in the Government to make sure we take care of children, that we take care of working families, that we take care of seniors. We can do that. By having a balanced budget, I believe what we are on the threshold to achieve is to make sure we lower housing costs and in fact balance the budget.

We have heard from the National Association of Realtors that the average 30-year mortgage will drop about 3 percentage points; that if we balance the budget, we will be lowering car expenses about 2 percentage points lower than they otherwise would be. We will be lowering the cost of college for students. Student loan rates will be 2 percentage points lower because we have balanced the budget. A college student who borrows, for instance, $11,000 at 8 percent will pay almost $2,200 less in schooling costs.

Mr. GUTKNECHT. That's $2,200 less if we balance the budget?

Mr. FOX of Pennsylvania. Finally, after 22 years.
Mr. GUTKNECHT. These are college students. We are talking about changing the rules slightly, so some may have to pay $7 more, but over a net basis they could be saving over the life of the loan over $2,200 less, just because we balanced the budget.

Mr. FOX of Pennsylvania. Absolutely. And another thing that is important to senior citizens, what we are going to do under this legislation is be able to roll back the unfair taxes applied in 1993 for Social Security recipients. We are able, for the first time under this legislation, Mr. Speaker, to be able to in fact allow seniors who are under 70 who want to continue earning money through a job, they are now capped at $13,200. Under our legislation they can make up to $30,000 a year without deductions from Social Security.

Under Medicare plus, not only will they have the options of having traditional fee-for-service, but you will also have health care options. Medisave accounts, and be eliminating the fraud, abuse, and waste, which is $30 million, Mr. Speaker, we will be able to make sure that those funds go back in the Medicare lockbox for improved health care for our seniors, so our senior citizens will have the health care dollars that they want.

Mr. GUTKNECHT. So with the lockbox, we are not using any funds for the Medicare savings and reform, we are not using that for the tax cut for the Medicare savings and reform, Mr. FOX of Pennsylvania. Not for any tax cut, not for any government program. It must go back for senior citizens, for their health care.

Mr. GUTKNECHT. Into the trust fund?

Mr. FOX of Pennsylvania. Absolutely.

Mr. GUTKNECHT. You understand that, I understand that, and I think everybody on the other side of the aisle understands that there has been an awful lot of disinformation and misinformation spread in the last several months.

Mr. FOX of Pennsylvania. The fact of the matter is Medicare is very important. It was the President’s trustees just in April, Mr. Speaker, that came out and said if in fact we do nothing by the year 2002 Medicare will be out of business, so to do nothing would be irresponsible, whether you are Republican or you are in the House and Senate, or you are the President. Everyone agrees we must do something to improve the system.

I think by reducing the paperwork costs, which have been 12 percent, by eliminating $30 billion a year in fraud and abuse in the system by the provid- ers, and by making sure that we have a streamlined system that offers options to seniors, so they can have managed care if they want to have things like prescriptions filled and eyeglasses included, they can design their own health care program. I think what the objective here is to make sure seniors have the independence.

People are living longer, and we want them to live better.

Mr. GUTKNECHT. In fact, what we are really trying to do is convert the seniors from being consumers of medical care into being buyers of medical care. We are going to make it market forces, give them more choices, do some of the things that are working in terms of the private sector right now.

We know on a national basis right now health care inflation in the private sector is running at 11.1 percent. That is what it is running in the State of Minnesota, about 11 percent in the private sector, but then on the govern- ment-run side of the health care ex- penditures, it is running 10.4 percent. You do not have to be an MBA from Wharton in the State of Pennsylvania to understand that if we can take some of those ideas and use market forces, give people more choices, offer the option of managed care, medical savings accounts, preferred provider networks, and let us work so well in the private sector, if we give them those choices, we can dra- matically reduce the overall cost of health care, give people more options, give people more choices, and I think that is the key to our future services than they currently get, and control the cost so we eliminate some of the waste, fraud, and abuse that is cur- rently in the system and everybody wins except some of those providers that have been gouging the system.

Mr. FOX of Pennsylvania. I thank the gentleman for the recognition.

And the ones who have been gouging the system, under the legislation which we have cosponsored, not only do those providers who have been violating the law face a 10-year jail sentence, but they will not be able to participate in the system any longer, because they will have violated the Medicare law which says you can no longer partici- pate in the system if you have violated the fraud and abuse statutes, which are in the bill.

Mr. GUTKNECHT. In fact, and I think we need to be honest, because under our plan, the total cost to the average senior citizen may go up by as much as $7 more than under the Presi- dent’s proposal. That is $7 a year. When I have had a chance, and I do not know if you have had a chance to talk to some of the seniors in your district, what they are saying is they are going to get for their $7, with all the options, with all the choices, with better managed care and hopefully better services available to them, when I explain that to them, and that the real benefit is we not only save the system, we do not just patch it up to get through the next election, we are trying to save it to get to the next generation. This is really about generational equity.

When I explain that to my senior citizens and they hear all the facts, they say “What are these people grous- ing about? This is a great deal. This is what you should be doing. We are de- lighted you have the courage to finally step up to the plate and do what needs to be done with Medicare.”

Mr. FOX of Pennsylvania. Prior Con- gresses have said “We know Medicare is in trouble, but we will get around to it sometime.” But frankly, there is not a single one of those who said that we want to take care of the system for our seniors more than the people who are here. We were sent here, and many of the senior citizens in our district have said “Save Medicare, make it work.” Believe me, what I like about this whole debate is that was not in the original bill, I would say to the gentleman from Minnesota [Mr. GUTKNECHT], is the lockbox feature, making sure all the savings go back to Medicare, and the fraud and abuse statutes, which will finally, for the first time, go after those who have violated the law and stop them from participating in the system.

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You only have to read the Reader’s Digest September issue to see the lit- any of cases where people have violated the law, have in fact gotten away with it, because we do not have a government system now that will enforce ex- isting laws. Right now, if people are doing $30 billion a year in fraud and abuse, they will finally, for the first time, go after those who have violated the law and stop them from participating in the system.

Mr. GUTKNECHT. Well, the whole key of service networks, provider serv- ice networks, PPO’s, HMO’s and the other forms of managed care has been to put some kind of a manager in place to help control these costs so that we do not have the waste, fraud and abuse, and frankly, we do not have the unneeded tests and services that are out there, we have not made the changes we are now doing 10 years ago so the sys- tem would have worked. Although now, I should think seniors need to know that the restrictions that are being placed on the system are to providers and not to seniors.

We are saying to the providers, you must give quality health care at a fair price to the Government. We are not going to change one iota in the quality of care for our seniors. That must be the highest possible standard, or else they will not participate in the system any longer.

Mr. GUTKNECHT. Well, the whole key of service networks, provider serv- ice networks, PPO’s, HMO’s and the other forms of managed care has been to put some kind of a manager in place to help control these costs so that we do not have the waste, fraud and abuse, and frankly, we do not have the unneeded tests and services that are out there. Right now, there is no system, and I think most people who partici- pate in the system, including many senior citizens, understand that there is an awful lot of waste, an awful lot of fraud and abuse.

We have had 33 town meetings on the subject, and again, I am surprised sometimes that our colleagues on the other side of the aisle say, we have not had enough meetings. We have literally had thousands of meetings with all kinds of people. We have talked to pro- gressives and insurance companies; we have had meetings with seniors.

Most of us have had anywhere from 10 to 40 town meetings. I have had 33,
and at one, the whole issue of waste, fraud and abuse comes up. However, the problem has been with the old system and the way it exists today, it was like it was nobody's money, and if a senior complains and says, wait a minute, what did we get this treatment or service or whatever, the attitude was, what are you complaining about? It is not your money.

It has sort of been that attitude that I think has become almost a cancer on the entire Medicare system. If we can begin to change some attitudes and if we can make people more responsible, if we can put managers in place to help control costs, we can save the system, we can reduce costs dramatically.

As a matter of fact, if anything, I think we are being entirely too timid in the total budget targets that we are looking at for the next 7 years. Even assuming that only 25 percent of the seniors get involved in various forms of managed care, and that is what the CBO can save, I can save 25 percent of the system, not just for the next 7 years, in my opinion, but we can save it for long into the 21st century.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentleman would yield, I think we want to make sure that the Medicare bills and anything dealing with the Government is in plain English.

Many of my seniors come to me and say, I would like to help you out and eliminate the fraud, abuse and waste, but if it was in plain English it would help, so that I know the data service and what was supposedly given to me. Because I have had the same kind of stories that the gentleman from Minnesota [Mr. GUTKNECHT] has had, where seniors have told me, well, I got charged for a service, but I did not receive it, or I got charged for it twice.

Mr. Speaker, what is good about this legislation is that those seniors that report, or open the door and say, well, charge me $100, 2 charged them over $100, they will be able to participate in the savings, so hopefully there will be an economic incentive to make sure the system works.

Mr. GUTKNECHT. Mr. Speaker, we do want to give them an incentive to say, wait a second. We had a lady who said she had been billed $232 for a tooth brush. Those are the kinds of things that are just outrageous.

Mr. FOX of Pennsylvania. In Minnesota, you have to bring those prices down.

Mr. GUTKNECHT. We cannot afford that, we cannot afford to pay for catastrophic surgeries which were not performed. Those are the kinds of things we have to stop, and if we can do that, we can save the system.

Mr. Speaker, let us talk a little bit about the bigger budget as well, because Medicare is certainly a part of it. One of the things that I have been proud of as a member of this great state of Pennsylvania [Mr. FOX] and I came together as freshmen as part of this historic 104th Congress. The great thing, it seems to me, about this Congress is we have not dodged the bullet, we have not ignored the big problems, we have stepped right up to the plate and started on day one, when we changed the way Congress does business, when we downsized the committee process.

The thing is, when we voted on in this Congress was H.R. 1, the Shays Act, which says, Congress is going to abide by the same rules that we impose on everybody else. Mr. Speaker, on every step we have stepped up to the plate.

Many times our critics have said, well, you did that, but you will not do this. Well, then it came to the budget and Medicare and changing the way that Congress does business, we have stepped up to the plate, and frankly, I think we as freshmen have to take at least some of the credit for that, because we forced our own leadership, and I feel good.

We look at this budget reconciliation and I think if we take it item-by-item, because it is a big package, and it includes, frankly, several things in it that I do not particularly like and I wish I did not have to vote on. However, when you look at the big picture, if you wait until all the lights are on green, you are never going to leave the House.

Mr. Speaker, for too long the Congress has basically taken an attitude that well, yes, we would balance the budget, but it would mean that we might have to cut back a little bit on military spending. It might mean that a military base in my district might have to close. I would really like to balance the budget, but I do not want to make any restrictions here. I really want to balance the budget, but I do not want to tackle Medicare head-on. I really want to balance the budget, but I do not want to deal with this problem of Medicaid. I really want to balance the budget, but

We have all of these "yes, buts" for the last 30 years. The good news about this Congress is we are moving ahead despite some of our personal concerns about particular items that are in this budget. So we are stepping up to the plate, we are not allowing the perfect to become the enemy of the good.

The bill that we are going to vote on here in the next couple of days, in my opinion, I have to say is not perfect. There are several things in this bill that I am going to vote for, but on the other hand, if we wait until all of the lights are on green, we are never going to leave the House, we are never going to get started down the part to a real balanced budget.

Mr. Speaker, as the gentleman said earlier, the real benefactor of a balanced budget are not the rich, it is actually middle class and lower middle class people. It is children, it is families.

Mr. Speaker, earlier, one of our colleagues, the gentleman from Texas [Ms. JACKSON-LEE] said something about a family at $30,000 was not going to get this benefit. Well, I am sorry, but I think that is absolutely wrong. If they have three children, they earn $30,000 a year, they are going to get a $1,500 a year tax credit.

Now, obviously you are rich, $1,500 may not seem like much. If you earn $30,000 a year, $1,500 is a lot of money, and if you are going to get that under our tax plan.

Mr. Speaker, I want to yield to the gentleman from Pennsylvania in a minute, but I want to talk about that average family that earns $30,000 a year, because there are a heck of a lot of them, not only in my district but all across America.

In 1950, that family was paying about 4 percent of their gross income to the Federal Government. This year, they will pay about 24 percent of their gross income; and I do not think anybody in this Congress or anybody in the United States can argue that that family is really better off because they are giving six times as much as they were giving in 1950 to the Federal Government. This is part of what this debate about reforming and downsizing the Federal Government and reducing a family's taxes is about.

So when people talk about giving these big tax cuts to the rich, the truth is they are not being very honest with the American people. Because the broad base of this tax cut will go to families, in fact, 74 percent will go to families earning less than $75,000. This is not about a tax cut for the rich. This is about a tax cut for the middle class. It is about helping families. I think it is time we stand up for families here in the United States Congress.

Mr. FOX of Pennsylvania. Mr. Speaker, I would have to agree with the gentleman, if he will further yield.

Mr. Speaker, the gentleman has been working overtime, as I would say, in trying to help us fashion here for the 104th Congress and the reform-minded Members, and I have been pleased to work with you on just these issues.

Balancing the budget, as we said earlier, will not only help working families provide opportunities for jobs, opportunities for decreased costs of purchasing a car, of paying for a mortgage, but the tax reform issues that are before the Congress this week will, besides the way we talked about helping seniors by lowering taxes for working seniors and providing more seniors with long-term care coverage, our bill provides incentives for employers to offer to their employees and for individuals to purchase long-term care health insurance.

Children who are adopted into families, there is a $5,000 tax credit to help defray adoption expenses.

We also have in the legislation what I think will help increase savings and increase the opportunity for businesses they are productive and hire, of decreasing the capital gains tax. This is for small businesses.

Mr. GUTKNECHT. Could I talk just a little bit about the capital gains taxes.
Mr. FOX of Pennsylvania. There is a lot of misinformation about that, I believe.

Mr. GUTKNECHT. Absolutely. When they talk about the tax cut for the rich, many times they are talking about the capital gains tax. But the truth of the matter is, and they know this, this is according to the House Budget Office, 44 percent of the people who get stuck paying a capital gains tax in the United States are rich for 1 day, the day they sell their farm, the day they sell their business or the day they sell some other investment that they have, in many cases, been paying taxes on for many years. So, in many cases, this is ridiculous.

And I think every economist that I have read in the last several months agrees that the United States has among the highest taxes on capital and on investment of any industrialized country in the world. If we are going to compete in the world marketplace, we have to reduce our cost to compete.

You can argue that, yes, the rich will benefit because they pay lower capital gains tax; but the real beneficiaries are those people out there looking for jobs. Because we hope, as people invest, they are going to create more capital, more business, more production, more jobs.

So the real issue is, how do you create more jobs, a world-class economy as we go into the 21st century? I think lowering the cost of capital gains is a very important tax cut.

We are now joined by our colleague from the great State of Georgia, Mr. KINGSTON, and I would be happy to yield to him a few minutes.

Mr. KINGSTON. Mr. Speaker, I certainly appreciate that.

I wanted to follow the train of thought of the gentleman from Minnesota [Mr. GUTKNECHT] on this capital gains tax. I represent an area that is a big growth area today, actually, a lot of waterfront property. I represent the entire coast of Georgia. One of the things that I found is that you have a lot of people who moved out toward the coast 30 years ago to escape the city or just to kind of get closer to the marshes and the ocean and so forth. And now they are empty-nesters, in many cases widows living in those houses now that maybe in the 1950s they paid $25,000 for, probably a lot less than that, actually. Now they are worth $500,000. But that widow who is out there on a fixed income cannot sell it, because she would be taxed as if she was making $500,000 a year.

So when we talk about the capital gains tax cut and reduction, who is it going to help? It is going to help a whole lot of people like that widow on the fixed income. And, certainly, in terms of job creation, the numbers are incredible in terms of people investing money and putting it into new ventures, into new businesses.

I do not know what it is about this administration that they seem to have a class war fetish: If you are rich, if you are successful, if you have done something, if you live the American dream, you are horrible as far as the crowd on Pennsylvania Avenue goes. I wish I had that Ted Turner, Steve Jobs, Colonel Sanders entrepreneurial genius. I love it. The fact is, we all do not have that.

However, think about all of the people who have gotten jobs because those entrepreneurs put the dream, put the money, put the material, put the product together and made a heck of a lot of jobs by the creative use of those products. Yet the administration cannot get enough of rich bashing and class warfare.

Mr. FOX of Pennsylvania. Mr. Speaker, if I could just add on to what Congressman KINGSTON just said, and I appreciate his joining us for this discussion on the issues of the day.

Frankly, by having the capital gains tax reduction, which is even greater for businesses, 19 percent for individuals and 25 percent for businesses, by creating those jobs, which are private sector jobs, as you were pointing out. If we do not give entrepreneurs and those great creators of new jobs the chance to build those new businesses here and provide jobs for our constituents, then those people can go overseas to countries that would gladly, with open arms, take them.

Let us make sure we do what you were talking about, Congressman KINGSTON, get those capital gains tax incentives there for businesses to grow, produce and hire. Therefore, we do not have the dead-end jobs in the Government-sponsored positions, which do not necessarily help the economy and do not necessarily provide the kinds of improvements to our society and the new impetus to expansion that really is the vitality of America.

Mr. KINGSTON. That is right. There is so much in this reconciliation package that will bring us towards business prosperity and the creation of new jobs.

This is the first time I believe in 25 years that we have had a balanced budget to vote on on the floor of the House; and it is something that President Clinton, June 4th, 1992, pledged to the American people on Larry King Live that he would have a balanced budget, a 5-year plan, when he was president. So we clearly have bipartisan support on it. Now, I understand that the President has somewhat backed off of that promise, and he is not the first member of either party to do so.

Now is the time for everybody to come to the table and say, if you are interested in a balanced budget, if you are interested in turning this thing around, the month of November, is maybe one of the most critical months in terms of legislative history in our country in the last 100 years.

Mr. GUTKNECHT. The people who care about this, I think it is important in the next week or two that they connect their Members of Congress, and tell them, “We’ve heard one excuse after the other. The time has come, we’ve got to stand up and say, enough is enough, it’s time to balance the budget, and let’s keep it there.”

If it means you have to limit the growth in entitlements, then so be it. If it means you have to put a flexible freeze on defense spending, then so be it. If it means that you have to make some changes in the Social Security Trust Fund, doing what has been done business over the years, then so be it. But you cannot use all of these, “Well, I would balance the budget except…” The yes, buts. I think that has to change. I think that is what the American people want, that is what they tell us. Frankly I hope they will call, I hope they will write and let their Members know that the time has come to bite the bullet. We have met the enemy, the enemy is us, let us balance the budget and let us do it now.

Mr. KINGSTON. That is right. This is a debate that is an American debate. Everybody needs to be involved in this. It might be a little more exciting right now to be watching that baseball game that is being played in Cleveland, but this is something that is going to keep everything afloat. I wanted to switch gears a minute to welfare, because so much of H.R. 4 is still in this budget, and it is the welfare reform plan. As you know, we have had goals with the welfare reform-discouraging teenage pregnancy, a work requirement so that those who have the ability are required to work, State flexibility, because we may do it different than you guys do it in Minnesota and in California and in Pennsylvania, Georgia may want to do something a little bit differently; and then the fourth and final component of welfare reform is no benefits to illegal aliens. The gentleman from California I see is on the floor. He knows there were 140,000 babies born in Los Angeles County, CA last year whose mothers were not American citizens but as soon as they were born, they had dual citizenship and were entitled to $620 a month in California welfare benefits. We want to help the folks who are here, the needy, but if you are not an American, what we want to do is give you immediate medical attention, then get you home, because we do not want somebody who is just coming here for the benefits to have a welfare case that actually I became familiar with yesterday that I am watching closely. This is a typical case of the things that are out there.

I am not going to say which city this is in. I am not going to say the name of the family, but this is a real situation, two girls living with a surrogate father. The father is actually the common-law husband of their biological mother. The biological mother is addicted to crack and is not home anymore. She only comes by occasionally to steal things. One occasion, when the common-law lover did not give her money, she threw potash in
his eyes and blinded him, so he is not on disability.

The two girls are on disability, or SSI, because their biological father was killed when they were toddlers. They also have a brother who is in jail right now. Now, he is 22 years old, sentenced for 7 years on a number of charges. He is from the same biological mother but has a different biological father, but that father was killed when the boy was 1 year old.

One of the girls is 18. She is in 10th grade. The other girl is 15. She is in 8th grade. The 18-year-old 10th grader, which is the year she should be graduating from high school, as you know, has a 2-month-old baby.

Why do we need flexibility in welfare? Because the case that I have just given you is absolutely true, not embellished a bit. If you got confused, it took me a long time to realize it, but that welfare caseworker is trying to help these folks become independent, give them hope for tomorrow. He may need a little more flexibility than people in Washington, DC, are saying that he can have. We want to give them that flexibility.

More importantly, the bureaucrat in Washington, DC, who is telling the caseworker in Georgia what to do is commanding a salary and not a small salary but a large salary. I want the bureaucrat in Washington to lose his job and give that money back here so that we can get these folks in the economic mainstream. They are going to need a lot of help, some psychological help, some medical attention, some extra tutoring in school. This is a bigger problem than these kids and this family can get out of by themselves.

We need to have the compassion to help them. Yet, most importantly, that caseworker has to have the flexibility to do what works for these folks independently.

Mr. GUTKNECHT. But what we do not need is a bureaucratically centralized system that is centered here in Washington, DC. We need to get it out to the local communities where they understand the problems and they can help.

But I think also an important point when you talked about welfare reform and you talked about the goals, we have got to emphasize work, we have got to emphasize families, and I think we have got to emphasize personal responsibility. Because the system that we have today tends to consume the participants. You do not have to go very far from this building to see the results of spending over $5 trillion over the last 30 years on the war on poverty. We know right here in Washington, DC, for example, with the federally run housing projects.

I learned this just last week. I am on the Ways and Means, subcommittee. Eight percent of violent crime in the city of Washington, DC, is committed within two blocks of a Federal housing project. You can see it every day. You can see it in the hopelessness, the despair, the dependency that we have created with the Federal programs; and we have got to decentralize it, not just because it saves money. This is not just an exercise. This is not about saving money as it is helping people, to help save their children.

The system we have today is wrong, it is destroying the participants, and it needs to be changed. If we really care about those people, then we will have the courage to reform the system we have.

Mr. KINGSTON. I want to make one point, also.

I am on the Washington, DC, Oversight on the appropriations side. The gentleman from Virginia [Mr. WOLF] and the gentleman from Virginia [Mr. DAVIS], the chairman, have offered kind of a cleanup Laurelwood, the Laurelwood Prison, which I understand that when people go to Laurelwood Prison that most of them have already been there before and have come out rehabilitated. What is seems to do is be a criminal think tank rather than any sort of positive rehabilitation facility.

While we are looking at things in Washington, DC, that is one more example of things that we have just got to change to make this Congress make a difference.

Mr. GUTKNECHT. And it is going to take some courage, because some of our friends on the other side are going to argue if you change welfare you are going to hurt people. I think some of us should argue unless we change welfare we are going to destroy even more human beings.

I want to yield to our colleagues, the gentleman from California [Mr. Riggs], the chairman, have offered to give me the floor after hours participating in special orders. I want to talk for a moment about the earned income tax credit.

It is been demagogued all over this town in recent weeks. I want to talk just for a moment about the earned income tax credit. I want to set the record straight, because this is a terribly important issue. It is been demagogued all over this town in recent weeks. I want to talk just for a moment about the earned income tax credit.

Mr. RIGGS. I thank the gentleman for yielding. I especially thank him for organizing this very important special order. And I thank the gentleman from Georgia for his participation and leadership. I think he has the opportunity to witness him down on this floor after hours participating in special orders over the last several weeks. He has been a very important member of what we call our theme team as we endeavor to get our message out to the American people and expose the scare tactics and this whole smoke screen of fear and deception that has been thrown up by the minority party.

I had to hustle over here, and it is unfortunate because I did not get here in time to catch the gentleman from Houston, TX, who had earlier tonight the audacity to stand over there on the other side of the aisle and say that we were going to completely eliminate the earned income tax credit.

As I said on the floor a few weeks ago, no matter how long I serve here, I do not believe I will ever be cynical enough to keep up with official Washington. I do not want to sit here and tell you I literally say or do anything in this body and in the realm of Washington politics and not be accountable for what you say or do.

Really, ask my colleagues, what is more mean-spirited or more extreme, the majority party that wants to responsibly govern and in the process give us the first balanced budget in 25 years, reform a failed welfare system that traps too many of our people in poverty and leaves too many of our young people far behind their peers, a majority party, as we proved last week, that is absolutely committed to saving and protecting Medicare for future generations and making that fund, both Medicare part A and Medicare part B, solvent well into the next century, and a party that wants to cut taxes, that wants to undo the tax increase that was imposed upon American families and American businesses by the last Congress, the Clinton Democratic tax increase?

In fact, if you look at how much the Democratic party, which was the majority party in the last Congress, increased taxes, you will know pretty much how we arrived at the figure that we want to use for providing tax relief. The two figures are roughly similar.

So what is more extreme or mean-spirited? Our approach to responsibly governing as the new majority in the Congress for 9 months or those people on the other side of the aisle who apparently are unable to accept their status as the minority party, unable to make a constructive contribution in that capacity, report to these constant scare tactics and this whole demagoguery. We are talking about the very worst instincts in the American people, actually encourage the American people to be cynical and suspicious of their elected representatives?

I want to set the record straight, because this is a terribly important issue. It is been demagogued all over this town in recent weeks. I want to talk just for a moment about the earned income tax credit.

Mr. RIGGS. I thank the gentleman for asking that question. And I thank the gentleman for continuing to yield.

I want to point out that when we take up budget reconciliation on this floor in a couple of days, it will be Thursday of this week, that several of us wanted to enter the record with the gentleman from Ohio [Mr. KASICH], chairman of the House Committee on the Budget, and the gentleman from Texas [Mr. ARCHER], chairman of the
Mr. KINGSTON. Did you tell him he was going to be managing that very important program which today is riddled with fraud and has error rates that far outstrip those benefits.

Mr. KINGSTON. I wanted to say one other thing about this. You know, we have this frank privilege, the franking privilege, which is a fancy way of saying Members of Congress get free postage by signing their name where the stamp would be. Not long ago I saw a flier that was a franked mailing of one of our colleagues, and it looked like a lottery. It looked like Readers' Digest sweepstakes. It said in bold print, "The government has some of your money. Call us. Get your check now."

Mr. RIGGS. That is exactly right.

Mr. KINGSTON. In January you can get your earned income tax credit. You can actually keep that money. I mean, of course, it would not be my money, and it certainly would not be money of a Member of Congress. They way this was, is, "I am going to get you your money." And you talk about appealing to the basest instincts of people. It was just a horrifying flier. But to think that that was sent out at taxpayers' money just is disgusting.

Mr. RIGGS. The gentleman makes a crucial point because I will be happy to point out, as I will be happy to debate with our colleagues on the other side of the aisle, we actually propose to increase spending in its 7-year House-Senate balanced budget plan, what is now going to be incorporated into the budget reconciliation plan. We propose to increase spending on Medicare, Medicaid, welfare, the earned income tax credit. But we are reducing the size of those programs because at the same time we are trying to help people who have traditionally been dependent, in many cases, for several families, going back several generations. We are trying to help people make the transition from government dependency to independence and self-sufficiency, and, yes, we are looking long and hard at all Federal taxpayers, which subsidize dependence, but the fact of the matter is we want to make sure the American people, seeing us tonight, understand clearly that in the last Congress when the Democratic
Party controlled both Houses of the Congress, and obviously we had a Democratic President and a Democratic administration, they raised taxes by $258 billion, the largest tax increase in history.

Actually the President tried to raise taxes even more. He originally proposed $359 billion in new taxes. So it is not quite true that he had to actually increase the amount of new taxes because of the ability to get any Republican on this side of the aisle. The reality is he proposed a much higher figure in new taxes, $359 billion, as I say, then came back down to $258 billion in new taxes.

Our tax relief package, as it is currently crafted right now, is $245 billion in tax relief. And why? Because none of us, in fact, probably no one on that side of the aisle has ever had a constituent come up to them at a town hall and say, for that matter, any other public appearance, and say, “You know, Congressman, I’d really like to pay more taxes. I really believe we are an undertaxed society.” That is obviously not the case. We have 42 percent of our gross domestic product going to taxing authorities of one kind or another, local, State, Federal. We are trying to provide a little tax relief, again especially targeted to families.

Mr. KINGSTON. Last week, the President said he went too high, and he is now on record saying he raised taxes too much. So, you know, hopefully we have got an ally.

Mr. GUTKNECHT. I think I have that quote. That was a week ago tonight down in Texas. He said, “I think I raised your taxes too much,” and you know, that said it all. We agree. There are two questions we talk about taxes that are nationally important that do not get asked very much in this town. The first question is: Whose side of the aisle has ever had a constituent come up to them at a town hall and say, for that matter, any other public appearance, and say, “You know, Congressman, I’d really like to pay more taxes. I really believe we are an undertaxed society.” That is obviously not the case. We have 42 percent of our gross domestic product going to taxing authorities of one kind or another, local, State, Federal. We are trying to provide a little tax relief, again especially targeted to families.

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comfortable with life. They are doing all right. I started asking, “We have got this debate going on.” I stood in one corner and he stood on the other and in front of a different store. We talked to them. We stopped everybody who walked in front of the store. We talked to them. We have got this debate going on in Washington. Do you think we should be focused just on deficit reduction, this huge deficit we have that does bear on our children and grandchildren, or do you think we ought to also be doing tax cuts?” Well, on the east side of my district, kind of an even split, although somewhat favoring tax cuts. Interesting, these people said, “I need tax relief.”

As a matter of fact, I did some verbatim from them. We took down notes on what they said. One lady said, “Tax cuts are always good for people.” Another one said, “The average person is paying too much in taxes, but I don’t think we will ever see a tax cut.” So that was the first hour, and then we did for the first half-hour or 45 minutes at that location? We drove across to the west side of my district. Now you are in a more working-class society. You are in America. You are where people are struggling to get out of bed and pay their bills, and the numbers were dramatic. In front of the store where I stood, 11-to-1 was ratio; for 12 people I talked to, 11 said, “I need tax relief.”

You talk about our friends on the other side of the aisle talking about tax cuts for the rich. This is not a tax cut for the rich. This is a tax cut for Mr. and Mrs. America who just got slapped with a tax increase by Bill Clinton. You know what he said? He looked the American people in the eye, just like I am looking you in the eye, Jack, and he said “We need a middle class tax cut.” And you know what? He broke his word. And you know who is paying for it? Those people I was talking to on the working class side of my district, where they are struggling to get their kids out of bed in the morning, get them fed, get them to school, get them home and get their homework done, and get back to work again tomorrow. 11 to 1 they said we need a tax cut.

My staffer across the aisle, in front of a Mega food, as a matter of fact, that is a kind of get groceries cheap, those people are hurting. 17 to 1 was the ratio in front of that store.

Overall, we talked to 55 different individual people. Of that 55, 8 said they ought to be looking just at, said you and I and our colleagues watching tonight, ought to be looking at deficit reduction. 32 of the 55 said they wanted deficit reduction and tax cuts. 13 of the 55 said “I need a tax cut.” I do not know about the deficit. I know I am going underground.

Let me read you one of those quotes. “I pay taxes on everything. I just bare it.” You said, Frank, not many of them come up to us and say “I am undertaxed.” You know, the truth is, a great philosopher once said America is great only because America is good. If America ever ceased to be good, it will cease to be great. America is good, and the average taxpayer does not want to walk up to you and say “I need a tax cut.” because he cares about the other people in society who are not doing quite as well as he is. But you know what? For him bucking up and not coming to us and saying “I need a tax cut,” in his heart of hearts he is struggling to get through, and we are making him pay bills for all kinds of things for which there is no justification.

I cannot tell you how many people in that conversation came up to me and said “Well, I pay my taxes, and I am not too worried about it, but, boy, I hate the way you guys spend it.” They do not have faith any longer. We have said as a party, and I am going to get partisan, for a long time we have said that the Federal Government is too big and it taxes too much and it spends too much. Before we do some, we have been doing something about cutting spending. And that is part of what we believe in.

But you know what? We told them for 40 years we also believed they were overtaxed. Now it is time to prove it. And that side of the aisle that said these are tax cuts for the rich, they are dead wrong. They are tax cuts for middle Americans who need it, but who cares so much about their brothers and sisters. After 30 years we also believed they were dead wrong. They are tax cuts for middle Americans who need it, but who cares so much about their brothers and sisters. After 30 years we also believed they were dead wrong. They are tax cuts for middle Americans who need it, but who cares so much about their brothers and sisters.

Mr. KINGSTON. If the gentleman will yield, let me say this: After the Reagan tax cuts in 1982, the revenues were $500 billion. At the end of 10 years, they were over $1 trillion, with 18 million new jobs.

Mr. SHADEGG. Revenues will grow.

Mr. KINGSTON. Give money to the people, they buy more; when they do, goods and services, demand goes up, small businesses have to expand, jobs are created. Before we do tax cuts, we have been doing something about cutting spending. And that is part of what we believe in.

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Mr. SHADEGG. Revenues will grow.
American middle class, and I will include the working class, to have a tax cut. They are 100 percent right. We need a tax cut for families and individuals. The way to get the tax cut for families and individuals, and at the same time, to balance the budget, all in one, is to take a look at this chart, the discrepancies here, why the taxes have greatly increased on individuals since 1943 and greatly decreased on corporations.

The corporation, the blue is families and individuals. In 1943, corporations were paying 39.8 percent of the total tax burden, 39.8 percent, while individuals and families were paying 27.1 percent. Now, in 1995, individuals and families are paying 43.7 percent, and corporation are paying 11.2 percent. At one point it went haywire and it was even a worse ratio. Individuals and families were paying 48.1 percent in 1983 under Ronald Reagan and corporations went down as low as 6.2 percent.

I would like to begin on a note of agreement, that the gentlemen who were here before claiming that we need a tax cut, I agree, we need a tax cut for families and for individuals. You can imagine that if it fell and still balance the budget if you will deal with this inequity. The corporations should be paying a greater percentage of the overall tax burden. We should get rid of corporate welfare. The loopholes, a recent study shows that if the cuts you made on individuals and poor people, the percentage cut that was made in the Republican budget, if that same percentage cut was applied to corporations, corporations would be losing $124 billion over a 7-year period, if it were just equal in the application of the cuts and you cut corporate welfare as much as you cut low income programs.

I hope we will bear in mind that Democrats and Republicans should agree on families and individuals are paying a greater percentage of the overall tax burden. We should get rid of corporate welfare. The loopholes, a recent study shows that if the cuts you made on individuals and poor people, the percentage cut that was made in the Republican budget, if that same percentage cut was applied to corporations, corporations would be losing $124 billion over a 7-year period, if it were just equal in the application of the cuts and you cut corporate welfare as much as you cut low income programs.

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Mr. Speaker, I think we should understand the difficulty with the minimum wage. We want to increase it by 45 cents one year and 45 cents another year. A mere 90 cents increase. We will still be behind the inflation curve but that very meager effort is being opposed by the Republican majority in this House.

A statement has been made by the Republican majority that they will not entertain even 1 cent, even a 1 cent increase in the minimum wage. The Committee on Economic and Educational Opportunities, as pointed out before by my colleague from California, will not hold hearings to even discuss the matter of raising the minimum wage.

Mr. Speaker, what is the problem? Let us go back to the chart. These simple bars tell a great story about what is happening in America. These simple bars here tell a great story about how power is being used to shape the American economy and to keep a large percentage of Americans in poverty and another large group of Americans in a state of perpetual insecurity. That is a story of greed and power. A story of greed and power.

The power resides in the corporations. Corporations are able to manipulate economy. Corporations are able to divert contributions to Congressmen and all other levels of political officials. Corporations are able to lobby endlessly and get a swindle situation like the one we see here, where in 1943 corporations were paying 39.8 percent of the taxes and in 1983 it went down as low as 62.6 percent under Ronald Reagan's regime, and in 1995 we still have a situation where they are only paying 11.2 percent while individuals and families are paying 43.7 percent.

The power of the corporation is such that the corporations have sent down an edict as powerful as any totalitarian dictator that we do not want the minimum wage increased. Corporate power has said that, and the servants of corporations, Republican Congressmen, have said we will not entertain an increase in the minimum wage by even 1 cent.

Mr. Speaker, they want to have the lowest possible wage rates. They want to have a class of people that are paid the lowest amount of money in order to be competitive with the global marketplace. They want to have our workers slowly be pushed down to the level of the poorest people in Bangladesh or down to the level of the working poor in China. Prisoners in China are forced to work for almost nothing. At least Bangladesh people get some kind of wages. They want that kind of condition.

They want the Mexican phenomenon to begin to operate here, where we begin to measure our wage rates against the wage rates across the board in Mexico. And right away, every time we talk about wage increases, they say, well, we are getting further and further away from the Mexican labor market.

Today is the 57th anniversary of the date the minimum wage first took effect in this country. On October 24, 1938,Henry Ford is the first American employees were first guaranteed a minimum wage of 25 cents an hour to protect them from exploitation and ensure that their work would be fairly compensated.

Six years ago President Bush signed into law the last increase in the minimum wage. That increase was 90 cents over 2 years and enjoyed a broad bipartisan support in the Congress. The vote in this House of Representatives was 392 to 37. Only 37 Members of the House of Representatives voted against that increase in the minimum wage which took place under the Bush administration just 6 years ago. I was here. I remember that very well.

This year the real value of the minimum wage is at its lowest level since the early 1950s. While an increase in the minimum wage is clearly long overdue, and although we have a proposal from President Clinton to increase the minimum wage to $5.15 per hour over a 2-year period, there is no sign of that bipartisan effort that characterized the last increase.

The proposal has languished here in Congress while the leadership has refused to even schedule hearings. In fact, even the Committee on Economic and Educational Opportunities, which Robert Solow just a few weeks ago held a hearing on the issue, how times have changed.

It is 1943 corporations were paying 39.8 percent of the taxes and in 1983 it went down as low as 62.6 percent under Ronald Reagan's regime, and in 1995 we still have a situation where they are only paying 11.2 percent while individuals and families are paying 43.7 percent.

We have a need for workers out there and they do not get thrown aside or laid off as a result of increases in the minimum wage.

Mr. Speaker, earlier this month 101 eminent economists effectively challenged this theory. These are economists who study the American economy, all aspects of it, including minimum wage. They issued a strong and unprecedented call for an increase in the Federal minimum wage to help raise the living standards of families who rely on incomes of low-wage workers. These diverse and respected economists, including three recipients of the Nobel Prize in economics, and seven past presidents of the American Economics Association, endorsed President Clinton's proposed two-step 90-cent increase in the minimum wage.

Mr. Speaker, these economists noted that recent studies found that the last several increases in the minimum wage had "Negligible or small" effects on employment. A Nobel Prize laureate Robert Solow has said, "The fact that the evidence on job loss is weak suggests that the impact on jobs is small."

However, for some reason the leadership in this Congress seems obsessed with gutting the wages of hard working Americans. American citizens should ask their Congressmen, ask their Congressmen, ask their Congressmen why he disagrees with 100 of the leading economists in the country. Why he disagrees with Nobel Prize winning economists that we need a minimum wage increase in this country. They should ask their Congressman. He may be a Democrat. Ask him, too.

Mr. Speaker, we have seen the Republican leadership attempt to destroy wages in other ways. In the construction industry they are seeking to repeal the Davis-Bacon Act. The Davis-Bacon Act requires that all jobs that are federally funded construction jobs must have a situation where the prevailing wages in that area are paid. I have looked very closely at what that means and I find in many states the prevailing wage area is quite large, and yet there is this tremendous drive to destroy the Davis-Bacon Act and not allow it to pay the prevailing wages in a given area.
There have been some efforts now to compromise that. People who wanted to destroy Davis-Bacon are willing to reconsider. After all, Davis-Bacon was primarily a Republican conceived act, both Davis and Bacon were Republicans. The question is, what do you do with the Social Security Act? It helps middle class people. The people who are in those jobs in construction are middle class people. When they can find the jobs and are paid, they end up being a part of our basic middle class. So we have begun to get some kind of compromise on the Davis-Bacon Act.

The same people are insisting that the companion act, the Service Contract Act, which says that in situations where the Federal Government is involved, janitors and other service employees of that kind are involved, the Federal Government stands by the contracts in those situations. It is an entitlement. It is a right.

The same people are insisting that the companion act, the Service Contract Act, which says that in situations where the Federal Government is involved, janitors and other service employees of that kind are involved, the Federal Government stands by the contracts in those situations. It is an entitlement. It is a right.

Let us make work pay. We have just taken away the entitlement for young children. Poor children, if they are means tested and their family qualifies, if they are really poor, if they are really sincere if they will not put their children in an orphanage or the companion act, the Social Security Act, provides an entitlement for the children of deceased members of Social Security. People who were enrolled in Social Security, their children are eligible if they should die, and they are eligible at much higher rates. Fortunate are those who are not fortunate enough to be covered by Social Security.

In another demonstration of their utter disdain for working people, the Republican reconciliation bill proposes to oblige, greatly reduce, the earned income tax credit. The earned income tax credit provides much-needed tax relief for working families, those working poor.

Here is where some of the people earning those minimum wages are driven out of the country by incen-

tives by their government to keep working. If you are earning minimum wage, and you have a family of four, or even a family of three, under present qualifications even no children under some circumstances you are able to collect additional money as a result of your having earned money. The earned income tax credit rewards those who are working.

It is a small amount of money, but it is important and it adds up quite a bit proportionately when you are poor. But now the Republicans will not stand for that. Do not reward the working poor. Do not be consistent.

They say they want to help families. We have heard long speeches tonight about helping families by providing a $500 tax credit. Why are they providing a $500 tax credit for those who are earning enough money to be able to qualify for a tax credit, while they are providing a $500 tax credit for those who are much poorer, but also working and in a lower bracket, needing some help through the earned income tax credit? Why are they getting rid of the earned income tax credit and providing a tax credit for people at a higher level?

I am not against a tax credit for people with children at a higher level. That is one of those tax cuts that ought to be given. When we get at much higher levels and we are dealing with capital gains, treated as if capital gains were some kind of privilege, versus wages, we have a higher rate of taxes on wages, people’s sweat that go to work every day. The amount of money they earn through wages is very low and we tax them at a higher rate than capital gains, where nobody sweats. They are gains made on investments.

Why should capital gains be in a different category? And when you put capital gains, unless we are regarding the richest people. Who owns the property? Five percent of the people in America own 90 percent of the wealth in this country. So capital gains rewards that 5 percent, or the top 20 percent.

The tax decrease that is being proposed by the Republican majority is a tax decrease for the rich. We need a tax decrease. Families and individuals, those that are really poor, deserve a better break than they have been getting under this construct here where corporations have been allowed to get off the hook, not bear their share of the burden, in order to pay for the fact that they are paying so little. This fourth tax cut was done under the Democrats. We cannot blame the Republicans solely for this. Ronald Reagan, with his trickle-down economics, accelerated it. It got to the worst point under Ronald Reagan in 1983, when corporations went as low as 6.2 percent of the tax burden.

And notice, as the corporations dropped low, individuals have to make up the difference. Always the individual taxes rise when the corporations’ taxes drop. The highest points of individual and family taxes was 46 percent in 1983, at the same time that the corporations reached their lowest point of 6.2 percent.

This is where the deficit started. A combination of the 6.2 percent and the 46 percent, and we did not have enough to pay for the Government’s expenses, so we were borrowing more money. Here is where the deficit started under Ronald Reagan where the deficit leaped geometrically in terms of its increase, and the only way things could be corrected with the deficit-reduction policies now took off with a vengeance following this kind of situation where corporations were allowed to wring the American people.

This swindle should not be allowed to go on. Here is the atmosphere that dictates that there shall be no increase in the minimum wage. These corporations in 1995 are making higher profits than ever before. They are booming. Tech-

nology and the science that American taxpayers paid for, a large base of it was paid for in Government research and military research; radar, computerization, a number of things that really drive this economy and allowing corporations to make great amounts of money.

All of that is being taken advantage of by the corporate sector and they are not sharing it. The taxes are still too high for individuals and families. At the same time, these corporations are laying off people and not only will they refuse to pay an increase in the minimum wage, those who have jobs are less and less secure.

I come from a family which was very poor. My father, I think he was a genius but he only had a sixth grade education. I think he was a genius, because with his sixth grade education,
any problem that I took home in my math book, those word problems that most kids could not work in school, my father never failed to solve those problems.

He did that until I reached algebra, whereas the X's and Y's confused him. He could not deal with that. The basic intelligence was there. My father was very intelligent. My father was hard-working. He was a heavy drinker of Coca-Colas and RC Colas and Dr. Peppers. That is all he drank; nothing stronger.

My father always had a garden, no matter where we lived. Memphis was a big city, a big city in the South, there are always places where we could have a garden and he always grew things. But my father never made anything more than the minimum wage. There was never a time when he was working that he made more than the minimum wage.

The minimum wage was quite low at that time, but we were happy with the minimum wage as long as he had a job. Our fear was always that he was going to get laid off. We were struggling to make do on the minimum wage. My mother, who was smarter than my father, knew the prices. She could take a pint of pinto beans in those little packages, and the northern beans, neck bones and spaghetti on Sundays. She could take a budget, a minimum wage budget, and feed us effectively.

I never went hungry when my father had a job. But there were oftentimes that he was laid off at the factory. Oftentimes. And there were times when they were on strike, and those were times we feared. The minimum wage, as low as it was, was a Godsend. We had security as long as he had the job. We could survive on the minimum wage.

But so many Americans right now who are earning above the minimum wage, as a result of this corporate greed, are being taken advantage of by the corporate giant. So we are in new, they are insecure about how long they are going to keep their jobs. Many of them were making much higher hourly wages and have been forced to take less. Many of them are changing jobs and are forced to start a whole new career as a result of the kinds of dislocations taking place in this era where the corporations are driving the economy, and they are doing it in a spirit of greed. Far more than some economists are being taken than need to be taken.

The case for increasing the minimum wage is abundantly clear within this situation. It is a tiny step. It is a microactivity that would help individuals and families a great deal, but there will be no great dislocation in the economy. The case for increasing the minimum wage is abundantly clear and the overwhelming majority of Americans agree.

This is not something that the economists, the Nobel prize winners only understand. It is a general, common sense understanding. The minimum wage that was increased 6 years ago, as inflation as moved on and costs have increased, is obsolete and the purchasing power is far less than it was in 1955. We need an increase. Eighty percent of the American people support an increase in the minimum wage. It is said that the American people are not responsive to their constituencies. Well, here is where the corporate dictators have said, "No, we do not want an increase," and the Republicans in the majority here, and a large number of Democrats also, are saying, "We will listen to the corporate dictators and will not listen to the American people, our constituency."

Eighty percent of the people support an increase in the minimum wage. That is a sizable portion of the people in every congressional district who support an increase in the minimum wage. We heard a lot of talk on the House floor about surveys that have been done about taxes. Why not ask the American people and the people in all the districts what they think of the minimum wage. Should we increase it by a mere 45 cents this year and 45 cents a year later? Ninety cents? Why not ask the question of your constituents and hear what they have to say, the same Members of the House and Members of the Senate. Ask the question and listen to the American people.

Opinion polls tell us that 80 percent of the people want an increase in the minimum wage. The people recognize that there is something wrong when a full-time worker making the minimum wage earns $8,500, far below the poverty level for a family of four, which as I said before is $14,754.

Consider these facts: The average minimum wage earner brings in at least half of the family's income. One-third of minimum wage earners are the sole breadwinners in their families. Over 4 million American workers are paid the minimum wage at this point. There are over 4 million workers for the minimum wage anymore? That is too low. Over 4 million American workers are still working for the minimum wage, as low as it is.

No union goes out to bargain for the minimum wage, of course. They are far above minimum wage. But the minimum wage is a bargaining tool for all levels of workers. Because when you have that as a floor, it allows the bargaining process to move upwards. As long as the minimum wage is stagnant, all other workers are going to be stagnant too, and they are.

Two-thirds of the minimum wage earners are adults. There is this notion that only kids are earning minimum wage, and who cares whether kids earn 90 cents an hour more or not? What difference does it make? They are kids. They are in a family where somebody else is the breadwinner or head of the household. Let us not pay kids minimum wage.

Two out of three minimum wage earners are adults. Almost three-fifths of the minimum wage earners are women, including many women who are the heads of their households, single parents.

The minimum wage was originally enacted to help provide workers with a fair day's pay for a fair day's work. In today's economy, $8,500 a year falls well below the mark of providing a fair day's work for a fair day's pay, or a fair year's work for a fair year's pay.

We have proposed an increase from $4.25 to $5.15. Like the adjustment to the minimum wage enacted 6 years ago, this 90-cent increase is phased in over a 2-year period.

Contrary to claims of opponents, most economists agree that a modest increase such as this will have no significant effect on job creation. This is an issue of simple fairness. Workers deserve to be compensated for their efforts. Everybody deserves to be compensated for their effort at a reasonable level. Why can the net pay workers a mere $5.15 an hour?

In this corporate era, the corporations dictate what happens in the economy. They dictate who wins and who loses. The corporations create a situation where taxpayers are footing a disproportionate share of the tax burden. Corporations decide the policies in this Congress. They write the bills for the Republican majority.

Corporations are going along with a balanced budget scenario but they are not going to make any sacrifices. If corporations were cut as much as the social programs, they would be contributing $124 billion over a 7-year period, would be the cuts in corporate welfare and corporate loopholes, et cetera, but that is not the case.

These same corporations have chief executive officers who make enormous salaries, some above $20 million a year, salaries and other compensation reach more than $20 million a year for the corporate chief executive officers of many corporations. So many earn more than $1 million a year that bills have been proposed.

Even the President supported at one time a bill which would limit the deduction in terms of business expenses. The salary of a chief executive would be limited in that business deduction situation when the corporate taxes are filed to no more than $1 million a year. After $1 million a year, the corporation would not be able to take the compensation for the chief executive officer off the taxes. That has, of course, not passed.

But when you compare the chief executive officers in America, in our economy, with the chief executive officers in Japan, which is a high-technology, booming economy like ours, or in Germany, another high-technology, booming economy, or most of the other industrialized nations, the compensation for chief executives is far below the compensation for chief executives in the United States.

Japanese tycoons at the head of huge corporations make as little as $300,000...
a year—$300,000 to $500,000 a year is close to an average for some of the largest corporations in Japan. Even when you add in other parts of the compensation package, I assure you that they do not have anything like the compensation that I and other high-level executive officers of American corporations

In this economy of greed, where the corporations dictate the policies, they cannot allow a simple 90-cent increase in the minimum wage while the chief executives walk off with millions.

There is growing income inequality in this country that has been documented. Recent studies have shown that we have shifted place with Great Britain. Where the differences between the very rich and the very poor where once the greatest in Britain, now it is greatest in the United States. It is far worse in the United States than in any other place. The rich are far richer than the poor in this country for the first time in history. There is a growing inequality.

In this atmosphere of corporate greed, after-tax profits are the highest that they have ever been in 25 years. But corporate America is not sharing the bounty with the average workers who help the after-tax rate of return to capital investment in 1994 was 7.5 percent. By comparison, it averaged just 3.8 percent between 1952 and 1979. These higher profits have not been reinvested in the economy. They have not increased output, investment as a share of profit, has declined, instead of increased.

Nor have these higher profits been returned to workers. Since 1989, average real wages for most of the workforce have either remained stagnant or declined. The hourly wage of the median male worker has declined 1 percent per year in real terms.

The gap between the wealthiest and poorest Americans is the widest it has been since the Census Bureau began collecting income statistics in 1947: 44.6 percent of U.S. income is controlled by the top 20 percent of the wealthiest American families. The bottom 20 percent earn just 4.4 percent of national income.

According to the Census Bureau, since 1980 the income of the top 20 percent has risen 16.6 percent over inflation. The income of the bottom 20 percent has fallen 7 percent below inflation in this period.

In this era where the corporations are dictating the policies here in Congress, the corporations have perpetrated a great swindle and refused to let up. They will continue to swindle. In the reconciliation bill that will be on the floor starting tomorrow, you will find nothing done to correct this great injustice.

Corporations have been cut, I understand, by about $6 billion in corporate welfare. But, in other ways, they have put back money which equals that $6 billion. So corporations will end up with a zero cut in corporate welfare after the reconciliation bill is passed in this House.

Corporations benefit greatly by all of the activities in the overall American dream. They somehow manage to make the money by themselves. There is a whole complex economy that supports them. There are the American consumers that support them. There is the Federal deposit insurance of the banks that helps to hold up the economy.

At a time when corporate leaders and banking leaders nearly wrecked the economy with the savings and loan swindle, it was the American taxpayer who had to step in to the tune of more than $300 billion to bail out the failing banks in order to keep the whole financial scheme of the economy from collapsing.

So we are all in this together when it comes to making America work. But when they need the millions and billions of the benefits of our overall society, corporations want it all for themselves. They will not even allow a 90-cent increase in the minimum wage.

The ratio of average hourly pay of men in the top 10 percent of wage earners to those at the bottom 10 percent is 5.6 in the United States. In other words, the top 10 percent of people in our economy make 5.6 more than the bottom 10 percent. That means for every $10 that you make, the top people make almost 6 times that amount. In Germany, the ratio is only 2.7. In France the ratio is 3.2, in Japan the ratio is 2.8, in Britain the ratio is 3.4. But here in the United States the ratio of the earners at the top is 5.6, almost 6 times the earnings of the people at the bottom. Some of the highest paid chief executive officers in America are also the Nation's biggest job killers. The CEO of IBM earned $4.6 million last year; he has 22,000 workers since 1992. The CEO of AT&T earned $3.5 million last year. He has laid off 83,000 workers since 1992.

Some $122.5 billion of the Republican tax cut will go to Americans who are earning $100,000 or more. They will not help the people who need the minimum wage increase. Nearly all the Republican spending cuts are directed at low- and middle-income Americans, denying them access to quality health care, affordable housing and the opportunity to pursue the American dream through education.

Here is the photo, the snapshot of America, the kind of America that is now being dominated and dictated to by corporate greed.

Three huge homeowners winners who are backing the minimum wage increase are Kenneth J. Arrow of Stanford University, Lawrence R. Klein of the University of Pennsylvania, and James Tobin of Yale. Many other former presidents of the American Economics Association also back the increase in the minimum wage.

They put out a simple statement. I will not read the entire statement. I will quote it for you. They state that the aggregate support for a minimum wage increase by the 100 top American economists. Along with the statement, of course, will go the actual names of those 100 economists who are responsible for this statement of support for minimum wage increase.

Mr. Speaker, the document is as follows:

STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

As economists who are concerned about the erosion in the living standards of households dependant on the earnings of low-wage workers, we believe that the federal minimum wage should be increased. The reasons underlying this conclusion include:

After adjusting for inflation, the value of the minimum wage is at its second lowest annual level since 1995. The purchasing power of the minimum wage is 7 percent below its average level during the 1970s.

Since the early 1970s, the benefits of economic growth have been distributed among workers. Raising the minimum wage would help ameliorate this trend. The positive effects of the minimum wage are not felt solely by low-income households, but minimum wage workers are overrepresented in poor and moderate-income households.

In setting the value of the minimum wage, it is of course appropriate to assess potential adverse effects. On balance, however, the evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s—as well as updates of the traditional time-series studies—suggests that the employment effects were negligible or small. Economic studies of the effects of the minimum wage on inflation suggest that a higher minimum wage would affect prices negligibly.

Most policies to boost the incomes of low-wage workers have both positive and negative features. And excessive reliance on any one policy is likely to create distortions. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives and is administratively simple. For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.

We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. The minimum wage increase would provide a much-needed boost in the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be beneficial.

SIGNATORIES TO ECONOMISTS STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

Aaron, Henry—Brookings Institution.
Abramovitz, Moses—Stanford University.
Allen, Steven G.—North Carolina State University.
Altonji, Joseph G.—Northwestern University.
Mrs. CLAYTON. I thank the gentleman from New York for bringing the subject to our attention, to the attention of the American people and thank him for sharing the time for me to speak on the subject and others as it relates to rural America.

It is true indeed that the minimum wage affects rural areas severely. Why? Because basically we earn about one-third of what everyone else in America earns. So already we are earning one-third as much as those in urban and other parts of the country are earning. The minimum wage in any State certainly is one that needs to be increased. There is a relationship between what everyone else earns in my area with the minimum wage. So as we celebrate this 57th anniversary of the minimum wage, those who are not making the minimum wage, are making considerably more, must recognize that as that minimum wage is remaining at the bottom so are other wages stagnant in rural America.

I would also share with the gentleman from New York that in addition to the minimum wage issue, you are right that this Congress is bent on affecting the poor and rural America. They are also more active in the divide between rural and urban. They are also interested in the divide between the rich and the poor. So we see great divisions and the emphasis being focused on those who have a lot of money.

I should also share with the gentleman from New York that in addition to the minimum wage issue, you are right that this Congress is bent on affecting the poor and rural America. They are also more active in the divide between rural and urban. They are also interested in the divide between the rich and the poor. So we see great divisions and the emphasis being focused on those who have a lot of money.

I would also share that as a Nation how we spend our resources says a lot about who we are and who is important, which region of our Nation we favor, which region of our Nation we will ignore. To the extent that the budget reconciliation act that we are going to vote on this week ignores the plight of working families, ignores the plight of rural America will ignore. To the extent that the budget reconciliation act will do, you begin to understand the devastation that will happen to rural America. This is a very basic concern to the working families, to the plight of rural America.

Mr. OWENS. They end by saying, “We believe that the Federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low and moderate income households. Specifically, the proposed increase in the minimum wage of 90 cents over a 2-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.”

This is a conclusion of the 100 top economists in the United States.

To bring a special perspective to this discussion, the gentlewoman from North Carolina would like to speak on the question of rural poverty and minimum wage is the way of life in most rural areas. People struggle to even make the minimum wage, so I am sure that whatever applies to rural situations and rural poverty is certainly involved in this whole discussion of the minimum wage. I yield to the gentlewoman from North Carolina [MRS. CLAYTON].

October 24, 1995
CONGRESSIONAL RECORD — HOUSE
H 10717

Arrow, Kenneth J.—Stanford University.
Bartik, Timothy J.— Upjohn Institute.
Bator, Francis M.— Harvard University.
Bergmann, Barbara—American University.
Blanchard, Olivier.—Massachusetts Institute of Technology.
Blanchflower, David—Dartmouth College.
Blank, Rebecca—Northwestern University.
Bluestone, Barry—University of Massachusetts Boston.
Bosworth, Barry—Brookings Institution.
Brieger, Vernon M.—Cornell University.
Brown, Clair—University of California at Berkeley.
Bronson, Robert S.—Howard University.
Bruntlett, Gary—Brookings Institution.
Burton, J ohn—Rutgers University.
Chimerine, Lawrence—Economic Strategy Institute.
Danziger, Sheldon—University of Michigan.
Darity, William J .r.—University of North Carolina.
DeFreitas, Gregory—Hofstra University.
Diamond, Peter A.—Massachusetts Institute of Technology.
Duncan, Greg J.—Northwestern University.
Ehrenberg, Ronald A.—Cornell University.
Eisenheim, Robert—Northwestern University.
Ferguson, Ronald F.—Harvard University.
Faux, J eff—Economic Policy Institute.
Galbraith, James K.—University of Texas at Austin.
Galbraith, J ohn Kenneth—Harvard University.
Garfinkel, Irv—Columbia University.
Gibbons, Robert—Stanford University.
Glickman, Norman—Rutgers University.
Gibbons, Robert—Stanford University.
Gordon, Robert J.—Northwestern University.
Gamlich, Edward—University of Michigan.
Gray, Wayne—Clark University.
Harrison, Bennett—Harvard University.
Hartmann, Heidi—Institute for Women’s Policy Research.
Haveman, Robert H.—University of Wisconsin.
Hebeleron, Robert—New School for Social Research.
Hirsch, Barry T.—Florida State University.
Hirschman, Albert O.—Princeton University.
Holister, Robin G.—Swarthmore College.
Holzer, Harry J.—Michigan State University.
Howell, David R.—New School for Social Research.
Hurley, J ohn—Yale University.
J acoby, Sanford M.—University of California at Los Angeles.
Kahn, Alfred E.—Cornell University.
Kamerer, Sheila B.—Columbia University.
Katz, Harry C.—Cornell University.
Katz, Lawrence—Harvard University.
Klein, Lawrence R.—University of Pennsylvania.
Kleiner, Morris M.—University of Minnesota.
Kochan, Thomas A.—Massachusetts Institute of Technology.
Lang, Kevin—Boston University.
Levy, F rancis.—Massachusetts Institute of Technology.
Lindblom, Charles E.—Yale University.
Maddox, Janice F.—University of Pennsylvania.
Mangum, Garth—University of Utah.
Margo, Robert—Vanderbilt University.
Markusen, Ann—Rutgers University.
Marshall, Ray—University of Texas at Austin.
Medoff, James L.—Harvard University.
Meyer, Bruce—Northwestern University.
Minsky, Hyman P.—Bard College.
Michel, Lawrence—Economic Policy Institute.
Montgomery, Edward B.—University of Maryland.
Murnane, Richard J.—Harvard University.
Musgrave, Peggy B.—University of California at Santa Cruz.
Musgrave Richard A.—University of California at Santa Barbara.
Nichols, Donald—University of Wisconsin.
Ooms, Van Doorn—Committee for Economic Development.
Osterman, Paul—Massachusetts Institute of Technology.
Packer, Arnold—J ohn Hopkins University.
Perry, George L.—Brookings Institution.
Peters, Wallace C.—University of Nebraska at Lincoln.
Pfeffer, Ken —Smith College.
Piore, Michael—Massachusetts Institute of Technology.
Polenske, Karen—Massachusetts Institute of Technology.
Quinn, J ohn—Boston College.
Reich, Michael—University of California at Berkeley.
Reynolds, Lloyd G.—Yale University.
Scherer, F.—Harvard University.
Schor, J uliet B.—Harvard University.
Smelovsky, Eugene—University of California at Berkeley.
Stromsdorfer, Ernst W.—Washington State University.
Summers, Anita A.—University of Pennsylvania.
Summers, Robert—University of Pennsylvania.
Tobin, James—Yale University.
Vickrey, William—Columbia University.
Voos, Paul B.—University of Wisconsin.
Watts, Harold—Columbia University.
Whorf, Edward—New York University.
This budget will cause pain to many in America, but we will cause substantial harm to most in rural America.

Rural North Carolina, including my congressional district, like most of rural America, is struggling to provide a minimum quality of life for its citizens. These communities, however, lack high paying jobs and often lack the infrastructure necessary for economic expansion.

The lack of basic resources and opportunities, such as employment, housing, education, and health services, especially water and sewer, is compounded by limited access to quality health care and a shortage of health professionals. Most of the rural hospitals in my congressional district, for example, depend on Medicare and Medicaid by as much as 65 percent of their budgets.

As Congress goes through its cost cutting, deficit reducing, budget balancing exercise, there is a message that needs to be emphasized among our colleagues—farmers and rural communities have been important to this Nation's past, and farmers and rural communities are essential to this Nation's future—most notably, the small, family farmers.

Ironically, this extreme and harmful budget cutting proposal comes at a time when our State is experiencing progress due to many of the very programs and services that we are seeking to restructure or eliminate, particularly those that encourage export activity and foreign trade.

After years of feeding the State and feeding the Nation, North Carolina agribusiness is now postured to expand its exports and feed the new customers offered by the world's foreign markets.

In short, as one recent magazine article noted, “Exports are up down on the North Carolina farms.”

North Carolina agriculture exports amounted to $2.3 billion last year. We exported $534.5 million in tobacco, $195.9 million poultry and poultry products, $90.5 million in soybeans, $61.5 million in cotton, $40.3 million in meat and meat products, $33 million in wheat, $19.4 million in peanuts, $14.4 million in fruits, $12.1 million in vegetables, and $38.6 million in all other products.

Those exports translate into jobs. Jobs translate into revenue for the State. And, revenue for the State translates into programs and services for our citizens.

In order to expand exports, create jobs, generate revenue and, thereby, provide programs and services to our citizens, agriculture business must have the support of our Government, and that support must be reliable, timely and, most of all, useful.

For the past several weekends, I have been meeting with groups of farmers in my congressional district.

One thing said to me, by them, has stayed with me. “Farming is a gamble,” they said. “And, if you don’t like to gamble, you should not be in farming.”

That statement struck me because, while we can not control if it rains early, rains later, or if it rains at all, Government can have great influence over the resources that we make available to the farmer.

We can create some of the uncertainty, some of the doubt, some of the gamble, by insuring that when farmers make judgments about what to produce and what markets to target, they do so knowing that, when needed, government will be there to support them—in lean times.

Unfortunately, however, despite the recent gains that have been made, because their important role has not been recognized, many rural communities in the United States are crumbling apart.

It is important to recognize that the long term economic health of rural America depends on a broad and diverse economic base which requires investment—not disinvestment—in rural America—investment in business, education, infrastructure, agribusiness, housing stock, and community facilities.

The major factors that inhibit rural economic development stem from the very characteristics that singularly define our rural areas—isolation from metropolitan services, low population density, small economies of scale, dependence upon a single industry and limited municipal capacity. These factors leave many rural areas without the necessary resources not only to plan, but also to develop basic services that attract competitive and profitable industries.

Granted, those of us who are decisionmakers from rural areas are strongly committed to stimulating rural economic development by any and every means possible.

But, our task is made nearly impossible by a Congress intent on cutting agriculture and nutrition programs, determined to cut education, bent on cutting medicare and medicaid and focused on unfair tax cuts for some and increases for others.

And, so, Mr. Speaker, I must ask, when we vote on budget reconciliation this week, who are we voting for? Who are we voting against? Who literally work their fingers to the bone so that this Nation might be fed, that commodity and rural development programs must go because we are required to balance the budget—because we are giving the money to those with money? That will be the result if Congress continues on its current glide path and approves the Majority’s budget resolution plan.

This evening I want to discuss several of the areas affected by the Republican budget reconciliation legislation, and I will begin with agriculture programs.

Mr. OWENS. I thank the gentlewoman from North Carolina for joining me. I will conclude now with a reading from the article that I have read sections from for the last 3 weeks.

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That is the article that appeared in the New York Times on September 3, the Sunday before Labor Day, by Lester Thurow. Lester Thurow is a professor of economics at the Massachusetts Institute of Technology, and his opening paragraph still applies as we go toward this budget reconciliation, this budget reconciliation which will corporatize the power of the corporations of America. The budget reconciliation will freeze us into situations where corporations are going to be paying even less of the percentage of the total tax burden than they pay already.

The budget reconciliation is going to freeze us into situations where nothing is being done or said about the more than $300 billion that we have already spent as taxpayers to bail out the savings and loans swindle. Nothing is said about trying to force the financial community to somehow repay some of those funds through some kind of tax policy, maybe a surcharge on banks and on accountants and lawyers, all of the people who were involved in that big swindle of the American taxpayers. Nothing. The things that are not said are very important.

Nothing is ever said on this floor about this great tax swindle, how over a period from 1943 to 1983 the burden of corporations dropped so dramatically in proportion to the tax burden borne by the families and the individuals out there.

I agree with the Republicans. We need to tax cut. The tax cuts should come for individuals and families. At the same time, we need to get rid of the deficit and balance the budget by raising the taxes that are paid by corporations.

That all takes place within an atmosphere that is described best by this paragraph from Lester Thurow’s article in the New York Times. Again I quote:

No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distributions of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have the majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

I think that is a very profound statement. It very powerfully describes the situation that corporate America has generated in America.

We can take some tiny steps toward correcting our economy, toward making our society more workable, by agreeing to increase the minimum wage by 90 cents from $4.25 per hour to $5.15 an hour. That is what is being proposed, and that is the bill we are sponsored by minority leader Gephardt and I am a cosponsor of that bill. The President has endorsed that bill.

That simple step, I urge all Democrats to get on board and take that step. We only have a little more than half the Democrats who are now sponsoring that increase in the minimum wage.

Is it any wonder that the Republicans are treating the increase in the minimum wage with great contempt? And they have stated that they will not do anything single, I mean, anything about the minimum wage. Justice demands that on this anniversary, 57th anniversary of the minimum wage law, that we go forward and understand that this is just a tiny step that every lawmaker, every decision maker in Washington can take, not only for working people but for our overall economy.

Let us increase the minimum wage. Let us support the increase in the minimum wage bill Mr. ROMERO-BARCELÓ. Mr. Speaker, today as we celebrate the 57th anniversary of the minimum wage, it is increasingly obvious that we must take action to raise the minimum wage.
wage. Such action will benefit millions of American workers throughout the Nation.

Earlier this year, I was pleased to join in sponsoring the legislation embodying the President’s proposal for a moderate 90 cent increase in the minimum wage over 2 years. This is necessary because minimum wage workers have actually seen their real incomes decrease in the last decade. The minimum wage has not been raised since 1989, and its purchasing power has simply not kept pace with the rising cost of living.

At one time, the majority in this Congress was drastically revamping our welfare system and slashing the social safety net, we must maintain the incentives that reward hard work. The minimum wage is one such incentive.

When I was mayor of San Juan and later Governor of Puerto Rico, I took the innovative and unprecedented step of asking the Federal Government to extend the minimum wage laws to Puerto Rico where at the time they did not apply. Special interests and many corporations were opposed to this move. They lobbied hard against it, predicting both economic havoc and job displacement.

Such bleak scenarios did not materialize. In fact, the minimum wage has been a blessing for the Puerto Rican citizenry. Actually, the minimum wage provided the standard of living of thousands of families and brought dignity to their daily endeavors at their jobs sites.

Let this experience serve as an illustration of the benefits our making a commitment to improve the standard of living of ordinary, hard-working Americans by ensuring them a decent, living wage. Both sides of the aisle should be doing everything possible to promote and secure a decent standard of living for all Americans.

Increasing the minimum wage is the right thing to do. It is a wise move and one which is based on both common sense and solid economic policy. Millions of hard-working Americans who deserve better economic opportunities have non-minimum wage jobs.

Mr. STARK. Mr. Speaker, today, a minimum wage worker who work full-time, year round, does not earn enough money to keep a family of two out of poverty. For decades prior to the late 1970’s, the case was the same, until the early 1980’s, the minimum wage was high enough to keep the average three-person family out of poverty.

The staff of the Joint Economic Committee has taken a close look at the effects of raising the minimum wage. Their report convinces me that raising the minimum wage is the right thing to do, and will help low-wage workers. Most likely to be helped are women, because disproportionate shares of women are harmed by the low value of the minimum wage. Women, as a group, is an important one to note, given the majority’s attacks on Medicaid, the earned income tax credit, and food stamps—all programs that help working-poor women.

There is general agreement that there would be no job loss for adults who make up the majority of minimum wage workers. The only debate is whether and how many teenagers would lose jobs if the minimum wage is raised. During the Joint Economic Committee’s two hearings on the minimum wage, witnesses confronted members with reports showing both negative and positive effects of increasing the minimum wage.

The Employment Policies Institute Foundation supported most of the witnesses claiming a negative effect from raising the minimum wage. During the hearings, we uncovered the fact that, from the beginning, the institute has been headed by Richard Berman, who continued to serve as a registered lobbyist for the restaurant and fast-food industry until recently. The same man was a supporter of the Speaker’s so-called college course only after winning apparent assurance of having an influence on the course’s content favorable to low-wage jobs.

However, I had a substantive problem with the witnesses from the Employment Policies Institute Foundation. I agree that, when we increase the minimum wage, all those low wage teenagers making less than the new minimum wage would be thrown out of work. Instead, the debate was over whether a 10-percent increase in the minimum wage caused a 1 or 2 percent reduction in employment for teenagers.

An economist invited by the Republicans, and who had done work for the Employment Policies Institute Foundation, wrote in a recent paper for an academic journal, that there were no significant observable effects of increasing the minimum wage. So, the worse we were told was that 98 or 99 percent of teenage low-wage workers would not lose their jobs when they got a 10-percent pay increase.

Why is that bad? Further, how is that possible? If those workers were not worth a 10-percent raise, why do only 1 percent of them lose their jobs? Could it be that their lower wage was unfair?

The report of the Joint Economic Committee staff suggests that the low wage of minimum wage workers is much more the result of where they work, than the quality of their work. The study uses a set of jobs whose wages change with the minimum wage, more than with changes in other wages in the economy. Workers in those jobs are said to be on the minimum wage contour. The harm in holding down the value of the minimum wage is that the wages of those workers also are held down.

By asking a different question than, “Can we count job losses or job gains after the minimum wage is increased?” the staff sought to answer the basic question of what would be a fair wage. By answering that question, they could show that workers on the minimum wage contour are not so low skilled that they could not hold other jobs.

Unless we take as a matter of faith that the world always works just like the diagrams in an elementary economics textbook, the question of how changes in the minimum wage affect employment and earnings among low income workers is an empirical one. This study’s major finding—that workers whose skills and other characteristics seem similar to those in minimum wage contour jobs, but who have non-minimum wage jobs, make around 30 percent more—calls into question simple textbook analyses of low-wage labor markets.

Why is that important? Because it means that there is some reason, not related to the ability to produce, that explains the lower wages of minimum wage contour workers. A reason could be that minimum wage workers have fewer options to give their bargaining power with their employers. Because the ranks of the minimum wage work force are disproportionately female, in an economy slanted by gender discrimination, seeing why these workers may have less bargaining power than workers in other jobs is easy. So when we raise the minimum wage, we are restoring some balance to the equation. The net effect would be to increase economic efficiency and make low-wage workers better off.

We have heard those in the majority scoff at such a notion. They snicker that if raising the minimum wage helps the economy, why not set it at a really high level. However, that is not what this research suggests. It shows that the gain in the wages of minimum wage and other similar workers is larger than the proposed increase in the minimum wage. So a modest rise in the minimum wage can be helpful.

The JEC staff study shows that when we increased the minimum wage from $3.35 in 1989 to $4.25 in 1991, the wage gap between minimum wage and nonminimum wage workers shrank. Also, the gap between the wages of women and men shrank.

Further, the study showed that many young workers with a high school education, or less, suffered a substantial loss in relative wages between 1986 and 1991 because some of their earnings’ history was in a minimum contour job.

Most Americans agree on one way to approach falling wages. More than three-fourths of Americans in recent polls favor the raise in the minimum wage proposed by President Clinton. I might add that 64 percent of those who said they voted for Republican Members of Congress support the President on this. If we are going to listen to the voters, we must listen to the voters on this issue.

Why do they favor raising the minimum wage? Because, most minimum wage workers are adults. Because, minimum wage workers provide an average of over half their family’s weekly earnings. Because there is a direct relation between the minimum wage and keeping families out of poverty.

In 1979, when the minimum wage was raised from $3.80 to $6 an hour, almost 1.4 million Americans were working full time, year round living below poverty. Today, during an economic recovery, with the minimum wage at $4.25, the number of full time, year round workers living below poverty is more than 2 million. Americans know that having an increase in the number of people working full-time year round living below poverty is not right. Americans know that having almost 20 million workers being paid less today, in real terms than we legally allowed in 1979, is not right.

Prof. Daniel Hamermesh was one of two economists the Republicans called as a witness who had not done research sponsored by the Employment Policies Institute Foundation. When I asked him whether we should raise the minimum wage, his answer was yes. Earlier this month, we learned that a large number of other economists agree with him.

I thank the gentleman for yielding me this time. We should listen to voters. But we should also study proposals to best serve the public’s needs. I think the JEC staff study helps us know that raising the minimum wage would be the right thing to do. So I am happy to support your efforts in getting this bill to the floor.
VIOLENCE AWARENESS MONTH

The SPEAKER pro tempore (Mr. Blute), Under the Speaker’s announced policy of May 12, 1995, the gentlewoman from Maryland [Mrs. Morella] is recognized for 60 minutes.

Mrs. MORELLA. Mr. Speaker, I am pleased to be involved in this special order to commemorate Domestic Violence Awareness Month. It really should be Domestic Eradication Month, year, decade, into the millennium and beyond that.

I would like to compliment the gentlewoman from California [Ms. Roybal-Allard], because she chairs the violence task force for the congressional Caucus for Women’s Issues, and she is the one who compiled the list of people to participate in this special order. A number of them are not here because of the late hour, but they are submitting testimony for the CONGRESSIONAL RECORD.

It gives me great pleasure to yield to the gentlewoman from California [Ms. Roybal-Allard], who, as I say, chairs that violence task force and does it so well.

I thank the gentlewoman very much for arranging for this.

Ms. ROYBAL-ALLARD. Mr. Speaker, October is Domestic Violence Awareness Month. A time when we focus on the tragedy of violence that exists in many homes and families throughout our country.

As chair of the Violence Against Women Task Force, I sincerely thank Representative CONNIE MORELLA and Representative NITA LOWEY for their assistance in this special order. I also thank my colleagues, male and female, from both sides of the aisle, who have joined me to bring attention to a crime that destroys lives and underlines the foundation of our country—the family.

This is especially meaningful because domestic violence is not bound by geographic, racial, economic, or partisan lines. Domestic violence is a tragedy which affects people in all communities, both rich and poor, rural and urban, racially diverse or homogeneous.

Although acts of domestic violence are overwhelmingly committed against women, this is not just a women’s issue.

The devastation of domestic violence extends well beyond the tragedy in the lives of the women. Domestic violence injures children, is a root cause of juvenile delinquency, a leading cause of homelessness and costs billions of dollars to this country in employee absenteeism and medical costs.

Domestic violence affects all of us directly or indirectly, and whether we know it or not. Although we have raised the level of awareness about domestic violence, we are failing to prevent or reduce it. Current statistics reveal domestic violence is at epidemic proportions.

Today, a woman is battered every 13 seconds, compared to 15 seconds a few years ago and is still the single greatest cause of injury to women in the United States.

Today, over half the marriages in our country involve at least one incident of battering.

In 1993, 1 out of every 5 women in emergency rooms was there as a result of domestic violence—today that figure has risen to 1 in every 4 women.

In my own county of Los Angeles, over 50 percent of the 911 calls are a result of domestic violence. Even more tragically, these calls are often made, not by the victim, but by the children of the victim.

As an underreported crime, the actual number of women who experience such violence each year is unknown. Of the women who do report this violence, however, we know the battery is so severe that at least 4 million women a year require medical or police intervention. We also know the abuse ends in death for nearly 6,000 women a year.

As part of the Remember My Name Project started by the National Coalition Against Domestic Violence, this poster memorizes the thousands of women who have died at the hands of their batterers. These women were our mothers, daughters, sisters, friends, and neighbors.

These women did not have to die. Nor did Angelita Avita, a young woman from the L.A. area.

J. Jose Salvavaria, Angelita’s common-law husband, was first arrested for battery in November 1994. He spent 20 days in jail and was required to attend 1 year of counseling.

Angelita did everything possible to prevent the abuse. She left Jose and moved to a location unknown to him. When Jose repeatedly violated his parole and attempted to contact her, she notified the police.

On one occasion, Jose even threatened her with a gun, which happened to be unloaded. For this offense, Jose was given more jail time and 2 years parole.

On September 15, Jose again violated his parole and tracked Angelita down. He waited outside her house. This time, his gun was loaded. When Angelita left for work, Jose shot her. When she fell to the ground, he shot her three more times before turning the gun on himself.

Angelita was killed at the young age of 35 by her common-law husband of more than 18 years, leaving behind their two teenage children.

Tragically Angelita’s story is all too common. But it is a story that does not have to be repeated. Domestic violence is preventable.

We must therefore all work together to stop this devastating crime by making it a national priority, supporting violence prevention and treatment programs, and strengthening the legal rights of victims.

We can break the cycle of family violence in this country.

We cannot afford to fail the families of America. If we do we will all be losers in the end.

Mrs. MORELLA. Mr. Speaker, I thank the gentlewoman for that very true and eloquent statement about domestic violence and the fact that we do have controls to prevent it.

Mr. Speaker, the trial of O.J. Simpson unleashed a national conversation about domestic violence and a national awareness of the problems in which we have not ended despite the verdict rendered in Los Angeles earlier this month.

The verdict did nothing to alter the fact that domestic violence is an epidemic in the United States, nor did it alter the fact that Mr. Simpson was a batterer whose abusive behavior was ignored by the police, the courts, and society because of his celebrity status.

Every day, women of all ages, income, and education levels are beaten or killed by their husbands and boyfriends, no matter where they live or work.

Statistics from the Justice Department are grim. The National Crime Victimization Survey found that women experience ten times the amount of violence at the hands of intimate partners than men.

According to the Uniform Crime Statistics, in 1997, 54 percent of female murder victims were killed by husbands or boyfriends; by 1992, the percentage had soared to 75 percent. And we must not forget the millions of children who witness violence in their homes and who often grow up to become abusers or victims.

On October 2, at the White House ceremony honoring survivors of domestic violence, President Clinton proclaimed October as National Domestic Violence Month and spoke about the “vital partnerships [that] have formed between Federal agencies and private sector organizations to expand prevention services in urban, rural, and underserved areas across the country.”

The landmark Violence Against Women Act, which I proudly sponsored in this House and which must be fully funded by this Congress, is funding for these important programs and services targeting domestic violence: A national domestic violence hotline; training programs for police and judges; shelters, counseling programs, and other victim services.

When the Congress passed the crime bill last year, it pledged to substantially increase Federal efforts against domestic violence. We have come a long way in assisting our local governments and victim service groups by helping them fund programs that are tailored to their particular needs and circumstances. They are counting on us.

All across the United States, in communities large and small, in cities and towns and in rural areas, these professionals and volunteers quietly do their work in shelters, in counseling programs, in courts and police stations, and in our classrooms. I salute their devotion, their dedication, and their commitment.

Since 1980, the Maryland Network Against Domestic Violence has led the effort in my State to pass legislation
to help battered women and their children, to train law enforcement personnel and judges, and to raise public awareness about domestic violence and its impact on our society.

Last year, the network's 23 domestic violence programs, which served 12,308 women and 3,295 children and helped 77,467 people who telephoned hotlines and shelters for help. What would have happened to these families, if the network had not been there?

The network, under the indefatigable leadership of executive director Susan C. Mize, has fought for increased shelter funding, for stiffer spouse abuse and child custody laws, for warrantless and mandatory arrest laws, for stalking laws, and for fair trials for battered women in criminal cases.

This year, the network's staff will train judges about changes in Maryland law and about domestic violence. They will teach police departments across the State how to collect evidence in domestic violence cases, and they will train prosecutors on how to use that evidence in court.

The network is also helping the State's Office of Aging develop a program targeting elder abuse. The AARP tells us that 45 percent of the abused elderly are abused by a spouse; by contrast 27 percent are abused by an adult child.

In Montgomery County, which I am honored to represent in the U.S. Congress, violence rose more than 330 percent between 1984 and 1994. My district, one of the most affluent and highly educated districts in the Nation, is no exception when it comes to domestic violence.

Last year alone in Montgomery County, there were 2,101 reported cases of domestic violence. This year, with the help of the county's Task Force Against Domestic Violence, County Executive Doug Duncan introduced a Coordinated Program Against Domestic Violence, which combines our legal and judicial departments, our medical and social work professionals, and our public and private schools into one integrated system on behalf of battered women and their families. And because of the county's rich ethnic, racial, and language mix, the county has especially tailored its counseling programs to reflect its diverse populations.

I am proud of the work being done in my State and all across the country to combat the terrible scourge of domestic violence. With funds form the Violence Against Women Act, we can do so much more.

I look forward to the day when hotlines will no longer ring, when shelters will no longer be needed, and when children will no longer cower, terrorized in their homes by domestic violence.
gentlewoman from Maryland [Mrs. MORELLA], who have cochaired the Women's Caucus issues. They have been at the forefront of the fight, along with the gentlewoman from California [Ms. ROYBAL-ALLARD], who has chaired the Violence Task Force and has done so much to accomplish in several Congresses the important legislation at the forefront that has been requested by law enforcement officials and others who know that much has to be done.

We have paid to the facts, that we have not completed this important battle. When you look at 1967 to 1973, battering men have killed 17,500 women and children in the United States. Women have suffered 5 million victimizations between 1992 and 1993. That is an unbelievable figure. Most of the violence against women cases have involved a husband, an ex-husband, a boyfriend, and an ex-boyfriend. Almost 70 percent of the men who batter their wife or girlfriend also abuse a child. So this is a problem that has been systemic. But thanks to the efforts of the three Members who I have mentioned, we have passed in this Congress two important bills, the Family Violence Prevention and Services Act, which provides prevention and assistance grants, and the Violence Against Women Act, which addresses the judicial side of sexual assault and domestic violence, including increased penalties.

We have other legislation which is important that is coming up for a vote, which I hope that those of our colleagues listening tonight who have not yet become involved as much as Representatives MORELLA, ROYBAL-ALLARD, and LOWEY, will get involved with this legislation to make sure it is passed to help their communities and their districts, and they include the Domestic Violence Victims Insurance Protection Act, which is designed to protect the victims of domestic violence from being denied health insurance.

While women are encouraged to seek out help and report domestic violence abuses to local law enforcement authorities and family physicians, some women have found that doing the right things for themselves and their families may have a price, the loss of or inaccessibility to health insurance. Victims who come forward from domestic violence should not be denied insurance. In this legislation it would be prohibited.

A second bill, the Domestic Violence Identification Referral Act of 1995 will supply incentives for medical schools to provide comprehensive training. Mr. Speaker, in domestic violence identification, treatment, and referral. There is no better opportunity to receive permanent assistance for victims of domestic violence than in the privacy of their doctor's office. A woman will not receive that help unless all doctors are trained to identify and treat the victims of domestic abuse. By encouraging medical schools to incorporate training on domestic violence into their curricula, this bill will help ensure that America's health care providers of the future recognize and treat victims of domestic violence, and we will save the lives of women, children, and seniors who are most at risk of being victims of domestic violence. Finally, I would advocate that my colleagues work with these Members to adopt the Domestic Violence Community Response Team Act, which is a bill designed to fortify America's fight against spousal abuse and domestic violence.

We find that, just looking to my district, Montgomery County, PA, like your Montgomery County, MD, we have important organizations, like the Montgomery County Victim's Services Center, Laurel House, the Montgomery County Women's Center, and the Montgomery County Commission on Women and Families. They are on the front lines of this battle.

If we have a coordinated effort by working with our police departments, this legislation will increase the availability of communities to pool their resources in the fight against violence. I believe that we only have to look to the physical and medical helps that Nicole Brown Simpson in Los Angeles, which has riveted the whole Nation, in making sure that we work with each of you, with the gentlewoman from California [Ms. ROYBAL-ALLARD], with the gentlewoman from New York [Mrs. LOWEY], and the gentlewoman from Maryland [Ms. MORELLA] as the cochair. I look forward to working with these Members in a bipartisan fashion, both here in the House and with our Senators, to make sure that the legislation that you have introduced and worked with your colleagues will in fact become law, and we will all be better for it. I thank the gentlewoman for this opportunity to join in her special order.

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Pennsylvania [Mr. Fox]. It indicates the fact that we have by art partisan support to eradicate domestic violence and come up with such programs, and we support from menace well as the women in the Congress and throughout the Nation.

You mentioned two other bills that I think are critically important. The one is to make sure that no insurance policy is going to prevent those people who are victims of domestic violence from getting the insurance. In some instances, and this is becoming rarer, but I think we need to get the legislation in effect to fully prevent it, in some instances they have considered it a preexisting condition. This is a situation where the victim is victimized and also by not being able to have that very thing that she needs so vitally, and that is the health insurance.

The other bill that the gentleman mentioned which I would encourage that medical schools include within their medical training information about domestic violence, how to recognize it, and protocols for treating it.

We did pass in the last Congress a measure that required the Centers for Disease Control to come up with a demonstration program to be used in some hospitals where protocols would be established for domestic violence to be able to treat it.

So, again, I thank the gentlewoman very much from one Montgomery County to another for participating in this special order.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentlewoman will yield further, I just wanted to say as a former prosecutor and assistant district attorney in my hometown, I know how important it is to have a coordinated effort. What the gentlewoman has done in her home area as well as in Congress, it is very important to bring people together, because some issues may be cyclical and only happen once and they are done.

When it comes to domestic violence, I found by working with community groups, we had a Protection From Abuse Act in Pennsylvania, but we had to school police officers in that bill. But by doing so, and working with law enforcement and with social service networks, and with individuals who are involved with positive parenting, together we can as lawmakers work with those who are out in the field and really make a difference long term.
House has voted to free funding. I guess we should be grateful that they are not cutting the funding of these programs, but they voted to freeze funding for domestic violence programs at last year’s levels, ignoring the enormous need for greater recognition of this issue.

We do not have any great Federal bureaucracy in this area, but the Federal Government’s participation is very important. Federal Government sets the tone, it sets the pace, it provides leadership and accountability, and I think that leadership is needed more than ever. Temporary shelters are just that. They are temporary. We need a more enduring, a more effective response to the crisis of family violence in order to do that.

We have to invest in programs and enact policies which will enhance the economic well-being of women. No woman should be forced to remain with an abusive partner in order to feed her kids or because she needs a roof over her head. No woman should be forced to put her physical survival in jeopardy for the sake of assuring her economic survival.

Mr. Speaker, this Congress has taken a buzzsaw to Federal programs which support the economic well-being of women and children. Job services, training services are being cut by 20 percent. Low-income housing is being slashed by 43 billion. The safety not guarantee of AFDC payments for women with children, who are unable to find work, has been stripped away. A woman who flees an abusive husband will no longer be able to count on temporary income support while she tries to get back on her feet.

Minimum wage is important for women. Congress must also invest in women’s economic well-being by increasing the minimum wage. Sixty-six percent of minimum wage workers are women. In all of these areas the Federal Government’s leadership is very much needed. The pace is set by the Federal Government, the tone is set by the Federal Government. We must not neglect our duties in this area.

Mr. Speaker, I thank the gentlewoman and congratulate her for her leadership in this critical area.

Mrs. MORELLA. Mr. Speaker, I thank Congressman Owens for the work that he has done in all kinds of human needs.

I am reminded in Beijing when Mrs. Clinton said women’s rights are human rights. Women’s lives are women’s rights. And the other issues he mentioned too in the work force do affect women also.

And Mr. Speaker, I would just remind this body that there is no excuse for domestic violence as it is a crime and it should be treated as such, and I yield back the balance of my time.

Ms. WATERS. Mr. Speaker, it is time to break the silence. Four million American women were beaten by their husbands or boyfriends last year. At least 600 of them were killed.

Domestic violence is a crime. It is the single greatest cause of injury to American women—more than burglaries, muggings, or other physical crimes combined. Forty-two percent of murdered women are killed by their husbands or boyfriends. This crime crosses racial, social, and economic lines. It affects poor, rich, and minority women. According to the National Domestic Violence Hotline, the Los Angeles County Law Enforcement received close to 73,000 domestic violence calls for assistance.

We must recognize that this problem plagues our society, often in secret. Many women—struggling to come to grips with the horror they are living—blame themselves for their abuse. Society and law enforcement officials can also make them feel at fault by not believing them or supporting them at the scene of the crime, by not prosecuting their abusers, or by blaming them for their life choices.

Battered women need help to escape a violent husband or boyfriend. Sometimes women may be too afraid, or too ashamed to seek assistance. Battered mothers may not be able to support their children on their own. They may not know where to turn.

Even those who do manage to leave abusive relationships are not guaranteed safety. While separated and divorced women represent 7 percent of the U.S. population, they account for 75 percent of all battered women, and report being battered 14 times as often as women still living with their abusers.

In Los Angeles County, where my district is located, there are 18 shelter facilities for battered women and their children. These places offer a temporary safe shelter for abused women and their families. In my county, 65 percent of women with children are living in families of battered women. Even so, four out of every five families requesting shelter have to be turned away due to lack of resources.

Violence which begins in the home breeds violence elsewhere. Children who grow up in a violent household are at high risk for alcohol and drug use, depression, low self-esteem, poor impulse control, and sexual acting out. We must work to prevent this cycle of violence. Let us open our eyes in our families and communities, and take action to combat this heinouslyCancelar proposta atroce.

Ms. JACKSON-LEE. Mr. Speaker, I rise tonight to speak about the epidemic of violence facing the women of this Nation. The FBI estimates that every 15 seconds a woman is beaten by her husband or boyfriend. In 1992, 5,373 women in the United States were murdered. Six out of every ten of these women were killed by someone they knew. Of those who knew their assailant, about half were killed by their husband, boyfriend, ex-husband or ex-boyfriend. Although most assaults on women do not result in physical injury and severe emotional distress, physical injuries are the most tangible manifestations of domestic violence, yet they are frequently not reported by women and unrecognized by the professionals who are mandated to intervene. More than one million seek medical assistance for injuries caused by battering each year. Injuries from domestic violence account for 30 percent of visits by women to emergency rooms and require 1.4 million doctor visits annually.

In addition to the visible physical injuries that women suffer from violence, they also face emotional, physical, and social consequences. Survivors of domestic violence and rape are more likely than women who have not been abused to suffer from psychological problems, including suicide attempts, major depression, posttraumatic stress disorder, dissociative disorders, alcohol and other drug abuse, and sleep and eating disorders.

Too many Americans, including some in the Congress, believe domestic violence is dismissed as a “private or family matter”, rather than a criminal offense. In some cases when women go to court are asked what they did to deserve the beating or why they just don’t get up and leave. Too often in cases of women violence, law enforcement, judges and prosecutors do not press charges, judges do not impose tough sentences and women and children at risk go unprotected.

The impact of family violence on children is often underestimated. Thirty to seventy percent of children who live in violent homes become victims of child abuse and neglect. Infants and very young children, as innocent bystanders, may receive severe blows not meant for them but which also result in injuries. Older children also get hurt in trying to intervene and protect their mother. Even when they are not physically harmed, children do domestic violence experience short-term and long-term effects on their physical and mental health. They may suffer from chronic health problems, behavioral disorders and mental illness. Some may engage in antisocial behavior and repeat the cycle of violence in their own interpersonal relationships. In addition, battered women are often unable to care adequately for their children. They may use more physical discipline and may be more likely to physically abuse their children.

The 1994 Violence Against Women Act—which combines strong law enforcement provisions with Federal funding for States and communities to assist victims of domestic abuse and sexual assaults—was an important first step but there is more that must be done. We must work to identify effective measures for reducing the threat that women and children face of being physically abused or sexually assaulted by partners, acquaintances, and strangers. We must find a way to prevent abusive behavior and injuries before they occur.

We often view violence in the home as a private or family matter. Until 1874, it was legal for husbands to physically chastise their wives, an attitude that persists today. The truth is that in 1995, batterers can get away with it, victims don’t tell and often when they do no one pays attention. There continues to be a large difference between what is permitted inside the home and outside of it. In addition, women are likely to forgive and reconcile with their abusers, even in cases of severe injury. Studies have found that 50 percent of women who flee to a shelter with their children return to their batterers. In most cases, the abuse continues. In many communities there is no incentive, such as the risk of jail, to start or complete, court-ordered treatment—if in fact, such treatment was even ordered.

A growing number of States have passed laws requiring police to follow through on their investigation of any complaint of domestic violence, even if the plaintiff subsequently asks to have the complaint withdrawn. Otherwise police often fail to follow up, and abuse victims may drop a complaint out of fear for their lives.

In 1982, Duluth, MN became the first jurisdiction to adopt a mandatory arrest policy in
domestic violence cases. Police who respond to a domestic fight must make an arrest if they have probable cause to believe abuse occurred within 4 hours. The Duluth model seeks to hold an abuser accountable at every stage of the legal process. The program, which has an 87 percent conviction rate for spousal abuse, was developed as a call to the time an abuser finishes probation.

In addition to a mandatory arrest policy—first offenders typically spend at least one night in jail—there is a “no drop” prosecution policy. All cases are prosecuted regardless of whether the woman wants to proceed. Just as in Duluth sentence men who plead guilty to misdemeanor spousal assault to 30 to 90 days in jail, which is suspended if they enter the 6-month treatment program, consisting of weekly counseling sessions. Typically men who miss three consecutive classes are arrested and jailed. This model is one which should be replicated in communities throughout the Nation. Such policies send a clear message to batters that abuse will not be tolerated.

Violence against women is a public health problem of enormous magnitude which exacts a tremendous cost on our Nation’s women and children. We cannot begin to address this problem until we all open our eyes to the magnitude of the problem. We can’t make our streets safe if we can’t make our homes safe. To do this, all must get involved. Neighbors must contact the police when they hear violent arguments, relatives should lend support to family members in need, and teachers should be aware of signs that students have witnessed violence at home. Pastors and clergy cannot pretend to “try and make it work.” Sending a woman home to a battering spouse often places a woman’s life at risk. We need to let abuse victims know that there are options available to them and their children. And we in Congress and local governments must work to ensure that these options are available. Early intervention is crucial, and it is essential if we are to reduce the epidemic of abuse in our homes and our society.

Mrs. HARMAN. Mr. Speaker, it is ironic that this month is Domestic Violence Awareness Month, and yet we have been hard to compete for news coverage to raise awareness given all of the attention the O.J. verdict and trial has received—a trial where the issue of domestic violence should have played a critical role. This month, no one can get in a word about anything besides O.J., so I suppose I’ll have to comment on the trial if I want to see my remarks in print.

Let me say that juror No. 7, Brenda Moran, was under a false impression when she implied there was no relationship between spousal abuse and murder. In 1990, 30 percent of women who were murdered were killed by husbands or boyfriends. Estimates show that one in six women in this country are, or have been, victims of domestic violence. Domestic violence knows no socio-economic, ethnic, or racial lines. Women across America are abused and killed by their partners, and we must do more to stop this.

Also occurring this month are negotiations between House and Senate conferees to the Commerce-Justice-State appropriations bill where the funding level for the Violence Against Women Act is to be decided. In 1993, the Congress passed the Violence Against Women Act, a promise to finally treat domestic violence like the crime that it is, to improve law enforcement, to make streets and homes safer for women, and to vigorously prosecute perpetrators. We promised more counseling. We promised more shelter to provide a safe haven for abused women. Yet this summer, the House of Representatives abandoned these promises. The House-passed Commerce-Justice-State Appropriations Bill has a $50 million shortfall in funds for the Violence Against Women Act. I fear this may be interpreted as a message to battered women that there are few resources for them, only empty promises. I implore the conferees to adopt the Senate Appropriations Committee’s recommendation of $175 million for the Violence Against Women Act.

The funding is critical to stopping abuse and providing counseling. Rainbow Services is a shelter in San Pedro, CA, in my district, that desperately needs the money to implement its programs to combat domestic violence. Two women the Rainbow Services shelter and tried to help, were killed in the last 6 months—women whose lives could have been saved had they had been able to stay at the shelter longer. These women came forward and tried to do the right thing, but the resources were not there to keep them away from their abusers long enough. Clearly, grants from the Violence Against Women Act translate into saving human lives.

Rainbow Services has long waiting lists for counseling and all of its other services. The number of women who come seeking help has doubled in the last 3 months since a domestic violence hotline was established in May. The increased funds from California’s VAWA grant only constitutes half of what they need in order to respond to the increased need, a program operating 24 hours a day, 7 days a week. Rainbow Services recently received a grant for a new shelter—the first shelter for battered elderly women in the area—and the Violence Against Women Act grants are critical to its operation.

I recently visited several shelters in my district and talked to women and heard their stories. I have urged the Los Angeles district attorney, Gil Garcetti, to step up the local commitment to violence against women. But until our national consciousness is raised, local efforts will be inadequately supported and financed.

October is Domestic Violence Awareness Month, but we must realize that victims of domestic violence live in fear every day of every year. The FBI estimates that a woman is battered every 5 to 15 seconds in America. Our commitment must not be limited to recognizing a special month to combat domestic violence, or simply funding programs to stop the violence. We must continue to raise this issue at the local level, the State level, and the national level. We are no longer afraid to reach out for help, until there are no women turned away at shelters because they are too full, and until domestic violence is recognized as the crime that it is.

Mr. REED. Mr. Speaker, I rise today in recognition of Domestic Violence Awareness Month. Violent attacks are the No. 1 threat to women in this country. In fact, women are at greater risk of injury from violent attacks than they are from cancer or heart attacks; or auto accidents, plane crashes, AIDS, or drowning.

Since coming to Congress, I have actively supported legislation to prevent violence against women. Unfortunately, the strides we made in the last Congress through passage of the Violence Against Women Act [VAWA] are being threatened by legislation this Congress which decreases levels of funding for essential programs.

My home State of Rhode Island is fortunate to have excellent resources for women who are victims of violence. I have had the opportunity to work with many of the people who have dedicated their lives to helping these victims, and I am well aware of the important and necessary work that they are doing. But we must continue to support these efforts. Much more remains to be done. Last year in Rhode Island more than 4,100 people asked the district and family courts for protection from abuse; 14,120 calls for help were answered on our State’s seven domestic abuse hotlines; 854 abused women and children found safety and support in Rhode Island’s six domestic violence shelters; 8,752 clients received advocacy and assistance from Rhode Island’s domestic violence shelters and advocacy programs; and at least 12 people died in Rhode Island as a result of domestic violence, more than twice the number in 1993.

These numbers clearly illustrate the need for funding VAWA programs and strong laws to curb and prevent domestic violence. I will continue to work to strengthen laws, support legislation, and ensure Federal support for programs aimed at combating violence against women. I urge my colleagues to continue to raise awareness of this issue, and to support legislation aimed at solving this national crisis.

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to insert in the Record their comments with regard to our special order on Domestic Violence Awareness Month. The SPEAKER pro tempore (Mr. BLUETE) asks, Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TAYLOR of North Carolina (at the request of Mr. ARMLEY), for today, on account of a family medical emergency.

Mr. WELDON of Pennsylvania (at the request of Mr. ARMLEY), for this week and next, on account of medical reasons.

Mr. MARTINEZ (at the request of Mr. GEPHARDT), for today, on account of personal 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 Mr. PALLONE) to revise and extend their remarks and include extraneous material:

Mrs. THURMAN, for 5 minutes, today.
ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly an enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 402. An act to amend the Alaska Native Claims Settlement Act, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences totaling money laundering and transactions in property derived from unlawful activity.

ADJOURNMENT

Mrs. MORELLA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; according (at 10 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until Wednesday, October 25, 1995, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1542. A communication from the President of the United States, transmitting his request to make available emergency appropriations totaling $125,000,000 in budget authority for the Small Business Administration (SBA), and to designate the amount made available as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104-127); to the Committee on Appropriations and ordered to be printed.

1543. A letter from the Comptroller General of the United States, transmitting a review of the President's sixth special impoundment message for fiscal year 1995, pursuant to 2 U.S.C. 685 (H. Doc. No. 104-126); to the Committee on Appropriations and ordered to be printed.

1544. A letter from the Under Secretary of Defense; transmitting a report of a violation of the Anti-Deficiency Act which occurred at the Army Reserve Personnel Center, St. Louis, MO, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1545. A letter from the Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred when the Alaska Army National Guard used Federal funds to support a State public relations function, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1546. A letter from the Chief of Legislative Affairs, Department of the Navy, transmitting notification that the Department intends to renew lease of one naval vessel to the Government of Mexico, pursuant to 10 U.S.C. 7907(b)(2); to the Committee on National Security.

1547. A letter from the Secretary of Energy, transmitting the Department's thirty-first quarterly report on the status of Exxon and stripper well oil charge backs as of June 30, 1996; to the Committee on Commerce.

1548. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending September 30, 1996, pursuant to 22 U.S.C. 2768; to the Committee on International Relations.

1549. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of transmittal No. A-96 which relates to enhancements or upgrades from the level of sensitivity of technology or capability described in section 331 of the certification 95-11 of February 24, 1995, pursuant to 22 U.S.C. 2776(b)(5); to the Committee on International Relations.

1550. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturer's license agreement for the manufacture of significant military equipment (SME) in a non-NATO country, pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

1551. A communication from the President of the United States, transmitting a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council, pursuant to Public Law 102-1, section 3 (105 Stat. 4) (H. Doc. No. 104-128); to the Committee on International Relations and ordered to be printed.

1552. 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. 112(b)(a); to the Committee on International Relations.

1553. A letter from the Secretary, Panama Canal Commission, transmitting notification that it is in the public interest to use procedures other than full and open competition to award a particular Commission contract, pursuant to 41 U.S.C. 253(c)(7); to the Committee on Government Reform and Oversight.


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:

Mrs. WALDHOLTZ: Committee on Rules.

House Resolution 241. Resolution waiving points of order against the conference report to accompany the bill (H.R. 739)(H.O.C) to the Committee on Appropriations.

Mrs. WALDHOLTZ: Committee on Rules.

House Resolution 241. Resolution waiving points of order against the conference report to accompany the bill (H.R. 739)(H.O.C) to the Committee on Appropriations.

Mrs. WALDHOLTZ: Committee on Rules.

House Resolution 241. Resolution waiving points of order against the conference report to accompany the bill (H.R. 739)(H.O.C) to the Committee on Appropriations.

Mrs. WALDHOLTZ: Committee on Rules.

House Resolution 241. Resolution waiving points of order against the conference report to accompany the bill (H.R. 739)(H.O.C) to the Committee on Appropriations.
year ending September 30, 1996, and for other purposes (Rept. 104-298). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1253. A bill to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge (Rept. 104-298). Referred to the House Calendar.

By Mr. CHABOT (for himself, Mr. OWENS, Mr. ROHRABACHER, Mr. CRANE, Mr. SCARBOROUGH, Mr. SHADEGG, and Mr. HOKE):

H.R. 2952. A bill to establish a maximum level of remediation for dry cleaning solvents, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHABOT (for himself, Mr. OWENS, Mr. ROHRABACHER, Mr. CRANE, Mr. SCARBOROUGH, Mr. SHADEGG, and Mr. HOKE):

H.R. 2628. A bill to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. CONyers, Mr. SENSKENBRENNER, Mr. MCDONALD, Mr. SMITH of Texas, Mr. SCHIFF, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BOND, Mr. BRYANT of Tennessee, Mr. CHABOT, Mr. BRYANT of Texas, and Mr. RAMSTAD):

H.R. 2525. A bill to modify the operation of the antitrust laws, and of State laws similar to the antitrust laws, with respect to charitable gift annuities; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 2526. A bill to create a Creative Revenues Commission, to facilitate the reform of the Federal tax system, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Economic and Government Reform and Oversight, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEACH:

H.R. 2520. A bill to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, to reduce paperwork and additional regulatory burdens for depository institutions, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HORN (for himself, Mr. CLINGER, Mr. PETRI, Mrs. JOHNSON of Connecticut, Mr. CHRYSLER, Mr. EHlers, Mr. FALEOMAVAEGA, Mr. FOREMAN of California, Mr. KNOLEBERGER, Mr. LEACH, Mr. ROGERS, and Mr. DAVIS):

H.R. 2521. A bill to establish a Federal Statistical Service; to the Committee on Government Reform and Oversight, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARTON of Texas:

H.R. 2629. A bill to establish a program to foster the development of biofuels, and for other purposes; to the Committee on Agriculture.

By Mr. FRANK of Massachusetts:

H.R. 2524. A bill to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. CONyers, Mr. SENSKENBRENNER, Mr. MCDONALD, Mr. SMITH of Texas, Mr. SCHIFF, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BOND, Mr. BRYANT of Tennessee, Mr. CHABOT, Mr. BRYANT of Texas, and Mr. RAMSTAD):

H.R. 2525. A bill to modify the operation of the antitrust laws, and of State laws similar to the antitrust laws, with respect to charitable gift annuities; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 2526. A bill to create a Creative Revenues Commission, to facilitate the reform of the Federal tax system, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Economic and Government Reform and Oversight, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEACH:

H.R. 2527. A bill to amend the Federal Election Campaign Act of 1971 to improve the electoral process by permitting electronic filing and preservation of Federal Election Commission records, and for other purposes; to the Committee on House Oversight.

By Mr. BRYANT of Texas:

H.R. Res. 242. Resolution providing for consideration of the bill (H.R. 2261) to provide for the regulation of lobbyists and gift reform, and for other purposes; to the Committee on Rules.

By Ms. WATERS (for herself, Mr. BERCERRA, Mr. RUSH, Ms. VALAZQUEZ, Mr. PAYNE of New Jersey, Mr. BISHOP, Mr. FORD, Mrs. MEEK of Florida, Mr. LEWIS of Georgia, Ms. EDDIE BERNICE J. JOHNSON of Texas, Mr. WATT of North Carolina, Mr. HILLIARD, Mr. THOMPSON, Mr. CLYBURN, Mr. FIELDS of Louisiana, Ms. JACKSON-LEE, Mr. McFOMB, Mr. FOREMAN of California, Ms. CLAYTON, Mr. CRAZER, Mr. JEFFERSON, Ms.乸 HASTINGS of Florida, Ms. MACK, Mr. PAUL of Mississippi, Mrs. MILLER of California, Mr. PAUL of New York, Mr. RUSH, Mr. MARTINEZ, Mr. KENNEDY of Massachusetts, Ms. MCKINNEY, Mr. TORRES, Mr. OWENS, Mr. SANDERS, Mr. FARR, Ms. FUSE, and Mr. VEGA):

H.R. Res. 243. Resolution urging the prosecution of ex-洛杉矶 Police Detective Mark Fuhrman for perjury, investigation into other possible crimes by Mr. Fuhrman, and adoption of reforms by the Los Angeles Police Department; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

176. The SPEAKER presented a memorial of the House of Representatives of the State of California, in favor of an appropriation of funds for the Great Lakes Science Center; to the Committee on Appropriations.

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. 43: Mr. VENTO.
H.R. 218: Mr. KINGSTON.
H.R. 250: Mr. MCHALE.
H.R. 253: Mr. BOEHLELT.
H.R. 259: Mr. OLVER and Mr. NORWOOD.
H.R. 294: Mr. ROSE of Kentucky.
H.R. 528: Mr. SAWYER, Ms. PELOSI, Mr. LEWIS of Georgia, Mr. OLVER, Mr. Wynn of Louisiana, Mr. BAKER of Louisiana, Mr. CUNNINGHAM, Mr. GUNDERSON, Mr. SOUDER, and Mr. HANCOCK.
H.R. 590: Mr. NEAL of Massachusetts and Mr. HOYER.
H.R. 713: Mr. ROMERO-BARCELO.
H.R. 820: Mr. LAFALCE, Mr. TURRES, Mr. DAVIS, Mr. NEY, Mr. BARTLETT of Maryland, Mr. MYERS of Indiana, Mr. HALL of Ohio, Mr. BLUTE, and Mrs. LOWEY.
H.R. 842: Mr. PAXON.
H.R. 1262: Mr. CLYBURN, Mr. TORRICELLI, and Mr. CONYERS.
H.R. 891: Mr. MFUME, Mr. JOHNSTON of Florida, and Miss COLLINS of Michigan.
H.R. 941: Mrs. MECGEE of Kansas.
H.R. 1203: Mr. DOOLEY and Mr. CHRISTENSEN.
H.R. 1302: Mr. EVANS.
H.R. 1595: Mr. SMITH of Texas and Mr. LUbBONDO.
H.R. 1625: Mr. FUNDERBURK.
H.R. 1684: Mr. HALL of Texas, Mr. DICKS, and Mr. SKEEN.
H.R. 1692: Mrs. LINCOLN, Mr. EHlers, Mr. OLVER, Mr. FOLEY, Mr. BARTLETT of Maryland, Mr. CLYBURN, Mr. HORN, Mr. WOLF, Mr. BOEHLERT, Mr. PAYNE of Virginia, and Mr. MORAN.
H.R. 1707: Mr. Matsu.
H.R. 1733: Mr. MCHALE and Mr. BONO.
H.R. 1988: Mr. GILMAN.
H.R. 1992: Mr. QUINN, Mr. VENTO, Ms. JACK-SON-Lee, Mrs. MECGEE of Kansas, and Mr. Matsu.
H.R. 2008: Mr. MCHALE.
H.R. 2034: Mr. LUTHER.
H.R. 2078: Mr. KINGSTON.
H.R. 2082: Mr. FUNDERBURK.
H.R. 2192: Mr. LEVIN.
H.R. 2216: Mr. FIELDS of Texas and Mr. MILLER of Florida.
H.R. 2292: Mrs. LOWEY, Mr. BOEHLELT, Mr. MONT, Ms. COLLINS of Michigan, and Mr. TRAFICANT.
H.R. 2245: Mr. FALEOMAVAEGA and Mr. FRAZIER.
H.R. 2257: Mr. CHRISTENSEN.
H.R. 2342: Mr. BONO.
H.R. 2469: Mr. RIGGS and Mr. CONDIT.
H.R. 2472: Mr. KING.
H.R. 2500: Mr. MURR, Ms. CLAYTON, Mr. GILMOR, Mr. ROTH, Mr. GUTKNECHT, and Mr. JACBS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2491

Offered By: Mr. ORTON

(Amendment to the Amendment Numbered 7)

Amendment No. 8: At the end insert the following new title:
CHAPTER 1—SHORT TITLE; PURPOSE

SEC. 14001. SHORT TITLE.
This title may be cited as the "Balanced Budget Enforcement Act of 1995".

SEC. 14002. PURPOSE.
The purpose of this title is to enforce a path toward a balanced budget by fiscal year 2002 and to make Federal budget process more honest and open.

CHAPTER 2—BUDGET ESTIMATES

SEC. 14031. BOARD OF ESTIMATES.
(a) ESTABLISHMENT.—There is established a Board of Estimates.
(b) DUTIES OF THE BOARD.—(1) On the dates specified in section 254, the Board shall issue a report to the President and the Congress which states whether it has chosen (with no modification)—
   (A) the sequestration preview report for the budget year submitted by OMB under section 254(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 or the report for that year submitted by CBO under that section; and
   (B) the final sequestration report for the budget year submitted by OMB under section 254(g) of the Balanced Budget and Emergency Deficit Control Act of 1985 or the report for that year submitted by CBO under that section;

SEC. 14051. BOARD OF ESTIMATES.
(a) ESTABLISHMENT.—There is established a Board of Estimates.
(b) DUTIES OF THE BOARD.—(1) On the dates specified in section 254, the Board shall issue a report to the President and the Congress which states whether it has chosen (with no modification)—
   (A) the sequestration preview report for the budget year submitted by OMB under section 254(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 or the report for that year submitted by CBO under that section; and
   (B) the final sequestration report for the budget year submitted by OMB under section 254(g) of the Balanced Budget and Emergency Deficit Control Act of 1985 or the report for that year submitted by CBO under that section;

(c) MEMBERSHIP.—
   (1) NUMBER AND APPOINTMENT.—The Board shall be composed of 5 members, the chairman of the Board of Governors of the Federal Reserve System and 4 other members to be appointed by the President as follows:
      (A) One from a list of at least 5 individuals nominated for such appointment by the Speaker of the House of Representatives.
      (B) One from a list of at least 5 individuals nominated for such appointment by the majority leader of the Senate.
      (C) One from a list of at least 5 individuals nominated for such appointment by the minority leader of the House of Representatives.
      (D) One from a list of at least 5 individuals nominated for such appointment by the minority leader of the Senate.

(b) COMMITTEE ALLOCATIONS AND ENFORCEMENT LIMITS.
   (1) A new budget authority or new budget outlay shall be reduced by an amount equal to the lesser of:
      (A) $506,700,000,000 in new budget authority and $530,023,000,000 in new budget outlays; or
      (B) $507,000,000,000 in new budget authority and $530,023,000,000 in new budget outlays.
   (2) The item relating to section 607 of the Congressional Budget Act of 1974 is repealed.
   (3) In the item relating to section 607 of the Congressional Budget Act of 1997, $4,087,000,000; for fiscal year 1997, $3,846,000,000; for fiscal year 1998, $5,639,000,000; for fiscal year 1999, $5,500,000,000; for fiscal year 2000, $6,500,000,000.
   (4) For fiscal year 1996, $2,277,000,000.
   (5) For fiscal year 1996, $4,901,000,000.
   (6) For fiscal year 1995, $5,639,000,000.
   (7) For fiscal year 2000, $6,225,000,000.
   (8) The appropriate levels of new budget authority are as follows: for fiscal year 1996, $4,087,000,000; for fiscal year 1997, $3,846,000,000; for fiscal year 1998, $5,639,000,000; for fiscal year 1999, $5,500,000,000; for fiscal year 2000, $6,500,000,000.
   (9) In the item relating to section 607 of the Congressional Budget Act of 1974, $530,023,000,000 in outlays; and
   (10) In the item relating to section 607 of the Congressional Budget Act of 1997, $506,700,000,000 in new budget authority and $530,023,000,000 in new budget outlays.

(c) FIVE-YEAR BUDGET RESOLUTIONS.
The adjustments and inserting "the following":

(1) in subsection (a), by striking "Fiscal Years 1992-1996"; and

(2) in subsection (d), by striking "each fiscal year through fiscal year 1998" each place it appears and inserting "each of the 10 succeeding fiscal years following enactment of any direct spending or receipts legislation".

(b) REPEAL OF EMERGENCIES.—Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(c) PAY-AS-YOU-GO SCORECARD.—Upon enactment of this Act, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net deficit reduction achieved through the enactment of this Act of direct spending and receipts legislation for that year.

(d) PAY-AS-YOU-GO POINT OF ORDER.—Section 311 of the Congressional Budget Act of 1974 as a separate section of the joint resolution on the budget unless that joint resolution reflects the President’s recommendations introduced pursuant to section 5(b), and the joint resolution shall be placed on the appropriate calendar.

SEC. 2402. ELIMINATION OF EMERGENCY EXCPTIONS.

(a) SEQUESTRATION.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking subparagraph (B), by striking the dash after "from", and by striking "(A)".

(b) TECHNICAL CHANGE.—Section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting "in the manner described in section 256 after "accounts" the first place it appears and by striking the remainder of the subsection.

Subtitle D—Miscellaneous

SEC. 14301. TECHNICAL CORRECTION.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled "Modification of Presidential Order", is repealed.

SEC. 14302. REPEAL OF EXPIRATION DATE.

(a) EXPIRATION.—Section 275 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by repealing subsection (b) and by redesignating subsection (c) as subsection (b).

(b) EXPARIATION.—Section 14002(c)(3) of the Omnibus Budget Reconciliation Act of 1993 (2 U.S.C. 900 note; 2 U.S.C. 665 note) is repealed.

Subtitle E—Deficit Control

SEC. 14401. DEFICIT CONTROL.

(a) DEFICIT CONTROL.—Part D of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"Part D—Deficit Control

SEC. 261. ESTABLISHMENT OF DEFICIT TARGETS.

"The deficit targets are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Deficit (in billions of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>178,853</td>
</tr>
<tr>
<td>1997</td>
<td>164,690</td>
</tr>
<tr>
<td>1998</td>
<td>133,279</td>
</tr>
<tr>
<td>1999</td>
<td>111,062</td>
</tr>
<tr>
<td>2000</td>
<td>91,621</td>
</tr>
<tr>
<td>2001</td>
<td>41,536</td>
</tr>
<tr>
<td>2002</td>
<td>0</td>
</tr>
</tbody>
</table>

The deficit target for each fiscal year after 2002 shall be zero.

SEC. 262. SPECIAL DEFICIT MESSAGE BY PRESIDENT.

(a) SPECIAL MESSAGE.—If theOMB sequestration review report submitted under section 252(b)(3) indicates that the budget year or any other year will exceed the applicable deficit target, or that the actual deficit target in the most recently completed fiscal year exceeded the deficit target, the budget submitted under section 1105(a) of title 31, United States Code, shall include a special deficit message that includes proposed legislative changes to offset the net deficit impact of the excess identified by that OMB sequestration review report for each such year through any combination of:

(1) Reductions in outlays.
(2) Increases in revenues.
(3) Increases in the deficit targets, if the President submits a written determination that, because of economic or programmatic reasons, only some or none of the excess should be offset.

(b) RESTRICTIONS FOR SPECIAL DEFICIT ACTION REQUIRED.

(a) IN GENERAL.—The requirements of this section shall be in effect for any year in which the OMB sequestration review report submitted under section 254(d) indicates that the deficit for the budget year or any other year will exceed the applicable deficit target.

(b) REQUIREMENTS FOR SPECIAL BUDGET RESOLUTION IN THE HOUSE.—The Committee on the Budget in the House shall report a separate resolution, that shall include reconciliation instructions requiring spending reductions, or changes in the deficit targets.

(c) REQUIREMENTS FOR SPECIAL BUDGET RESOLUTION IN THE SENATE.—The Committee on the Budget in the Senate shall report a separate resolution, that shall include reconciliation instructions requiring spending reductions, or changes in the deficit targets.
"(1) Reductions in outlays.

"(2) Increases in revenues.

"(3) Increases in the deficit targets, except that any increase in those targets may not be greater than the increase included in the special reconciliation message submitted by the President.

"(g) PROCEDURE IF SENATE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

"(1) AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.ÐIf, pursuant to the event that the Senate Committee on the Budget fails to report a resolution meeting the requirements of subsection (f), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President’s recommendations introduced pursuant to section 5(b), and the joint resolution shall be placed on the appropriate calendar.

"(2) CONSIDERATION BY SENATE OF DISCHARGED RESOLUTION.—Ten days after the Senate Committee on the Budget has been discharged under paragraph (1), any member may move that the Senate proceed to consider the resolution. Such motion shall be privileged and not debateable. Consideration of such resolution shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (h).

"(h) CONSIDERATION BY SENATE.—(1) It shall not be in order in the Senate to consider a joint resolution on the budget unless that joint resolution fully addresses the entirety of any excess of the deficit targets as identified in the OMB sequestration report submitted under section 254(d) through reconciliation instructions requiring deficit reductions, or changes in the deficit targets.

"(2) If the joint resolution on the budget proposes to eliminate or offset less than the entire overage of a budget year, the Senate Committee on the Budget shall report a resolution increasing the deficit target by the full amount of the overage not eliminated. It shall not be in order to consider any joint resolution on the budget that does not offset the entire amount of the overage until the Senate has agreed to the resolution directing the increase in the deficit targets.

"(i) CONFERENCE REPORTS MUST FULLY ADDRESS DEFICIT EXCESS.—It shall not be in order in the House of Representatives or the Senate conference reports which fail to fully address the deficit excess. Conference reports shall be considered for a joint resolution on the budget unless that conference report fully addresses the entirety of any excess identified by the OMB sequestration report submitted under section 254(d) through reconciliation instructions requiring deficit reductions, or changes in the deficit targets.

"(j) SEQUESTRATION BASED ON BUDGET-YEAR SHORTFALL.—The amount to be sequestered for the budget year is the amount (if any) by which the total deficit exceeds the cap for the budget year under section 263 or the amount that the actual deficit in the preceding fiscal year exceeded the applicable deficit target.

"(k) SEQUESTRATION.—Within 15 days after Congress adjourns to end a session and on May 15, there shall be a sequestration to reduce the amount of deficit in the current fiscal year in the current policy baseline and to repay any deficit excess in the most recently completed fiscal year by the amounts specified in subsection (b). The amount required to be sequestered shall be achieved by reducing each spending account (or activity within an account) by the uniform percentage necessary to achieve that amount.

"(l) CONFIRMING CHANGES.—(1) The table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1990 by striking the items relating to part D and inserting the following:

"Sec. 261. Establishment of deficit targets.

Sec. 262. Special deficit message by president.

Sec. 263. Congressional action required.

Sec. 264. Comprehensive sequestration.

(2) Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting “or in part D” after “As used in this part for any budget year is as follows:

"(m) ESTIMATING ASSUMPTIONS, REPORTS, AND ORDERS.—Sections 254, 255, and 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

"(n) TIMETABLE.—The timetable with respect to this part for any budget year is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action to be completed</th>
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<tbody>
<tr>
<td>May 1</td>
<td>President's budget submission</td>
</tr>
<tr>
<td>5 days later</td>
<td>Board selects midsession sequestration report</td>
</tr>
<tr>
<td>May 15</td>
<td>President’s midsession sequestration report; President issues sequestration order.</td>
</tr>
<tr>
<td>August 29</td>
<td>Board selects final sequestration report; President issues sequestration order.</td>
</tr>
</tbody>
</table>

Within 10 days after each session.

(2) SUBMISSION AND AVAILABILITY OF REPORTS.—Each report required by this section shall be submitted, in the case of CBO, to the House of Representatives, the Senate, OMB, and the Board and, in the case of OMB, to the House of Representatives, the Senate, the President, and the Board on the day it is issued. On the following day a notice of the report shall be printed in the Federal Register.

(3) EXCHANGE OF PRELIMINARY CURRENT POLICY BASELINES.—On December 15 or 3 weeks after Congress adjourns to end a session, whichever is later, OMB and CBO shall exchange their preliminary current policy baselines for the budget-year session starting in January.

(4) SEQUESTRATION PREVIEW REPORTS.—

(1) REPORTING REQUIREMENT.—On December 31 or 2 weeks after exchanging preliminary current policy baselines, whichever is later, OMB and CBO shall each submit a sequestration preview report.

(2) CONTENTS.—Each preview report shall set forth the following:

(A) Major estimating assumptions. The major estimating assumptions for the current year, the budget year, and the outyears, and an explanation of them.

(B) Current policy baseline. A detailed display of the current policy baseline for the current year, the budget year, and the outyears, with an explanation of changes in the baseline since it was last issued that includes the effect of policy decisions made during the intervening period and an explanation of any changes in the baseline since it was last issued that includes the effect of policy decisions made during the intervening period and an explanation of any changes in the baseline since it was last issued.

(5) DEFICIT SEQUESTRATION.—Estimates of the uniform percentage and the amount of comprehensive sequestration of spending programs that will be necessary under section 264.

(6) AMOUNT OF CHANGE IN DEFICIT PROJECTIONS.—Amounts that deficit projections for the current year and the budget year have changed as a result of changes in economic and technical assumptions occurring after the enactment of the Omnibus Budget Reconciliation Act of 1995.

(7) SELECTION OF OFFICIAL SEQUESTRATION PREVIEW REPORT.—On January 15 or 2 weeks after receiving the OMB and CBO sequestration preview reports, whichever is later, the Board shall select either the OMB or CBO sequestration preview report as the official preview report. If the Board selects OMB’s report, it shall add to the chosen report an analysis of which reports submitted in previous years have proven to be more accurate and recommendations about methods of improving the accuracy of future reports. That report shall be set forth, without change, in the budget submitted by the President under section 251(a) (Sec. 14402. SEQUESTRATION PROCESS.

(a) ESTIMATING ASSUMPTIONS, REPORTS, AND ORDERS.—Sections 254, 255, and 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

(b) TIMETABLE.—The timetable with respect to this part for any budget year is as follows:

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Within 10 days after each session.

(c) SUBMISSION AND AVAILABILITY OF REPORTS.—Each report required by this section shall be submitted, in the case of CBO, to the House of Representatives, the Senate, OMB, and the Board and, in the case of OMB, to the House of Representatives, the Senate, the President, and the Board on the day it is issued. On the following day a notice of the report shall be printed in the Federal Register.

(d) REPORTING REQUIREMENT.—On December 31 or 2 weeks after exchanging preliminary current policy baselines, whichever is later, OMB and CBO shall each submit a sequestration preview report.

(e) CONTENTS.—Each preview report shall set forth the following:

(A) Major estimating assumptions. The major estimating assumptions for the current year, the budget year, and the outyears, and an explanation of them.

(B)Current policy baseline. A detailed display of the current policy baseline for the current year, the budget year, and the outyears, with an explanation of changes in the baseline since it was last issued that includes the effect of policy decisions made during the intervening period and an explanation of any changes in the baseline since it was last issued.

(f) SEQUESTRATION PREVIEW REPORT. On January 15 or 2 weeks after receiving the OMB and CBO sequestration preview reports, whichever is later, the Board shall select either the OMB or CBO sequestration preview report as the official preview report. If the Board selects OMB’s report, it shall add to the chosen report an analysis of which reports submitted in previous years have proven to be more accurate and recommendations about methods of improving the accuracy of future reports. That report shall be set forth, without change, in the budget submitted by the President under section 251(a) (Sec. 14402. SEQUESTRATION PROCESS.

(g) SELECTION OF OFFICIAL SEQUESTRATION PREVIEW REPORT.—On January 15 or 2 weeks after receiving the OMB and CBO sequestration preview reports, whichever is later, the Board shall select either the OMB or CBO sequestration preview report as the official preview report. If the Board selects OMB’s report, it shall add to the chosen report an analysis of which reports submitted in previous years have proven to be more accurate and recommendations about methods of improving the accuracy of future reports. That report shall be set forth, without change, in the budget submitted by the President under section 251(a) (Sec. 14402. SEQUESTRATION PROCESS.

(h) CONFORMING CHANGES.—(1) The table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1990 by striking the items relating to part D and inserting the following:

"Sec. 261. Establishment of deficit targets.

Sec. 262. Special deficit message by president.

Sec. 263. Congressional action required.

Sec. 264. Comprehensive sequestration.”
the report and shall set forth all the information and estimates required of a sequestration preview report required by subsections (c)(3) of section 107 as though that amount had been enacted in the next session of Congress.
(B) A budget-year sequestration takes effect after the 1st day of the budget year, and
(C) that delay reduces the amount of entitlement authority that is subject to sequestration in the following year.

The uniform percentage otherwise applicable to the sequestration of that program in the budget year shall be increased as necessary to achieve the same budget-year outlay reduction in that program as would have been achieved had there been no delay.

(3) If the uniform percentage otherwise applicable to the budget-year sequestration of a program is increased under paragraph (2), then it shall revert to the uniform percentage calculated under paragraph (1) when the program is subsequently canceled or repealed.

(4) Programs, Projects, or Activities.—Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage or percentages.

(5) Cancellation of Budgetary Resources Sequestered From Any Account Other Than an Entitlement Trust, Special, or Revolving Fund Account shall Revert to the Treasury and be Permanently Canceled.

(6) Indexed Benefit Payments.—If, under any entitlement program:

(A) benefit payments are made to persons or governments more frequently than once a year, and

(B) the amount of entitlement authority is periodically adjusted under existing law to reflect change in average per unit index, then for the first fiscal year to which a sequestration order applies, the benefit reductions in that program accomplished by the order shall take effect starting with the payment made at the beginning of January or 7 weeks after the order is issued, whichever is later. For the purposes of this subsection, Veterans Compensation shall be considered a program that meets the conditions of the preceding sentence.

(7) Programs, Projects, or Activities.—Except as otherwise provided, the same percentage shall apply to programs, projects, and activities within a budget account (with programs, projects, and activities in the same account or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

(8) Implementing Regulations.—Administrative regulations or similar actions implementing the sequestration of a program or activity shall be made within 120 days of the effective date of the sequestration of that program or activity.

(9) Commodity Credit Corporation.—To the extent that distribution or allocation formulas differ at different levels of budgetary resources within an account, program, project, or activity, a sequestration shall be interpreted as producing a lower total appropriation, with that lower appropriation being obligated as though it had been the pre-sequestration appropriation and no sequestration had occurred.

(10) Contingent Fees.—In any account for which fees charged to the public are legally determined as payment in lieu of direct or indirect governmental services, fees shall be charged on the basis of the presupposition level of appropriations.

(11) Non-JOBs Portion of AFCDC.—Any sequestration order shall fulfill the amount of any required reduction in payments for the non-jobs portion of the aid to families with dependant children program under the Social Security Act by reducing the Federal reimbursement percentage (for the fiscal year involved) by multiplying that percentage by the applicable percentage, or the social security act, as applicable, by the percentage of net realized losses.

(12) Shrinkage of Federal Personnel.—For purposes of this Act the percentage of military personnel that may not be allotted an amount under this subparagraph that results in a total reduction in outlays under the milk price-support program, that have been achieved by reducing payments made for the purchase of milk or the products of milk under this subsection during that fiscal year.

(13) Effect of Delay.—For purposes of subsection (b)(1), the sequesterable base for the Commodity Credit Corporation is the average level of obligations resulting from new budget authority that is subject to reduction under paragraphs (1) and (2), and subsection (b)(2) shall not apply.

(14) Certain Authority Not to Be Limited.—Nothing in this Act shall restrict the Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, or limit or reduce in any way any appropriation that provides the Corporation with funds to cover its net realized losses.

(15) Extended Unemployment Compensation.—(1) A State may reduce each weekly benefit payment made under the State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under any sequestration order by a percentage not to exceed the percentage by which the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

(16) Federal Employees Health Benefits Fund.—For the Federal Employees Health Benefits Fund, a sequestration order shall take effect with the next open season. The sequestration shall be accomplished by annual payments from that Fund to the General Fund of the Treasury. Those annual payments shall be financed solely by charging higher premiums. For purposes of subsection (b)(1), the sequesterable base for the Fund is the budget-year level of gross outlays resulting from new budget authority, and the sequestration order takes effect, and subsection (b)(2) shall not apply.

(17) Federal Housing Finance Board.—Any sequestration of the Federal Housing Finance Board shall be accomplished by annual payments (by the end of each fiscal year) from that Board to the general fund of the Treasury, in amounts equal to the uniform percentage of the gross obligations of the Board in that year.

(18) Federal Pay.—(1) In General.—Except as provided in section 108(b)(2) of the Budget Authority to Pay Federal Personnel from Direct Spending Accounts shall be reduced by the uniform percentage calculated under section 264, as applicable, in any account, result in a Federal pay reduction or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as defined in section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of pay to which any individual is entitled under title 37, United States Code, or any increase in rates of pay.
which is scheduled to take effect under section 5303 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law.

(ii) DEFINITIONS.—For purposes of this subsection:

(A) the term ‘statutory pay system’ shall have the meaning given that term in section 5303(d) of the United States Code;

(B) the term ‘elements of military pay’ means—

(i) the basic elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code;

(ii) allowances provided members of the uniformed services under sections 430a and 435 of such title;

(iii) midshipman pay under section 203(c) of such title.

(C) Federal medical care for uniformed services shall have the meaning given that term in section 1013 of title 37, United States Code.

(i) GUARANTEED STUDENT LOANS.—(A) For all student loans under part B of title IV of the Higher Education Act of 1965 made on or after the date of a sequestration, the origination fees shall be increased by a uniform percentage, notwithstanding any other provision of law.

(B) The origination fees to which paragraph (A) applies are those specified in sections 422h(1) and 438(c) of that Act.

(m) INSURANCE PROGRAMS.—Any sequestration in a Federal program that sells insurance contracts to the public (including policies of the Federal Crop Insurance Fund, the National Insurance Development Fund, the National Flood Insurance Fund, insurance activities of the Federal Housing Administration, the Federal Housing Administration, and Veterans’ life insurance programs) shall be accomplished by annual payments from the insurance fund or account to the general fund of the Treasury. The amount of each annual payment by each such fund or account shall be the amount re- ceived by the fund or account by increasing premiums on contracts entered into after the date a sequestration order takes effect by the uniform sequestration percentage, and premiums shall be increased accordingly.

(ii) the base estimate of the uniformed services spending by States shall be the base estimate from which the uniform percentage is applied; and

(iii) such base estimate, applied across-the-board by State, shall be made. Succeeding Federal payments to States shall reflect that reduction. The Health Care Financing Administration shall reconcile actual Medicaid spending for the fiscal year of the sequestration reduction, any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in install- ments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume that the Postal Service Fund shall be accomplished by annual payments from that fund to the Treasury, and the Postmaster General of the United States shall the duty to make those payments during the fiscal year during which the sequestration order applies and each suc-ceeding fiscal year. The amount of each annual payment shall be—

(1) the uniform sequestration percentage, times—

(ii) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appro- priation act in that year. Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in install- ments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume that the Postal Service Fund shall be accomplished by annual payments from that fund to the Treasury, and the Postmaster General of the United States shall the duty to make those payments during the fiscal year during which the sequestration order applies and each suc-ceeding fiscal year. The amount of each annual payment shall be—

(1) the uniform sequestration percentage, times—

(ii) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appro- priation act in that year. Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in install- ments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume that the Postal Service Fund shall be accomplished by annual payments from that fund to the Treasury, and the Postmaster General of the United States shall the duty to make those payments during the fiscal year during which the sequestration order applies and each suc-ceeding fiscal year. The amount of each annual payment shall be—

(1) the uniform sequestration percentage, times—

(ii) the estimated gross obligations of the Postal Service Fund in that year.
(b) DEFICIT REDUCTION.—In each special message, the President may also propose to reduce the appropriate discretionary spending limit set forth in section 601(a)(2) of the Act, to the amount that does not exceed the total amount of discretionary budget authority rescinded by that message.

(c) PRESIDENTIAL SPECIAL MESSAGES.—The President shall submit a separate special message under this section for each appropriation Act and for this reconciliation Act.

(d) Special Message submitted by the President under this section may change any prohibition or limitation of discretionary budget authority set forth in any appropriation Act.

(e) Special Rule for Previously Enacted Appropriation Acts.—Notwithstanding subsection (a)(2), in the case of any unobligated discretionary budget authority provided by any appropriation Act for fiscal year 1996 that is enacted before the date of the enactment of this Act, the President may rescind all or part of that discretionary budget authority under the terms of this subtitle if the President notifies the Congress of such rescission by a special message, not later than 10 calendar days (not including Sundays) after the date of the enactment of this Act.

SEC. 14502. LING ITM VETO EFFECTIVE UNLESS DISAPPROVED.

(a) IN GENERAL.—

(1) Any amount of budget authority rescinded under this subtitle as set forth in a special message by the President shall be deemed canceled unless, during the period described in subsection (b), a rescission/receipts disapproval bill making available all of the amount rescinded is enacted into law.

(2) Any provision of law vetoed under this subtitle as set forth in a special message by the President shall be deemed repealed unless, during the period described in subsection (b), a rescission/receipts disapproval bill restoring that provision is enacted into law.

(b) CONGRESSIONAL REVIEW PERIOD.—The period referred to in subsection (a) is—

(1) a congressional review period of 20 calendar days of session, beginning on the first calendar day of session after the date of submission of the special message, during which Congress must complete action on the rescis-sion/receipts disapproval bill and present such bill to the President for approval or disapproval;

(2) after the period provided in paragraph (1), an additional 10 days (not including Sundays) during which the President may exercise his authority to sign or veto the rescis-sion/receipts disapproval bill; and

(3) if the President vetoes the rescission/receipts disapproval bill during the period provided in paragraph (2), an additional 5 calendar days of session after the date of the veto.

(c) SPECIAL RULE.—If a special message is transmitted by the President under this subtitle and the last session of the Congress adjourns before the expiration of the period described in subsection (b), the rescission or veto, as the case may be, shall not take effect. The message shall be deemed to have terminated on the first day set in February of the succeeding Congress and the review period referred to in subsection (b) (with respect to such message) shall run beginning on the first day set last year.

SEC. 14503. DEFINITIONS.

As used in this subtitle:

(1) the term "rescission/receipts disapproval bill" means a bill which only disapproves rescissions of discretionary budget authority or only approves vetoes of targeted tax benefits in a special message transmitted by the President under this subtitle and—

(A)(i) in the case of a special message regarding rescissions, the matter after the en-dorsement clause of which is as follows: "That the President disapproves each rescision of discretionary budget authority of the President submitted to Congress as provided in this special message which is filled in with the appropriate date and the public law to which the message relates; and

(ii) in the case of a special message regarding targeted tax benefits, the blank space being filled in with the appropriate date and the public law to which the message relates; and

(B) the title of which is as follows: "A bill to disapprove the recommendations submitted by the President on . . . . , the blank space being filled in with the appropriate date and the public law to which the message relates.

(2) The term "calendar days of session" means only those days on which both Houses of Congress are in session.

(3) The term "targeted tax benefit" means any provision of this reconciliation Act determined by the President to provide a Federal tax deduction, credit, exclusion, preference, or other concession to 100 or fewer individuals, partnerships, limited partnerships, limited partnerships, trusts, or S corporations, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities.

(4) The term "appropriation Act" means any general or special appropriation Act for fiscal year 1996, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations for fiscal year 1996.

SEC. 14504. CONGRESSIONAL CONSIDERATION OF LINE ITEM VEToes.

(a) PRESIDENTIAL SPECIAL MESSAGE.—Whenever the President rescinds any budget authority as provided in this subtitle or vetoes any provision of law as provided in this subtitle, the President shall transmit to both Houses of Congress a special message specifying—

(1) the amount of budget authority rescinded or targeted tax benefit vetoed under this subtitle;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental function involved;

(3) the reasons and justifications for the determination to rescind budget authority or veto any provision of law as provided in this subtitle;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission or veto, and

(5) all action on or considerations relating to or bearing upon the rescission or veto and the decision to effect the rescission or veto, to the maximum extent practicable, the estimated effect of the rescission upon the objects, purposes, and programs for which the budget authority is provided.

(b) TRANSMISSION OF MESSAGES TO HOUSE AND SENATE.—

(1) Each special message transmitted under this subtitle shall be transmitted to the House and to the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committees of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(2) Any special message transmitted under this subtitle relating to the first bill introduced in the House of Representatives shall be delivered to the first issue of the Federal Register published after such transmittal.

(c) INTRODUCTION OF RESCISsion/RECEIPTs DISAPPROVAL BILLS.—The procedures set forth in subsection (d) shall apply to any rescission/receipts disapproval bill introduced in the House of Representatives not later than the third calendar day of session following on the day after the date of submission of a special message by the President under this subtitle.

(d) Consideration in the House of Representatives.—

(1) The committee of the House of Represen-tatives to which a rescission/receipts disapproval bill is referred shall report it without amendment, and with or without recommendation, not later than the eighth calendar day of session after the date of its introduction. If the committee fails to report the bill within that period, it is in order to move that the House discharge the committee from further consideration of the bill. A motion to discharge may be made only by an amendment favorably reported under the legislative day on which a Member announces to the House the Member's intention to so vote. If that privilege is not privileged. Debate thereon shall be limited to not more than one hour, the time to be divided in the House equally between a proponent and an opponent. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(2) After a rescission/receipts disapproval bill is reported or the committee has been discharged from further consideration, it is in order to move that the House resolve into the Committee of the Whole House on the State of the Union for consideration of the bill. All points of order against the bill and against consideration of the bill are waived. The motion is highly privileged. The previous question shall be considered as ordered on its adoption to its further consideration without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. The bill, after its adoption, shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(3) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives to the procedure relating to a bill described in this subsection (a) shall be decided without debate.

(4) It shall not be in order to consider more than one bill described in subsection (c) or (d) in the House on the day on which a bill described in paragraph (1) with respect to a particular special message.
(5) Consideration of any rescission/receipts disapproval bill under this subsection is governed by the rules of the House of Representatives except to the extent specifically provided by this subsection.

(e) CONSIDERATION IN THE SENATE.—

(1) Any rescission/receipts disapproval bill received in the Senate from the House shall be considered in the Senate pursuant to the provisions of this subsection.

(2) Debate in the Senate on any rescission/receipts disapproval bill and debatable motions or appeals in connection therewith shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees.

(3) Debate in the Senate on any debatable motions or appeal in connection with such bill shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of the bill or resolution until any provision is offered by any Senator during the consideration of any debatable motion or appeal.

(4) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with amendments) shall be decided by a recorded vote. A motion to report a committee substitute shall be decided by a majority vote of the members duly chosen and sworn.

SEC. 14505. REPORT OF THE GENERAL ACCOUNTING OFFICE.

On January 6, 1997, the Comptroller General shall submit a report to each House of Congress which provides the following information:

(1) A list of each proposed Presidential rescission of discretionary budget authority and vetoed target tax benefits submitted through special messages for fiscal year 1996, together with their dollar value, and an indication of whether each rescission of discretionary budget authority or veto of a targeted tax benefit was accepted or rejected by Congress.

(2) The total number of proposed Presidential rescissions of discretionary budget authority and vetoed target tax benefits submitted through special messages for fiscal year 1996, together with their dollar value.

(3) The total number of Presidential rescissions of discretionary budget authority and vetoed target tax benefits submitted through special messages for fiscal year 1996, together with their total dollar value.

(4) A list of rescissions of discretionary budget authority initiated by Congress for fiscal year 1996, together with their dollar value, and an indication of whether each such rescission was accepted or rejected by Congress.

(5) The total number of rescissions of discretionary budget authority initiated and accepted by Congress for fiscal year 1996, together with their total dollar value.

SEC. 14506. JUDICIAL REVIEW.

SEC. 14601. POINTS OF ORDER IN THE SENATE.

(a) WAIVER.—The second sentence of section 904(c) of the Congressional Budget Act of 1974 is amended by inserting "(303a), after "302f", by inserting "(311c), after "311a", by inserting "606b), after "606b", and by inserting "253d, 253h, 253l", before "258a(4)(C)."

(b) APPEALS.—The third sentence of section 910(c) of the Congressional Budget Act of 1974 is amended by inserting "(303a), after "302f", by inserting "(311c), after "311a", by inserting "606b), after "606b", after "606b", and by inserting "253d, 253h, 253l", before "258a(4)(C)."

SEC. 14602. POINTS OF ORDER IN THE HOUSE OF REPRESENTATIVES.

Section 904 of the Congressional Budget Act of 1974 is amended by inserting "(303a), after "302f", by inserting "(311c), after "311a", by inserting "606b), after "606b", after "606b", and by inserting "253d, 253h, 253l", before "258a(4)(C)."

DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION BILLS.

SEC. 14701. DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION MEASURES.

(a) DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION MEASURES.

SEC. 1331. (a) Any appropriation bill that is being marked up by the Committee on Appropriations (or a subcommittee thereof) of either House of Congress provides a line item entitled ‘Deficit Reduction Lock-box’. The Appropriations Committee on Appropriations of either House reports an appropriation bill, that bill shall contain a line item entitled ‘Deficit Reduction Lock-box’ comprised of the following:

(1) Only in the case of any general appropriation bill containing the appropriations for the Executive Office of the President and Post Office, the provision making continuing appropriations (if applicable), an amount equal to the amounts by which the discretionary spending limit for new budget authority and outlays set forth in the most recent OMB sequestration preview report pursuant to section 601(a)(2) exceed the section 602(a) allocation for the fiscal year covered by that bill.

(2) Only in the case of any general appropriation bill (or resolution making continuing appropriations, if applicable), an amount equal to the amount by which the appropriation for the fiscal year for new budget authority exceeds the amount of new budget authority provided by that bill (as reduced by the amount each year less than the sum of reductions in budget authority resulting from adoption of amendments in either bill which were designated for deficit reduction.

(3) Only in the case of any bill making supplemental appropriations following enactment of a bill providing that fiscal year’s appropriation bill for the fiscal year, an amount not to exceed the amount by which the section 602(a) allocation of new budget authority exceeds the sum of all new budget authority provided by appropriation bills enacted for that fiscal year plus that supplemental appropriation bill as reported by that committee.

(c) It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution that restricts the offering of amendments to any appropriation bill adjusting the level of budget authority contained in a Deficit Reduction Account.

(4) Whenever a Member of either House of Congress offers an amendment (whether in a subcommittee, committee, or on the floor) that revises the appropriation by the amount by which that reduction shall be placed in the deficit reduction lock-box unless that Member indicates that it is to be utilized for another purpose. An amendment that reduces the amount of new budget authority by appropriation bills enacted for that fiscal year plus that supplemental appropriation bill as reported by that committee.

(d) It shall not be in order for any amendment pursuant to this subsection to be offered on any amendment to an appropriation bill to increase the amount of new budget authority provided by that bill.

(e) It shall not be in order for any amendment to an appropriation bill to increase the amount of new budget authority provided by that bill.

(f) It shall not be in order to offer an amendment increasing the Deficit Reduction Lock-box Account unless that amendment increases rescissions or reduces appropriated amounts by an amount equal to or greater than the amount by which the appropriation for the fiscal year for new budget authority exceeds the amount of new budget authority provided by that bill.
“(g) It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution which waives subsection (c).”

(b) FORMING ADJUSTMENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 313 the following new item:

“Sec. 314. Deficit reduction lock-box provisions of appropriation measures.”

SEC. 14702. DOWNWARD ADJUSTMENTS.

(a) DOWNWARD ADJUSTMENTS.—The discretionary spending limit for new budget authority for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amount of budget authority transferred to the Deficit Reduction Lockbox for that fiscal year section 314 of the Budget Control and Impoundment Control Act of 1974. The adjusted discretionary spending limit for outlays for that fiscal year and each outlay as set forth in such section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides for an appropriate adjustment for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.”

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 314 the following new section:

“Sec. 408. Point of order regarding emergencies.”

(2) CONTENTS OF JOINT RESOLUTIONS ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (8) and by inserting after paragraph (5) the following new paragraph:

“(6) total new budget authority and total budget outlays for emergency funding requirements for natural disasters and national security emergencies to be included in a budget reserve account.”

(b) SECTION 620 ALLOCATIONS.—(1) Section 620 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(f) Committee Spending Allocations and Suballocations for Budget Reserve Account.—

(1) ALLOCATIONS.—The joint explanatory statement of conference report on a budget resolution shall allocate amounts for natural disasters and national security emergencies to be included in a budget reserve account.

(2) SUBALLOCATIONS.—As soon as practicable after a budget resolution is agreed to, the Committee on Appropriations of each House shall allocate amounts for natural disasters and national security emergencies to be included in a budget reserve account.

(3) THE BASELINE.

(a) The second sentence of section 1105(a)(18) of title 31, United States Code, is amended by adding at the end the following new paragraph:

“(30) a comparison of levels of estimated expenditures and proposed appropriations for the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.”

(b) Section 1105(a)(18) of title 31, United States Code, is amended by inserting “new budget authority” for the purpose “budget outlays.”

(b) CONFORMING AMENDMENT.ÐThe table of amendments set forth in section 601(a)(2) of the Congressional Budget Act of 1974 is amended by inserting after the amendment provided for by paragraph (a) the following new item:

“New Item: SEC. 14853. THE CONGRESSIONAL BUDGET PROCESS.

(a) CONTENTS OF JOINT RESOLUTIONS ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (8) and by inserting after paragraph (5) the following new paragraph:

“(6) total new budget authority and total budget outlays for emergency funding requirements for natural disasters and national security emergencies to be included in a budget reserve account;”

(b) SECTION 620 ALLOCATIONS.—(1) Section 620 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(f) Committee Spending Allocations and Suballocations for Budget Reserve Account.—

(1) ALLOCATIONS.—The joint explanatory statement of conference report on a budget resolution shall allocate amounts for natural disasters and national security emergencies to be included in a budget reserve account.

(2) SUBALLOCATIONS.—As soon as practicable after a budget resolution is agreed to, the Committee on Appropriations of each House shall allocate amounts for natural disasters and national security emergencies to be included in a budget reserve account.

(3) THE BASELINE.

(a) The second sentence of section 1105(a)(18) of title 31, United States Code, is amended by adding at the end the following new paragraph:

“(30) a comparison of levels of estimated expenditures and proposed appropriations for the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.”

(b) Section 1105(a)(18) of title 31, United States Code, is amended by inserting “new budget authority” for the purpose “budget outlays.”

(b) CONFORMING AMENDMENT.ÐThe table of amendments set forth in section 601(a)(2) of the Congressional Budget Act of 1974 is amended by inserting after the amendment provided for by paragraph (a) the following new item:
on which, the committee determined each of the matters set forth in the joint resolution:"

SEC. 14854. CONGRESSIONAL BUDGET OFFICE REPORTS TO COMMITTEES.

(a) The first sentence of section 202(f)(1) of the Congressional Budget Act of 1974 is amended to read as follows: "On or before February 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report for the fiscal year commencing on October 1 of that year with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits) compared to comparable levels for the current year and (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year."

(b) Section 202(f)(1) of the Congressional Budget Act of 1974 is amended by inserting after the first sentence the following new sentence: "That report shall also include a table on sources of spending growth in total mandatory spending in the budget for the current fiscal year and the ensuing 4 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the level of budgetary resources; increases in medical care prices, utilization and intensity of medical care; and residual factors."

(c) Section 308(a)(1) of the Congressional Budget Act of 1974 is amended—

(1) in subparagraph (C), by inserting "and" after "if timely submitted"; and

(2) by striking "and" at the end of subparagraph (C), by striking the period and inserting "(a)''; and by adding at the end the following new subparagraph:

"(E) comparing the levels in existing programs in such measure to the estimated levels for the current fiscal year."

(d) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"GAO REPORTS TO BUDGET COMMITTEES

(a) "Sec. 308. On or before January 15 of each year, the Comptroller General, after consultation with appropriate committees of the House of Representatives and Senate, shall submit to the Committee a report listing all programs, projects, and activities that fall within the definition of direct spending under section 250(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985.""

(b) CONFORMING AMENDMENT.—The first sentence of section 105(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

"Sec. 408. GAO reports to budget committees."

CHAPTER 3—RESTRICTED USES OF CONTINUING RESOLUTIONS

SEC. 14871. RESTRICTIONS RESPECTING CONTINUING RESOLUTIONS.

(a) Rule XXI of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

"(9) Any item of appropriation set forth in any joint resolution continuing appropriations, or amendment thereto, shall not exceed the rate it would have been at assuming the continuance of law that has the effect of requiring appropriation of money for the purpose set forth in such resolution or amendment, and all legislation increasing (or decreasing) the amount of budget authority estimated to be needed to fund entitlement provisions under existing or proposed law, and all legislation increasing (or decreasing) the amount of entitlement authority under existing law shall be considered to provide (or decrease) new budget authority in that amount., and by redesignating the next subparagraph accordingly.

"(c) DEFINITION OF ENTITLEMENT AUTHORITY.—Paragraph (9) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "entitlement authority" and inserting "budget authority.""

SEC. 14901. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPoundment CONTROL ACT OF 1974.

(a) DEFINITION OF BUDGET AUTHORITY.—Paragraph (2) of section 3 of the Congressional Budget and Impoundment Control Act of 1974, the second time it appears, is amended by inserting after "by interpreting the "promissory notes"", by inserting at the end of subparagraph (A) the following new sentence: "Such term excludes transactions classified as "mandated", and by inserting "With respect to" and all that follows through "retirement account, any" and inserting "Any", by inserting after subparagraph (B) the following:

"(1) In subparagraph (A), by striking "entitlement program" and all that follows; (2) in subparagraph (B), by striking the period and inserting "new credit authority for a fiscal year; or"; and (3) in subparagraph (C), by striking "new credit authority for a fiscal year; or"."

(b) COMMITTEE ALLOCATIONS AND SUBALLOCATIONS.—Section 602(a)(3)(B) of the Congressional Budget Act of 1974 is amended by inserting "before" after "budget authority" in the second sentence.

"COMMITTEE ALLOCATIONS

"SEC. 302. (a) REPORTS BY COMMITTEES.—As soon as practicable after a joint resolution on the budget is enacted—

"(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, report a bill or resolution;

"(A) subdividing among its subcommittees (a) the allocation of budget outlays, (b) new budget authority, and (c) new credit authority allocatable to existing authorities; and

"(B) further subdivide the amount with respect to each such subcommittee between controllable amounts and all other amounts; and

"(2) every other committee of the House and Senate to which an allocation was made in such joint budget resolution shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made—

"(A) subdividing such allocation among its subcommittees or programs over which it has jurisdiction; and

"(B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection.

"(b) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

"(1) new budget authority for a fiscal year; or

"(2) new spending authority as described in section 401(c)(2) for a fiscal year; or

"(3) new credit authority for a fiscal year; or

"(4) in the jurisdictional committee which has received an appropriate allocation of such authority pursuant to section 303(a) or (b) for such fiscal year, unless and until such committee makes the allocation of subdivisions required by subsection (a), in connection with the most recently enacted joint resolution on the budget for such fiscal year; and

"(5) NEW BUDGET AUTHORITY.

"SEC. 302. (c) SUBSEQUENT JOINT RESOLUTIONS.—In the case of a joint resolution on the budget referred to in section 304, the subdivisions required by subsection (a) are only to the extent necessary to take into account revisions made in the most recently enacted joint resolution on the budget.

"SEC. 303. (a) ALLOCATIONS.—At any time after a committee reports the subdivision required to be made under subsection..."
(a), such committee may report to its House an alteration of such subdivision. Any alteration of such subdivision must be consistent with any actions already taken by its House on legislation within the committee’s jurisdiction.

"(e) Legislation Subject to Point of Order.—After enactment of a joint resolution on a bill, amendment to a bill, or any conference report on such bill or joint resolution, no more than 30 calendar days shall elapse before the joint resolution on a bill, amendment to a bill, or any conference report on such bill or joint resolution, is considered in the House or Senate, as the case may be.

"(f) Determinations by Budget Committee.—For purposes of this section, the levels of authority specified by section 313 of the Rules of the House of Representatives is amended by striking "or section 602 (in the case of fiscal years, or new credit authority effective during such fiscal year, or any conference report on any such bill or joint resolution, shall be considered in the House or Senate, as the case may be, in accordance with the rules of the House of Representatives or the Senate, as the case may be)."

"(g) Cost Estimates and Scorekeeping Reports of the Congressional Budget Act of 1974 is amended by adding at the end the following:

"(3) Expenditures have the same meaning as the term 'outlays' in the Balanced Budget and Emergency Deficit Control Act of 1985.

"(4) All other terms used herein or in the documents prepared hereunder shall have the meanings set forth in the Balanced Budget and Emergency Deficit Control Act of 1985."
(2) Transfer to National Institute for Science and Technology.—Not later than 18 months after the effective date specified in section 17101, the National Technical Information Service or any successor corporation established pursuant to a proposal under paragraph (1) shall be transferred to the National Institute for Science and Technology established by such proposal.

(3) Funding.—No funds are authorized to be appropriated for the National Technical Information Service or any successor corporation established pursuant to a proposal under paragraph (1).

H.R. 2517

OFFERED BY: Mr. HORN

AMENDMENT NO. 2: Page 308, after line 5, insert the following:

Subtitle B—Debt Collection Improvement

Act of 1995

SEC. 5201. SHORT TITLE.

This subtitle may be cited as the "Debt Collection Improvement Act of 1995".

SEC. 5202. TABLE OF CONTENTS.

The table of contents for this subtitle is as follows:

Sec. 5201. Short title.
Sec. 5203. Effective date.
Sec. 5204. Purposes.

PART I—GENERAL DEBT COLLECTION INITIATIVES

SUBPART A—GENERAL OFFSET AUTHORITY

Sec. 5211. Expansion of administrative offset authority.
Sec. 5212. Enhancement of administrative offset authority.
Sec. 5213. Exemption from computer matching requirements under the Privacy Act of 1974.
Sec. 5214. Use of administrative offset authority for debts to States.
Sec. 5215. Technical and conforming amendments.

SUBPART B—SALARY OFFSET AUTHORITY

Sec. 5221. Enhancement of salary offset authority.

SUBPART C—TAX REFUND OFFSET AUTHORITY

Sec. 5231. Access to taxpayer identifying numbers.
Sec. 5232. Barred delinquent Federal debtors from obtaining Federal loans or loan guarantees.

SUBPART D—EXPANSION AND ENHANCEMENT OF COLLECTION AUTHORITIES

Sec. 5241. Repeal of limitations on collection authorities.
Sec. 5242. Disclosure to consumer reporting agencies and commercial reporting agencies.
Sec. 5243. Contracts for collection services.
Sec. 5244. Percentage of profits and centralization of debt collection activities in the Department of the Treasury.
Sec. 5245. Compromise of claims.
Sec. 5246. Wage Garnishment requirement.
Sec. 5247. Debt sales by agencies.
Sec. 5248. Adjustments of administrative offset authority.
Sec. 5249. Dissemination of information regarding identity of delinquent debtors.

SUBPART E—FEDERAL CIVIL MONETARY PENALTIES

Sec. 5251. Adjusting Federal civil monetary penalties for inflation.

SUBPART F—GAIN SHARING

Sec. 5261. Debt collection improvement account.
agency. A written request for exemption of other payments must provide justification for the exemption under standards prescribed by the Secretary. Such standards shall give due consideration to administrative offsets. Any administrative offset pursuant to this section against benefits authorized by either title II or title XVI of the Social Security Act, respectively, shall not be available with respect to any past-due, legally enforceable debt owed to a State if—

(i) the occurrence of the administrative offset is a periodic benefit payment, the disbursing official shall take reasonable steps, as determined by the Secretary of the Treasury, to provide the payee in writing of the date on which the payee is otherwise scheduled to receive the payment, or as soon as practical thereafter, but not later than the date of the administrative offset, of the nature and amount of the administrative offset and the previous sentence, the failure of the debtor to receive such notice shall not impair the legality of such administrative offset.

(ii) the debtor is liable for an offset pursuant to section 3716 of title 26, unless the debtor discloses to the creditor agency the current address of the debtor in accordance with section 552a of title 5, United States Code.

(2) The Data Integrity Board of the Department of the Treasury established under section 552a(u) of title 5, United States Code, shall set forth by regulation, and report to the appropriate committees of Congress, such exemptions for the benefit of certain eligible payees as it deems necessary to—

(a) prevent the offset of a periodic benefit payment to a payee against which the offset was executed;

(b) provide an identity to the creditor agency receiving the payment and to the payee against which the offset was executed;

(c) provide data to qualify for the exemption provided in this paragraph did not exceed 150 percent of the poverty level and who has less than $5,000 in assets.

(4) The Secretary of the Treasury shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

(5) The Secretary of the Treasury may disclose to a creditor agency the current address of any payee and any data related to certifying and authorizing payments to a payee in accordance with section 552a of title 5, United States Code, even if the payment has been exempted from administrative offset. If a payee is delinquent in repayment of those debts, the payee may obtain the current address of the payee to the Secretary.

(6) The Secretary of the Treasury may prescribe such other regulations and procedures as the Secretary of the Treasury considers necessary to carry out this subsection. The Secretary shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

(7) The Secretary of the Treasury may prescribe such other regulations and procedures as the Secretary of the Treasury considers necessary to carry out this section. The Secretary shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

SEC. 5213. USE OF ADMINISTRATIVE OFFSET AUTHORITY TO STATES.

Section 3716 of title 31, United States Code, as amended by section 5212(b) of this title, is further amended by adding at the end the following new subsection:

"(i) the occurrence of the administrative offset to satisfy a past due legally enforceable debt, including a description of the type and amount of the payment otherwise payable to the payee against which the offset was executed;

(ii) the identity of the creditor agency requesting the offset; and

(iii) any other information within the creditor agency that will handle concerns regarding the offset."
by adding after subsection (c) the following new subsection:

"(d) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over debts owed by a person to a Federal agency if the person is doing business with a Federal agency if the person is

(1) a lender or servicer in a Federal guaranteed or insured loan program administered by the agency; or

(2) an applicant for, or recipient of

(i) a guaranteed loan, insured or a direct loan administered by the agency; or

(ii) a Federal license, permit, right-of-way, grant, or benefit payment administered by the agency or insurance administered by the agency.

(3) a contractor of the agency;

(4) assessed a fine, fee, royalty or penalty by the agency; and

(5) in a relationship with the agency that may give rise to a receivable due to that agency, such as a partner of a borrower in or a guarantor of a Federal direct or insured loan administered by the agency.

(2) The performance of contractors in carrying out such contracts shall be evaluated, and incentives shall be provided and sanctions imposed under such contracts, as appropriate, based upon

(A) collection success;

(B) the performance of contractors in carrying out such contracts on a competitive basis with 3 or more potential contractors for the collection efforts of any such debt that is past-due and legally enforceable and on which the agency has ceased active collection efforts.

Subpart D—Expansion and Enhancement of Collection Authorities

SEC. 5241. REPEAL OF LIMITATIONS ON COLLECTION AUTHORITIES.

(a) Debt Collection Act of 1982—Section 8(e) of the Debt Collection Act of 1982 (5 U.S.C. 5514 note) is repealed. Section 370(d) of title 31, United States Code, is amended by inserting after the preceding text of section 3720A the following new section:

"3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees.

(a) Unless this subsection is waived by the head of a Federal agency, a person may not obtain any Federal financial assistance in the form of a loan (other than a disaster loan) or loan guarantee administered by the agency if the person has an outstanding debt with any Federal agency which is in a delinquent status, as determined under standards prescribed by the Secretary of the Treasury. Such person may obtain additional loans or loan guarantees only after such delinquency is resolved in accordance with those standards. The Secretary of the Treasury may exempt, at the request of an agency, any class of an individual or entity from the provisions of this subsection.

(b) The head of a Federal agency may delegate the waiver authority under subsection (a) to the Chief Financial Officer of the agency. The waiver authority may be redelegated only to the Deputy Chief Financial Officer of the agency.

(2) A person referred to in paragraph (1) may not have an outstanding debt with the agency.

(3) The head of each Federal agency to whom a request for a waiver is submitted shall respond to the request within 90 days after the date of referral.

(4) The head of each executive agency shall require, as a condition of providing such waiver authority, that the person to whom the waiver authority has been granted provide information verifying the accuracy of the person’s status as having an outstanding debt with the agency.

SEC. 5242. DISCLOSURE TO CONSUMER REPORTING AGENCIES.

Section 3711 of title 31, United States Code, is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: "Upon request of the Secretary, the institution receiving the payment shall report the taxpayer identifying number of the joint holder to the agency; and

(2) in subsection (d), by inserting ``, or to locate or recover assets of, after `owed”;

(3) by amending subsection (f) to read as follows:

"(f)(1) The head of each Federal agency that administers a program that gives rise to a delinquent debt or is responsible for collecting delinquent debt shall enter into contracts on a competitive basis with 3 or more potential contractors for the collection efforts of any such debt that is past-due and legally enforceable and on which the agency has ceased active collection efforts.

(2) The performance of contractors in carrying out such contracts shall be evaluated, and incentives shall be provided and sanctions imposed under such contracts, as appropriate, based upon

(A) collection success;

(B) the performance of contractors in carrying out such contracts on a competitive basis with 3 or more potential contractors for the collection efforts of any such debt that is past-due and legally enforceable and on which the agency has ceased active collection efforts.

(3) In incident of valid debtor complaints, the head of each agency referred to in paragraph (1) shall—

(A) within 3 years after the date of enactment of the Debt Collection Improvement Act of 1995, refer for collection to persons with contracts under this subsection not less than 50 percent of the amount of delinquent debts upon which the agency has ceased active collection efforts.

(B) begin referring debts not later than 180 days after the date of enactment of the Debt Collection Improvement Act of 1995 and, if the collection efforts pursuant to such a referral begin not later than 90 days after the date of referral; and
“(C) report to the Congress on debts referred by each Federal agency and amounts received by the United States pursuant to that referral.

(4) The requirements of this subsection, an agency shall be considered to have ceased active collection efforts if—

(A) a debt is determined by a court of competent jurisdiction to be the subject of litigation and has not in the preceding 90 days been the subject of a payment, an execution of a writ, a promise to pay, or an affirmative attempt to locate or contact the debtor, or

(B) in the case of debt owed under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.), if the Internal Revenue Service has classified the debt as ‘currently not collectible’ or a similar classification in accordance with criteria and procedures substantially similar to those in effect for such classifications on September 20, 1995.

(5) Each contract for collection services under this subsection shall—

‘‘(A) include safeguards against unauthorized disclosure of confidential information;

‘‘(B) provide that the Federal agency shall not disclose to a contractor any information concerning the debtor other than—

(i) information necessary to locate and contact the debtor, including name, address, telephone number, employer address, and telephone number, and Social Security Number; and

(ii) the nature and amount of the debt;

‘‘(C) prohibit the release by the contractor of confidential information regarding a debt or obligation of a contract under this subsection to any third person without the debtor’s written consent;

‘‘(D) include in the contract activities to—

(i) contacting debtors by mail;

(ii) contacting debtors by phone to remind taxpayers of a delinquency, provide information concerning an ongoing collection and the taxpayer intentions of repayment;

(iii) providing skip tracing services and asset location services to establish a mailing address or phone number for delinquent debtors;

(iv) providing lockbox services for receipt and processing of payments; and

(v) providing data processing services in conjunction with collection activities;

‘‘(E) require the contractor to determine the amount of a debt, compromising a debt, receiving or processing collection proceeds, or mailing standard collection notices and payments; and

‘‘(F) require the contractor to comply with section 525a of title 5 (popularly known as the ‘Privacy Act’), the Fair Debt Collection Practices Act, and the Taxpayers Bill of Rights.

‘‘(G) The Secretary of the Treasury may exempt from the application of this subsection any class of nontax claims as necessary to protect the interests of the United States.’’; and

(4) by adding at the end the following new subsection:

‘‘(h) The Secretary of the Treasury may enter into contracts for Governmentwide collection services, including the recovery of debts consistent with subsections (a) and (f). The head of a Federal agency may enter into an agreement with the Secretary of the Treasury to obtain services under these contracts, and, if such agreement results in the performance of the required services for debt collection services for debt collection under subsection (a) of this section, a Federal agency shall be deemed to be in compliance with subsection (f).’’.

SEC. 5244. CROSS-SERVICING PARTNERSHIPS OF THE SECRETARY OF THE TREASURY FOR THE PERFORMANCE OF THE REQUIRED SERVICES FOR DEBT COLLECTION.

Section 3711 of title 31, United States Code, is amended by adding at the end the following new subsection:

‘‘(10) To carry out the purposes of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, may, in the absence of specific contract language, prescribe such rules, regulations, and procedures as the Secretary considers necessary.’’
SEC. 5246. WAGE GARNISHMENT REQUIREMENT.

(a) Notwithstanding any provision of State law, the executor, administrator, or legislative agency that administers a program that provides for non-tax revenue on an individual's disposable income or other collateralized debts based on standards developed by the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury.

(b) The Director of the Office of Management and Budget shall determine what information is required to be reported to comply with subparagraph (A).

(c) Notwithstanding any provision of State or Federal law, if the Secretary of the Treasury determines the sale is in the best interests of the United States.

(d) The terms of the repayment schedule shall be provided prior to issuance of a garnishment order if the individual, on or before the 28th day following the mailing of the notice to the employer, refuses to employ, or take disciplinary action against an individual subject to this section.

(e) The Secretary of the Treasury shall transfer to the purchaser all rights to collect the debt.

(f) A suit under this paragraph may not be filed before the termination of the collection action, unless earlier filing is necessary to avoid expiration of any applicable statute of limitations period.

(g) For the purpose of this section, the term 'disposable pay' means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by any other tax law to be withheld.

(h) The Secretary of the Treasury shall issue regulations to implement this section.

(i) The cumulative balance of delinquent debts, debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

and expenses that are directly related to such loan assets), and the estimated net proceeds that would be received by the Government if such loan assets were sold.

(5) This subsection is not intended to limit existing statutory authority of agencies to acquire, liquidate, or otherwise dispose of all debts.

SEC. 524B. ADJUSTMENTS OF ADMINISTRATIVE DEBT.

Section 3717 of title 31, United States Code, is amended by inserting at the end of subsection (h) the following new subsection:

''(i)1 The head of an executive, judicial, or legislative agency may increase an administrative adjustment of the cost of living adjustment in lieu of charging interest and penalties under this section. Adjustments under this subsection will be computed annually.

(2) of this subsection--

''(A) the term 'cost of living adjustment' means the percentage by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment exceeds the Consumer Price Index for the month of June of the calendar year in which the claim was determined or last adjusted; and

''(B) the term 'administrative claim' includes all debt that is not based on an extension of credit through direct loans, loan guarantees, or insurance, including fines, penalties, and overpayments.''

SEC. 524G. DISSEMINATION OF INFORMATION REGARDING IDENTITY OF DELINQUENT DEBTORS.

(a) In General.--Chapter 37 of title 31, United States Code, is amended by inserting after section 3728B (as added by section 524D of this subtitle) the following new section:

''§ 3720E. Dissemination of information regarding identity of delinquent debtors.

'(a) The head of any agency may, with the review of the Secretary of the Treasury, for the purpose of collecting any delinquent non-tax debt owing by any person, publish and otherwise publicly disseminate information regarding the identity of the person and the existence of the non-tax debt.

'(b) If the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, and the heads of other appropriate Federal agencies, shall issue regulations establishing procedures and requirements the Secretary considers appropriate to carry out this section.

'(2) Regulations under this subsection shall include--

''(A) standards for disseminating information that maximize collections of delinquent non-tax debts, by directing actions under this section toward delinquent debtors that have assets or income sufficient to pay their delinquent non-tax debt;

''(B) procedures and requirements that prevent dissemination of information under this section regarding persons who have not had an opportunity to verify, contest, and compromise their non-tax debt in accordance with this subchapter; and

''(C) procedures to ensure that persons are not incorrectly identified pursuant to this section.

(b) Clerical Amendment.--The table of sections for chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720D (as added by section 524D of this subtitle) the following new item:

''3720E. Dissemination of information regarding identity of delinquent debtors.''

Subpart E—Federal Civil Monetary Penalties

SEC. 525L. ADJUSTING FEDERAL CIVIL MONETARY PENALTIES FOR INFLATION.


''(1) by amending section 4 to read as follows:

''Sec. 4. The head of each agency shall, not later than 180 days after the date of enactment of this Act, adjust the amount of any civil monetary penalty prescribed under the Federal Insecticide, Fungicide, and Rodenticide Act of 1947, as amended, and not later than every 3 years thereafter--

''(I) by regulation adjust each civil monetary penalty within the jurisdiction of the Federal agency, except for any penalty under the Internal Revenue Code of 1986, by the inflation adjustment described in paragraph (2) of this Act; and

''(II) publish each such regulation in the Federal Register:--

''(i) in section 5(a), by striking 'The adjustment described in paragraphs (4) and (5) of section 4' and inserting 'The inflation adjustment described in section 4'; and

''(ii) by adding at the end the following new section:

''Sec. 7. Any increase under this Act in a civil monetary penalty shall apply only to violations which occur after the date the increase takes effect.

(c) Limitation on Initial Adjustment.—The first adjustment of a civil monetary penalty made pursuant to the amendment made by this section may not exceed 10 percent of such penalty.

Subpart F—Gain Sharing

SEC. 526L. DEBT COLLECTION IMPROVEMENT ACCOUNT.

(a) In General.—Title 31, United States Code, is amended by inserting after section 372B (as added by section 5232 of this subtitle) the following new section:

''§ 3720C. Debt Collection Improvement Account.

'(a)(1) There is hereby established in the Treasury a special fund to be known as the 'Debt Collection Improvement Account' (hereinafter in this section referred to as the 'Account').

'(2) The Account shall be maintained and managed by the Secretary of the Treasury, who shall ensure that agency programs are credited with amounts transferred under subsection (b)(1).

'(b) Not later than 30 days after the end of a fiscal year, an agency may transfer to the Account the amount described in paragraph (3), as adjusted under paragraph (4).

'(2) Agency transfers to the Account may include collections from--

''(A) salary, administrative, and tax refund offsets;

''(B) automated levy authority;

''(C) the Department of Justice;

''(D) private collection agencies;

''(E) sales of delinquent loans; and

''(F) contracts to locate or recover assets.

'(3) The amount referred to in paragraph (1) shall be 5 percent of the amount of delinquent debt collected by an agency in a fiscal year, minus the lesser of--

''(A) 5 percent of the amount of delinquent debt collected by the agency in the previous fiscal year, or

''(B) 5 percent of the amount of delinquent debt collected by the agency in the previous 4 fiscal years.

'(4) In consultation with the Secretary of the Treasury, the Office of Management and Budget may adjust the amount described in paragraph (3) for an agency to reflect the level of effort in credit management programs by the agency. As an indicator of the level of effort in credit management, the Office of Management and Budget shall consider the following:

''(A) The number of days between the date a claim or delinquent debt is incurred and the date which an agency referred the debt or claim to the Secretary of the Treasury or obtained an exemption from this referral under section 3711(g)(2) of this title;

''(B) The ratio of delinquent debts or claims to total receivables for a given program, and the change in this ratio over a period of time;

''(C) The Secretary of the Treasury may make payments from the Account solely to reimburse agencies for qualified expenses. For agencies with franchise funds, such payments may be credited to subaccounts designated for debt collection.

(b) For purposes of this section, the term 'qualified expenses' means expenditures for the improvement of tax administration, credit management, debt collection, and delinquent recovery activities, including--

''(A) account servicing (including cross-processing under section 3711g of this title),

''(B) automatic data processing equipment acquisitions,

''(C) delinquent debt collection, and

''(D) measures to minimize delinquent debt.

''(E) sales of delinquent debt,

''(F) asset disposition, and

''(G) training of personnel involved in credit and debt management.

'(3) (A) Amounts in the Account shall be available to the Secretary of the Treasury for purposes of this section to the extent and in amounts provided in advance in appropriation Acts.

'(B) As soon as practicable after the end of the third fiscal year after which appropriations are made pursuant to this section, and every 3 years thereafter, the unappropriated balance in the Account shall be transferred to the general fund of the Treasury as miscellaneous receipts.

'(c) For direct loans and loan guarantee programs subject to section V of the Congressional Budget Act of 1974, amounts credited in accordance with subsection (c) shall be considered administrative costs.

'(3) (A) The Secretary of the Treasury shall prescribe such rules, regulations, and procedures as the Secretary considers necessary or appropriate to carry out the purposes of this section.

(b) Clerical Amendment.—The table of sections for chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 372B (as added by section 5232 of this subtitle) the following new item:

''3720C. Debt Collection Improvement Account.''

Subpart G—Tax Refund Offset Authority

SEC. 527L. OFFSET OF TAX REFUND PAYMENT BY DISBURSING OFFICIALS.

Section 3720A(h) of title 31, United States Code, is amended to read as follows:

''(h) The disbursing official of the Department of the Treasury--

''(1) shall notify a taxpayer in writing of--

''(A) the occurrence of an offset to satisfy a past-due legally enforceable non-tax debt;

''(B) the identity of the creditor agency requesting the offset; and

''(C) a correct point within the creditor agency that will handle concerns regarding the offset;

''(2) shall notify the Internal Revenue Service on a weekly basis of--

''(A) the occurrence of an offset to satisfy a past-due legally enforceable tax debt;

''(B) the amount of such offset; and

''(C) any other information required by regulations; and

''(3) shall match payment records with requests for offset by using a name control, taxpayer identifying number (as that term is used in section 6109 of the Internal Revenue Code of 1986), and any other necessary identifiers.

SEC. 5272. EXPANDING TAX REFUND OFFSET AUTHORITY.

(a) Discretionary Authority.—Section 3720A of title 31, United States Code, is amended by inserting after section 3720A the following new section:

''§ 3720Aa. Authority to offset refund.

'(a) The Secretary of the Treasury may withhold a tax refund for purposes of satisfying a qualified non-tax debt or for purposes of satisfying a qualified tax debt.

(b) After withholding a tax refund, the Secretary shall attempt to collect the entire amount of the debt from the taxpayer without further offset.'
amended by adding after subsection (h) (as amended by section 5271 of this subtitle) the following new subsection:

(1) An agency subject to section 9 of the Act (15 U.S.C. 383h), may implement this section at its discretion.

(b) FEDERAL AGENCY DEFINED. Section 6402(f) of the Internal Revenue Code of 1986 (26 U.S.C. 6402(f)), is amended to read as follows:

(1) FEDERAL AGENCY.—For purposes of this section, ‘‘Federal agency’’ means a department, agency, or instrumentality of the United States, and includes a Government corporation (as such term is defined in section 103 of title 5, United States Code).

SEC. 5273. EXPANDING AUTHORITY TO COLLECT PAST-DUE SUPPORT.

(a) NOTIFICATION OF SECRETARY OF THE TREASURY.—Section 3720(a) of title 31, United States Code, is amended to read as follows:

(1) Any Federal agency that is owed by a person a past-due, legally enforceable debt (including debt administered by a third party acting as an agent for the Federal Government) or agency under section 9 of the Act of May 18, 1935 (15 U.S.C. 383h), owed such a debt may, in accordance with regulations issued pursuant to subsection (b) or (c), notify the Secretary of the Treasury at least once each year of the amount of such debt.

(b) IMPLEMENTATION OF SUPPORT COLLECTION ACT OF 1994.—(1) In paragraph (1), by adding at the end the following:

(5) PAST-DUE, LEGALLY ENFORCEABLE STATE DEBT.—Any State agency that is owed by a person a past-due, legally enforceable debt (including debt administered by a third party acting as an agent for the Federal Government) or agency, or agency under section 9 of the Act of May 18, 1935 (15 U.S.C. 383h), owed such a debt may, in accordance with regulations issued pursuant to subsection (b) or (c), notify the Secretary of the Treasury at least once each year of the amount of such debt.

SEC. 5274. USE OF TAX REFUND OFFSET AUTHORITY FOR DEBTS TO STATES.

(a) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 (26 U.S.C. 6402) is amended by redesignating sections (e) through (l) as subsections (f) through (j), respectively, and by inserting after subsection (d) of the following new subsection:

(e) PAST-DUE, LEGALLY ENFORCEABLE STATE DEBT.—For purposes of this section, the term ‘‘past-due, legally enforceable State debt’’ means a debt—

(1) notified by the Secretary to the person owing such debt that an amount of such debt is past-due and legally enforceable, and

(2) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such State debt.

(b) REGULATIONS.—The Secretary shall, and any agency subject to section, the term ‘‘past-due, legally enforceable State debt’’ means a debt—

(1) notified by the Secretary to the person owing such debt that an amount of such debt is past-due and legally enforceable, and

(2) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such State debt.

(c) CONFORMING AMENDMENTS. (1) Subsection (a) of section 6402 of the Internal Revenue Code of 1986 (26 U.S.C. 6402(a)) is amended by striking ‘‘(c) and (d)’’ and inserting ‘‘(c), (d), and (e)’’.

SEC. 5281. ELECTRONIC FUNDS TRANSFER.

(a) IN GENERAL. Section 5202 of title 31, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (h), and inserting after subsection (d) of the following new subsections:

(2) ACTIONS TO BE TAKEN.—Under such conditions prescribed by the Secretary, the Secretary shall—

(A) reduce the amount of any overpayment payable to such person by the amount of such State debt;

(B) issue regulations prescribing the time and manner in which States must submit notices of past-due, legally enforceable State debts and the necessary information that must be contained in or accompany such notices. The regulations—

(A) shall specify the types of State debts to which the reduction procedure established by paragraph (1) may be applied; and

(B) shall specify the minimum amount of debt to which the reduction procedure established by paragraph (1) may be applied;

(C) shall specify the requirements for reciprocal offset in which participating States will participate; and

(D) may require States to pay a fee to reimburse such appropriations which bear all or part of the cost of applying such procedure.

(b) NOTWITHSTANDING ANY PROVISION OF LAW (including sections (a) through (e) of this section, sections 5120(a) and (d) of title 38, and any other provision of law, all Federal payments to a recipient who begins to receive that type of payments on or after January 1, 1996, shall be made by electronic funds transfer.

(c) The head of a Federal agency shall, with respect to Federal payments made or authorized by the agency, waive the application of this section, the term ‘‘past-due, legally enforceable State debt’’ means a debt—

(1) notified by the Secretary to the person owing such debt that an amount of such debt is past-due and legally enforceable State debt;

(2) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such State debt.

(3) Conforming amendments. (1) Subsection (a) of section 6402 of the Internal Revenue Code of 1986 (26 U.S.C. 6402(a)) is amended by striking ‘‘(c) and (d)’’ and inserting ‘‘(c), (d), and (e)’’.

(2) Subsection (h) of section 6402 of the Internal Revenue Code of 1986 (26 U.S.C. 6402(h)) is amended by striking ‘‘(c) and (d)’’ and inserting ‘‘(c)’’.

(3) Effective date. The amendments made by this section shall apply to refunds payable under section 6402 of the Internal Revenue Code of 1986 after December 31, 1996.
SEC. 5293. REVIEW OF STANDARDS AND POLICIES FOR COMPROMISE OR WRITE-DOWN OF DELINQUENT DEBTS.

The Director of the Office of Management and Budget shall--

(1) review the standards and policies of each Federal agency for compromising, writing-down, forgiving, or discharging indebtedness arising from programs of the agency;

(2) determine whether those standards and policies are consistent and protect the interests of the United States;

(3) in the case of any Federal agency standard or policy that the Secretary determines is not consistent or does not protect the interests of the United States, direct the head of the agency to make appropriate modifications to the standard or policy; and

(4) report annually to the Congress on--

(A) deficiencies in the standards and policies of Federal agencies for compromising, writing-down, forgiving, or discharging indebtedness; and

(B) progress made in improving those standards and policies.

PART II--JUSTICE DEBT MANAGEMENT

SEC. 5301. EXPANDED USE OF PRIVATE ATTORNEYS.

(a) ELIMINATION OF LIMITATION ON FEES.--Section 3718(b)(1)(A) of title 31, United States Code, is amended by striking the fourth sentence.

(b) REPEAL.--Sections 3 and 5 of the Act of October 28, 1986 (popularly known as the Federal Debt Recovery Act; Public Law 99-578, 100 Stat. 2350) are hereby repealed.

SEC. 5302. NONUDICIAL FORECLOSURE OF MORTGAGES.

Chapter 176 of title 28, United States Code, is amended--

(1) in the table of subchapters at the beginning of the chapter by adding at the end the following new item:

"E. Nonjudicial foreclosure........ .................... 3401;" and

(2) by adding at the end of the chapter the following new subchapter:

"SUBCHAPTER E--NONUDICIAL FORECLOSURE

Sec. 3401. Definitions.


3403. Election of procedure.

3404. Designation of foreclosure trustee.

3405. Notice of foreclosure sale; statute of limitations.

3406. Service of notice of foreclosure sale.

3407. Cancellation of foreclosure sale.

3408. Stay.

3409. Conduct sale; postponement.

3410. Transfer of title and possession.

3411. Record of foreclosure sale.

3412. Effect of sale.

3413. Disposition of sale proceeds.

3414. Deficiency judgment.

§ 3401. Definitions.

As used in this subchapter--

(1) "agency" means--

(A) an Executive department, as set forth in section 101 of title 5, United States Code; and

(B) an independent establishment, as defined in section 104 of title 5, United States Code;

(2) "Lands' head" means the head and any assistant head of an agency, and may upon
the designation by the head of an agency include one chief official of any principal division of an agency or any other employee of an agency; 

(3) ‘foreclose purchaser’ means a purchaser for value in good faith and without notice of any adverse claim who acquires the seller’s interest free of any adverse claim; 

(4) ‘mortgage’ means a deed of trust, mortgage bond, guaranty, or other instrument creating a debt or other obligation, including any instrument incorporated by reference therein or by agreement amending or modifying a debt instrument; 

(5) ‘file’ or ‘filing’ means docketing, indexing, recording, or registering, or any other form of record for perfection of a mortgage or a judgment; 

(6) ‘foreclosure trustee’ means an individual, partnership, association, or corporation, or any employee thereof, including a successor, appointed by the agency head to conduct a foreclosure sale pursuant to this subchapter; 

(7) ‘mortgage’ means a debt of trust, deed to secure debt, security agreement, or any other form of instrument under which any interest in real property, including leaseholds, life estates, reversionary interests, and any other estates under applicable law is conveyed in trust, mortgaged, encumbered, pledged, or otherwise conveyed or retained, for the purpose of securing the payment of money or the performance of any other obligation; 

(8) ‘of record’ means an interest recorded pursuant to Federal or State statutes that provide for official recording of deeds, mortgages, and judgments, and that establish the evidence of such record as evidence to creditors, purchasers, and other interested persons; 

(9) ‘owner’ means any person who has an ownership interest in property and includes heirs, devisees, executors, administrators, and other personal representatives, and trustees of testamentary trusts if the owner of record is deceased. 

(10) ‘sale’ means a sale conducted pursuant to this subchapter, unless the context requires otherwise; and 

(11) ‘security property’ means real property, or any interest in real property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law that secure a mortgage. 

§3402. Rules of construction 

(a) An agency head elects to proceed under this subchapter, this subchapter shall apply and the provisions of this subchapter shall govern in the event of a conflict with any other provision of Federal law or State law. 

(b) Limitation.—This subchapter shall not be construed to supersede or modify the operation of— 

(1) The lease-back/buy-back provisions under section 335 of the Consolidated Farm and Rural Development Act, or regulations promulgated thereunder; or 


(c) Effect on other laws.—This subchapter shall not be construed to curtail or limit the rights of the United States or any of its agencies— 

(1) To foreclose a mortgage under any other provision of Federal law or State law; or 

(2) To enforce any right under Federal law or State law in lieu of or in addition to foreclosure or to obtain any right to a monetary judgment. 

(d) Application to mortgages.—The provisions of this subchapter may be used to foreclose a mortgage, whether executed prior or subsequent to the effective date of this subchapter. 

§3403. Election of procedure 

(a) Security property subject to foreclosure.—An agency head may foreclose a mortgage upon the breach of a covenant or condition in a debt instrument or mortgage foreclosing which foreclosure is authorized. An agency head may not institute foreclosure proceedings on the mortgage under any other provision of Federal law or refer such mortgage obligation, during the pendency of foreclosure proceedings pursuant to this subchapter. 

(b) Election of collateral sale.—If a foreclosure sale is canceled pursuant to section 3407, the agency head may thereafter foreclose on the security property in any manner authorized. 

§3404. Designation of foreclosure trustee 

(a) In general.—An agency head shall designate a foreclosure trustee who shall supervise any trustee designated in the mortgage. A foreclosure trustee designated under this section shall have a nonjudicial power of sale pursuant to this subchapter. 

(b) Designation of foreclosure trustee.— 

(1) An agency head may designate a foreclosure trustee— 

(2) An officer or employee of the agency; 

(3) An attorney whose practice is limited to legal services rendered to the State in which the security property is located; 

(4) A partnership, association, or corporation, or any other person authorized to transact business under the laws of the State in which the property is located; or 

(5) An individual who is a resident of the State in which the security property is located; 

(6) An individual who is a resident of the State in which the security property is located or, if none, in the manner authorized by section 3001 of this chapter. 

(c) Notice by mail.— 

(1) At least 21 days prior to the date of the foreclosure sale, the notice set forth in section 3405 shall be sent by registered or certified mail, return receipt requested— 

(A) To the current owner of record of the security property as the record appears on the date of foreclosure sale required by section 3405; and 

(B) To all debtors, including the mortgagor, assignees of the mortgagor and guarantors of the debt instrument, to persons having liens, interests or encumbrances of record upon the security property, and the security property has more than one dwelling unit, the notice shall be posted at the security property. 

(2) The notice shall be sent to the debtor at the address, if any, set forth in the debt instrument or mortgage as the place to which notice is to be sent, and if different, to the debtor’s last known address as shown in the mortgage record of the agency. The notice shall be sent to any person other than the debtor to that person’s address of record or, if there is no address of record, to any address at which the agency in good faith believes the notice is likely to come to that person’s attention. 

(3) Notice by mail pursuant to this sub-subsection shall be effective upon mailing. 

(c) Notice by Publication.—The notice of the foreclosure sale shall be published at least once a week for three successive weeks prior to the sale in at least one newspaper of general circulation in any
§ 3407. Cancellation of foreclosure sale

(a) In General.—At any time prior to the foreclosure sale, the foreclosure trustee shall cancel the sale if:

(1) the debtor or the holder of any subordinate interest in the security property tenders the performance due under the debt instrument, including any amounts due because of the exercise of the right to accelerate, and the expenses of proceeding to foreclosure incurred to the time of tender;

(2) if the security property is a dwelling of four units or fewer, and the debtor—

(A) pays or tenders all sums which would have been required in the absence of any acceleration; and

(B) performs any other obligation which would have been required in the absence of any acceleration;

(c) pays or tenders all costs of foreclosure incurred for which payment from the proceeds of the sale would be allowed; or

(3) for any reason approved by the agency head.

(b) Limitation.—The debtor may not, without the approval of the agency head, cure a default under subsection (a)(2) if, within the preceding 12 months, the debtor has cured a default after being served with a notice of the foreclosure sale pursuant to this subchapter.

(c) Notice of cancellation.—The foreclosure trustee shall file a notice of the cancellation in the same place and manner provided for the filing of the notice of foreclosure sale under section 3406(a).

§ 3408. Stay

If, prior to the time of sale, foreclosure proceedings under this subchapter are stayed in any manner, including the filing of a bankrupt- ruptcy, no person may thereafter cure the default under the provisions of section 3407(a)(2). If the default is not cured at the time of the sale or at any time before the sale is conducted, the foreclosure trustee shall proceed to sell the security property as provided in this subchapter.

§ 3409. Conduct of sale; postponement

(a) Sale Procedures.—Foreclosure shall be conducted in accordance with the procedures provided for by the United States or an agency, or common law upon conclusion of the public auction of the security property, no person shall have a right of redemption.

(b) Effect of Recitals.—The recitals set forth in subsection (a) shall be prima facie evidence of the truth thereof. Compliance with the requirements of subsection (a) shall create a conclusive presumption of the validity of the sale in favor of bona fide purchasers and encumbrancers for value without notice.

(c) Deed To Be Accepted for Filing.—The register of deeds or other appropriate of- ficial of the county or counties in which real estate deeds are regularly filed shall accept for filing and shall file the foreclosure trustee’s deed and affidavit, if any, and any other instruments submitted in relation to the foreclosure of the security property under this subchapter.

§ 3412. Effect of sale

(a) Sale conducted under this subchapter to a bona fide purchaser shall bar all claims upon the security property by—

(1) any person to whom the notice of foreclosure sale was mailed as provided in this subchapter; and

(2) any other person claiming any interest in the property subordinate to that of the mortgagee, and their heirs, devisees, executors, administrators, successors, or assigns claiming under such persons.

(b) Sale conducted under this subchapter to a bona fide purchaser without notice shall be conclusively presumed to constitute the reason- able equivalent value of the security prop- erty.

(c) Purcha see Considered Bona Fide Purchaser Without Notice.—The purchaser of property under this subchapter shall be presumed to be a bona fide purchaser without notice, in the title conveyed to the purchaser.
§ 3413. Disposition of sale proceeds

(a) DISTRIBUTION OF SALE PROCEEDS.—The foreclosure trustee shall distribute the proceeds of the foreclosure sale in the following order:

(A) First, to pay the commission of the foreclosure trustee, other than an agency employee, the greater of—

(i) the sum of—

(I) 1.5 percent on the excess of any sum collected over $1,000 collected, plus

(ii) $250.

(B) The amounts described in subparagraph (A)(i) shall be computed on the gross proceeds of all security property sold at a single sale.

(B) Thereafter, to pay the expense of any auctioneer employed by the foreclosure trustee, if any, except that the commission payable to the foreclosure trustee pursuant to paragraph (1) shall be reduced by the amount paid to an auctioneer, unless the agency head determines that such reduction would adversely affect the ability of the agency head to retain qualified foreclosure trustees or auctioneers.

(C) Thereafter, to pay for the costs of closure, including—

(A) reasonable and necessary advertising costs and postage incurred in giving notice pursuant to section 3406; 

(B) mileage for posting notices and for the foreclosure trustee's or auctioneer's attendance at the sale of the rate provided in section 2071 of title 28, United States Code, for mileage by the most reasonable road distance; 

(C) reasonable and necessary costs actually incurred in connection with any search of title and lien records; and

(D) necessary costs incurred by the foreclosure trustee to file documents.

(D) Thereafter, to pay valid real property tax liens or assessments, if required by the notice of foreclosure sale.

(E) Thereafter, to pay service charges and advancement for taxes, assessments, and property insurance premiums.

(F) Thereafter, to pay late charges and other administrative costs and the principal and interest balances secured by the mortgage, including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the debt instrument or mortgage and interest thereon if provided for in the debt instrument or mortgage, pursuant to the agency's procedure.

(G) INSUFFICIENT PROCEEDS.—In the event there are no proceeds of sale or the proceeds are insufficient to pay the costs and expenses set forth in subsection (a), the agency head shall pay such costs and expenses as authorized by applicable law.

(H) SURPLUS MONIES.—

(A) First, to pay the amount paid to an auctioneer, if any, pursuant to paragraph (B); 

(B) Thereafter, to pay service charges and advancement for taxes, assessments, and property insurance premiums.

(C) distribute any surplus to pay liens in the order of priority under Federal law or the law of the State where the security property is located; and

(D) pay to the person who was the owner of record on the date the notice of foreclosure sale was filed the balance, if any, after any payments made pursuant to paragraph (I).

(2) If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay all claimants and the claimants cannot agree on the distribution of the surplus, that portion of the sale proceeds may be deposited by the foreclosure trustee with an appropriate official authorized under law to receive funds under such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure trustee files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure trustee's necessary costs in taking or defending such action shall be deducted first from the disputed funds.

§ 3414. Deficiency judgment

(a) IN GENERAL.—If after deducting the disbursements described in section 3413, the price at which the security property is sold at a foreclosure sale in insufficient to pay the unpaid balance of the debt secured by the security property, counsel for the United States may commence an action or actions against any or all debtors to recover the deficiency, unless specifically prohibited by the mortgage. The United States is also entitled to recover any amount authorized by section 3011 and costs of the action.

(b) LIMITATION.—Any action commenced to recover the deficiency shall be brought within 6 years of the last sale of security property.

(c) CREDITS.—The amount payable by a private mortgage guaranty insurer shall be credited to the account of the debtor prior to the commencement of an action for any deficiency owed by the debtor. Nothing in this subsection shall curtail or limit the subrogation rights of a private mortgage guaranty insurer.
Under the previous order, the Senator from South Carolina [Mr. Hollings] is recognized to speak for up to 20 minutes.

The able Senator from South Carolina, Mr. Hollings, Mr. President, the junior Senator from South Carolina. I thank the distinguished Chair. (Mr. Frist assumed the chair.)

SCORING THE BUDGET

Mr. HOLLINGS. Mr. President, once again we have lied to the American people.

Mr. President, once again, we are lying to the American people. For the past several weeks, we have heard the cries of the "balanced budget" and "the first opportunity in 25 years really to balance this budget." Everywhere men and women cry "balance." But, Mr. President, there is no balance to this budget. It is an outright fraud, and my friends on the other side should know better.

It was an embarrassing moment at the Budget Committee last evening. The chairman of the Budget Committee had fallen into the trap of playing to the cameras.

He had a clock flashing the amount of the gross debt and a chart showing the first page of the reconciliation bill with a ribbon, like in a horserace or the good housekeeping award, certifying that this budget was for fiscal responsibility. Not so at all.

On last Tuesday, just a week ago, he inserted in the CONGRESSIONAL RECORD the letter from June O'Neill, the Director of the Congressional Budget Office, together with the tables showing a surplus of $10 billion.

I ask unanimous consent that the letter be printed in the RECORD again at this point.

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

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the legislation submitted to the Senate Committee on the Budget by eleven Senate committees pursuant to the reconciliation directives included in the budget resolution for fiscal year 1996 (H.Con Res. 67). CBO's estimates of the budgetary effects of each of those submissions have been provided to the relevant committees and to the Budget Committees. Based on those estimates, using the economic and technical assumptions underlying the budget resolution, and assuming the level of discretionary spending specified in that resolution, CBO projects that enactment of the reconciliation legislation submitted to the Senate Committee on the Budget would produce a small budget surplus in 2002. The effects of the proposed package of savings on the projected deficit are summarized in Table 1, which includes adjustments to CBO's April 1995 baseline assumed by the budget resolution. The estimated savings that would result from enactment of each committee's reconciliation proposal is shown in Table 2.

As you noted in your letter of October 6, CBO published in August an estimate of the fiscal dividend that could result from balancing the budget in 2002. CBO estimated that instituting credible budget policies to eliminate the deficit by 2002 could reduce interest rates by 130 basis points over six years (based on a weighted average of long-term and short-term interest rates) and increase the real rate of economic growth by 0.1 percentage point a year on average, compared with CBO's economic projections under current policies. CBO projected that the resulting reductions in federal interest payments and increase in federal revenues would total $50 billion in 2002 and $170 billion over the 1996-2002 period. Those projections were...
Hon. KENT CONRAD,

Actually the deficit in the year 2002 would reach at 226±2880. Even back then I was trying to get legislators estimated to result from the reconciliation legislation submitted to the Budget Committee. Specific positions estimated to be $105 billion instead of $98 billion in 1995.

Now, calling this budget balanced is a mistake that is commonly made, Mr. President. "You fellows have got to help. We have got to cut back on the appropriations bills that we have already approved." And we did just that.

In 1981, I worked with the then majority leader, Howard Baker. We could see that this supply-side economics was working too well, that was the "river boat gambling." In the coming days, you are going to hear a whole lot of campy nonsense about opportunity and growth, about giving people their money back, and about people back home not knowing more about how to spend their money.

We should remember our experience with the supply-siders mantra of "growth, growth, growth." We first called it Kemp-Roth, then Reaganomics, and finally Vice President Bush named it "voodoo." And here we go again with the voodoo. We are heading full-tilt toward enacting a massive tax cut, when we are looking for money to pay the bills.

It is absolutely irresponsible. We have lied again to the American people.

President Reagan came to town promising to balance the budget in 1 year. Then having been sworn in, the President said, "Perhaps this has to be an Olympic thing. We thought it was worse than I ever thought. We will balance it in 3 years." We could not pass a budget freeze, so we tried Gramm-Rudman-Hollings which was a freeze plus automatic cuts across the board.

The trouble is that we are about to see history repeat itself. We may pass this budget but then, after 2 or 3 years, they will throw it away just like they threw away Gramm-Rudman-Hollings on October 19, 1990, at 12:41 a.m. in the morning.

I stood at this desk and raised the point of order against doing away with the fixed deficit targets of Gramm-Rudman-Hollings, but Senator Gramm and others voted me down. So it is not accurate to say, "Oh, it didn't work." It was working too well, that was the problem for some of my colleagues. Instead, they said, "Let's have caps on spending and we will balance the budget." And you can see the caps have gone up, up and away.

Mr. President, my colleagues have, to their credit, mastered the rhetoric and the lingo: Balance, balance, balance, balance, first time in 25 years, solid...
budget, certified by CBO—it is an absolute charade. CBO says that by the year 2002 there will be a $105 billion deficit. But Mr. Archer, the chairman of the Ways and Means Committee over on the House side, was quoted yesterday in USA Today. He said:

House Ways and Means Chairman Archer (R-TX) denies that his party’s budget is balanced with borrowing through Social Security dollars and angrily denies Hollings’ allegations. “I don’t know where he comes up with that,” Archer shot back in Hollings.

Mr. President, I would recommend that he go to the conference report of Mr. Kasich’s budget on page 3 where it says: Fiscal year 2002, $108,400,000,000. “Deficit” is the word used, not surplus or balance.

No wonder we’re in a pickle. The chairman of the Ways and Means Committee does not even know that the budget provides for a deficit in 2002. Here in the Senate, the chairman of the Budget Committee charges that we are using a phony argument. But I would invite my colleagues to look at the CONGRESSIONAL RECORD of last Tuesday, October 17, and you will see that Mr. DOMENICI himself says that we will owe the Social Security fund. I quote from S. 15193, October 17 and Mr. DOMENICI:

So we owe it, in fact, we owe part of it to the Social Security trust fund. So please spare me this about phony. They think as long as they holler “balance” and holler “phony and fraudulent” people will ignore the fact that the law plainly says that Social Security shall be excluded from deficit and surplus totals.

I ask unanimous consent to have printed in the RECORD the section 13301 of the Congressional Budget Act. There being no objection, the material was ordered to be printed in the RECORD, as follows:

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

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

(1) the budget of the United States Government as submitted by the President,
(2) the congressional budget, or
(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following:

The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title."

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, what I do then is go to the figures themselves, because it is not very difficult. I ask unanimous consent to have printed in the RECORD a budget table. There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET TABLES

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlays (in billions)</th>
<th>Government budget</th>
<th>Trust funds</th>
<th>Unified deficit</th>
<th>Real deficit</th>
<th>Gross Federal debt</th>
<th>Gross inter-est</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>1,108</td>
<td>-121</td>
<td>-226</td>
<td>-115</td>
<td>462</td>
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<tr>
<td>1966</td>
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<td></td>
<td></td>
<td></td>
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<td>132</td>
<td>256</td>
<td>492</td>
<td>628</td>
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<td>5,910</td>
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<td>392</td>
<td>260</td>
<td>650</td>
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<td>1998</td>
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<td>695</td>
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<tr>
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<td>698</td>
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<td>2003</td>
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<td>2005</td>
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<tr>
<td>2006</td>
<td>19,397</td>
<td>1,923</td>
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<td>698</td>
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<td>2007</td>
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<td>325</td>
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<td>2008</td>
<td>25,038</td>
<td>2,529</td>
<td>276</td>
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<td>2009</td>
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<td>229</td>
<td>490</td>
<td>698</td>
<td>5,897</td>
<td>3524</td>
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</table>

Source: CBO’s January, April, and August 1995 Reports.

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

MORE BUDGET TABLES: SENATOR ERNEST F. HOLLINGS

<table>
<thead>
<tr>
<th>Year</th>
<th>National debt</th>
<th>Interest costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>5,238</td>
<td>348</td>
</tr>
<tr>
<td>1997</td>
<td>6,728</td>
<td>496</td>
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<td>1998</td>
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<td>672</td>
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<td>2000</td>
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<td>2001</td>
<td>14,728</td>
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<td>2002</td>
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<td>1,262</td>
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<td>2003</td>
<td>18,728</td>
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<tr>
<td>2004</td>
<td>20,728</td>
<td>1,562</td>
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<td>2005</td>
<td>22,728</td>
<td>1,712</td>
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<tr>
<td>2006</td>
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<tr>
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<td>2,162</td>
</tr>
<tr>
<td>2009</td>
<td>30,728</td>
<td>2,312</td>
</tr>
</tbody>
</table>

† Included above.

Surplus in Social Security (CBO through 1996) ... $544.0 billion
Surplus in Medicare (CBO through 1996) ... $145.0 billion
Mr. HOLLINGS. Mr. President, in this chart we have taken the outlays under the Republican budget proposal as promulgated by the Congressional Budget Office for the years 1996 through the year 2002, and the revenues from CBO for the years 1996 through 2002. If you look at the total for spending, it is $12,080,000,000,000. Then if you look at total revenues the same period, it is only $11,008,000,000,000. By simple arithmetic we will be adding over $1 trillion to the debt over the next 7 years.

In the year 2002, the gross debt will go from $4.9 trillion today to $6.7 trillion.

In order to show good faith, Mr. President, I ask unanimous consent to have printed in the RECORD the budget paths that I presented in January at our initial meeting of the Budget Committee.

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

| Reality No. 1: $1.2 trillion in spending cuts is necessary. |
| Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again. |
| Reality No. 3: We should hold the line on the budget on Defense; that would be no savings. |
| Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs. |
| Reality No. 5: Taxes are necessary to stop hemorrhaging in interest costs. |

Mr. HOLLINGS. The Chair has been indulgent and I know my distinguished colleague from Tennessee is waiting to be heard. Let me conclude by asking people to look at the arithmetic and to help expose the fact that once again, we have lied to the American people. 

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized to speak for up to 20 minutes.

CHANGE THE BUDGET STATUS

Mr. THOMPSON. Mr. President, I appreciate the recognition. First of all, I want to commend the distinguished Senator from South Carolina for his usual eloquence.
I think if I ever had a case to litigate in a court that I want him on my side. Apparently, a lot of people in South Carolina over the years have felt the same way.

He brings to this discussion a unique perspective—one who has been in this body for many years, having served as Governor before his service in this body. Great experience—he has been through the budget years, budget battles.

It is always enlightening to hear an analysis of history—ancient history, recent history—as to how we got into the fix that we are in this country, whose fault it has been in the past, and what calculations that were made in the past that turned out not to be correct, and the political battles back and forth.

It is also interesting to hear from someone with such vast knowledge and experience as to how these deficits are figured, whose figures are to be used, whose figures are to be trusted and all of that.

However, Mr. President, I cannot bring to this discussion that kind of richness of historical perspective. I bring, as many of my colleagues here in the Senate, including my colleague from Tennessee who occupies the chair now, a different perspective.

That is, one from someone who has not been in this body, has not been in politics as far as that is concerned, over the years, and perhaps who views this a bit differently, from a different perspective.

That is, simply—regardless of all of that—we are simply spending more than we are taking in. We are simply bankrupting the next generation. We simply have to do some things differently in this country.

I think probably the best service that analysis of the past can be is an example of what we should not do. Sometimes I wonder whether or not we should not, with regard to our fiscal policies in the past, with regard to so many of our social policies, should not carefully analyze what we have done over the years and do the exact opposite.

I think as far as these fiscal problems are concerned, all I know is that we have that problem; the American people know we have that problem. They sent some of us here to address that problem, a different way than it has been addressed in times past.

We are here now on the brink of what I feel is a historic opportunity to address this for the first time in decades. Others would disagree and say we have tried various things before and they have failed. We tried some things and they worked for a while and we backed off again, which to me is a pretty good argument for a constitutional amendment to balance the budget. That is a different way of doing business.

The chairman of this Budget Committee, as I read in this morning’s paper, called this reconciliation package the culmination of his life’s work. He is not a person to use language loosely, and I am sure he feels that way, and I am sure it is the case.

It has been a remarkable life’s work and I think it points out the way in which serious people view this serious national problem is, on the brink of perhaps a historic occasion for the first time, perhaps, in this generation, to really try to get a grip on a problem that is strangling our Nation, that will undoubtedly engulf the next generation if we do not face up to it and do something.

Anyone who reads history will see that history is full of occasions of great powers having great economic viability and power and success and great military powers, and countries come to the top and they rule the world on occasion for periods of time, in ancient times, and they become the major economic powers of the world for periods of time.

Invariably, as the Bard would say, they strut and fret their brief hour upon the stage and then they move on. They decline, through laziness, laxity, corruption, for whatever reason, they move on. And they fade into the sunset and they are no longer militarily or economically significant.

One looking at the United States of America by any measurable criteria—economic, socially, or perhaps any other criteria—could make a pretty good case that the United States of America is on the beginning stages of that kind of decline. I think just within the last few years that people have taken note and made a decision in this country that we are not going to let that happen to the United States of America, that we are going to do something really unprecedented in world history, and that is to stop ourselves in mid-decline and to correct that course.

For years in this country we have somewhat recognized these problems, but have not, or so we have been led to believe, for the next generation to deal with. We have thought that we could have our cake and eat it too. We have thought that we could socially engineer our ways out of almost any problem and do it from Washington, DC.

These things have not worked. Now we are in a position of having to correct some false assumptions that we have made and some false basis for policies that we have had in this country for some time now. That should not be a remarkable occurrence and it should not be something that should be extremely disturbing to many of us.

This must happen in an individual’s life. In the life of a nation, Thomas Jefferson would say, a narrowly defined program buried in the 1965 bill that created Medicare, of course provides health care for low-income Americans. It was intended to cost about $1 billion annually. By 1992, expenditures had ballooned to $76 billion. In 1995 it was $89 billion. Of course that is the Federal Government’s share alone, the States spent another $67 billion.

So it is clear that we miscalculated, that we have operated under false assumptions, and that we must have some midcourse correction here in order to save the very thing we say we want, because the results of these policies, the results of its miscalculation, has left us in a sea of debt. It has slowed down the economy. We now have the lowest savings rate in the industrialized world. We have one of the lowest investment rates among our industrialized world. We have one of the highest rates of poverty in the Western world, one of the highest unemployment rates in the Western world. In 1965 it was 6.4 percent. In 1995 it was 12.6 percent, and that measures people living in poverty.

We have operated under the assumption that we could cure poverty in this country by spending our way out of it, that as long as we were spending vast sums of money this was demonstrating our commitment to those less fortunate. It made us feel good.

Basically, of course, we were spending other people’s money, folks out there working for a living, paying taxes, and they were footing the bill as always. But we felt basically the end would justify the means. We thought we could eradicate poverty in this country, basically. We, of course, gave no account, apparently, to basic tenets of human nature, that we could not spend $5 trillion on a problem such as this without creating dependency. We gave no accounting to the obvious fact that we cannot micromanage people’s behavior from Washington, DC. But we spent $5 trillion and now we have, perhaps, basically the same rate of poverty that we had in this country when we started.

We have developed a federal program for health care coverage for the elderly back in 1965. A lot of Democrats and Republicans joined together at that time to institute Medicare and also Medicaid. At the time the Ways and Means Committee estimated the hospital insurance part A would cost $9 billion to finance in 1990. In 1990 hospital insurance actually cost $67 billion. Medicaid, a narrowly defined program buried in the 1965 bill that created Medicare, of course provides health care for low-income Americans. It was intended to cost about $1 billion annually. By 1992, expenditures had ballooned to $76 billion. In 1995 it was $89 billion. Of course that is the Federal Government’s share alone, the States spent another $67 billion.

So it is clear that we miscalculated, that we have operated under false assumptions, and that we must have some midcourse correction here in order to save the very thing we say we want, because the results of these policies, the results of its miscalculation, has left us in a sea of debt. It has slowed down the economy. We now have the lowest savings rate in the industrialized world. We have one of the lowest investment rates among our trading competitors, and it has left our growth rate at about half what it usually is coming out of a recession in this country. It is making it more difficult for us to compete in a global economy with nations that measure their wages in pennies instead of dollars, and our workforce here is insufficiently trained to meet that. This is all in the context of an economy about which a good argument can be made, based upon our savings rate and our growth rate, that our investment rate is basically level or a long term, slowing down—slowing down.

We have seen the result of our social policies. Mr. President, it is not going to matter all that much whether we
balance the budget or not if out-of-wedlock births become the norm in this country. It is not going to matter whether we have a tax cut or not if juvenile crime makes it so that nobody can ever get out on the streets anymore in this country—and that is what it is coming to.

At a time when many of our prime statistics are leveling off, juvenile crime is now skyrocketing. Drug use among the juvenile population is now skyrocketing. We have an economy and terrible social indicators, where out-of-wedlock births exceed 50 percent in most of the major cities now.

Probably worst of all, I think, is a growing cynicism among the American people. The dissatisfaction you see, the third parties we hear being talked about, the aftermath of these activities of some of our law enforcement agencies, have people who are big, strong, conservative law enforcement people saying, well, this is the way it is. This is not the Government I know. I feel disassociated from that kind of Government, that way of doing business.” This is in a country where 75 percent of the people consistently say they want a particular policy—term limits is one example—and nothing ever happens.

All of that, all of that is a result, a culmination of years and years and years of policies that may have worked for a while and that certainly were based on good intentions by those who instituted them. Certainly some remnants and some parts of some policies are worth saving, and then there are some that were outright wrong from their inception and were based on fraudulent premises. A combination of all of that has led us here with these problems.

We talk about the last election. I do not think people got up on Election Day last time and started looking for Republicans across the country. I think we benefited from the fact that we were not in, that we were out. I think, more than anything else, it had to do with people wanting some kind of fundamental change in the way we were doing business in this country on a fundamental basis, and they were willing to give us a narrow window of opportunity to see if we could do something about it. That is why so many of us came and decided we would take a handful of things, but a handful of the most important things facing this country, and try to do something about them that is different fundamentally—and they are come together in this reconciliation package.

It had to do with the commitment to balance the budget of this country. It had to do with a Medicare system that everybody knows cannot continue the way it is. Changes have to be made or it will lead to a failed welfare system where $5 trillion has created more social havoc than we would have believed imaginable. And it had to do with leaving a few more dollars in the pockets of those who earned the dollars in the form of a tax cut. They were laid out in the campaigns last time and people responded to them, and they are looking to see now whether or not we are going to keep that commitment.

Everyone expected and will be debated, but I think it is good for the system and the American people to see it all debated out, because there are two sides to most of these issues. But after all is said and done, the time is running out for us to make fundamental change and it is going to have to be done and it is going to happen on our watch.

I am proud to be here for that historic occasion, when I think that will happen. The easy thing to do, always, is to maintain the status quo, to nibble around the edges, to really do just enough to make people think you are doing something without doing enough to really have any effect on anybody’s life. We cannot do that.

We can argue over whose figures to use and all that. But I think the President’s so-called second budget is a good example of that. He apparently comes up with $245 billion simply by changing a few things. Some folks that have been around here a long time are used to that. That is the way you make your money, mostly, is to change your estimates, change your growth estimates, change your inflation estimates—whatever you can come up with $245 billion out of thin air without having to make any changes.

Regarding the Congressional Budget Office, we do not have anyone who everyone can agree is omnipotent, who is all-knowing and can give us figures that everyone will agree on. I suppose the Congressional Budget Office is the nearest we have been able to come to that. The President always thought so until recently. According to the Congressional Budget Office, the President’s so-called second budget does not balance. It gives us $200 billion deficits as far as the eye can see.

So the status quo is always easier. The same thing as far as the Medicare situation is concerned. We take the position we have to have $270 billion in Medicare savings. Our colleagues on the other side, so many of them, say, “Yes, we acknowledge first of all that we would have to have a balanced budget.” “We would do that, but there can be changes in Medicare will be needed by far more than that.”

And second, “Yes, we must do something about Medicare.” But again, just as with the balanced budget, “You are going too far, you are going too fast.” Mr. David Broder wrote in the Washington Post earlier this month on this subject, and he pointed out the real problem, when you cut through all the rhetoric on both sides of the aisle as far as the health care problem is concerned, is that the growth in spending, which is the President’s so-called second budget. He pointed out the Presidential commission, headed by our colleagues Senator Kerrey of Nebraska and Senator Danforth, reported earlier this year that unless current trends are changed, by 2010 or 2012, 15 to 17 years from now, all Federal revenues will be consumed by entitlement programs and interest on the national debt. So we clearly cannot continue down that road.

He further states that the Republican approach comes closer to the scale of changes that the country needs. He points out that in the House Ways and Means Health Subcommittee, they point to some estimates given to the commission by Guy Cherubini, chief actuary for the Federal agency that runs Medicare and Medicaid.

Mr. King says that the Democrats are correct in claiming that their $90 billion solution would keep the Medicare trust fund solvent until 2006, but in 2010—the last year that the Republican plan would keep the trust fund in the black—said the Democrats would leave it with a $309 billion figure in the red. He says that date is terribly important because 2010 is the year the huge wave of baby-boomers start retiring.

Everyone acknowledges further changes in Medicare will be needed by then. But, as Thomas points out, it is important to be dealing with the retiree wave from a position of fiscal parity—which is what our plan would do—but it is much harder to do it when you are already $300 billion in arrears.

So all he is saying is that, sure, we will have to pay up $90 billion in savings would get us over the hump. That is what we are used to doing in this country—getting over the hump usually until the next election, hopefully until the next generation, just pushing it on down the road just a little bit further, and do not let me have to deal with it because I do not want to have to go home and explain anything unpleasant to anybody. But if we do that when those retirees hit, when those baby boomers start retiring, we will be hopelessly insolvent.

But we are not getting a reasoned debate in many instances on this. We are getting scare tactics. We are getting the 30-second sound bites which the American people have grown to love so much in our political races, 30-second television commercials that appeal to the most basic instincts and that are invariably flawed from the factor standpoint.

Mr. President, has my time expired? The PRESIDING OFFICER (Mr. INHOFE). The time has expired.

Mr. THOMPSON. I ask unanimous consent for an additional 5 minutes.

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

Mr. THOMPSON. Mr. President, Mr. Tim Penny, former Democratic Representative from Minnesota, wrote earlier in the Washington Post, last year, he said that both parties should be working together on this important issue just as many Republicans joined Democrats in voting for Medicare in 1965. Unfortunately,
Democratic leaders in Congress have decided otherwise, choosing to attack the Republican Medicare plan rather than offering an alternative. By politi-
cizing the issues, Democrats are threatening the viability of the very program they want to save.

Mr. President, we are better than that. We can do better than that. Those
on both sides of the aisle have pointed out that this is not an accurate rep-
resentation of what we are doing, the rhetoric that we are hearing now.

The worst, on September 25, 1995, pointed out that as far as say-
ing the tax cut proposal is simply a tax cut for the rich to finance the Medicare
cuts, they said, "The Democrats have fabricated a Medicare tax cut connec-
tion because it is useful politically."

Mr. President, the stakes are too high. The opportunities are too great.
We must get down to what we all know is the task at hand; that is, saving this Na-
tion from insolvency, saving the Medicare trust fund from insolvency, and
putting some money back into the hands of working people.

Mr. President, only in Washington, DC, do we still think that $1 of tax cuts
of any kind, capital gains or otherwise, is $1 of revenue to the Federal Govern-
ment. It simply does not work that way. In 1981, for example, when the
rates were cut for capital gains, reve-
ues went up. In 1996, when rates were
increased, revenues went down.

So Senator DOMENICI has pointed out, the chairman of the Budg-
et Committee, this is a culmination of
not only his last work but a lot of peo-
ple's last work. It is an historic oc-
casion. We have an opportunity to do
something that probably will not present itself again, certainly in our
lifetime, as far as this reconciliation
package is concerned.

I urge its prompt consideration and
its approval.

I yield the floor.

The PRESIDING OFFICER. Under a previous
order, the Senator from Michigan [Mr. LEVIN] is recognized to
speak for up to 15 minutes.

Mr. LEVIN. I thank the Chair.

THE ISTOOK AMENDMENT

Mr. LEVIN. Mr. President, the Satur-
day New York Times over the weekend
reported that a group of freshman Re-
publicans in the House were threaten-
ing to basically bring the Federal Gov-
ernment to a halt unless a provision
that they support is adopted in the
conference report on the Treasury-
Postal appropriations bill. The provi-
sion at issue is commonly referred to
as the Istook amendment after its au-
thor, Congressman ERNEST ISTOOK of
Oklahoma. It would put massive new
restrictions on all Federal grant recipi-
ents with respect to their participation in
marketing or advocacy, political or other.
The New York Times described it: "As
this week began, the freshmen were
threatening an even wider uprising,
with nearly half hoving to hold up all
the upcoming spending bills and the reconcili-
ation bill unless the leader-
ship holds fast" on the Istook amend-
ment.

Congressman ROGER WICKER of Mis-
sissippi is quoted in the article as say-
ing, "It is not lobbying; the conferences will
ignore at their peril."

One headline recently referred to the
amendment here, as "lobby reform." Proponents of the amendment say it
will "end welfare for lobbyists." Well, I
have been working on lobbying reform for
over 5 years, now, and I can tell you,
this is not lobbying reform. It is reper-
ession of the rights of people to
lobby.

The Istook amendment is a rather
blatant attempt to silence dissent and
to muffle the diversity of opinion in
the forum of public policy debate. The
amendment is one of the most poorly
thought out I have ever come across.

Senate conferees have been holding
fast against it, although there is sup-
posed to be a meeting of the conferees
sometime tomorrow and we will have to see what happens. But again, the
Senate has served as a firewall against
an extreme proposal emanating from
the House. The Istook amendment pro-
vides that any Federal grant recipi-
ten, or buts. Appropriated funds under
current law cannot be used for lobbying
and there are provisions that en-
sure that even indirect costs of an or-
ganization cannot be used to subsidize
lobbying activities.

There is a longstanding law on the
books that prohibits the use of appro-
priated funds for lobbying—no ifs,
and, or buts. Appropriated funds under
current law cannot be used for lobby-
ing and there are provisions that en-
sure that even indirect costs of an or-
ganization cannot be used to subsidize
lobbying activities. Current law applies
to all appropriated funds regardless of
who the recipient is—for profit con-
tractors as well as nonprofit grant re-
pipients. Violating this provision are
not try to limit the amount of lobbying that con-
tractors can conduct with their private
money, even when they are lobbying with Federal funds. They do not try to
limit the volume of lobbying these companies can conduct despite
the hundreds of millions, and in some
cases the billions of dollars, they re-
ceive from the Federal Government.

Federal contractors can lobby. The
Istook supporters can call private
money used by Federal grant recipients
welfare for lobbyists, the same would
have to hold true for private moneys
used by Federal contractors. There is
not a difference.

The whole approach is based on a
disturbing and a flimsy distinction. You can buy B-2's from a company that
makes a profit and not worry about how it lobbies with its own money, but
if you buy research into a cure for can-
cer from a nonprofit university, then
you need to restrict that university's
lobbying efforts with its own money.

The B-2 contractor can lobby all it
wants with its own money, but the uni-
versity working on a cure for cancer
cannot.

So the amendment at the outset tar-
gets only one type of recipient of Fed-
eral funds, and that is the grant recipi-
ents that are largely nonprofit organi-
zations, leaving the contract recipients
that are largely for-profit companies
completely untouched.

What are the restrictions that the
amendment then places on all Federal
grant recipients? An organization can-
not spend more than 5 percent of its total expenditures on politi-
cal advocacy in any one of the preced-
ing 5 years. So let me repeat that. An
organization cannot spend more than
5 percent of its total expenditures on politi-
cal advocacy. That is the term the amend-
ment uses—in any one of the preceding
5 years. And then, of course, once an
organization is a grantee, it is held to this
3- or 5 percent condition of continuing to receive the grant.

So first of all, this is not a limitation
on what a grant applicant must be
bound by once it gets a grant. This is much more than that. This is a limitation on what an applicant for a grant can do in the 5 years prior to applying for a grant.

An organization may not even know that it has a grant for a certain purpose, but let us say, in 1995, but should it this year spend more than 5 percent of its money on what the Istook amendment calls political advocacy, then it is precluded 5 years from now from applying for a grant, even if it is not engaged in any political advocacy this year, next year, the year after, or the year after that. This amendment is not only applicable to the period of time during which the grantees is carrying out a grant, it applies for all practical purposes for all years whether or not an organization has a grant if it thinks that it might some year, 5 years down the road, want to apply for a grant.

What is political advocacy? The definition is so extreme that it is almost laughable if the stakes, namely, basic democratic principles, were not so high. Political advocacy includes carrying on "propaganda"—that is the term that is used in the amendment—or otherwise attempting to influence legislation or agency action. This, the amendment says, includes but is not limited to contributions, endorsements, publicity, or similar activities.

So if the Food and Drug Administration were to approve restricting the availability of cigarettes for all young people, the American Medical Association, which may have a grant or may even want to apply for a grant in the next 5 years, could be precluded from using non-Government funds, its own funds, to endorse that agency action. At a minimum, if it thought it might want to apply for grant in the next 5 years, if it did not have one at the time, it would have to keep records of how much it spent if it made such endorsements and then regularly measure that amount against its other political advocacy activity, assuming you could figure out what political advocacy meant, and it would have to do that to make sure its total expenditures do not go over the 5-percent limit.

Political advocacy also includes participating in any judicial litigation— I do not know what litigation is other than in a judicial setting, but that is the term the amendment uses—in any judicial litigation or agency proceeding, including as a friend of the court in which any Federal, State, or local government is involved. The exceptions to this sweeping provision are if the grantee is a defendant, so you are allowed to defend yourself, or if the grantee is challenging a Government decision or action directed specifically at the powers, rights, or duties of the grantee or grant recipient.

OK, so now let us say you are the Mayo Clinic, which has a Federal grant to conduct cancer or diabetes research. The City of Rochester has developed a new master plan to rezone the entire city including the area around the clinic. You as the clinic are affected by that plan and you want to challenge it, but it is not directed specifically at the powers, rights, or duties of the Mayo Clinic. It is a plan for the entire city of Rochester, so now you would be continuing with the research grant or participating in the debate over the master plan.

Political advocacy also includes—and this is where the amendment takes another leap in its extremism and its absurdity—allocating, disbursing, or contributing any money or in-kind support to any person or entity whose expenditure for political advocacy in the previous fiscal year exceeded 15 percent of its total expenditures for that year.

What does that mean? Presumably that every Federal grant recipient or potential applicant has to determine whether or not the business from which its purchasing services or products meets the Istook test.

So now if a Federal grantee or a potential grantee purchases a computer from IBM, that Federal grantee had better be sure that IBM is within the 15-percent limit, because otherwise it is an expenditure for political advocacy and the grantee has to count the amount of the purchase toward its 5-percent limit.

Let us take another example. A child care facility might receive a Federal grant for a breakfast program uses its own non-Federal private funds and hires an individual to do graphics for a campaign to promote healthy breakfasts. The person they happen to pick is a part-time lobbyist at the State legislature for other persons and other interests. The child care facility did not pick that person for that skill. They picked him for his ability to put together an attractive presentation for little children and for families. Under the Istook amendment, the agency is going to hold that child care facility responsible for determining whether or not that graphics person spends more than 15 percent of his expenditures on political advocacy. And if it does, the child-care center has to include in its total of its expenditures that amount of money.

Now, Mr. President, this is getting absolutely absurd. A potential grantee, an applicant for a Federal grant, who thinks that it may apply even in the next 5 years, has to keep a record of every single purchase it makes from every company during that 5 years and make sure that no company from which it buys a computer or anything else has exceeded a 15-percent expenditure limit using its own funds.

If you buy food for a clinic, you better make sure that the wholesaler from which you bought that food did not spend more than 15 percent of its own funds on political advocacy. This is Government gone mad. This is Government gone crazy. Nobody can keep these kinds of records and get certification from every person from whom they buy anything that that person did not spend more than 15 percent of its money on political advocacy.

This amendment does exactly what the opponents of lobbying and gift reform in the last Congress correctly said would be unacceptable: interfering with the right of an organization to communicate information to its members.

The Istook amendment would treat as political advocacy, and therefore reportable and subject to its limits, all communications between a grantee organization and any bona fide member of the organization. It takes away the member's right to communicate with any Government official on legislation or agency action. Let me repeat that. The Istook amendment requires grantees to report on an annual basis all of their expenditures—again, we are talking about non-Federal funds—in communicating to their members to encourage them to contact Government officials on legislation or agency policy action. Isn't that what killed lobbying reform last Congress and is not that exactly the kind of proposals of this Istook amendment said would be so offensive? We struck any reference to grassroots lobbying from the lobbying reform bill this year in order to make progress, and here, some Congressmen are threatening to shut down the entire Federal Government in order to pass a provision that requires organizations to publicly account for just how much they spend to do grassroots lobbying on their own members, not only on persons outside their organization but with their own members. Last year's provision did not go nearly that far and many of these same House Members railed against that.

This is Alice in Wonderland material, made real by the fact that the sponsors are threatened to be shut down Government, if they don't get their way.

We are talking here about making the Red Cross report each year how much it spends of non-Federal funds should it ask its members to urge Congress to pass stronger legislation to protect the country's blood supply. We are talking about requiring Mothers Against Drunk Driving to keep a record of all the expenses they incur in communicating with their members to fight for tougher drinking laws in their states. And these organizations would have to keep these records and report these amounts even though they do not even meet the definition of a lobbying organization under the Senate-passed lobbying disclosure bill.

Promoting and supporting this amendment is, alone, an unfortunate, unwise, and potentially dangerous positive step. It talks with respect to our basic democratic principles. But elevating the passage of this amendment to the position of importance that puts the
entire Federal Government at risk is incomprehensible.

One day we will weary of threats to shut Government down—and as a body rise up to defeat proposals supported by such threats. This proposal should also be defeated despite the threats, Mr. President, because the laws are already in place to protect any misuse of taxpayer moneys with respect to lobbying by tax-exempt organizations. The Senate should not give in to this thoroughly misguided piece of legislation; our defense should hold fast.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania (Mr. SPECTER) is recognized to speak for up to 30 minutes.

Mr. SPECTER. I thank the Chair.

THE BUDGET RECONCILIATION BILL

Mr. SPECTER. Mr. President, 1 year ago we Republicans won control of the Congress based on commitments to balance the budget, reduce the size of Government, and lower taxes. These commitments remain our basic goals. I have sought recognition this morning to speak on the reconciliation bill which will be coming up tomorrow.

I know that tomorrow time will be very precious, so I want to express some of my thoughts at this time. These reservations which I am about to discuss have been expressed to the leadership. There was difficulty in even coming to preliminary conclusions because much of the material had not been made available until very recently, some of the tables on the tax reductions only coming as late as yesterday.

As we address the reconciliation process in the next few days, I ask my colleagues to reconsider certain aspects of the proposed legislation. As much as I favor tax relief for Americans, I question tax cuts that may jeopardize our No. 1 priority, which is balancing the Federal budget.

As much as I want to reduce the size of Government, I question spending cuts directed so disproportionately against the elderly, the young and the infirm. And on a political basis, I suggest to my Republican colleagues that we all rethink support for a combination of tax cuts and spending cuts that may work against the interest of the Republican Party as the party of wealth, power and privilege, and not the party of ordinary American working families.

Last fall we Republicans swept to historic victories in both Houses based on our responsiveness to the people's demand for less, not more Government, for a Government that lives within its means, and for a reduction of the tax burden on ordinary Americans.

I am afraid, Mr. President, that we will fail to put political high ground in an instant if we adopt a budget that not only fails to end the deficit, but that, either in appearance or in fact, makes the least affluent Americans bear the heaviest burdens while giving most of the tax benefit to the most affluent among us.

I am concerned, Mr. President, that these tax cuts threaten a balanced budget, which is by far the most critical aspect of this fiscal mandate of 1994. Many of us have been working for a balanced budget for many years. And I have been making that effort for all of my 15 years in the Senate. But until this year, I have never seen legislation passed that actually had a likelihood of achieving that goal.

Finally, after years of shadowboxing, after years of spending restraint initiatives that were mere smoke and mirrors, not really substance, this Congress has been willing to make the painful changes necessary to achieve a balanced budget. We are moving toward real reform of entitlements, thereby for the first time giving us a real ability to restrain future spending in those programs. Painful though these actions are, we are willing to make the sacrifice of a balanced budget for future generations. And we do that in order to achieve a real balanced budget within the 7-year glidepath.

The Senate Appropriations Subcommittee on Labor, Health, and Human Services, which I chair, and where the distinguished Senator from Iowa, Senator HARKIN, serves as ranking member, has made very, very painful cuts on a budget which had exceeded $70 billion in discretionary spending. These reductions totalled almost $8 billion, down to somewhat more than $62 billion in spending.

I would suggest to you, Mr. President, that we made these cuts with a scalpel and not a meat ax. But we had to pare back critical programs, difficult as it was, such as compensatory education for the disadvantaged, substance abuse treatment and prevention, drug-free schools, and dislocated worker training—and we did so, I believe, in a way that left intact the basic safety net that protects America's neediest people and programs, and with a special concern for children and the elderly.

We were able to make these difficult spending cuts because of our commitment to a balanced Federal budget. But we may overcut that commitment while leaving those painful spending cuts in place. The largest spending cuts occur in the so-called outyears while many of the tax cuts occur at the outset. These savings may materialize, but there is no guarantee that they will.

Estimates of rates of economic growth, inflation, tax revenue generation are only estimates, and estimates invariably become less accurate the further out in time they occur. The proposed reconciliation bill offers the promise of short-term tax cuts right now paid for by spending cuts later and anticipated savings. That sounds too much like the approach which has put us in a predicament with almost a $5 trillion national debt.

Mr. President, I am very concerned that these tax cuts are unfair or at least give the perception of unfairness. I express this concern because much of the pain of the spending cuts goes to the very people the program was designed to help while allowing tax cuts for corporate America and those in higher brackets.

I question, Mr. President, cuts in student aid, job training, low-income energy assistance, workplace safety, Head Start, childhood immunization, and tenant and child health programs while we give corporate tax breaks such as accelerated depreciation for convenience stores and expanded equipment depreciation.

I am concerned, Mr. President, as I take a look at the cuts in Medicare and Medicaid. This is a subject that was highly controversial, leading many Republicans from my neighboring State of New Jersey to vote against the Medicare Program in the House of Representatives. I point specifically to Medicare Part A, which has increased payments relating to extra payments to hospitals that serve a high proportion of poor patients. This program is reduced by some $4.5 billion over 7 years. This change impacts very, very heavily on many of the hospitals in my State of Pennsylvania and on many training institutions across the country.

And I point further to the Medicare Part A indirect medical education payments, which are financial adjustments to teaching hospitals to cover excess costs due to training. This program is reduced by some $9 billion. I also point to the change in the index for future payments to hospital providers, which will be reduced by some $36 billion over the course of 7 years.

While it is admitted that Medicare changes are necessary in order to remain solvent and that we have to have a handle on Medicare, there are many questions being raised by senior citizens and the elderly all over America in regard to the fairness of these reductions. I specify that they are not cuts, but we are trying to get a handle on Medicare so that as costs increase, we can reduce the rate of increase. But there are many questions legitimately being raised about these budget considerations on Medicare.

On Medicaid, there is a change from entitlements to block grants. We have bitten the tough bullet on changing the block grants on welfare payments, and we are in the process of making real reforms in the entitlement programs.

There is a particular concern as to what will happen in many of the States. There was a lead article in the New York Times in the last few days about what is happening and what may happen further. The State illustrated was Mississippi. As a matter of concern of my State, Pennsylvania, is the formula for the allocation of Medicaid funds under a block grant, with some
of the pending legislation hitting Pennsylvania very, very hard.

Mr. President, it is a herculean effort to rein in entitlements and balance the budget under the best of circumstances in a way that will be accepted as fair. I believe that it is prepared to tighten their belts to balance the budget, so long as the sacrifices are fair and equitable.

We consistently hear constituents urge spending cuts except for their own pet programs. But leadership calls for the Congress to take the political risks on those hard votes to cut popular programs for the future economic stability of the country. It simply may be too much to cut about $1.4 trillion, and that is an approximation—$200 billion a year over 7 years—plus another $245 billion for tax cuts, which at least gives the appearance of unfairness.

I further suggest that the reconciliation bill may well be bad politics as well as bad public policy. To balance the budget and reform entitlements are tough under any circumstance, but they are even more difficult along with the tax cuts and corporate benefits.


The details of the cuts in popular programs. It is especially difficult, Mr. President, I suggest, to justify curtailments in the earned income tax credit at the same time the tax cuts are going to Americans in higher brackets.

The earned income tax credit was expanded in 1986 under President Reagan and again in 1990 under President Bush. President Reagan called the program the best antipoverty, the best pro-family, the best economic stimulus measure to come out of the Congress.

What is the measure of fairness in eliminating facets of the earned income tax credit at the same time the tax cuts are going to Americans in higher brackets?

The specifics on this, frankly, have been difficult to obtain, but the Senate reconciliation bill would reduce funds for the earned income tax credit by some $43.2 billion, which is substantially above the House reduction of some $23.2 billion over 7 years.

The Senate bill would eliminate the earned income tax credit for taxpayers without children, who now receive a limited credit up to $2,500. The changes made in the Senate bill on the earned income tax credit tighten up eligibility and expand the income included for phaseout purposes.

Further, the credit would be entirely phased out for individuals with one child with income over $23,730. The Senate proposal would also freeze the credit at 36 percent rather than allowing it to rise up to 40 percent under current law.

Mr. President, the reconciliation bill contains many credits which I like very much. I especially like the $500 tax credit per child, but is there not a question as to extending that tax break to individuals in the $75,000 bracket or $110,000 for married couples, at a time when the earned income tax credit for taxpayers without children, who now receive a limited credit up to $2,500.

There is no doubt about the justification for giving a tax credit for families in middle-income America, but should we be being asked when the taxes are being increased or the earned income tax credit is being reduced for people in much lower brackets?

This legislation, the reconciliation bill, contains an increase on IRA’s, independent retirement accounts, and that is a measure that I have long supported and fought for. I recall in 1986 we had a vote, 51 to 48, eliminating the IRA’s. I very strongly opposed the elimination of the IRA’s and I sound public policy to be increasing IRA availability for singles who earn up to $85,000 and for families earning up to $100,000, from the current limits of $25,000 and $40,000, at a time when we are putting limitations on the earned income tax credit?

I do not have absolute answers to these questions, but I think they deserve very, very careful thought.

Mr. President, these political problems have been candidly noted by many of our colleagues in the U.S. Senate. Our distinguished majority leader on a Sunday talk show a few weeks ago raised a question about having these tax cuts and quoted a number of Republican senators on the Senate Finance Committee, and then, in the wake of objections, retreated from the questioning of these tax cuts.

I believe that if there were a secret ballot among the 53 Republicans, many would vote against the tax cuts in the context of balancing the budget and in the context of difficulties for others in lower brackets. One of my colleagues estimated that as many as 20 of our Republican senators might oppose the tax cuts if we were to have a secret ballot.

I raise these issues in the context of having debate at the start of this bill, again saying that I do not have absolute answers but think that these issues have to be thought through very, very carefully.

Mr. President, I suggest that it is time to face the facts that the Emperor, as well as the poor, may well be wearing no clothes if the reconciliation bill passes in its present form.

I remind my colleagues about the political consequences back in 1986. Many who are now in the Senate, especially on the Republican side, were not here in 1986 when we faced a question about whether we would vote against the tax cuts in the context of balancing the budget and in the context of difficulties for others in lower brackets.

I remind my colleagues about the political consequences back in 1986. Many who are now in the Senate, especially on the Republican side, were not here in 1986 when we faced a question about whether we would vote against the tax cuts in the context of balancing the budget and in the context of difficulties for others in lower brackets. Those who voted in favor of the Social Security tax cuts were defeated at the polls.

I think that is something that has to be remembered, especially since, even though the Social Security tax cuts passed the Senate, they did not come into law. They ultimately were abandoned.

Many of the items we are going to be voting on here, as an example, those in this reconciliation bill, are conceded not to be in final form—that this is a test run and that this reconciliation bill is highly likely to be vetoed by the President. He already announced his intention of it is going to come for further consideration, again raising the question about making these votes which are so politically perilous and which really may not have any effect at all.

Mr. President, I further suggest that we can have all of the advantages in the reconciliation bill in terms of tax breaks for middle-income Americans and more. We can have not just a reduction in the capital gains rate but an elimination of the capital gains tax, and then elimination of the dividends if we move to the flat tax, which I introduced earlier this year, Senate bill 488.

I take second place to no one in this body when it comes to supporting tax relief for all Americans. But real tax relief cannot come from tinkering at the margins, by adding a new break here or a new loophole there. Breaks and loopholes are part of the problem, not the solution. The solution to tax oppressiveness is a completely new method of income taxation, a method based on the fundamental principles of fairness, simplicity, and growth. That solution, Mr. President, is the flat tax.

Our current Internal Revenue System is a mammoth bureaucracy requiring Americans to spend billions of hours each year to complete their tax forms and hundreds of billions of dollars in compliance, estimated as high as $595 billion by Fortune magazine. It is reliably estimated that some 5.4 billion hours annually are spent by Americans on tax compliance. Worse, our tax system is fundamentally antithetical, diverting otherwise productive resources to compliance costs, promoting economic decisions based on tax avoidance rather than productivity, and discouraging savings and investment by the double taxation of dividends and capital gains.

My flat-tax proposal, Senate bill 488, was introduced in March of this year. It would scrap our current Tax Code and replace it with a simple 20 percent rate, keeping only two deductions—interest on home mortgages up to $100,000 in borrowing, and charitable deductions up to $2,500.

Individuals would be taxed at the 20 percent rate on all income from wages, pensions, and salaries. They would not pay tax on interest or savings and dividends because those would be taxed at the source. They would also not pay any tax on capital gains because the answer to encouraging investment and
growth is not simply to reduce capital gains tax but to eliminate it entirely.

Under my bill, a family of four earning up to $25,500 would pay no tax. Low- and middle-income Americans would benefit from my tax cut because millions of them pay little or no current tax because of the myriad loopholes and shelters in the Tax Code, which would have to pay tax at the 20 percent rate because these loopholes and shelters would be eliminated. It has been shown that under our current tax system, more than half of all personal income in the United States, or some $2.6 out of $5 trillion, escapes taxation entirely. A flat tax system, like my flat-tax proposal, taxes all income equally—and just once.

Businesses would also be taxed at a flat rate of 20 percent. My plan would eliminate the intricate scheme of depreciation schedules, deductions, credits, and other complexities that complicate business filing, and that in some cases permit tax evasion. Businesses would only need to deduct wages, direct expenses, and purchases. Businesses would be allowed to expense 100 percent of the cost of capital formation, including purchases of capital equipment, structures, and land, and to depreciate over the year in which the investments are made. Although the elimination of most deductions means that business taxes will increase in the aggregate—thus assuring that investment income is fully taxed before it is paid out—that extra cost to business will be offset by the elimination of their enormous tax compliance costs.

For both businesses and individuals, the hours and hours of tax-related recordkeeping, the litany of schedules, the libraries full of regulations and decisions, would be replaced by a postcard sized form that almost all Americans and business owners could complete in about 15 minutes.

But the most important reason for adopting a flat-tax system is in its potential to foster economic growth and job creation. With the elimination of taxation on interest, dividends, and capital gains, the pool of capital available for investment will grow dramatically. Conservative economic projections are that interest rates will come down two full points, and that renewed economic activity will add $2 trillion to the gross national product over 7 years. My $100,000 of borrowing and charitable contributions up to $2,500. While these modifications limit the purity of the flat-tax principle, I believe that these deductions are so ingrained in the financial planning of American families that they should be retained as a matter of fairness. Based on computations provided by the Joint Tax Committee, the additional 1 percent in my flat-tax proposal above the Hall-Rabushka proposal—a 20 percent rate instead of 19 percent—will fully cover the cost of these deductions.

In fact, there is every reason to believe that as the growth aspects of flat taxation take hold, and the economy expands, tax revenues will rise significantly—which will permit either a further lowering of tax rates or actual reduction in the national debt. However, since those savings are speculative, I have not included them in my calculations to set revenue neutral, deficit neutral rate.

I am obviously reluctant to vote against legislation that offers needed tax relief to some Americans. But we ought not be tinkering at the margins where some people benefit and others don’t. Under a flat tax such as I have proposed, everyone benefits and everyone pays their fair share. The current tax breaks are, at best, a Band-Aid. A flat tax is a cure for the cancer which retards the productivity of the American economic engine. The relevant committees have had hearings on the flat tax and are in a position to act on these proposals.

Mr. President, I make these comments because of my concern that the pending reconciliation bill may be going too far at a time when our primary objective is to balance the budget, and that Americans are prepared for those cuts if they are fair and they are just.

At a time when we are tightening our belts, I question the wisdom of the additional tax cuts to people who are in much higher brackets and to corporate tax breaks at this time. Again, I say I am not in concrete on this matter, but I urge my colleagues to carefully consider this matter before we move to the voting state and consideration of final passage of the reconciliation bill.

The Republican leadership has heretofore been advised of my concerns and reservations. While it is late in the process, there is still time to revise the reconciliation bill in the interest of fairness and sound tax policy. It is my hope that modifications can be made so that I and a broad coalition of Members can support this landmark legislation.

The PRESIDING OFFICER. Under a previous order, the Senator from Arkansas, Senator Pryor, is recognized for up to 15 minutes.

MISINFORMATION AD CAMPAIGN

Mr. PRYOR. Mr. President, this morning I rise today to sound an alarm, an alarm about a $1 million television advertising campaign that supports the Republican plan to cut Medicare and is currently airing all over the United States.

I am here to explain to my colleagues what this commercial is supposed to not tell the whole story and why the public needs to know more about the organization that is actually paying for this TV commercial that advocates the Republican cuts in the Medicare program.

Mr. President, the issue I brought to the Senate is that the Seniors Coalition—a coalition of huge corporations and insurance companies that calls itself "Seniors Voice," but is in fact a misnamed, and is a "coalition of huge corporations and insurance companies out to loot Medicare to pay for corporate tax breaks."

In fact, Mr. President, the Seniors Coalition, United Seniors Association, and 60-Plus, are all 501(C)(4) organizations. They pay no taxes whatsoever. They have use of a nonprofit mailing permit. They are being subsidized by the American taxpayer.

Mr. President, which is the Coalition for America's Future—and here is a letter of September 22—was created by the majority party, by the Republican leadership, to apply pressure...
during efforts to push the Contract With America, including tax breaks for the wealthy, through the House of Representatives.

Let us look at this letter of September 22. This letter is addressed to me:

On behalf of the more than 7 million families, senior citizens and large and small businesses of the Coalition for America’s Future, we are writing to urge you to make good on the promise in the budget resolution to provide $245 billion in tax cuts over the next 7 years.

One of the so-called members of the Coalition for America’s Future is the National Council to Preserve Social Security and Medicare. They are listed along with the Seniors Coalition, United Seniors Association, and 60-Plus as senior organizations who are members and who support the Coalition’s agenda.

Mr. President, just this morning I received a letter from the National Committee to Preserve Social Security and Medicare, and I will read part of it now:

Regrettably, that letter lists our organization as a member of this Coalition and clearly implies our support for its position in favor of the $245 billion tax cut package contained in the budget reconciliation bill.

Martha McSteen concludes by saying:

I want to emphasize in the strongest possible terms that the National Committee to Preserve Social Security and Medicare did not endorse this letter or approve the use of our organization’s name in connection with this letter.

At this point, I would like to explain how these groups were founded, how they operate, and exactly who they are.

First, letters that will grab the attention of seniors, usually through scare tactics, are sent to thousands of seniors across America. These letters make senior citizens think that their Medicare is in jeopardy, that it is in danger, and that what they need to do immediately is to send their money in to one of the three groups founded by Mr. Viguerie. Here is what happens.

Then by one of these groups to Mr. or Mrs. Smith, Anytown, USA. Then the older American receives this letter, writes a check out of their savings account to either the Seniors Coalition, United Seniors Association, or 60-Plus. Then the dollars go, first—where? To Mr. Viguerie. We have the contract for Mr. Viguerie that we will show in a few moments, that shows that Mr. Viguerie gets up to 50 percent, possibly one-half of all of these checks sent in by mail by the senior citizens to United Seniors Association. Some of the remaining money is used to generate some more mail to send out to scare the seniors.

These groups also use some of the remaining money to lobby the Congress. For example, Seniors Coalition had enough money left over to run TV commercials like we are seeing running in many parts of America today. This ad campaign is telling seniors that the Medicare cuts are necessary to save the Medicare system.

Last year, in 1994, these same groups were doing the exact opposite. They were scaring seniors by telling them that President Clinton was cutting $124 billion out of Medicare as part of his health care reform proposal. Here is a letter dated March 28, 1994 from the same organization, the Seniors Coalition, and it was sent out to thousands of seniors across the country, requesting contributions. In the body of the letter the Seniors Coalition states:

Now President Clinton wants to cut an additional $124 billion. This is all part of his plan to have the Government take over health care.

Well, they reversed themselves now, 2 years later, because of the Contract With America, because of their desire to cut $270 billion out of the Medicare proposal, because they want to give a $245 billion tax break for the wealthy, and because now they are all in the league with the Republican leadership.

This year, however, the same groups are scaring seniors by telling the seniors if the Republican plan to save Medicare is not adopted, they might lose Medicare benefits. What the letters do not show is that the Seniors Coalition strongly supports the Republican plans to cut Medicare by $270 billion and to provide a $245 billion tax break, a great portion going to the wealthiest in America.

Second, many seniors are dipping into their savings—from their piggy banks, like the one shown here—to send so-called contributions to these three groups, thinking the money would be used to lobby Congress to save their Medicare Program. But what these seniors are not told and what they do not know—and they would have no reason to know—is that their dollars are being used, not to save Medicare, but to cut Medicare. A senior sends in a check to one of these groups, and their own money is being used against them, to cut Medicare benefits. This is a fraud. It is a shame.

And, after collecting savings from seniors, the groups spend a lot of it, up to 50 percent in the case of the United Seniors Association, to pay direct-mail companies. Here we have the direct-mail contract between United Seniors Association and Mr. Viguerie. As part of the contract, Mr. Viguerie takes up to one-half of all of the dollars that are sent into USA. And Mr. Viguerie also does the direct mail for another of these groups called 60-Plus.

Experts have taken a look at this contract between Mr. Viguerie and 60-Plus. In fact, they have taken a very close look at this contract. These experts have all concluded that the provisions in Mr. Viguerie’s contract, when added up, indicate that in fact he controls as much as 70 percent of the so-called “not-for-profit” 60-Plus. If this is true, what it means is that the American people, through tax-exempt organizations—and postal nonprofit permits, are subsidizing a private fundraiser’s operations. In these days of budget cutting, this sort of thing must be stopped.

Mr. President, I think this is an absolute outrage. In fact, it is my understanding the Postal Service is now investigating some of these issues, I hope that they will pursue that investigation to its conclusion.

The money that remains after the direct-mail people get their cut is used to send out more scare letters to seniors and to support the Republican plans to cut Medicare by $270 billion. Once again, the message is clear: Medicare is growing broke. Send us your money, and we will save it.

Well, seniors are sending in their money. And what they are doing with the seniors’ money is it is used to cut, not to save, Medicare.

As I have stated, documents make it very clear that these groups are actively supporting the Republican plans to cut Medicare by $270 billion and to provide a $245 billion tax break, mostly for the wealthy. The ironic thing is that this is not what their members truly want.

This summer I received a petition from the United Seniors Association, Mr. Viguerie’s groups, and they had on this petition the names of almost 300 Arkansans listed as “members.” I thought something looked strange about this petition, so I instructed my staff during the August break to sit there and answer these people on this list, on this petition, and simply ask a very few basic questions. What we learned was most educational. It made me realize that their “members” do not necessarily know that they are members. They do not understand what these groups support, nor do they understand that their names are being used to lobby to cut their Medicare benefits.

This chart also shows the results of a phone survey of these Arkansans listed as USA members. First, 53 percent of the seniors listed on the USA petition that I received from Arkansas as members were not actually members. They said they were not members of USA, despite what the petition to me said.

Second, seniors listed in the USA petition to me expressed confusion about the positions that USA takes; 83 percent said they did not know that USA is working to rally support by the Republicans to cut Medicare by $270 billion.

These same seniors, on this list that was sent to my office as a petition, listed their opposition USA position’s position on Medicare. Again, as a matter of fact, on Medicare, 89 percent were in fact against until tit by $270 billion. They oppose the very position of USA that USA and the House majority claims they support.

In sum, the Republicans are saying that a lot of senior groups are supporting the cuts in Medicare. These experts I have shown indicate what these senior groups actually are, how they are motivated, and with whom they are associated.
It is not the case that these so-called seniors groups—Seniors Coalition, United Seniors Association, and 60-Plus—are fighting against these cuts in Medicare. In reality, two things are happening.

First, much of the money is going into the budgets of Richard Viguerie and other direct mail vendors.

Second, the lobbying that these groups are doing amounts not to the saving Medicare Program but rather supporting the Republican Medicare cuts—even though these cuts could jeopardize the health care received by seniors.

Mr. President, now that we have basically looked at who the players are in this scheme to confuse and to manipulate older Americans, I would like to talk about the million-dollar television campaign that the Seniors Coalition is running across America.

The PRESIDING OFFICER. The Senator is advised that the time for morning business is expired.

Mr. KYL. Mr. President, I think it would then be important to indicate to Members that the vote would occur at 11:45, and not at 11:40.

The PRESIDING OFFICER. The Senator wants to close off morning business.

Mr. PRYOR. I ask unanimous consent that I may proceed for an additional 6 minutes.

Mr. WELLSSTONE. Mr. President, will the Senator yield? Could I ask unanimous consent that it would be 10 minutes, and that I could have 4 minutes at the end?

Mr. KYL. Mr. President, I would have no objection to that. I see my colleague from Minnesota. I did not see him.

Mr. GRAMS. No. I was going to go earlier this morning. But I know the leader wants to close off morning business as early as possible because of the remaining debate on the resolution S. 1322 dealing with the Israeli question.

Mr. PRYOR. If I might, I would like to ask my friend from Minnesota, is my friend from Minnesota going to be one of the managers or one of those involved with the resolution or with the issue before the Senate?

Mr. WELLSSTONE. Mr. President, if I could perhaps clarify this, it has been my understanding that we are operating under a unanimous-consent agreement which will cause the Senate to begin literally right now at 11 o'clock on the debate on the Jerusalem Embassy bill, and that the vote would then occur at 11:40. Is that a correct understanding?

The PRESIDING OFFICER. The Senator is correct.

Mr. KYL. And the leader has asked that we begin that debate as soon as people are here to speak to it. Until the leader and the Senator arrive, I would be acting in their stead. I see Senator FEINSTEIN is here. I do not know whether others may wish to, but I would suggest, in order to comply with the unanimous-consent agreement, that we wind up the business we are on so we can get to that.

Mr. WELLSSTONE. Mr. President, will the Senator yield for a moment?

Mr. KYL. Sure.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. WELLSSTONE. I might say to my colleague from Arkansas that I withdraw my request, and I think the only question is whether the Senator might be given to the Senator from Arkansas to finish his statement. He only has a few more minutes to go.

Mr. PRYOR. I will try to be very brief. I will try to proceed if I may.

The PRESIDING OFFICER. The Senator from Arkansas will proceed under a unanimous-consent request.

Mr. PRYOR. I ask unanimous consent that I may be allowed to proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KYL. Mr. President, I think it would then be important to indicate to Members that the vote would occur at 11:45, and not at 11:40.

The PRESIDING OFFICER. The Chair would observe that under the order, the vote will not occur at 11:40, but at 11:45.

Mr. KYL. Mr. President, I want to sincerely thank my colleagues, and my colleague from Arizona, for allowing me to proceed.

Mr. PRYOR. Mr. President, as part of the million-dollar Seniors Coalition ad campaign that we are talking about, the television commercials state that in the Republican plan there are "no cuts in benefits." The facts are simple and indicate otherwise. With this particular Republican plan that the ad campaign is supporting, $270 billion will taken out of Medicare. The question is this: If this level of cuts causes the only hospital to which we have access to close its doors, is this not a cut in benefits? In rural America this is exactly what is about to happen to hundreds of hospitals.

Second, if this level of cuts causes the nursing home or a doctor in our town to stop taking Medicare beneficiaries, is this not a cut in benefits? Third, if this gives incentives to home health care agencies and other providers to treat only healthy people, is this not a cut for older and more frail citizens?

There is another claim expressed in this television commercial. This commercial states that, "The Republican plan increases spending by nearly $2,000 per senior."

The fact is, Mr. President, that the yearly per beneficiary growth rate allowed under this plan is 4.9 percent. It is, in fact, much below the expected 7.1 percent growth rate in private sector health care costs. Medicare's ability to respond to health care costs decreases with the severity of these cuts.

Mr. President, the commercial further states that the Republican plan gives "patients more choices." The fact is what good is offering choices when only bad choices are offered? While seniors may have more health care plans to choose from, choosing the one that they can afford may mean they must give up their choice of a physician.

And, finally, the proposed medical savings account threatens the viability of Medicare by allowing insurance companies to cherry-pick by moving healthy, wealthy people out of the Medicare pool. The result would be far higher costs to the beneficiaries who stay in Medicare. Also, the Seniors Coalition television ad says nothing about the Republicans using the cuts in Medicare to fund tax breaks for the wealthy. Why is this, Mr. President? It is perhaps because the Republicans who are actually paying for these commercials do not want the Medicare Program to be cut to fund tax breaks. I think this is a legitimate question.

Mr. President, only $9 billion in contributions is needed to shore up Medicare's trust fund in the short term. Why then are our people not being told where the $181 billion cuts are actually going to go? Were those same seniors who sent their dollars to Mr. Viguerie's groups now getting the truth? Of course they have been used, they have been abused, and they have been manipulated by a slick campaign of distortion and untruths.

Mr. President, this is a situation where the seniors of America are being scared to death. They are sending their money in to basically, as the letters call for, to protect Medicare.

Mr. President, this television advertising campaign cost the Seniors Coalition to send out advertisements across the country. I want to make sure everyone knows that this campaign was paid for by the elderly, many of them poor and disabled, who sent in money thinking that the Senators were supporting, $270 billion will be taken out of Medicare. That is, in fact, much below the expected 7.1 percent growth rate in private sector health care costs. Medicare's ability to respond to health care costs decreases with the severity of these cuts.

Mr. KYL. Mr. President, older Americans— all Americans—can say "no" to this type of cynical manipulation and misrepresentation.

Let me encourage every senior to get involved with reform of their Medicare plans to choose from, choosing the one that they can afford may mean they must give up their choice of a physician.
Hon. DAVID PRYOR, Ranking Minority Member, Senate Special Committee on Aging, U.S. Senate, Washington, D.C., October 22, 1995.

Mr. President, before seniors send in $10, $20, or $30 to these so-called seniors groups they should consider the following. The most effective way only costs 32 cents. I will always place more importance on a personal letter or a visit from one of my constituents than on a letter or a card from a group that distorts their views.

Mr. President, I ask unanimous consent to have printed in the Record certain material, editorials, and extra-aneous matter that relate to this issue that I have discussed this morning.

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


Hon. DAVID PRYOR, Ranking Minority Member, Senate Special Committee on Aging, U.S. Senate, Washington, D.C.

Dear Senator Pryor: Thank you for forwarding the September 22, 1995 letter of the Coalition for America’s Future. Regrettably, that letter lists our organization as a member of this coalition and falsely implies our support for its position in favor of the $245 billion tax cut package contained in the budget reconciliation bill.

I want to emphasize in the strongest possible terms that the National Committee to Preserve Social Security and Medicare did not endorse this letter or approve of the use of our organization’s name in connection with this letter. We had no advance knowledge that it was sent to Congress and only learned of its existence today after you forwarded it to us.

Our position in strong opposition to the pending budget reconciliation bill is well known to Congress. It is the position of this organization that the $270 billion cut in Medicare to finance tax cuts, primarily for upper income taxpayers and corporations, is unfair and unjustified. We supported an alternative bill in the House which eliminated the tax cuts and made only those cuts in Medicare necessary to insure its solvency.

If you have any questions, feel free to contact me.

Sincerely,

MARTHA A. MCESTEEN, President.

[From the Washington Post, Oct. 2, 1995]

FUNDRAISER ALREADY A MEDICARE WINNER

(By Jack Anderson and Michael Birstein)

The battle to reform Medicare still has a long way to go on Capitol Hill, but it’s already clear who one of the biggest winners will be: Richard Viguerie, the conservative king of direct-mail fund-raising.

Three groups founded by Viguerie—the Seniors Coalition, the United Seniors Association and 60-Plus—have teamed with the House Republican leadership to gather public support for its controversial Medicare changes. The Coalition to Save Medicare was launched in July and includes the three seniors’ groups, in addition to leading industry groups such as the National Association of Manufacturers and the Alliance for Managed Care.

But according to documents uncovered by the Democratic staff of the Senate Special Committee on Aging, much of the money being raised by two of the three seniors’ groups is going straight to Viguerie’s for-profit company.

Although the Seniors Coalition is no longer associated with Viguerie, having severed its ties with him in 1993, the two other groups remain dependent on Viguerie’s fundraising talent. As recently as July, for example, signed a contract with Viguerie’s for-profit direct-mail firm, American Target Advertising, that calls for ATA to receive as much as 50 percent of gross revenue from direct mail until July 30, 1996. After that, ATA will get 25 percent of the take.

In Viguerie’s contact with 60-Plus, Viguerie & Associates—later reorganized to become ATA—is slated to own 70 percent of the for-profit organization, including its fund-raising operation. Some direct-mail experts wonder if 60-Plus should be allowed to retain its nonprofit status, which lets it mail solicitations at taxpayer-subsidized rates.

“I’ve never seen anything like this contract,” Sen. David Pryor (Ark.) told our associate Jan Moller. Pryor, the ranking Democrat on the Aging Committee, has been directing the Hill investigation. “I’ve never seen one this flagrant. The worst part of it is the real deception. They’re collecting the dollars from the seniors and using those dollars to pretend there are so necessary for their quality of life.”

The Viguerie style of fund-raising is as familiar as it is effective: It starts with a “scare” letter warning seniors of the imminent collapse of Medicare unless something is done. It ends with a request for money, often accompanied by a petition to sign or some other device so respondents can give their “voice” heard in Washington. Viguerie did not respond to our telephone calls.

But when Aging Committee staff members called a sampling of Arkansas seniors whose names appeared on a “telegram” sent to Pryor’s office by United Seniors Association, they got a surprise: Less than 15 percent of the seniors said they supported the Republican effort to cut Medicare spending by $270 billion. And only 47 percent acknowledged receiving the “telegram.”

Mr. PRYOR. I thank the Chair. I also once again thank my colleagues for allowing me to go a little longer than I had originally anticipated. I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mrs. Hutchison). Morning business is closed.

Jerusalem Embassy Relocation Implementation Act of 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1322, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1322) to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

The Senate resumed consideration of the bill.

Mr. KYL. Madam President, I ask unanimous consent that Senator Kohn be added as a cosponsor to the legislation.

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

Mr. KYL. I also ask unanimous consent that the time consumed as a part of this debate be subtracted from the time originally provided for Senator Byrd from West Virginia.

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

Mr. WELLSTONE. Madam President, might I ask unanimous consent to add my name as an original cosponsor.

The PRESIDING OFFICER. Without objection, Senator WELLSTONE will be added as an original cosponsor.

Mr. KYL. May I also ask unanimous consent that a letter received this morning addressed to Senator Dole, Senator Moinynihan, myself, and Senator INOUYE from AIPAC be printed in the Record.

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

AIPAC, October 24, 1995.

Dear Senators Dole, Moynihan, Kyl, and Inouye:

We wish to express our strong support for the Jerusalem Embassy Relocation Act, as modified. It is historic and unprecedented. For the first time, the Senate will have voted on binding legislation to move our embassy to Jerusalem by a date certain, May 31, 1999.

The waiver language contained in the bill is very tightly drawn, allowing the President to waive the funding provision only to protect US national security interest—a very high standard to meet. Clearly, the Senate has indicated that it does not expect this waiver to be exercised lightly, without strong and serious justification. Our embassy belongs in the capital of the State of Israel, just as it is in the designated capital of every other country with which we have diplomatic relations.

As celebrations continue marking the 3,000th anniversary of King David’s incorporation of Jerusalem as the capital of Israel, we wish to thank you and your colleagues for bringing this legislation to the floor. We look forward to its overwhelming adoption by the Senate, and to the opening of our embassy in Jerusalem.

Sincerely,

STEV E GROSSMAN, President.

NEAL M. SHER, Executive Director.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I want particularly to commend and thank the Senator from Arizona as well as the majority leader, Senator Lieberman, Senator Levin, and in particular, Senator Lautenberg, because I believe that together we have effected an agreement which is significant and important.

Before I go on, I just want to say that I am fully aware that the majority leader and the Senator from Arizona could have proceeded on this issue. Clearly they have the votes. I think the fact that they negotiated with those of us who had concerns about the way in
which the resolution was worded is very significant and important, and I must say I believe that is why the American people sent us here and how they expect us to work.

And so to the Senator from Arizona, I would say that the decision we made and thanks for the process which I think worked very well, and I think we have now a bill which can bring about the broadest and I hope even unanimous consensus of this body.

Mr. President, I think we all must recognize that Jerusalem is a city of vital importance to people all over the world—not just Israel, not just Arab peoples, but people all over the world. Its layers of history and importance are symbolized best perhaps by the Temple Mount where the Dome of the Rock and the El-Aqsa Mosque, shrines holy to Moslems, sit atop the remains of the Temple of Solomon, while down below Jews worship at the Western Wall, the last remnant of that temple.

One can stand in the Old City and hear simultaneously the Moslem call to prayer from the minarets of the mosques, the sounds of the Torah being read from the Western Wall, and church bells ringing in the distance. It is truly a special city, and Israel is fortunate to call Jerusalem its capital.

The bill we will pass today, as modified by the leader and the Senator from Arizona, is a good bill, and I believe it is one the President can sign. We worked hard Friday and again yesterday to produce a compromise that protects the President’s prerogatives to conduct foreign policy. This was a crucial point because without these protections there was a good chance that this bill would be vetoed, which would be a tragic outcome.

Under our compromise, the President would have to establish that it is in the national security interests of the United States to establish the U.S. Embassy in Jerusalem in 1999. This is a tough but fair standard for any President to meet. As I said yesterday, it is my belief that if a successful conclusion to the Middle East peace process could be implemented by the implementation of this act, then the President would be able to invoke the waiver on national security grounds. I am sure that many of my colleagues agree. But the inclusion of the waiver should not obscure the achievement reached by this bill.

For the first time ever, Congress will pass legislation that will mandate moving the U.S. Embassy to Jerusalem, and I believe the President will sign it. This represents a major advance in our cause of moving the Embassy. And through this message we will send word that Israel, like every country in the world, has the sovereign right to designate its capital and to have that capital recognized by the nations of the world.

I congratulate my colleagues on this achievement, and I look forward to it passing with overwhelming support.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized. Mr. WELLSTONE. I thank the majority leader. I would like to say to the majority leader that I will take just a few minutes. I actually rise to, first of all, thank the Senator from California and the Senator from Arizona and others for their fine work on this measure. I believe that this is an extremely important step we are taking as we act on this resolution to move our Embassy in Israel to Jerusalem, and to condition certain State Department funding on the Embassy's relocation under the specific timeline laid out in this bill. I rise in support of this legislation, and I am delighted to be a cosponsor of the compromise negotiated over the last few days.

Madam President, let me first talk about this issue personally, because the status of Jerusalem is important to me personally, and will always be. As an American Jew, as a Senator from Minnesota, I believe Jerusalem is and should remain the capital of Israel, an undivided city. No person in my life have I had a more moving experience than when I was in Jerusalem a few years ago, and could experience first-hand the marvels of the city.

At the same time, I have had a concern—and I think the Senator from Arizona, Senator Feinstein, and from New Jersey, Senator Lautenberg, and others shared this concern—that certainly we did not want to do anything inadvertent which was going to impede the Middle East peace process. And for this reason I believe that the waiver provided for in the substitute bill is extremely important. The administration has been clear about this concern all along. In fact, United States Ambassador to Israel Martin Indyk provided forward on the original version of the resolution could have placed tremendous strains on the peace process, and even caused its collapse. This measure now tries to address that potential problem.

Our deep and abiding commitment to Israel is reflected in the bill. Our commitment to Jerusalem as the capital of Israel, with the United States Embassy there, is again strongly and clearly stated. At the same time, the clear commitment to Jerusalem as a city for all peoples is there. This was the most sensitive of all issues in the peace process, agreed to be put off by the parties, in the Declaration of Principles, to final-status negotiations. I think that this provision we now have in this bill something which I would hope all of us can support.

The initial formulation in the bill, which talked about the importance of Jerusalem as the capital, which talked about our locating the Embassy there, I supported. When we began to talk about this in terms of specific timelines, the concern I had was the effect this could have on ongoing negotiations. Those concerns have now been addressed in this most recent version.

Mr. President, passage of this resolution would be simply another indication of the deep and strong support for Israel in this body. That is critical, I think in order for Israel to remain strong and steadfast in this difficult period. Maintaining the security of the State of Israel, our good friend and strategic ally, must remain paramount. We must continue to work for a solution to the conflict that will maintain peace with her neighbors. This requires maintaining adequate foreign assistance to Israel designed to help her resettle refugees, make key economic reforms, and encourage peaceful economic development. Strengthening and building upon historic gains in the peace process, and making sure that the risks which have already been taken for peace were not taken in vain, must be our goal. I believe that we now have the strong language necessary to accomplish the goal of this resolution. At the same time, we have the waiver built in to give the President appropriate flexibility. I think that now this bill represents the best of people here in the Senate coming together, and working out an agreement which we can all proudly support. I thank my colleagues for their work. I am proud to support this.

Mr. President, today is an auspicious moment for me and many here in the Senate. We are taking action by the passage of S. 1322 to call again on the U.S. Government, and it is entirely appropriate for the legislation to come from the U.S. Senate and for us to take action on this measure. I have cosponsored the pending legislation. I do have some concerns, Madam President, as to whether such legislation would be an impediment to the peace process, but on balance I think it would not, especially as the legislation has been worked out giving a President discretion to expand the time when the Embassy would be moved from Tel Aviv to Jerusalem.

I believe that basically this is a decision which ought to be made by the U.S. Government, and it is entirely appropriate for the legislation to come from the U.S. Senate and for us to take action on this measure. I have cosponsored the pending legislation.

Madam President, today is an auspicious moment for me and many here in the Senate. We are taking action by the passage of S. 1322 to call again on the U.S. Government to move the United States Embassy to its rightful location in the city of Jerusalem, the capital of Israel. This is a welcome moment.
I have supported this action since I came to the Senate. I first cosponsored a resolution on this issue introduced on October 1, 1983. That resolution (S. 2031) was cosponsored by 50 Senators. Now, some 15 years later, it is my hope that with the momentum of the peace process, the message of the cosponsors to this bill will resonate sufficiently to move the administration to action on it.

On March 26, 1990, Senate Concurrent Resolution 15522 was introduced and was subsequently passed calling for the move of the Embassy to Jerusalem. Again, the Congress acted on this subject through its recent correspondence on February 24, 1995 in its letter to Secretary of State Warren Christopher signed by 93 Senators.

During the August recess, I traveled to Israel as well as other countries. On September 28, I stated here on the Senate floor my impressions of the challenges facing American foreign policy in the Middle East. It was during that travel that I was able to speak directly with the President of Israel, Ezer Weitzman, Prime Minister Yitzhak Rabin, the leader of the opposition party Mr. Benjamin Netanyahu, as well as Chairmen of the Palestinian Liberation Organization, Mr. Arafat and significant Palestinian personalities now engaged in attempting to fashion a means to live side by side, Israelis with Palestinians. Many times during these conversations I spoke of Jerusalem and the future. All of us were aware of the importance of Jerusalem to the future of the region.

Tomorrow, Members of Congress and their guests will convene in the Capitol Rotunda to celebrate the Inaugural ceremony for Jerusalem 3,000, a 15 month long celebration commemorating 3,000 years since the establishment of Jerusalem as the capital city of Israel by King David. I hope to be in attendance for this ceremony.

The action we take today is consonant with the observance of the ceremony as well as with the policy we have around the world in every country we recognize. The United States today locates its embassies, around the globe, we recognize. The United States today have around the world in every country its capital. It ill behooves us now to undermine what is arguably the single most sensitive issue of the negotiations, that of the status of the holy city of Jerusalem, by impetuously acting to side with one party to the negotiations. If the United States is to be credible as a facilitator of the peace process, it must act with fairness and impartiality.

Proponents of this legislation argue that negotiations on the final status of Jerusalem are to be complete by May, 1999, so that this bill is compatible with the timetable of the peace process. But this presupposes the outcome of the negotiations, which do not even begin until next May. This may be exactly what the proponents desire. If it is imperative to establish now the U.S. conviction that realistic negotiations must be premised on the principle that Jerusalem is the capital of Israel and must remain united," as an October 20, 1995 mailing from the American Israel Public Affairs Committee (AIPAC) asserts, then what is left to act in advance of the negotiations undermines the incentive for the Palestinians, who also have political and religious claims to the city, to participate in the talks.

United States support for Israel is well known. Israel and the United States have close military and diplomatic ties. The United States provides more economic aid and military assistance to Israel than to any other single state. Moving the United States Embassy from its current location in Tel Aviv to Jerusalem in 1999 is not necessary to help shore up Israeli support for the peace process. It can wait and let the ground breaking in 1999 serve as a visible signal of the success of the peace negotiations, should the outcome of the negotiations be as expected. Not moving the Embassy at this time is, in my view, probably more important to help shore up the willingness of the Palestinians to continue along this rocky path to peace. Let the ground breaking for a new U.S. Embassy in Jerusalem in 1999 provide the United States support for the final outcome of the negotiations, if that is the result, rather than a continuing reminder to them that the negotiations were rigged from the outset.

Jerusalem is an ancient city, considered holy by three of the world’s religions, Christianity, Judaism, and Islam. There is no more volatile mixture of the world’s religious and political, and Jerusalem has suffered the devastating effects over the centuries as wars, occupations, and divisions have forever marked her walls and buildings. Peace is within our grasp, if we can act with sensitivity and understanding among three religions and all of the peoples of the Middle East. Therefore, I will vote against this bill, which does so much to undermine the peace process.

Mr. ROBB. Madam President, I recognize the city of Jerusalem as the united capital of the two states. Jerusalem is the capital of Israel, and where the United States Embassy is located should reflect that reality. While some have urged caution about relocating our mission in the midst of the peace process, it is my sense that, as envisioned by the Jerusalem Embassy Relocation Act, will not create a de tour on the road to achieving a comprehensive Arab-Israeli peace.

Jerusalem stands today as an international city, where the rights of all ethnic religious groups are protected and freedom of worship is guaranteed. Diverse religious faiths coexist peacefully. This week we are seeing a hopeful spirit of internationalism expressed by many world leaders celebrating the founding of the United Nations 50 years ago. Like the community of nations joining together in support of the United Nations many religious faiths and sects engender a collective spirit of interdenominational harmony in Jerusalem.

Madam President, Prime Minister Rabin has told the Israeli people that “I assure you that Jerusalem will remain united under Israel’s sovereignty, and our capital forever.” That expression leads me to the conclusion that the final status talks on the city should not focus on issues of overall sovereignty. Rather, making permanent each denomination’s jurisdiction over its respective holy sites and col leges and issues of autonomy should be the subject of the negotiations next year.

Even President Clinton has stated that “I recognize Jerusalem as an undivided city, the capital of Israel—what ever the outcome of the negotiations, Jerusalem is still the capital of Israel and must remain an undivided city, accessible to all.” That statement represents a consensus that our Embassy belongs in the functional capital of Israel.

Among the 184 countries we maintain diplomatic relations with, Israel is the single exception to the rule of locating
the United States chancery in the designated capital of each foreign nation. We have a responsibility to respect the decisions of where all countries locate their seat of government, and Israel should not be viewed in a different light.

Thus far in the peace talks, Israel has sacrificed the tangible—land—for the intangible—the security of its people. As we continue down the road of peace, Israel will cede valuable territory, natural resources, and political authority to our Palestinian neighbors. It is essential that the American people enjoy both political and economic freedoms. There are no long-term guarantees for Israeli sovereignty for the United States. A single Hamas-sponsored terrorist attack can disrupt any sense of peace achieved at the negotiating table.

Madam President, that is why I endorse this move to demonstrate our long-term commitment to having our Embassy in Jerusalem which will symbolize the united and undivided character of the United States of America. Such a move stands in the way of achieving a comprehensive peace. It will simply lay to rest doubts about the United States position on the status of our Embassy.

I also supported the modified substitute offered by Senator Moynihan. The majority leader last night that includes compromise language providing the President a national security interests waiver. I think it is appropriate that the President should be given the authority to waive this legislation if it would have dire consequences on the peace process.

Madam President, I joined as a co-sponsor of this legislation some time ago, and believe it sends the right message at the right time to Israel. It is our decision alone to move the Embassy. With upcoming ceremonies in the rotunda of the Capitol celebrating the 3,000th anniversary of Jerusalem as the capital of Israel, I believe we will be serving the interests of peace in the Middle East by passing this legislation. So I urge my colleagues to support this effort to relocate our Embassy to the capital of the Jewish homeland.

Mr. COHEN. Madam President, this week in the Capitol rotunda the United States Congress will host the United States Inaugural Ceremony of Jerusalem 3000, beginning the celebration of the 3,000th anniversary of the establishment of Jerusalem as the capital of Israel.

It is a particularly appropriate time for the Senate to act on this important legislation that would reaffirm our commitment to Jerusalem as the undivided capital of Israel by directing the relocation of the United States Embassy to Jerusalem by 1999. It has been over a decade since a majority of the Members of Congress, and I was proud to be among this group, called for the movement of our Embassies to where it belongs—in the capital of Israel. Since then, as the United States has demonstrated in detail, the Senate and the other body have repeatedly adopted by overwhelming and frequently unanimous votes legislation calling on the United States to affirm Jerusalem as Israel’s undivided capital.

Most recently, nearly every Member of the Senate signed a letter to the President urging that the relocation take place no later than May 1999. This letter would be the clear, firm, and final assertion of something that declaring our intent to move our Embassy would endanger the peace process, noting that:

"United States policy should be clear and unequivocal. The search for peace can only be hindered by our realistic hopes about the future status of Jerusalem among the Palestinians and understandable fears among the Israeli population that their capital city might be divided by cinder block and barbed wire."

We also endorsed in that letter Prime Minister Rabin’s declaration that "United Joshua will not be open to negotiation. It has been and will forever be the capital of the Jewish people, under Israeli sovereignty, a focus of the dreams and longings of every Jew."

The bill we have before us, of which I am proud to be an original cosponsor, brings this legislative process to fruition. By enacting United States policy that Jerusalem be recognized as the capital of Israel and that our Embassy be relocated there no later than May 31, 1999, and by authorizing funding beginning this year for construction of a United States Embassy.

To help that the executive branch implements this policy faithfully, the bill requires semiannual reports from the Secretary of the State, beginning in January, on the progress made toward opening our Embassy in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem. It also would give the State Department a strong financial incentive by limiting the availability of its construction funding after 1999 until the Embassy opens in Jerusalem.

It emphasizes the importance Congress places on this matter. Even with this inherent flexibility, however, the administration has shown resistance to this legislation. In response, Senator Dole has now added a broad waiver authority that would allow the President to suspend this limitation on construction if he believes it is necessary to protect the national security interests of the United States.

I should also note that the bill carefully states that the rights of all ethnic and religious groups should be protected in the undivided capital of Jerusalem. Three major faiths revere Jerusalem as a holy city. The best way to protect the religious interests of members of all these faiths is to ensure that Jerusalem forever again is divided, which would only threaten to reignite religious conflict.

Madam President, Senator Dole and Senator Moynihan are to be commended for their persistent leadership in ensuring that this legislation has finally come for a vote on the floor of the Senate. I hope that, once the House of Representatives gives its approval, this legislation will be signed into law by the President, who during the 1992 campaign clearly and sharply recognized Jerusalem as an undivided city, the eternal capital of Israel." Given the very strong support this bill rightly enjoys in both Houses of Congress, I think the President’s advisers would be wise to suggest another course of action.

And once this bill is enacted into law, through whichever mechanism, I trust that the President will move expeditiously to implement it and attain its objective before the May 1999 deadline.

Madam President, many of us in the Senate have had the opportunity to help cultivate America’s special relationship with the State of Israel. As a Middle East peace and security interest, the United States stands firmly with America, enduring savage attacks on its civilian population that were designed to split Israeli policy from United States policy.

Having protected U.S. interests in a hostile region for decades, the American-Israeli strategic alliance today is the foundation for the Middle East peace process. Without steadfast United States support for Israel, those among Israel’s neighbors who have accepted the necessity for a negotiated peace settlement would not have done so. And without our continued steadfast support, the peace process will not be successful. Nor here is this need greater than on the question of the status of Jerusalem.

Jerusalem is and will remain the undivided capital of the State of Israel, and we must not miss the opportunity to underline that fact—particularly today on the eve of the inauguration of the celebration of the 3,000th anniversary of Jerusalem’s establishment as the capital of Israel. This legislation will help to ensure that the fourth millennium of this holy city will begin with an era of peace.

I urge my colleagues to support this legislation, so that we can pass it with a large majority and ensure its swift enactment into law.

Mr. LOTT. Madam President, I rise in support of S. 1322, a bill to relocate the United States Embassy in Israel to Jerusalem.

In the over 180 countries where the United States has a diplomatic presence, Israel is the only country where the United States has an Embassy is outside of the capital city. It is time that we pledge ourselves to moving our Embassy to Jerusalem, which is the legitimate capital of Israel. It is in our interest to
Madam President, Jerusalem is always and will be the capital of Israel. For thousands of years the Jewish people prayed, "next year in Jerusalem." This prayer helped to sustain Jews even through the darkest days of the diaspora.

Evocative as it was, with the achievement of independence, the holy sites of Jerusalem were closed to Christians and Jews. The Jewish quarter of the old city was destroyed. But since Jerusalem was unified in 1967, Jerusalem is open to all religions for the first time in its history.

I have visited Israel with Jews who were there for the first time. When we visited the Western Wall, I saw what it meant for them to touch the stones that their ancestors could only dream of. I saw that Jerusalem is not just a city or a capital. It is the religious and historic homeland of the Jewish people.

Why is Israel the only nation with which we have diplomatic relations that is not allowed to choose its own capital? The sight for the U.S. Embassy to remain in Tel Aviv, which has been part of Israel since its independence. We should have moved our Embassy long ago.

So over the years, I have supported every effort of Congress to call upon the executive branch to move our Embassy to Jerusalem. And each successive administration has ignored us.

But now, as Israel takes courageous steps toward peace, we are raising this issue again. And what should have been a clear statement on Jerusalem has become a political debate.

When this legislation was first introduced, I had some concerns about the requirement that construction on the new Embassy must begin in 1996. I did not cosponsor it because I believe that we would be imposing our own deadlines on the peace process. This new bill removes the arbitrary dates that fit United States elections rather than the will of the Israeli people. This issue is too important to the Israeli Government, and Jerusalem must be part of any definitive negotiations. Each country sets the terms, and we must make clear that it is the policy of the U.S. Government to have its Embassy in Jerusalem by the conclusion of the peace negotiations at the end of this century.

Jerusalem just celebrated its 3,000th anniversary. Let us now declare that the U.S. Embassy will reside in that holy city by the end of this troubled 20th century. Let us now pass resoundingly S. 1322.

Ms. MIKULSKI. Madam President, I strongly support S. 1322, the Jerusalem Embassy Relocation Implementation Act, legislation which would locate the United States Embassy in Jerusalem.

I understand that this legislation has been modified to address concerns that we may be restricting the President's foreign policymaking powers. With this modification, I urge the administration to join us in correcting a diplomatic anomaly that we have visited on our closest ally in the Middle East for too long: Of the diplomatic relations we hold with over 180 nations around the world, Israel is the only country in which our Embassy is not in the capital.

I have been and remain a strong supporter of the Middle East peace process. But through the years of my support, I have always maintained that the policy process must be driven by the participants, and that the United States' role is to support, not dictate, the terms of the negotiations. Israel has made some courageous concessions over these negotiations. It has waged a fight for peace that has been, on some days, as bloody as its previous wars.

Next year will begin the "Final Status" negotiations. There has been much positioning by certain parties over the future of Jerusalem. But Israel has made some courageous concessions over this issue, and their position has always been clear: Jerusalem is the seat of the Israeli Government, and Jerusalem shall remain the capital of Israel. This is the conviction of the Israeli Government, the only democratic state and our most valuable ally in the region.

This should be our conviction now. Our ambivalence beyond this point will only muddle, and I believe frustrate, the final status negotiations. The parties must set the terms, and we must not confound expectations by perpetuating the anomaly of the U.S. Embassy in Tel Aviv. If we wish to continue supporting the peace process, and I believe we must, then we must make clear that it is the policy of the U.S. Government to have its Embassy in Jerusalem by the conclusion of the peace negotiations at the end of this century.

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October 24, 1995

Madam President, I understand and appreciate the need for the United States to recognize Jerusalem as the capital of Israel. It is unique in the world as a holy place. The hilltop city is sacred to Jews as the site of their ancient temple, to Christians as the birthplace of Christianity, and to Moslems as the site from which Muhammad ascended into heaven. It is all of these things—and it is also the capital of Israel.

Each and every U.S. Embassy abroad exists to represent our Government to the people of the country in which it is located. The Government of Israel is in Jerusalem. Jerusalem, therefore, is the only place our Embassy should be.

The logic of locating our Embassy in Jerusalem's capital city is overwhelming and compelling, which is why this legislation enjoys such widespread, bipartisan support in both the Senate and the House of Representatives. I urge the prompt passage of this legislation, and I look forward to the day in the near future when the United States Embassy opens in Israel's capital—Jerusalem.

Mr. FEINGOLD. Madam President, I am proud to be a cosponsor of the Jerusalem Embassy Relocation Implementation Act. Like almost all of my colleagues, I believe that an undivided Jerusalem is the legitimate capital of the State of Israel, and that United States policy should clearly reflect that. Accordingly, the United States Embassy should be housed in Jerusalem, just like it is in every other country, and not in the country's economic center.

Of course, the Jerusalem issue is practically unique in world politics. The city is holy to Jews, Christians, and Moslems, and both Israelis and Palestinians claim Jerusalem as their capital. The Tomb of the Holy Sepulchre is sacred for Christians to honor Christ's death. Moslems claim the Dome of the Rock and the al-Aqsa mosque as the site of Abraham's sacrifice. Jews pray at the Kotel, the Western Wall, the last remaining wall of the ancient synagogues, as well as the scores of other holy sites nestled in so many other mosques. Named as the City of Peace, Jerusalem has unfortunately been split by war. Throughout history, Arabs and Jews and Christians have locked each other out, and have often accused each other of desecrating religious monuments, and barring access to each other's holy places.

Incidents have occurred where Moslems have felt offended by desecrations of their holy monuments and religious foundations. My colleagues and I have seen the damage done by the defacing of meaningful and historic synagogues in the Old City's Jewish Quarter in 1947-67, when the city was not controlled by Israel. I remember with pain the laundry that hung on the Wailing Wall, a place of immensely spiritual and sacred value for Jews. I cannot forget the pictures of Jewish tombstones thrown around the Mount of Olives cemetery just at the foot of the walls of the Old City.

Through the years, the Palestinian community has insisted to split Jerusalem under the political solution of corpus separatum, to my mind, the spirituality and emotion of the city make division impossible. Given the 3,000 years of the history of Jerusalem, it will always be the heart of the Jewish people and the capital of the Jewish state. Indeed, it is the capital of the sovereign nation of Israel—a sovereignty the United States has staunchly supported for 45 years. If our support for Jewish sovereignty over the land of Israel is to mean anything, then the United States should recognize Israel's capital appropriately.

Waiting years—no decades—for the right moment to move the United States Embassy is not an appropriate recognition of Israel's sovereignty. As much as I hate to admit it, I do not think there will ever be a right time for a move with such emotional associations. And therefore, now is as right as ever. In exchange, Israel must guarantee universal access to other religious groups who seek to honor their holy places as well. I believe that, save some very unfortunate incidents, Israel for years has had the right of access to Moslem and Christian holy places, and has a responsibility to continue to do so.

I am very sensitive to concerns that some move by the United States at this time would undermine the peace process. I understand the risk that perhaps the United States would compromise its important position as an honest broker in the peace process. To that, I respond that America's position is nonnegotiable. And I believe that the United States position is nonnegotiable. Already, there should be no doubt of what the United States position is; hiding our Embassy in Tel Aviv does not change that.

I am also troubled by suggestions that such a move would predicate the outcome of the final status talks between Israel and the Palestine Liberation Organization, and tie the chairman's hands in other critical negotiations. I am not persuaded, however, that the move of the U.S. Embassy from Tel Aviv to Jerusalem would have such a devastating effect. It is important to keep this proposal in perspective, and not underestimate the power of the commitment of the parties themselves to the peace process—whether the U.S. Embassy is housed. Further, I believe that Prime Minister Rabin's own assertions that Israel will notcede Jerusalem are just as important. The majority in Congress have urged it for years. It has not been a partisan issue; it has not been a personal crusade for just a few Members of Congress. Indeed, it is when we have broad-based bipartisan support such as this that covenants and successful policies emerge. Israel has always been a beneficiary of such unity. For that reason, I appreciate Senator Dole working
with the administration to craft a bill that cannot have near-unanimous support, and to avoid the nonsense of division on an issue like Jerusalem.

This year Jerusalem is celebrating its 3,000th anniversary. For it to remain the capital of Israel is a shame. We should honor it, and the State of Israel, with the Jerusalem Embassy Relocation Implementation Act.

Mr. CHAFEE. Madam President, I fully recognize that Israel is one of the most strategic and important allies of the United States—the only working democracy in the Middle East. We should never waver in our support for a nation that has been militarily threatened by its neighbors since its founding over 40 years ago.

But I also strongly support the peace process that Israeli Prime Minister Rabin and the Palestine Liberation Organization began over 2 years ago. A glimmer of hope has emerged in recent years, in part due to outstanding hostilities that have fueled conflict in this volatile region of the world may soon come to an end. It is imperative that the United States stand firmly behind the efforts of Israel and the Palestinians to reach an agreement on many disagreements that have divided these peoples for so long.

In announcing its accord on Jericho and the Gaza Strip 2 years ago, Israel and the PLO also agreed to negotiate the permanent status of Jerusalem beginning next year. The United States has stood firmly—and indeed has been a leader—behind negotiations on these and other unresolved issues that are aimed at achieving long-term peace.

I certainly recognize that Israel declared Jerusalem to be its capital in 1967. However, since 1967 the United States has called for a negotiated resolution of Jerusalem's status, a position restated by the September 1993 agreement between the Israel and the PLO. I am convinced that the question of when we construct our Embassy in Israel should be left to the President and the State Department. Having Congress dictate to the State Department a construction schedule for our Embassy would surely disrupt and possibly derail the ongoing Middle East peace process, a most sensitive diplomatic effort.

Although the administration is given a national security waiver in the compromise legislation, there is still no guarantee that the Embassy move could be waived if the peace process is halted. That is why the State Department remains opposed to this bill. Because of my support for the Middle East peace process and executive branch authority on foreign policy, I will vote against S. 1322.

Mr. KOHL. Madam President, I rise today as a cosponsor of this resolution to move the U.S. Embassy from Tel Aviv to Jerusalem. I strongly believe that Jerusalem is, and will always be, the undivided capital of the State of Israel. The United States Embassy should have been moved from Tel Aviv to Jerusalem long ago, and I have supported many past efforts to that end. Earlier this year, I joined 91 other Senators in a letter to Secretary of State Christopher urging that our Embassy be moved as soon as possible.

Beyond the moral concerns of maintaining an embassy outside a state's declared capital city, the U.S. Government is ignoring the centrality of Jerusalem to the Israel's people by keeping its embassy in Tel Aviv. Jerusalem is not just a capital for the people of Israel. Israelis cherish Jerusalem for its historical and religious significance and hold it in great affection. As a result, this continued reluctance to move the Embassy to Jerusalem's precious capital and most important city is perceived as the ultimate diplomatic snub. It is only appropriate that we correct this slight.

Jerusalem has emotional resonance that reaches far beyond the Middle East as the religious capital for all Jews, and as an important religious site for many other faiths. The Israeli Government has earned our praise in its valiant efforts to ensure that people of all faiths have unhindered access to their holy sites. Unfortunately, Jerusalem is, and has been, a source of concern, as Senator Lautenberg detailed for the Senate yesterday.

Mr. President, I have been somewhat skeptical as to whether we can pass legislation that will really move our Embassy from Tel Aviv to Jerusalem. Most of the legislation has been ill-timed and that in its original form has only served to embolden the enemies of Israel, leading them to think that we are not fully committed to achieving decisive action. This bill already has more than 60 cosponsors—a testament once again to the strong bond between the people of the United States and Israel, our friend and ally in the Middle East. I urge my colleagues in the House of Representatives to pass this legislation and send it to the White House as soon as possible.

Swift passage would not only be appropriate, but timely. In less than 2 weeks, Prime Minister Rabin and Mayor Olmert of Jerusalem will be with us here in the Capitol to commemorate the 3,000th anniversary of the establishment of Jerusalem as the capital of Israel by King David. It was 45 years ago, in 1950, when Jerusalem formally was reestablished as the capital of Israel. Throughout this city's rich history, Jerusalem is an important city to people of many faiths. It has been occupied by military governments, pseudo-states, and empires. However, for three centuries, only one State has called Jerusalem its capital—the State of Israel. Jerusalem is and should forever be the capital of Israel. Jerusalem is where our Embassy belongs.

The Senate repeatedly has expressed in a strong, unified voice that the United States Embassy in Israel should be relocated to Jerusalem. Earlier this year, I joined 92 of my colleagues—92 to be exact—in a letter to Secretary of State Warren Christopher, urging that the State Department begin taking concrete steps to relocate the U.S. Embassy to Jerusalem. The legislation we are passing today makes that process moving. Specifically, S. 1322 would set a definitive timeline for the construction and relocation of the
Mr. President, several weeks ago I had the privilege of being present at the White House to witness the historic signing of the Interim Agreement on the West Bank and Gaza by Prime Minister of Israel Yitzhak Rabin and PLO Chairman Yasser Arafat. With the stroke of their pens, they took, the peoples of the Middle East one step closer to lasting peace. All the efforts of those who were the enemies of peace could not deter these two brave leaders from their goal of finding the common ground that made that agreement a reality.

Since the establishment of the State of Israel more than 47 years ago, the people of Israel have sought to live in peace with their neighbors in the Middle East. For too long Israeli efforts to reach out for peace and dialog with its Arab counterparts were met with rejection and terrorism. Fortunately that has now largely changed. Clearly, the break up of the Soviet Union and the gulf war were defining moments that totally reshaped the political landscape in the Middle East and improved the prospect for peace.

Mr. President, I fully understand the emotional attachment that Israelis—indeed all Jews—have for Jerusalem. I also respect the significance of this city to all religious and spiritual faiths. Under Israeli sovereignty, all nations have enjoyed complete freedom of worship in a united Jerusalem. Moving the U.S. Embassy to Jerusalem will in no way effect freedom of access to holy places and continued control of their respective holy sites in that city.

We can all be justly proud of the enormous progress that has been made to date to undo the destruction and distrust that are the byproducts of decades of hatred and havoc in the Middle East. But we must also be realistic about the difficult issues that remain to be resolved. We must also be mindful of actions we might take here in this body that complicate efforts to reach a final agreement.

It is within that context that the administration’s opposition to legislatively mandating the relocation of the U.S. Embassy to Jerusalem by a date certain should be understood. Having said that, I believe that at this point not to vote in support of this legislation would send the wrong signal to those who would prefer to see the Middle East remain in turmoil. It would send the wrong signal to those who may try to exploit that situation to our vied about the undivided nature of the capital of Israel will somehow change.

Mr. President, I also would note that the changes that have been made to the original legislation by its sponsors do address some of the specific concerns expressed by the administration about earlier versions. I am pleased that ongoing discussions concerning the inclusion of Presidential waiver authority bore fruit.

Mr. President, while I may have had some doubts about the specific wording of the legislation or the timing of its consideration, I wholeheartedly endorse its intent, and will join with my colleagues at the appropriate time in support of final passage.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. DOLE. Madam President, this is an historic date for the Senate. Long discussed and long promised, today marks the day that means a U.S. Embassy in Jerusalem will be a reality. On October 13, 1995, along with Senators MOYNIHAN, KYL, INOUYE, and 61 other colleagues, I introduced S. 1322, the Jerusalem Embassy Relocation Implementation Act of 1995. It modifies S. 770, introduced last May, by deleting the requirement setting the groundbreaking must be begun on the Embassy by May 1996. This legislation states that Jerusalem should be recognized as the capital of Israel and that our Embassy should be relocated to that city no later than May 1999. That is the bottom line.

I wish to say at the outset that the sponsors of this legislation do not want to undermine the peace process. We support the process of building peace in the Middle East.

In our view this legislation is not about the peace process, as the Senator from Arizona pointed out in a meeting we had the other day with the Senator from California, Senator FEINSTEIN, the Senator from New Jersey, Senator LUTENBERG, and the Senator from Connecticut, Senator LIEBERMAN, time and again.

This legislation is not about the peace process, it is about recognizing Israel’s capital. Israel’s capital is not on the table in the peace process, and moving the United States Embassy to Jerusalem does nothing to prejudice the outcome of any future negotiations.

Years ago, I expressed some concern about the impact that an Israeli withdrawal and related issues could have on the prospects for peace. But we live in a very different world today. The Soviet empire is gone, and Arab States can no longer use cold war rivalries in their differences with Israel. Iraqi aggression against Kuwait has been reversed with American forces fighting shoulder to shoulder with Arab allies. American military forces remain in the Persian Gulf region. Jordan has joined Egypt in making genuine peace with Israel. The second phase of the proclamation of Principles is being implemented, Gaza is under Palestinian control, and Israeli withdrawal from West Bank towns has begun.

Even yesterday Arafat met with a group of 100 some Jewish leaders in New York City. I never thought it would happen. It happened.

No one can fail to see that the Middle East has changed dramatically. In my view, now is the time to set the deadline for moving the American Embassy to Jerusalem.

In the more than 5 months since this legislation was introduced, there was not one single overture from the Clinton administration. There were veto
threats and legal arguments, but no effort to even discuss our differences. Despite the administration's refusal to even discuss our differences, the sponsors of the legislation remained willing to address concerns about the bill.

I had no doubt we can work it out and move forward on this legislation.

I want to thank my colleagues Senator Lautenberg, Senator Feinstein, and others for their willingness to cooperate and work out some of the differences we had, along of course, with Senator Kyl, Senator Lieberman, Senator Moynihan, and Senator Inouye.

The administration raised concerns over the lack of a waiver provision in the bill. Last Friday, they proposed a national interest waiver with no limits. In the interest of getting the broadest possible support—we hope, even including the support of the White House—the administration last night included a national security interest waiver. If the waiver is exercised, funding withholding would take place in the next fiscal year. This should care take any possibly unforeseen impact of the legislation. Despite having the votes to prevail, we have demonstrated our willingness to meet the concerns raised. We did not want a confrontation with the White House. In sum, we have gone the extra mile, and now is the time for the Senate to speak.

Some have said the Israeli Government is opposed to this legislation. Nothing could be further from the truth. The architect of the Oslo accord, Deputy Foreign Minister Yossi Beilin recently made Israeli Government views very clear:

Any timing for transferring any embassy to Jerusalem, is good timing. The earlier the better. Israel is the only nation in the world that doesn’t have a recognized capital.

As I said when introducing this legislation, the time has come to move beyond letters, expressions of support, and unilateral actions. The time has come to enact legislation that will get the job done.

Madam President, we have a very sound piece of legislation before us today. I would particularly like to thank the lead sponsors and those who have been helpful in the process.

I am pleased that Senator Feinstein and Senator Lautenberg agreed to co-sponsor the legislation after the substitute was worked out last night.

It would seem to me we ought to have unanimous or near unanimous support for this legislation.

I ask unanimous consent that several items referred to in my statement be printed in the Record at the end of my remarks.

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

I. INTRODUCTION

This memorandum is in response to your request for an analysis of the constitutionalality of the “Jerusalem Embassy Relocation Implementation Act of 1995,” S. 770, a measure introduced by Senator Dole in the first session of the 104th Congress. Maintaining that Jerusalem should be recognized by the U.S. as the capital of Israel, the bill, in a Statement of Policy, states that groundbreaking for the U.S. embassy in Jerusalem “should begin” by 31 December 1996 and that the embassy “should be officially open” by 31 May 1999. S. 770, 104th Cong., 1st Sess. § 3(a). The measure further establishes that no more than 50% of the funds appropriated to the Department of State in fiscal year 1997 for “Acquisition & Maintenance of Buildings Abroad” may be obligated until the Secretary of State certifies that construction has begun in Jerusalem. Id. § 3(b). Similarly, not more than 50% of the funds appropriated in the same account for fiscal year 1999 may be obligated until the Secretary of State certifies that the Jerusalem embassy has officially opened. Id. § 3(c). Additional provisions, contained in sections four and five of the act, further establish certain funds for the relocation effort.”

The Office of Legal Counsel of the Department of Justice has taken the position that the funding incorporated into S. 770 is an unconstitutional infringement on the President’s powers. See Bill to Relocate the United States Embassy from Tel Aviv to Jerusalem, Op. Off. Legal Counsel (May 36, 1995) (“The proposed bill would severely impair the President’s constitutional authority to determine the form and manner of the Nation’s diplomatic relations.”) (hereinafter “OLC Op.”).

II. ANALYSIS

The Office of Legal Counsel (“OLC”) Opinion argues that the President has primary responsibility for affairs and that his specific power to recognize foreign governments to exclusive. OLC Op., p. 2-3. Accordingly, OLC concludes that “Congress may not impose on the President its own foreign policy judgments in the particular sites at which the United States’ diplomatic relations are to take place.” Id. at 3. OLC maintains that the imposition of fixed-percentage restrictions on the State Department’s FY 1997 and FY 1999 acquisition and maintenance funds until specified steps are completed in the relocation constitutes an impermissible restriction on the President’s discretion in foreign affairs. Although OLC does not in any way dispute Congress’ pleasure over the President’s handling, OLC concludes that Congress may not “attach conditions to Executive Branch appropriations requiring the President to relinquish his constitutional discretion over foreign affairs.” Id. at 4. OLC quotes Issues Raised by Section 129 of Pub. L. No. 102-138 & Section 503 of Pub. L. No. 102-140, supra, citing R. 7584, § 608, 96th Cong., 2nd Sess. (1980) (“None of the funds appropriated or otherwise made available to implement... any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted...”).

OLC’s assertion concerning the primacy of the Chief Executive in foreign affairs is well-supported, and its further assertion that Congress may not interfere with these foreign policy prerogatives even when exercising its spending power is also consistent with long-standing Executive Branch precedent, although Congress has taken a different view. The issue has never been resolved judicially. However, OLC’s assertion that S. 770 “requires” or “compels” the President to move the U.S. embassy to Jerusalem and is thus subject to the same constitutional objections as appropriation riders containing such unconditional requirements, is bordered by the plain language of the bill and is otherwise unsupported by law or Executive Branch opinions.

S. 770 does not purport to restrict the President’s ability to maintain an Embassy in Tel Aviv or to otherwise interface with the President’s authority to use appropriated monies in any manner he believes serves the Nation’s interests. Rather, the measure merely states that absent compliance with an established timetable for relocation of the U.S. Embassy in Israel, Congress will invoke its spending power to reduce the aggregate funding level that can be obligated in certain related discretionary accounts. Instead of a prohibition on the ability of the President to use money to exercise his constitutional powers, S. 770 merely provides a fiscal incentive for the President to exercise his discretion in a certain manner, rather than the approach of eschewing these incentives and acting in direct contravention of Congress’ wishes. This is a mechanism that restricts, in no way, the ability of the President to use his foreign affairs power to employ appropriated money as he sees fit. Because of this, so S. 770 is different in this critical respect from any other appropriation rider ever objected to by Executive Branch officials as an unconstitutional infringement on the President’s foreign affairs power or other executive powers. In all such cases, the appropriations riders have directed a particular course of action or inaction by prohibiting certain use of funds, even if the President desired to take such actions in fulfilling his constitutionally-assigned duties. Issues Raised by Section 129 of Pub. L. No. 102-138 & Section 503 of Pub. L. No. 102-140, supra, citing Section 503 of Pub. L. No. 102-140, 105 Stat. at 820 (1991) (“None of the funds provided in this Act shall be used by the Department of State for more than one official or diplomatic passport to any United States government employee.”...”). Appropriations Limitations for Rationale cited by Congress, Op. Off. Legal Counsel 731, 731-32 (1980), citing H.R. 7484, § 608, 96th Cong., 2nd Sess. (1980) (“None of the funds provided in this Act shall be used by the Department of State for more than one official or diplomatic passport to any United States government employee.”...”)

1 Footnotes at end of letter.
The Attorney General and OLC have reasoned that if Congress is without constitutional power to make decisions for the President in areas the Constitution commits to his discretion, it does not necessarily follow that intrusion is embodied in appropriations or other legislation. In exercising its power of the purse, Congress has no greater authority to usurp the President's exclusive constitutional authority than when it acts pursuant to other enumerated powers. See, The Appropriations Power & the Necessary and Proper Clause, 86 Cong. Rec. 625, 330 (1940). ("[W]hen we hear discussions about Congress' 'weighty role in . . . the foreign relations of the nation,' we need not be surprised for the purpose for which said appropriations are made unless officers and enlisted men shall serve on board all battle ships and ar-}

Here, in contrast, Congress imposes no restrictions on appropriated funds: such funds may continue to be used to maintain an Embassy in Tel Aviv should the President decide to leave the Embassy there. Accordingly, there is nothing in S. 770 "requiring the President to relinquish his constitutional discretion in foreign affairs" and thus OLC's reliance on Executive Branch conformity is irrelevant. By entrusting the President with the authority to determine where to locate the U.S. embassy in Israel, this funding restriction was permissible because "Congress has acted indirectly under its spending power to encourage uniformity in the States' drinking ages."

In short, there is an obvious and constitutional restriction on appropriated funds: the funding mechanism in S. 770 merely at-
otherwise within the President's constitutional power is an effective prohibition against taking such action and thus presents a different, and more difficult, constitutional issue. As noted, however, this is not the situation here. The President has been offered a choice directly analogous to that offered the states in Dole—he may pursue his own course and accept the financial consequences or acquiesce to the preferred option without any penalties.

OLC has nonetheless previously sought to distinguish Dole on the grounds that the Supreme Court's decision in Metropolitan Washington Airports Authority v. Citizens for the Abatement of Aircraft Noise, 111 S. Ct. 2298 (1991) (hereinafter "MWAA") found Dole "inapplicable" to issues that "involve separation-of-powers principles," thereby suggesting that the OLC's reasoning in OLC Opinion 2309 was distinguishable because it concerned Board's reliance on Section 129 of Pub. L. No. 102-138 and Section 503 of Pub. L. No. 102-140, supra, at 31. This assertion is patently untrue. MWAA in no way suggests that, while Congress is free to spend its money to influence the sovereign powers of states guaranteed by the Tenth Amendment and the Constitution's basic structure, the sovereign powers of the President are somehow different and thus immune from such congressional blandishments. Contrary to OLC's misleading selective quotation, Section 129 of MWAA was "inapplicable" to cases involving "separation-of-powers principles," it simply stated that Dole's rationale was "inapplicable to Board's decision," and that Congress had no right to "coerce Virginia to make this decision was no different than Congress' use of the spending power to influence the talents of Members of Congress. Id. Accord-ingly, nothing precludes Congress from seeking to influence the President's powers than those which govern state intrusions. Specifically, Dole was distinguishable because, in MWAA, Congress did not provide money in return for Virginia exercising its sovereignty in a certain way. Rather, Virginia agreed to transfer its sovereignty over the Airport Authority to Congress.

The third sentence in the quoted passage simply says that Dole is inapplicable because the infringement in MWAA is different from the congressional actions in the Dole case and would be impermissible if applied to the states. This obviously belies the assertion that Dole was found inapplicable because different congressional principles on the issue of the President's powers than those which govern state intrusions. Simply, Dole was distinguishable because, in MWAA, Congress did not provide money in return for Virginia exercising its sovereignty in a certain way. Rather, Virginia agreed to transfer its sovereignty over the Airport Authority to Congress.

As this detailed review establishes, MWAA said that Dole was inapplicable because 1) there was no state power to bargain away, and 2) states cannot enhance congressional power in return for congressional dollars. Nothing in MWAA suggests that Dole was inapposite because the Executive, unlike Congress, is in the unique position of being able to exercise his sovereign authority in a particular manner in return for increased congressional dollars.

To the contrary, like the states, the Executive Branch, "absent coercion . . . has both the incentive and the ability to protect its own rights and properties, and therefore may well do so on its own.

FOOTNOTES

1 Section 4 of S. 770 merely reprograms $5 million in funds appropriated in the Department of State and Related Agencies Appropriations Act of 1995, Pub. L. No. 104-33 (1994), as amended, for State and related agencies appropriation specifically for the Department of State and related agencies.) Specifically, $5 million pre-viously contained in the Foreign Operations Appropriations act for expenses of general administration is earmarked for costs incurred in activities associated with the relocation of the U.S. embassy in Israel: id., § 4 ("Of the funds appropriated for fiscal year 1995 for the Department of State and related agencies, not less than $5,000,000 shall be made available until expended for costs associated with relocating the United States Embassy in Israel . . . .")

2 Earmarked $5 million authorization to remain in effect without temporal restriction until such funds are expended. §4 Though the President is in no way obligated to use the $5 million for the relocation effort, such funds cannot be used for any other purpose. General Accounting Office, "Principles on Federal Appropriations Law" (2002) ed., 922, 950(1992) (in appropriations bill providing $1,000 for "[s]moke materials . . . of which not less than $100 shall be available for the purchase of the $100 not obligated for Cuban cigars may not be applied to the other objects of the appropriation."); Earmarked Authorizations, 54 Comp. Gen. 383, 394 (1975) (asserting that where measure providing funding for the National Endowment for the Arts and similar federal expenses "more than $13,800,000" for projects of the Free Trade Union Institute, "awards should not be made where there is no worthy programs,..." but the consequence of this [non-allocation] is not to free the unobligated earmarks for other projects."). Section 5 of S. 770 specifies the amount of the funds authorized to be appropriated in the Department of State's general account for "Acquisition and Maintenance of Buildings Abroad." Appropriation Act of 1992, Pub. L. No. 102-140, 106 Stat. 998 (1992). Although the $100 shall be available for Cuban cigars may not be applied to the other objects of the appropriation."); Earmarked Authorizations, 54 Comp. Gen. 383, 394 (1975) (asserting that where measure providing funding for the National Endowment for the Arts and similar federal expenses "more than $13,800,000" for projects of the Free Trade Union Institute, "awards should not be made where there is no worthy programs,..." but the consequence of this [non-allocation] is not to free the unobligated earmarks for other projects."). Section 5 of S. 770 specifies the amount of the funds authorized to be appropriated in the Department of State's general account for "Acquisition and Maintenance of Buildings Abroad." Appropriation Act of 1992, Pub. L. No. 102-140, 106 Stat. 998 (1992). Although the $100 not obligated for Cuban cigars may not be applied to the other objects of the appropriation."); Earmarked Authorizations, 54 Comp. Gen. 383, 394 (1975) (asserting that where measure providing funding for the National Endowment for the Arts and similar federal expenses "more than $13,800,000" for projects of the Free Trade Union Institute, "awards should not be made where there is no worthy programs,..." but the consequence of this [non-allocation] is not to free the unobligated earmarks for other projects.").
United States v. Pink, 315 U.S. 291, 292 (1942) (asserting that the executive's constitutional authority to recognize governments “is not limited to a determinative political function. It includes the power to determine the policy which is to govern the question of recognition.”).

Congress has used its control over appropriations to influence executive actions on foreign policy. One frequently noted charge is that Congress may “at least partially determine the purposes for which funds available to the Central Intelligence Agency, the Department of State, and the military are spent.”[45] See, e.g., William C. Banks & Peter Raven-Hansen, “National Security and the Constitution” 705 (2007) (asserting that Congress has insisted and Presidents have reluctantly accepted that “Congress has the power to determine the purposes for which the funds appropriated by it for the various branches of the Government are used”).

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Yesterday’s story in the Washington Post was a poignant recollection of what happens to two families, one Arab, one Jew, who lost their sons, one responsible in a way for the death of the other, but nonetheless no one seeking revenge, no one looking for vengeance. What they wanted to do was make sure that other families did not have to mourn the loss of a son or a daughter, be they Palestinian or Jew. That is the way we ought to be approaching this. And I think, Madam President, it is time to happen. All of us want the Embassy moved. The question is, we want it to happen as soon as possible, but we want the peace discussions to continue, as I said, in an orderly fashion.

I worked very closely with some dear friends, with Senator Lieberman from Connecticut, with whom I share a very deep interest in the State of Israel, in Jerusalem, in the peace process, and with Senator Biden who has had a long story of support for Israel. And I want to commend Senator Feinstein for her diligence, for her insight into the problem, and for getting us to this point where I believe that the supporting vote will be almost unanimous, as I believe it should be.

And so, Madam President, it is a moment that not yet calls for celebration, but does initiate a process of which I think we can all be proud.

Madam President, I support this substitute amendment. Unlike the original bill, this amendment includes a waiver for the President. I believe the amendment will mandate the move of the American Embassy to Jerusalem while providing the administration flexibility in case it’s necessary for national security reasons.

Madam President, I have long supported having the American Embassy in Jerusalem. I wish the American Embassy had been established in Jerusalem long ago, when the State was established or when the city was reunified in 1967. I believe Jerusalem—a city I have visited many times—will always remain the undivided capital of the State of Israel.

The pace at which the Middle East peace process has yielded tangible results has been breathtaking. Just 2 years ago, on September 13, 1993, Prime Minister Rabin and Yaser Arafat agreed to end decades of bloodshed when they signed the historic Declaration of Principles and shook hands at the White House. Continuing their pursuit of peace, they signed the Cairo Agreement on Gaza and Jericho on May 4, 1994, and just weeks ago, on September 28, 1995, they again met at the White House to sign an agreement on the West Bank. Jordan, too, has been brought into the process and has signed a formal peace agreement with Israel. America should be proud of the role it has played in helping former enemies agree to end hostilities. To be sure, the parties in the Middle East needed to be ready to take the giant step toward peace. It was their readiness and their political courage that made peace attainable.

The amendment we offer now would help protect the peace process should national security interests warrant it. The amendment would provide a national security waiver for periods of up to 6 months with prior reporting to Congress. It was included to give the administration a limited amount of flexibility.

It also includes a clear expression of the Congress’ belief that Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected. It expresses the Congress’ clear view that Jerusalem should be recognized as the capital of the State of Israel and that our Embassy there should be established by May 1999.

I am firmly convinced, Mr. President, that the peace process will result in Israel retaining control over all of Jerusalem, and that Jerusalem will remain the undivided capital of Israel.

I am encouraged by support for the peace process. Every American who has lost their children to senseless acts of terrorism agree about the imperative of achieving peace. Earlier this year, a young college student from New Jersey, who was studying in Israel, was killed in a suicide bombing in Gaza. Her name was Aliza Flatow, and her death brought home to the people of New Jersey the urgent need to bring peace to the Middle East.

I was in Israel at the time of this terrible tragedy, and from there, I spoke to Aliza’s parents in New Jersey. Despite the loss of their daughter and in the midst of griefing her loss, Aliza’s father urged me to do whatever I could to support the peace process and to ensure that it would move forward unimpeded. Only the peace process, he said, holds the promise of bringing an end to these senseless deaths.

Our goal is to send a bill to President Clinton that will mandate the opening of the Embassy in Jerusalem. The amendment we are offering is consistent with that goal. It would represent a clear policy statement that the Embassy will be moved and is intended to preserve the President’s constitutional authority. Absent a national security interest, it requires the Embassy to be established in Jerusalem by May 1999.

I urge my colleagues to support this amendment.

Mr. KYL. Madam President, I ask unanimous consent that Senator Graham from Florida be added as a cosponsor to the legislation. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. At this time, I yield time to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. KYL. How much time remains?

Mr. LIEBERMAN. I do not think I need more than 3 minutes.

Mr. KYL. I yield 3 minutes to the Senator from Connecticut.
Mr. LIEBERMAN. I thank the Chair.
I thank my friend and colleague from Arizona, not only for yielding time but for the extraordinary leadership and dedication he has shown in his support of this measure.

Madam President, perhaps it is appropriate that I begin with some words from the prophets.

Amos first.

In that day I will raise up the tabernacle of David that is fallen, and close up the breaches thereof, and I will raise up his ruins, and I will build it as in the days of old.

Then Jeremiah.

So says the Lord; Behold I will return the captives of the tents of jacob . . . and the city shall be inhabited, and they shall dwell therein, and be fearfully numbered.

Madam President, tomorrow in this Capitol we will join in the worldwide celebration of the 3,000th anniversary of the entering of King David into the holy city of Jerusalem.

In our time, in 1948, thanks to the courage of the people of the State of Israel, thanks to extraordinary support from people throughout the world, including particularly the Government of the United States, we witnessed the creation of the modern State of Israel and the establishment of Jerusalem as its capital.

For the ensuing 47 years, for a lot of reasons that were not adequate, we in the United States, administration after administration of both parties, refused to locate our Embassy in Jerusalem, in the city of Jerusalem designated as the capital by that country as we do in virtually every other country in the world.

Today, thanks to the leadership of Senator MOYNIHAN who has fought for it for so many years, of Senator KYL, Senator BIDEN, who is on the floor, who has been unyielding and persistent in his support of this principle and, in the last few days together with Senators FEINSTEIN and LAUTENBERG, we have come to the point where I think we fashioned an extraordinarily strong and honest bill that will receive overwhelming bipartisan support in both Chambers and I hope will be signed by the President.

Madam President, I want to say that there have been concerns raised about the impact that passing this measure now would have on the peace process.

In that regard, I will make two brief points. First, the location of the U.S. Embassy never was and never should be the subject of negotiations among third parties. It is our decision, it is an American decision, and we will make it here today.

Second, as a supporter of the peace process in the Middle East, I feel particularly that this is the moment, as trust grows—and honesty is at the core of our relations with the Israelis and the Palestinians—in the Arab world—that it is time for us to refuse to recognize the right of the Jewish people to their own capital.

I will say in closing, ending, it seems to me, appropriately with a Psalm that we are realizing in this vote today the hopes expressed by David in Psalm 122, when he wrote:

Pray for the peace of Jerusalem: they shall prosper that love thee.

Peace be within thy walls, calm within thy palaces. If I may offer a modern-day interpretation of the word palaces, calm be within thy embassies as they locate in the city of Jerusalem.

I thank the Chair and my friends and colleagues. I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Madam President, I yield the remainder of my time to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 3 minutes, 32 seconds.

Mr. BIDEN. Madam President, thank you very much. I would like to thank my colleague from California for her leadership in bringing about what I think is a workable piece of legislation.

I would like to thank Senator MOYNIHAN, who is not here. In 1983, he started this process. He argued we should be doing this, and we are finally getting there.

With regard to the last point made by my colleague from Connecticut about the peace process, I have had the opportunity for the last 10 years that the only way there will be peace in the Middle East is for the Arabs to know there is no division between the United States and Israel—none, zero, none.

I argue that is why we are here today, is that we did not relent under the leadership of this President and others. We made it clear that no wedge would be put between us, there by leaving no alternative but the pursuit, in an equitable manner, for peace.

Those of us who are on this floor, with the Jewish people know the central meaning that the ancient city of Jerusalem has for Jews everywhere. Time and again, empires have tried to sever the umbilical cord that unites Jews with their capital.

They have destroyed the temple. They have banished the Jews from living in Jerusalem. They have limited the number of Jews allowed to immigrate to that city. And, finally, in this century, they tried simply to eliminate Jews.

(Mr. KYL assumed the chair.)

Mr. BIDEN. They may have succeeded, Mr. President, in destroying physical structures and lives. But they have never succeeded in wholly eliminating Jewish presence in Jerusalem, or in cutting the spiritual bond between Jews and their cherished capital.

After the horrific events of the Holocaust, the Jewish people returned to claim that many rulers have tried to deny them for centuries: The right to peaceful existence in their own country in their own capital.

How many of us can forget that poignant photograph of an unnamed Israeli soldier breaking down in tears and prayer as he reached the Western Wall after his army liberated the eastern half of the city in the Six Day War? How many of us can forget that story of a people long denied their rightful place among nations. A people denied access to their most hallowed religious sites. A people who had finally, after long tribulation, come home.

Mr. President, it is unconscionable for us to refuse to recognize the right of the Jewish people to choose their own capital. What gives us the right to second-guess their decision?

For 47 years, we, and much of the rest of the international community, have been living a lie. For 47 years, Israel has had its government offices, its Parliament, and its national monuments in Jerusalem, not in Tel Aviv. And yet, nearly all embassies are located in Tel Aviv. I think this is a defiance of fundamental reality.

Mr. President, are we, through the continued sham of maintaining our Embassy in Tel Aviv, to refuse to acknowledge what the Jewish people know in their hearts to be true? Regardless of what the rest of the world may think, Jerusalem is the capital of Israel.

And Israel is not just any old country. It is a vital strategic ally. As the Israelis and Palestinians begin the final status negotiations in May 1996—that I might add—that were made possible through the leadership of President Clinton—it should be clear to all that the United States stands squarely behind Israel, our close friend and ally.

Moving the U.S. Embassy to Jerusalem will send the right signal, not a destructive signal. To do less would be to play into the hands of those who will try their hardest to deny Israel the full attributes of statehood.

I urge my colleagues to support this legislation.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Texas.

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

Mrs. HUTCHISON. Mr. President, I thank the distinguished majority leader for bringing this bill to the floor. It has not been easy. We have talked about this for years. The people of Israel have fought repeatedly to hold the State of Israel intact. They have designated their capital. The capital is Jerusalem. This historic, important religious city is their capital. I think it is most unusual for the United States to go to another city to establish its Embassy when the country where we are being hosted has established a different city for that purpose.

The time has come long since for America to recognize the capital city of Israel. It is Jerusalem. It is time for us to move in a responsible way to
have our Embassy also in the capital city of Jerusalem.

I commend the majority leader and the Senator from Arizona for their leadership in this area. I appreciate the fact that all factions have come together. Clearly, there must be some leeway for the President to make this move in a timely way. I think that leeway has been granted. This is quite a reasonable resolution. The time has come for us to have our Embassy in the capital of Israel. The capital is Jerusalem.

Thank you, Mr. President.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I ask unanimous consent that I be allowed to use my leader time.

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

Mr. DASCHLE. I yield 1 minute to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, finally, after 50 years, the Congress is about to act to move our Embassy of our Embassy to Jerusalem. This has been a bipartisan effort. I have been proud to cosponsor Senator Dole's legislation, and it is truly a historic day. This is a meaningful day. It is a day where we finally recognize the reality, which is that Jerusalem is the capital of Israel and that at the end of the peace process will be the capital of Israel.

It will not help the peace process for there to be any ambiguity about where Israel's capital is. Our action today will help to eliminate any such ambiguity and to make it clear to all concerned that this country is finally going to do in Israel what we have done in every single country in the world, which is to place our Embassy in the capital city.

I want to thank the Democratic leader, I want to thank the majority leader, also, for his leadership here. I yield the floor.

The PRESIDING OFFICER (Mrs. HUTCHISON). The minority leader.

Mr. DASCHLE. Madam President, let me commend the distinguished Senator from Michigan for his comments and associate myself with his remarks. This has been a bipartisan effort over the last several weeks, particularly the last several days.

There is little doubt that we all share the same goals. There has been a good-faith effort to reach an agreement that allowed us the confidence that those goals could be met.

I want to commend in particular the participants in those negotiations over the last several days, Senators FEINGSTEIN, my good friend, Senator KYL, Senator Dole and Lieberman, and certainly the majority leader for all of the work that he put into ensuring that we would reach this point today.

I think it is fair to say we all agree on three shared goals. The first is the most obvious: moving the Embassy to Jerusalem. We recognize that Jerusalem is the spiritual center and the capital of Israel, as well as a special city for those all over the world. Each country, as they have already indicated, has the right to designate its capital, and certainly our Embassy should be there.

Second, we want to ensure that Jerusalem remains an undivided city in which the Jewish and religious group are protected. That has been a goal articulated officially by this Senate since we adopted Senate Concurrent Resolution 106 in 1990.

Third, and perhaps most important in the context of this debate and the negotiations that have taken place, we want to ensure that the peace process moves forward.

Let me commend the administration for emphasizing as strongly as they can the concern for that last goal. It is their concern and their desire to ensure that we have the flexibility, that we have the opportunities, that we have all of the tools necessary to ensure that we can reach all three goals—that we move the Embassy, that we can ensure that it remains an undivided city, and, most importantly, that the peace process be allowed to continue.

I personally believe that the language that has now been agreed upon will provide the President the flexibility to ensure that the peace process can move forward. Definitely, the whole concept of a peace process is in our national security interest. That peace process must be contained. That peace process has to be nurtured throughout the next several years, and certainly the administration needs to proceed very carefully as we begin to articulate our goals as it relates to moving the Embassy.

The administration has concerns about the constitutionality of this legislation. I understand that. I hope that we can find this agreement has adequately addressed those concerns, as well.

Clearly, this has to be an effort on which we continue to work with the administration. I am very hopeful that, as a result of the tremendous work that has been done in the last several days, we can build upon our work with the State Department and with others in the administration to ensure that our goals are realized.

Let me again commend all of those who were instrumental in reaching this agreement, to ensure a U.S. commitment to an Embassy in Jerusalem, and equally as important, Madam President, to ensure that the U.S. commitment to the peace process maintains the kind of priority that we all have recognized during these very difficult talks.

The PRESIDING OFFICER. The Senator has 2 minutes and 12 seconds remaining.

Mr. KYL. Thank you, Madam President. Madam President, I am pleased and honored to close this debate on this important and historic legislation which will finally cause the United States Embassy to be relocated in Jerusalem, the capital of Israel, by the year 1999.

We all know that diplomacy is filled with subtleties but that some things are fundamental. One of those fundamental things is the relationship between the United States and Israel. That relationship is an underlying principle. The principle is that Jerusalem is the essence of the historical connection of the Jewish people for Palestine. That is why Jerusalem is the capital of Israel.

This legislation, which is a bipartisan presentation of congressional intent that finally actions replace words, that deeds replace words, and expressing that historical connection, as I said, is supported in a bipartisan way by the overwhelming majority of both sides of the aisle.

There are approximately 50 Republicans which have cosponsored this legislation, and it is strongly supported as well by the many Democrats who have spoken on it.

I think the key here is for the American people to finally express, as I said, in deeds rather than words, their support for Israel through the acknowledgment that Jerusalem is the capital by the relocation of the United States Embassy in the capital city of Jerusalem.

As Senator LIEBERMAN from Connecticut so ably pointed out, and Senator Dole did as well, this is not about the peace process, which we all support. Rather, it is an expression on the part of the United States that no longer will there be a doubt about our position relative to Jerusalem. It is an honest position, as Senator LIEBERMAN said.

That is why, Madam President, it is so important for this body, in an overwhelming way, to express its support for the United States-Israel relationship by supporting this legislation to relocate the Embassy of the United States to the capital of Israel, Jerusalem.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

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

The result was announced—yeas 93, nays 5, as follows:
(The One Hundred Second Congress to commemorate the 29th anniversary of the reunification of Jerusalem, and reaffirming congressional sentiment that Jerusalem must remain an undivided city in which the rights of every ethnic and religious group are protected. (11) The September 13, 1993, Declaration of Principles on Interim Self-Government Arrangements lays out a timetable for the resolution of "final status" issues, including Jerusalem.

(12) The Agreement on the Gaza Strip and the Jericho Area was signed May 4, 1994, beginning the six-year transitional period laid out in the Declaration of Principles.

(13) In March of 1995, 93 members of the United States Senate signed a letter to Secretary of State Warren Christopher encouraging "planning to begin now" for relocation of the United States Embassy to the city of Jerusalem.

(14) In June of 1993, 257 members of the United States House of Representatives signed a letter to the Secretary of State Warren Christopher stating that the relocation of the United States Embassy to Jerusalem should take place no later than 1999.

(15) The United States maintains its embassy in the functioning capital of every country except in the case of our democratic friend and strategic ally, the State of Israel.

(16) The United States conducts official meetings and other business in the city of Jerusalem in de facto recognition of its status as the capital of Israel.

(17) In 1996, the State of Israel will celebrate the 3,000th anniversary of the Jewish presence in Jerusalem since King David's entry.

SEC. 3. TIMETABLE.

(a) STATEMENT OF THE POLICY OF THE UNITED STATES.—

(1) Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected.

(2) Jerusalem should be recognized as the capital of the State of Israel;

(3) The United States Embassy in Jerusalem should be established in Jerusalem no later than May 31, 1999.

(b) OPENING DETERMINATION.—Not more than 50 percent of the funds appropriated to the Department of State for fiscal year 1999 for "Acquisition and Maintenance of Buildings Abroad" may be obligated until the Secretary of State determines and reports to Congress that the United States Embassy in Jerusalem has officially opened.

SEC. 4. FISCAL YEARS 1996 AND 1997 FUNDING.

(a) FISCAL YEAR 1996.—Of the funds authorized to be appropriated for "Acquisition and Maintenance of Buildings Abroad" for the Department of State in fiscal year 1996, not less than $25,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Jerusalem.

(b) FISCAL YEAR 1997.—Of the funds authorized to be appropriated for "Acquisition and Maintenance of Buildings Abroad" for the Department of State in fiscal year 1997, not less than $75,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Jerusalem.

SEC. 5. REPORT ON IMPLEMENTATION.

Not later than 30 days after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate detailing the Department of State's plan to implement this Act. Such report shall include—

(1) estimated dates of completion for each phase of the establishment of the United States Embassy, including site identification, land acquisition, architectural, engineering, and construction surveys, site preparation, and construction; and

(2) an estimate of the funding necessary to implement this Act, including all costs associated with establishing the United States Embassy in Jerusalem.

SEC. 6. SEMIANNUAL REPORTS.

At the time of the submission of the President's fiscal year 1997 budget request, and every six months thereafter, the Secretary of State shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the status of the establishment of the United States Embassy in Jerusalem.

SEC. 7. PRESIDENTIAL WAIVER.

(a) WAIVER AUTHORITY.—(1) Beginning on October 1, 1995, the President may suspend the limitation set forth in subsection (b) for a period of six months if he determines and reports to Congress in advance that such suspension is necessary to protect the national security interests of the United States.

(2) The President may suspend such limitation for an additional six month period at the end of any period in which the suspension is in effect under this subsection if the President determines and reports to Congress in advance that continuation of the additional suspension is necessary to protect the national security interests of the United States.

(b) APPLICABILITY OF WAIVER TO AVAILABILITY OF FUNDS.—If the President exercises the authority set forth in subsection (a) in a fiscal year, the limitation set forth in section 3(b) shall apply to funds appropriated in the following fiscal year for the purpose set forth in such section 3(b) except to the extent that the limitation is suspended in such following fiscal year by reason of the exercise of the authority in subsection (a).

SEC. 8. DEFINITION.

As used in this Act, the term "United States Embassy" means the offices of the United States diplomatic mission and the residence of the United States chief of mission.

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

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

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Arizona for a unanimous-consent request without losing my right to the floor.

Mr. KYL. Mr. President, I ask unanimous consent that Senator PELL be listed as a cosponsor of the bill just presented.

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

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak for not to exceed 30 minutes and not require that much time—out of order.

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

Mr. BYRD. Mr. President, I hope that the Senators who are present will listen and that those who may be watching over the television will also listen. We are about to take up the reconciliation bill in the Senate. At this moment, the Senate reconciliation bill is not available. It has not been returned from the printers, so we do not have it. I hold in my hand the House reconciliation bill, 1,563 pages—1,563 pages. The Senate bill may be a larger bill. It may not be. It may not have as many pages, but I would imagine that it is at least going to be 1,000 pages.

This bill will be called up probably tomorrow. The motion to proceed to it is not debatable. One cannot filibuster. Once we are on it, the maximum length of time is 20 hours to be equally divided, which means 10 hours to the side.

This bill is so complex and so massive that there are tables of contents scattered throughout to indicate what items are where. Each committee has been given instructions, and when that committee submits the results of those instructions to the Budget Committee, the Budget Committee cannot alter them substantially. The Budget Committee is required to fold them all into a reconciliation bill.

What I am going to say is that we need more time to debate a reconciliation bill. There are all kinds of legislation that are crammed into this bill—far-reaching legislation. Laws that are already on the statute books will be repealed, and very few Senators will know what is in the bill or will know what they are voting on. There will be comprehensive changes—Medicare, Medicaid, welfare reform, whatever.

After we have voted on this bill—and we only have 20 hours—after we have completed our work on it, there may be a half-dozen or 100 Senators who will have a grasp of the actions that have been taken.

We are limited to 2 hours on any amendment in the first degree, 1 hour on any amendment in the second degree, and there is no committee report. There is nothing here to tell us what we are going to be acting on. And it is going to hit us tomorrow morning in all likelihood, if not today, or maybe tomorrow afternoon. But this, in my view, is a fast-track, deficit-reduction vehicle, which, under the Congressional Budget Act, cannot be filibustered against. A simple majority of Senators voting determines what amendments the Senate will adopt to a reconciliation measure, and a simple majority is sufficient to pass the legislation.

First degree amendments, as I say, get 2 hours of debate; second degree amendments get 1 hour. All debate must fall within the act’s 20-hour cap. It seems to me this reason that I have cited for reconciliation a colossally super gag rule. It is a gigantic bear trap.

I do not believe, Mr. President, the participants in the creation of the Congressional Budget Act recognized that this new process, as I say, was a dramatic departure from the budget practices and procedures that existed at the time. It was, therefore, obvious that no one could anticipate all of the effects that the result would have on the future of the Congressional Budget Act. I do not believe that the Congress fully anticipated the uses that would be made of the fast-track reconciliation process.

The reconciliation process is a fast-track, deficit-reduction vehicle which, under the Congressional Budget Act, cannot be filibustered against. A simple majority of Senators voting determines what amendments the Senate will adopt to a reconciliation measure, and a simple majority is sufficient to pass the legislation.

What I am going to call it, in the so-called Contract With America. All of these new, all of these reforms and repeal of measures are going to be included in this reconciliation bill, as we have been aware, the Congressional Budget Act of 1974 established the congressional budget process. I was here. I had a lot to do with the writing of that act. But we did not contemplate, those of us who wrote that act in 1974, who voted on it, who debated it, and did not contemplate what was going to be done in subsequent years through the reconciliation legislation.

It was never intended—I would never have voted for that 1974 act if I could have just foreseen that the reconciliation process would be used as it is being used. It is a catchall for massive authorization measures that should be debated at length, and should be subject to unlimited time for amendments and unlimited debate. Very controversial measures are being put into reconciliation bills. And there is no clouture mechanism that could be more than a distant speck on the horizon as compared with time restrictions in the reconciliation bill. It is a super bear trap.

Prior to the enactment of the Congressional Budget Act, there was no procedure or process through which the Congress could control over the total Federal budget. The appropriations process, which traditionally had overseen Federal spending through the enactment of annual appropriations bills, had increasingly become less able to do so because of the growth in “entitlement” or “mandatory spending.” These entitlement programs, notably Medicare and Medicaid, obligated the Federal Government to make direct payments to qualified beneficiaries, without the payments having been authorized in advance. And through this new congressional budget process, it was our intention that all spending decisions would be considered in relation to each other. In addition, it is vital that the aggregate spending decisions we make be related carefully to revenue levels. In order to ensure that these new congressional budget processes and procedures would work, the Congressional Budget Act created two new fast-track vehicles—the budget resolution and the reconciliation bill. Both of these measures are considered under expedited, fast-track procedures in the Senate. It is the fast-track procedures relative to reconciliation measures which cause me great concern.

And mind you, as I say, there is a limit of 20 hours. That includes debate on amendments, debateable motions, appeals, points of order. Everything is included under debate in that 20-hour limitation, except, for example, in the case of certain quorum calls and the reading of amendments. They are not charged against the 20 hours.

But that is not all. Any Senator may move to reduce the overall time from 20 hours to 10. Any Senator may move to reduce the 20 hours to 5 or to 2 or 1 hour.

Well, that would be a rather unreasonable thing to do, but the rule allows it. And that would be a nondebatable motion of a Senator in order to reduce the time—it does not have to be the majority leader or the minority leader—the newest Member of the Senate can make that motion to reduce the time. It is a nondebatable motion. It would be decided by a majority vote. So if a majority were so minded, it could reduce the time. This is an astonishing thing that we have done to ourselves.

I think it is fair to say that the participants in the creation of the Congressional Budget Act recognized that this new process, as I say, was a dramatic departure from the budget practices and procedures that existed at the time. It was, therefore, obvious that no one could anticipate all of the effects that the result would have on the future of the Congressional Budget Act. I do not believe that the Congress fully anticipated the uses that would be made of the fast-track reconciliation process.

I hold in my hand the House reconciliation bill in the Senate. At this moment we are going to be acting on. And it is going to hit us tomorrow morning in all likelihood, if not today, or maybe tomorrow afternoon. But this, in my view, is a fast-track, deficit-reduction vehicle, which, under the Congressional Budget Act, cannot be filibustered against. A simple majority of Senators voting determines what amendments the Senate will adopt to a reconciliation measure, and a simple majority is sufficient to pass the legislation.

First degree amendments, as I say, get 2 hours of debate; second degree amendments get 1 hour. All debate must fall within the act’s 20-hour cap. It seems to me this reason that I have cited for reconciliation a colossally super gag rule. It is a gigantic bear trap.

I do not believe, Mr. President, the participants in the creation of the Congressional Budget Act recognized the way—I do not believe they recognized the way it was going to be used. It was never intended—Mr. President, I hope that the Senators who are present will listen and that those who may be watching over the television will also listen. We are about to take up the reconciliation bill in the Senate. At this moment, the Senate reconciliation bill is not available. It has not been returned from the printers, so we do not have it. I hold in my hand the House reconciliation bill, 1,563 pages—1,563 pages. The Senate bill may be a larger bill. It may not be. It may not have as many pages, but I would imagine that it is at least going to be 1,000 pages.

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What I am going to say is that we need more time to debate a reconciliation bill. There are all kinds of legislation that are crammed into this bill—far-reaching legislation. Laws that are already on the statute books will be repealed, and very few Senators will know what is in the bill or will know what they are voting on. There will be comprehensive changes—Medicare, Medicaid, welfare reform, whatever.

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First degree amendments, as I say, get 2 hours of debate; second degree amendments get 1 hour. All debate must fall within the act’s 20-hour cap. It seems to me this reason that I have cited for reconciliation a colossally super gag rule. It is a gigantic bear trap.

I do not believe, Mr. President, the participants in the creation of the Congressional Budget Act recognized the way—I do not believe they recognized the way. It was never intended—in which this expedited reconciliation process would be used. They intended the reconciliation process to be a way to ensure that the spending and revenue deficit targets for the fiscal year would be met. In fact, there were no reconciliation instructions in budget resolutions for fiscal years 1975, 1976, 1977, 1978, or 1979. The Senate Budget Committee first reported a budget resolution on January 6th, 1980, the chairmanship of Senator Muskie, Ed Muskie. The following year, the new Budget Committee chairman, Senator HOLLINGS, included reconciliation instructions in the 1981 budget resolution in the form of a revision of the 1980 budget resolution.

Then, for fiscal year 1982, Senator DOMENICI assumed the chairmanship of
the Budget Committee, a post which he also holds today, and he made further innovations in the reconciliation process. In fact, I understand that it was during this period that the revised budget resolution for fiscal year 1981 included reconciliation instructions for years beyond the first fiscal year covered by the resolution, thereby extending the reach of reconciliation to more permanent changes in law. No longer was reconciliation just a ledger adjustment of a temporary nature.

Yet, Mr. President, more needs to be done. The American people are fully informed as to what is included in these massive reconciliation bills before they are voted upon. The people have a right to know, our constituents have a right to know what is in this bill, and we Senators have a right to know. But how can we know under the circumstances—under the Byrd Rule—what is included in these massive reconciliation bills and only 10 hours of debate on reconciliation conference reports. And that does not even begin to address the massive number of items that are contained in reconciliation bills. These bills contain a large number of permanent changes in law which would otherwise have extended debate, which would otherwise have to go through the process of amendments and thoughtful consideration, debate, perhaps days of debate.

Yet, we are all put under the gun, on both sides of the aisle, to get the reconciliation bill through with a modicum of debate. The Budget Act presently allows. So I intend to offer an amendment to the reconciliation bill which will increase the amount of time available for which an amendment during regular consideration of the bill.

I have an amendment. It will be subject to a 60-vote point of order. It probably will not be adopted, but I am offering it to offer to offset the Byrd Rule. I am convinced, though that regardless of what happens to my amendment, the Senate must be made aware of the ingredients of the Budget Act presently allows. So I intend to offer an amendment to the reconciliation bill which will increase from 20 to 50 hours the time limitation for debate on future reconciliation measures and to increase from 10 to 20 hours the time limitation for Senate consideration of conference reports thereon. I recognize, as I say, that a Byrd Rule point of order can be raised against my amendment, in that it has no effect on outlays or revenues.

Nevertheless, I urge my colleagues to refrain from raising a point of order against this amendment and, instead, to join me in adopting the amendment, both sides, Senators on both sides need more time for consideration of such a leviathan as this. While not a magic pill that will solve all the problems we face in reconciliation bills, I feel that this increased time for consideration of reconciliation bills and conference reports in the future does constitute a much-needed improvement to the present reconciliation process.

Analogies between the legislative process and making sausage have often been made, but in no instance does legislating resemble sausage making more than in the process known as reconciliation. Unlike most legislative vehicles which emanate from one committee, the reconciliation bill is a hodgepodge, a catchall, of proposals from every authorizing committee, sewn into one skin called a reconciliation package. The package is usually massive, and we have noted, and contains far-reaching changes in the law—some of them beneficial, some of them detrimental, and some of them downright ridiculous. The point here is that the expedited procedures and very tight time limits have, over the years, become opportunities for those who would abuse the process. Unfortunately, the Byrd Rule, which was intended to help lessen the prospects for abuse in reconciliation has, over time, become a favorite parlor game for many of Washington's fertile legal minds, and ways have been found to circumvent its intent.

It is my belief that very often the final reconciliation sausage would not pass public inspection if there were a little more time for examination and debate. Our aim in the Senate should never be to hide important public issues from the public eye. While we need to keep the deficit reduction train on track with some sort of time limits, we do need to be in such a hurry that the toxic material in the boxcars is rushed by without even a moment for a cautionary warning flag to be raised.

We should give the American people a little more of a window on the reconciliation process here in the Senate, and at least allow for some additional debate and some additional opportunity to amend the bill. My amendment would make the ingredients of the reconciliation process a little more plain. I hope, and I believe mine is a constructive change, and I will hope for bipartisan support when I offer it to the reconciliation bill. Mr. DORGAN. Mr. President, I wonder if the Senator from West Virginia will yield to me for a question? Mr. BYRD. Yes, I gladly yield. Mr. DORGAN. Mr. President, let me first indicate that I hope that the Senator will add me as a cosponsor to his amendment that would expand the amount of time available for which there would be debate on the reconciliation bill.

Mr. BYRD. I will be happy to do that. Mr. DORGAN. I think that is a very important amendment, and I hope people will not raise points of order against it. But even that is a minuscule amount of time with which to evaluate this kind of legislation. The byword is that the reconciliation bill, when it comes to the floor of the Senate, will be somewhere over 2,000 pages, and that includes everything. It is now 20 minutes to 1. We
We are doing here—enacting legislation—porting this amendment because they, hope that Republicans will join in sup-
Senator's name to my amendment. I 
bate on the Senate floor.

hours and hours or days, even, for de-
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pact on a rural State and almost no op-
thing else, it will have a profound im-
States. It is in there. Yet, like every-
new farm bill. It should not be here.
late October. We do not yet have a 
is a year to write a farm bill. It is now 
tially, a new farm bill. We are required 
to write a farm bill every 5 years. This 
 will contain the structure of the 
 new farm bill. It should not be here. 
 That is a slap in the face at rural 
 States. It is in there. Yet, like every-
everything else, it will have a profound im-
impact on a rural State and almost no op-
portunity will exist to get at it, to 
amend it, and to have a thoughtful, re-
sponsible debate about what farm pol-
icy will be in our country.

This will have a substantial impact 
on men and women all over this coun-

Does the Senator from West Virginia 
 have a copy of the reconciliation bill yet, and did the Senator from West Vir-
sought to get a bill?

Mr. BYRD. I have sought to get a 
 copy and a copy is not available. I have 
 in my hands a copy of the House rec-
conciliation bill covering 1,563 pages. As 
 the distinguished Senator from North 
 Dakota has pointed out, there are 
 three titles which are yet to be sup-
plied.

I do not know what the size of the 
 Senate reconciliation will be. It may 
 be longer or shorter. I think the Sen-
ator is well within reason to expect at 
 least 1,200 to 1,500 pages.

These will be changes of great mag-
nitude—complex—in Medicare, Medic-
aid, and as the Senator has already 
said, farm legislation. Various and sun-
dry laws will be repealed and amended 
 which otherwise would perhaps require 
hours and hours or days, even, for de-
bate on the Senate floor.

I will certainly be pleased to add the 
 Senator's name to my amendment. I 
hope that Republicans will join in sup-
porting this amendment because they, 
too, should be concerned about what 
we are doing here—enacting legislation 
of this enormity without knowing what 
is in the legislation, without having an 
opportunity to adequately study it or 
amend it.

I thank the Senator for his willing-
ness to join in the presentation.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under 
the previous order, the Senate will now 
stand in recess until the hour of 2:15 
p.m.

Thereupon, the Senate, at 12:42 p.m., 
recessed until 2:15 p.m.; whereupon, 
the Senate reassembled when called 
 to order by the Presiding Officer [Mr. 
GREGG].
has not gone to the Judiciary Committee, but was placed directly on the calendar.

I wish to clarify that for the benefit of my colleagues, who may not be so familiar with this measure, and who may not be aware why that was done.

As the list of original cosponsors shows, the Judiciary Committee supports the substance of this bill. I also note that there was no opposition from any Senator on the Judiciary Committee to placing S. 1328 on the calendar directly.

I see no reason for a prolonged debate on this noncontroversial measure, and I commend my colleagues on both sides of the aisle who have cooperated in moving this measure along.

I should also note that no one should confuse this bill with the Judicial Conference's request to Congress for additional judgeships. No one has yet to introduce that bill, and its merits have yet to be considered by the Judiciary Committee.

Finally, although this bill is needed because Congress in 1990 underestimated the timeframes involved in the confirmation process, the need for this bill is in no way a reflection on the speed with which Senator BIDEN, when he was chairman of the Judiciary Committee, or I as the current chairman, have proceeded with the judicial confirmation process.

This bill would have been necessary regardless of who was chairman of the Judiciary Committee. The nomination and confirmation process is a deliberate undertaking.

It has been my aim to have the Judiciary Committee process judicial nominees in a manner that is thorough, but also fair and expeditious.

Since January 1995, 8 circuit judges, 28 district court judges and 2 judges of the Court of International Trade have been confirmed.

Of the judicial nominees confirmed this Congress, it has taken only 70.85 days from the date a judge is nominated to the date he or she is confirmed by the full Senate.

That amounts to a speedier confirmation process in the Senate than occurred even when the Democratic Senate was charged with confirming Clinton nominees.

The committee has carried out what is arguably its most important task fairly and diligently in this session of Congress.

The upshot of this is that the courts are currently operating at nearly optimal levels. For example, there are only 11 unfilled circuit court seats in the Nation out of 179 permanent circuit court judgeships.

Adding both circuit and district court vacancies, there are only 57 vacancies unfilled out of the 828 judges of the Federal judiciary. This means that only 7 percent of all seats on the Federal bench are vacant.

When pending nominees are excluded, only 33 seats are open—just 5 percent of all seats.

While we intend to be very thorough in our consideration of nominees for lifetime judicial appointments, we recognize the priority of this constitutional mandate on the Senate.

I wish to thank my colleagues on the Judiciary Committee and in the Senate as a whole for their cooperation in the confirmation process, and I commend them for their accomplishments in this regard this Congress.

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

Mr. HATCH. I would be happy to.

Mr. FORD. For a long time, three States have had split judges. The State of Kentucky has one, I think Missouri has a good many, and so does Oklahoma. The reason I ask the Senator this question is that we have the split judge from one end of the State to the other, and most of the judicial time that is needed in court is spent on the road. Until and unless we can have an additional judge, we will still have the split judge.

I think an amendment to eliminate the split judge and add one, even though the commission, as the Senator mentioned earlier—we have not considered them, I understand they recommended an additional judge to eliminate our split judge. That was withdrawn, and we fired off letters asking them to come back.

I believe this amendment would be germane. And, indeed, after we are offered the President's budget to approve and other things on this bill, to offer that amendment. I wanted to alert the Senator so he understands what I am concerned about.

Mr. HATCH. I do. Is the Senator intending to offer it on this?

Mr. FORD. I am hoping to offer it on this bill because this amendment is more germane to the bill than some of the other amendments we are going to get this afternoon.

Mr. HATCH. I would like the Senator to withhold. We are looking into adding additional judgeships. I believe I am going to step in the next year, we will probably pass a bill to add additional judgeships.

Mr. FORD. But I say to my good friend, into the next year we will have this one particular judge, and she will be driving from Ashland, KY, to Paducah, KY, from Louisville to Owensboro, and we have cases that are beginning to pile up, and it is no fault of the split judge.

So it is just very important that at least get this out for people to think about, and I may introduce it. I have it prepared to introduce as an amendment to this bill. As I say, it will be more germane to this bill than other nonbinding amendments, sense-of-the-Senate resolutions that are going to be offered here this afternoon to try to make us walk the plank. We voted 99 to 0 on the one that is going to be offered next, thank you.

So I just wanted to be sure that the Senator understood why I am doing it, and not because of the Senator's position and my respect for the Senator.

Mr. HATCH. I appreciate that. I understand. I hope the Senator will withhold because I will certainly give every consideration to this and solving it in an expeditious manner.

Mr. FORD. It will probably be next year before we can get to it.

Mr. HATCH. Perhaps we may be able to do something before then.

Mr. FORD. This has been going on for a long time. We have been waiting for the commission's report. Then they withdrew that. Then I waited for that without doing anything. Now I feel I am almost compelled for my constituents to be served by the Federal judiciary.

Mr. HATCH. Let us talk about it. Let us see what we can do.

Mr. FORD. I thank the Senator. I thank the Chair.

Mr. SIMON addressed the Chair. The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Thank you, Mr. President.

I simply want to thank my colleagues from Utah for moving ahead with this bill. We face problems in two districts in Illinois, and this bill takes care of their problems, among others. I appreciate the leadership of my colleague from Utah on this.

Mr. SANTORUM addressed the Chair. The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 2943

(Purpose: To express the sense of the Senate regarding the President's revised federal budget proposal)

Mr. SANTORUM. Mr. President, I ask unanimous consent that the following:

The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SANTORUM) proposes an amendment numbered 2943.

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

Mr. FORD. Mr. President, I object to dispensing with the reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Strike all after "SECTION", and insert in lieu thereof the following:

SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET

(A) FINDINGS--Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99-0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

The President's "revised budget," like the budget he submitted to Congress on February 6, 1995, took into account surpluses in

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the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was "using the independent numbers of the Congressional Budget Office" because "the Congressional Budget Office was more conservative in what it is going to happen and closer to right than previous Presidents have been."

(6) President Clinton further stated: "Let's at least talk about the same set of numbers, so the American people will think we're shooting straight with them."

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in "non-health entitlements by 2002 by reforming welfare, farm and other programs."

(10) The Congressional Budget Office estimated that the President's revised budget included savings that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

Mr. President, I offer this amendment. It is not the identical amendment that we voted on previously. The first amendment, sense-of-the-Senate amendment was on the President's first budget that he introduced back in February. This is on the revised Clinton budget that purports to balance the budget over the next 10 years. And the reason, if I may respond to the senior Senator from Kentucky, that I am introducing this is not to vote on the same thing we had before. If the President were not running around the country talking about how he has a balanced budget over 10 years, there would not be a debate on the President's budget in the Senate floor and have a debate exposing a phony balanced budget.

However, the President continues to go around the country saying, as he did on September 30, I have proposed a balanced budget plan that reflects our fundamental values. This is September 30, 1995. I am sure we can find hundreds of quotes as he has campaigned around the country where he has said that this budget comes into balance and reflects his values on all these things.

It was normally his values. Principal among his values is he does not want to balance the budget because this does not balance the budget. It may reflect other values in spending more money and all the other things that he wants to do, but fundamentally this budget does not balance. And so the President's actions are the reason we have decided to bring this amendment to the floor and debate this issue. I think we should use the Congressional Budget Office, of course, which says what it is and have a vote here on the Senate floor to determine whether we want to take the course the President would like to take us on, which is unbalanced budgets, according to the Congressional Budget Office, or some more for the next 10 years and beyond.

Let me read you what the Congressional Budget Office estimates the Clinton revised budget will result in. In 1996, the Clinton budget will produce a $196 billion deficit; in 1997, a $224 billion deficit; in 1998, a $199 billion deficit; in 1999, a $231 billion deficit; in the year 2002, a $220 billion deficit; 2001, a $211 billion deficit; 2002, a $210 billion deficit; 2003, a $207 billion deficit, and in 2004 and 2005, a deficit of $1.8 trillion.

That is not a balanced budget. It is not a balanced budget in 10 years. It is not going to be a balanced budget in 20 years or 30 years or 40 years. It is a phony, and the President should stop trying to fool us. And the President should stop trying to fool the American public into believing that he has this grand scheme to balance the budget when in fact it does not balance, and to say that our reductions in spending are somehow mean-spirited. It is a very mean-spirited administration that says that we have to do these things to balance the budget when he knows in fact that is probably the only way we are going to balance the budget is to do what we are suggesting.

And so that is why this amendment is here. It is here because the President refuses to come to Washington and solve the budget crisis and instead decides to run around this country and promote a phony balanced budget. We are going to take this balanced budget back to where it can be seen in the light of day and understand that this does not quite wash.

Now, the Democratic National Committee has the audacity to put on TV spots. Let me quote for you this TV spot that they have. "There are beliefs in values that tie Americans together. In Washington these values get lost in the tug of war. But what's right matters." I agree; what is right does matter. "Work, not welfare, is right." In the budget reconciliation bill that will be in the Chamber tomorrow is a welfare reform bill that passed 87 to 12 on this floor. And it does require work and has strong bipartisan support. "Public education is right." Again, if you look at the budget reconciliation bill, very little of it—very little entitlement education spending. The bulk of the education spending is in the education appropriations bill, of which the $23 billion that we have to spend this year, it is a reduction of $400 million.

By the way, we spend in public education in this country $400 billion. We are talking about a reduction of one-tenth of 1 percent in the amount of money we spend on public education. That is hardly a draconian cut, one-tenth of 1 percent, in a system that everyone agrees could use a lot of belt tightening.

I have public education I think pretty well in focus here. "Medicare is right." I agree; Medicare is right. Medicare deserves to be saved. We have the only proposal that is going to be put forward that saves Medicare more for this generation but future generations. And I would also remind you from the resolution's reading that the President's balanced budget, which does not balance, reduces the growth in Medicare more than his tax cut that is in his own bill. The same thing he, by the way, claims we are doing in our bill. So it is just a matter of degree, not a matter of direction. We believe that Medicare needs to be saved, not just for a year or two but for the long-term.

"A tax cut for working families is right," they say in the ad. Well, we have a tax cut for working families. Over 90 percent—listen to this—over 90 percent of the tax reductions in the Senate Finance Committee bill, the bill that is going to be in the Chamber, over 90 percent of the benefits go to families under $100,000 in income. Over 70 percent of the benefits go to families under $75,000 in income. That is our proposal, in people-income, pro-family tax cut. And anyone who would like to claim otherwise is demagoging, not reading the specifics of the bill. Read the bill. Read the bill. It is pro family, pro growth, pro jobs, and pro balancing the budget.

Then it continues on. "There are values behind the President's balanced budget plan." A TV ad that calls the President's plan, that the Congressional Budget Office says is out of balance, that the Senate Finance Committee bill, the bill that is going to be in the Chamber, over 90 percent of the benefits go to families under $100,000 in income. Over 70 percent of the benefits go to families under $75,000 in income. That is our proposal, in people-income, pro-family tax cut. And anyone who would like to claim otherwise is demagoging, not reading the specifics of the bill. Read the bill. Read the bill. It is pro family, pro growth, pro jobs, and pro balancing the budget.

Now, you would say, well, maybe the Congressional Budget Office numbers are not the numbers we are going use, are not the numbers we should use. I would just remind you that the President was the one who said we should use the Congressional Budget Office. In 1981, he was the one who said he came to the Congress, right in a joint session over on the House side and he stood up and said the Office of Management and Budget numbers have been wrong; they have been rosy; they have been exaggerating growth, understating inflation, and the deficit cannot be trusted. The only numbers we should use, so we can all talk about the same set of numbers, is the Congressional Budget Office numbers.

That is what we are saying. Promised.
we have it again. The President promised to use the Congressional Budget Office, promised to use the same set of numbers, promised that he would shoot straight with the American public, promised. And then he comes forward with a phony budget— the Democratic National Committee television spot saying that he has a balanced budget, using truncated numbers, and the Congressional Budget Office, the one he promised to use, says you will have $200 billion-plus deficits for as far as the eye can see. And then comes on the air with a TV ad saying that he has a balanced budget, including the Legislative Budget Office, the one he promised to use, that he would shoot straight with the American public that the President has a balanced budget.

And you want to know who is telling the truth around here. I hear so much of the American public saying, well, who do we believe? I can understand why they say that. You had so much misinformation out here, so many deliberate distortions of what is going on in this Chamber that it is no wonder the American public just throws up their hands and says who do we believe? That is the strategy: Confuse, obfuscate, muddy the waters, do not let anybody know who is really right and who is really wrong. Do not tell the truth. That is going on here.

And here we have this Democratic National Committee television spot saying that there are values behind the President's balanced budget, values Republicans ignore; Congress should join the President in the attack on the phony budget. Instead of a tug of war, we can come together and do what is right for our families.

We are ready to come together. We are here with a balanced budget over 7 years. We are here with real solutions. We are here ready to engage with the President on a real budget, not run around and campaign on a phony budget that does not balance. I can tell you for those of you who are in the audience, making these tough decisions which we know affect millions of people's lives, it does not help the air of cooperation to have a President demagoging this issue so he can get elected in the next election and not be here in Washington to solve the problem. Someone should inform the President that he was elected to serve as President, not elected so he could run for reelection as President, but that his job is here to solve problems.

That is why I offer this amendment. I offer it to bring to light and to have a vote on the phony budget, and to see who supports phony budgeting around here, who supports truncated numbers, who supports rosier scenarios, exaggerated growth, underestimated interest rates as a way to solve the budget. We have had that for years around here, frankly, from both administrations, Republican and Democratic, and I think everyone should be tired of it.

We should deal with the real numbers, conservative estimates, that get us to a balanced budget in a reasonable set of time, and that is 7 years. And I am hopeful we can reject this amendment.

I will just remind everybody that I came up here on the floor Friday, Friday morning, and said I would have sitting at the desk, which it has been all week, that I would offer a resolution, and I offered someone from the other side to offer it, to stand up and defend the President's budget. I said, "Come to the floor, pick it up, debate it. I will be here to debate the President's budget with you if you want to defend the President's budget. There is the resolution."

It is the now before reconciliation, the day before the rubber hits the road, and no one did. So I decided to pick it up and offer it on behalf of the body. I cannot support the President's budget. It is a phony budget, but I think we should have a debate about it. I think those who want to defend what the President is doing, the posturing that he is taking, the politicization of this debate, the demagoging that has gone on, should feel free to defend it and show the American public what you are really for.

Let us find out what people in this Chamber are really for. Are we for a balanced budget or not?

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 2944 TO AMENDMENT NO. 2943

Mr. WELLSTONE. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 2944 to amendment No. 2943.

The amendment is as follows:

Strike all after the first word and insert, in lieu thereof, the following:

In the event provisions of the FY 1996 Budget Reconciliation bill are enacted which result in an increase in the number of hungry or medically uninsured children by the end of FY 1996, the Congress shall revisit the provisions of said bill which caused such increase and shall, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. Mr. President, I did not realize that we were going to start the debate on what we call the reconciliation bill today. But if we are going to do so, then I want to have out on the floor what I think are an important set of concerns. And by the way, I think, Mr. President, they are the concerns of the vast majority of people in this country. What this perfecting amendment says is that the House of Representatives, by a vote of 294 to 145, rejected 2944 to amendment No. 2943.

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Mr. President, I lost. I lost on that amendment on the first two votes. And I remember one of my colleagues on the other side of the aisle—and I have many close friends on the other side of the aisle, including the distinguished Senator from Utah—said this to me. I would say especially the distinguished Senator from Utah—but I remember that one Senator came out and said, “The only thing the Senator from Minnesota is trying to do is embarrass us.” And I said, “If you can just prove me wrong and vote for this…"

And then, finally, Mr. President—and I deeply regret that I did this—I introduced the amendment again, and it was accepted, and it was voice voted. But I am not interested in symbolic politics any longer. We are getting into the debate now.

I probably would not have had this amendment today, but when the Senator from Pennsylvania comes out with his amendment, his concerns, then it is time for me to come out with my amendment concerning the concerns.

Mr. President, these children, they are not the heavy hitters. These children, they are not the players. These children do not have a lot of lobbyists that are out there in the ante-room right now, and they have not been here throughout this process.

But some of my colleagues just want to talk about the balanced budget over and over and over again, deficit reduction over and over and over again. But how interesting it is that they fail to translate some of their proposals into human terms and what its impact on people is going to be.

Mr. President, we have scheduled in this reconciliation bill dramatic reductions of investment in children.

We have scheduled in this reconciliation bill, in this deficit reduction bill, cuts in the Food Stamps, the Food Stamps. Unbelievable. Mr. President, my God, if there is one thing we ought to agree on, it is that every woman expecting a child ought to have an adequate diet, and we are not going to invest the resources necessary for that.

Mr. President, the Food Stamp Program certainly has its imperfections, and I am all for fixing the problems, but there is a difference between fixing problems and, no pun intended, throwing the baby out with the bath water. I can tell you that with Richard Nixon’s leadership, with national standards and dramatic expansion of such a program in the early 1970s—and I saw it in the 1960s in the State of North Carolina where I lived, we had all too many children with distended bellies, too much rickets, scurvy, too many children malnourished—we moved forward with a dramatic expansion of the Food Stamp Program, and it has been successful beyond measure. It is the most important and successful programs in this country because, thank God, it reduced hunger and malnutrition among children in America, hunger and malnutrition among all of God’s children.

I ask the Chair, where is the voice for low-income children? Where is the voice for some of the most vulnerable citizens in this country? So today, I think, today, debate this budget, it is my opportunity to make my case and to make my plea to my colleagues that we should go on record, Mr. President, as Senators making it clear that if these reductions should increase the number of hungry, or medically uninsured children by the end of fiscal year 1996, the Congress shall revisit the provisions of such a bill that caused such an increase, and then we shall adopt legislation which would halt such an increase.

I met on Saturday with family child care providers. I say to my colleague from Iowa, these are small business people. There are some 14,000 in the State of Minnesota. What did they say to me? They talked about the adult and child care feeding program and they said to me, “Senator, we don’t know what is going to happen with the proposed reductions in this program, because for a lot of these kids coming from these families, this is the only meal that they get a day, and we can’t assume the cost ourselves because we’re small business people and we don’t have any big margin of profit. Senator, who cares about these children?”

But, again, we see reductions in this program.

We are talking about $180 billion-plus of cuts in medical assistance, and I said several weeks ago on the floor of the U.S. Senate when I suggested that the Senate Finance Committee not meet because there had not been one hearing on the precise proposals that had finally been laid out with one expert coming in from anywhere in the country, I said, this was a rush to recklessness, and it is.

It is a rush to recklessness, and what is so tragic about it is that the missing piece is the impact on the people back in our States. The State of Minnesota, again, has done a great job. You can talk to the doctors and the nurses, you can talk to the caregivers, you can talk to the people in the Government agencies, you can talk to the people in the communities, we have 300,000 children that receive medical assistance and no, we are not going to see draconian cuts in medical assistance.

There is a reason why there has been an increase, and the reason is simple: Every year, more and more families lose their employment-based health care coverage. Every 30 seconds, a child is born into poverty in this country. I keep reciting these statistics over and over again because I do not seem to be able to get my colleagues to focus on it. Every 30 seconds, a child is born to a woman who has not had prenatal care. Every 2 minutes, a child is born to a woman and that child is born severely low weight, which means that child may not even have a chance in his or her life. The statistics go on and on.

We are now moving toward onequarter of all the citizens in this country being poor. So if we are going to have the balanced budget because we are going to increase the number of children that go without medical insurance and, therefore, without adequate medical care.

Mr. President, while I am speaking and before I forget, I do want to also ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum. Was there a sufficient second?

The PRESIDING OFFICER. The clerks will call the roll.

Mr. HATCH. Mr. President, I object. The PRESIDING OFFICER. The Chair recognizes there was a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, what we have here, which is why I offered this perfecting amendment, is the following equation: On the one hand, we have in the State of Minnesota somewhere between $2.5 billion and $3.5 billion of cuts in medical assistance.

And what do I hear from citizens in Minnesota, I mean from those who are affected? I hear families with children telling me we do not believe that our children are any longer going to be able to receive adequate medical care. I suggest to you as a former teacher, that if a child goes to school—and I have met such children in my State of Minnesota, and, Mr. President, I say to my colleagues, there are such children in the State of Minnesota—often with an abscessed tooth because that child could not afford dental care or because a child goes to school and that child has not received adequate health care, that child cannot do well in school.

So, to me it would be unconscionable—would be unconscionable—to essentially dismantle one of the most important safety nets we have for children in our country.

I meet with families, I say to my colleagues, you have not received medical assistance so they can keep their children who are developmentally disabled at home. If these proposed cuts in medical assistance go through, their fear—
Mr. President, may I have order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WELLSTONE, I thank the Chair. My first concern has to be that what will happen is they will no longer have the medical assistance program—it is called TEFRON—in our State to enable them to keep their children at home, and they do not want their children institutionalized.

Are we going to turn the clock backward? That is why I have this amendment. This is not a game. These are people's lives. I want my colleagues to go on record that if these proposed reductions mean that there will be more children in America that will go hungry or more children in America that will go without health care insurance, then we will, in fact, by 1996 revisit the provisions and take the corrective action necessary to see to it that children in America will not be institutionalized.

Today we get a chance to give our assurance to those children that we take account of them and we take account of their lives. Mr. President, we had a bill out here, appropriations bill that was the Pentagon wanted. It passed. Many of us were saying, could we not put that money into deficit reduction? Could we not at least do a little bit of the balancing of the budget? This is all about priorities, all about choices. Could we not ask the military contractors to tighten their belts?

Mr. President, we were not successful. So we got $7 billion more than the Pentagon wants. We got the money for the military contractors. We go forward with the weapon systems. We go forward with add-on projects. We go forward with this budget. But at the same time, we are going to cut nutritional programs for children and medical assistance for children in the United States of America. Mr. President, the last piece of this, as long as my colleague brings out this whole issue of the budget, is we now look at the Treasury Department analysis, we now look at pieces that are being written in the papers, and we have $245 billion of tax giveaways.

In the best of all worlds, I would love to vote for it. But it is, I have said on the floor before, it is like trying to dance at two weddings at the same time. As my colleague from Illinois, Senator SIMON, would say, if deficit reductions are our No. 1 goal, we will be put on a strict diet. The next thing we do is say, but first we will give you dessert. It is preposterous.

What is more preposterous is when in fact you are willing to give away $245 billion in breaks, most of it going to the most affluent citizens who do not need it, but you are going to cut the Women, Infants, and Children Program, nutrition programs for children, and medical assistance that has become the most sweeping and important safety net program in this country for children in America.

Mr. President, I just ask my colleagues, who are the priorities? Mr. President, I do not intend to fill the Senate to a halt. I am quite pleased to go forward.

Mr. President, let me just conclude because out of respect for my colleague from Utah who is managing this bill I will not take up much more time. Mr. President, my colleague from Pennsylvania came out here on the floor and did what he felt was right. I respect him, but let me just conclude.

He absolutely should do so. He has his set of concerns. He talks about a balanced budget. He talks about deficit reduction. I also have a set of concerns. I have a set of concerns about whose backs is the budget balancing on? I have a concern about where is the standard of fairness? I have a concern about all the reports that are coming out talking about the fact that the disproportionate number of the budget cuts target low-income citizens in America—the poorest of poor people, with children unfortunately being disproportionately affected by these reductions.

I have concerns about too many children who live in poverty today. I have concerns about what the impact in personal terms of some of these reductions in nutrition and health care programs will be on the nutritional status and health status of children in Minnesota and all across this land.

Mr. President, I do not want to take up more time because we have a lot of business but I believe in my heart and soul that there could be no more important focus than children in this country, and especially vulnerable children.
Mr. President, I am a father of three children: 30, 26, and 23. I am a grandfather, three grandchildren: Ages 4, 1, and 2 weeks. I am not so concerned about my children or my grandchildren with this amendment. I am concerned about a lot of children. I am concerned about a lot of children who right now in the United States of America live in some brutal economic circumstances. I am concerned about a lot of children in America who right now are in a very fragile situation. I am concerned about a lot of children in America who do not believe that they will have an opportunity to be all that they can be. I am concerned about a lot of children in America who grow up in families where there is tremendous tension, where there are parents without jobs, where people struggle economically and where there is tremendous violence in their lives.

I have all of those concerns. Mr. President, for that reason, I do not want us to take any action that could increase the number of hungry children or those that would go without adequate health care.

I move to table my amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is now on the motion to lay on the table amendment No. 2944. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

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

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 497 Leg.]

YEAS—53

Abraham
Ashcroft
Benedict
Bond
Brown
Burns
Campbell
Chafee
Cochran
Cohen
Cordero
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
NAYS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Not Voting—1
Bradley

So the motion to lay on the table the amendment (No. 2944) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote. Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2943 AS MODIFIED

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senate will please come to order.

Mr. FORD. Mr. President, I want it read before we fill the tree.

The PRESIDING OFFICER. Is the Senate aware that a second-degree amendment has been sent to the desk? And the regular order is for the clerk to report the amendment.

Mr. FORD. Mr. President, I withdraw my request.

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

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 2945 to amendment No. 2943, as modified.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

SEC. . SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(a) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99-0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2002.

(4) The President's revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was "using the independent numbers of the Congressional Budget Office" because "the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been."

(6) President Clinton further stated: "Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them."

(7) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President's revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The President has proposed savings of $64 billion in "non-health entitlements by 2002 "by reforming welfare, farm and other programs."

(10) The Congressional Budget Office estimated that the President's revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than double what the President's proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President's proposal would result in deficits in excess of $20 billion in each of fiscal years 1997 through 2005.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact the President's budget as revised on June 13, 1995.

AMENDMENT NO. 2945 TO AMENDMENT NO. 2943, AS MODIFIED

(Purpose: To express the sense of the Senate regarding the President's revised federal budget proposal)

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

The PRESIDING OFFICER. The Senate will please come to order.

Mr. HATCH. Mr. President, I want it read before we fill the tree.

The PRESIDING OFFICER. Is the Senate aware that a second-degree amendment has been sent to the desk? And the regular order is for the clerk to report the amendment.

Mr. FORD. Mr. President, I withdraw my request.

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

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 2945 to amendment No. 2943, as modified.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

In the pending amendment, strike all after the first word and insert in lieu thereof the following:

SEC. . SENSE OF THE SENATE REGARDING THE PRESIDENT'S REVISED FEDERAL BUDGET.

(a) FINDINGS.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99-0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2002.

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(6) President Clinton further stated: "Let's at least argue about the same set of numbers, so the American people will think we're shooting straight with them."

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This right here is the credibility gap, the gap between what the President says he wants to do, which is balance the budget, to where the President really is in 7 years, which is a $200 billion plus deficit. That is a $200 billion credibility gap that the President is trying to sell to the American people. And somehow or another, a $200 billion deficit qualifies as a balanced budget. I do not think in anybody’s book a $200 billion deficit qualifies as a balanced budget.

So what we have been having today is a discussion on the President’s budget and our budget and the differences between the two, and hopefully we will have a vote later today on whether we will adopt the President’s budget, whether this body wants to go in the direction of red ink as far as the eye can see, of reductions—remember, the President calls for hundreds of billions of dollars in reductions in spending, and even with all those reductions in spending the President has $200 billion in deficit because he does not do enough. He does not make the changes that are necessary to get this budget in order.

Remember, just 3 years ago the Governor of Arkansas campaigned across this country with one thing except pro-deficits and pro-debt. That is not change. That is not pro-Arkan-sa. This right here is the credibility gap, the gap between what the President says he wants to be, to where the President really is.

Mr. KYL. Would the Senator from Pennsylvania yield for another question?

Mr. SANTORUM. Of course.

Mr. KYL. Just as we have this all right now, the Senate from Pennsylvania is offering up the President’s budget just to see who is willing to support it. There has not been a Member of his party willing to offer it.

Mr. SANTORUM. I could interrupt the Senator from Arizona.

Not only have they been unwilling to offer it, but during the time we have had the opportunity to debate this past Friday and here again today, not one Member of the other side of the aisle has risen to offer it, not one Member of his party willing to offer it, to even question any of the arguments that we have put forward on this subject.

Mr. KYL. Perhaps we can go back in time.

Did we not vote on the President’s budget earlier this year? As I recall, the Senate is on record as opposing the first President’s budget 99-0.

Could the Senator from Pennsylvania enlighten us further on this time.

Mr. SANTORUM. That is correct. Earlier this year we had the opportunity to debate and discuss the President’s budget. And I am not too sure how many Members on the Democratic side of the aisle defended it. I am not too sure very many did. There were admissions that the President’s budget did not go very far. But I will give the President credit for this on his first budget: On his first budget he did not claim he balanced the budget. He admitted, as he is doing now, that he has a billion-plus deficits as far as the eye can see. He admitted it was a bad budget.

What has he come back with is a ruse. You know, he and his buddy, Rosy, Rosy Scenario, have gotten to together to come up with a budget by underestimating what the interest rates will be and overestimating growth. He and Rosy have figured out a way to balance this budget. Well, unfortunately, Rosy does not cut it. We need real red ink. People are looking for real changes, the changes that he campaigned on in 1992 that he is not delivering with these budgets.

Mr. President, I—
Mr. KYL. Excuse me, if the Senator would further yield. We have been having a conversation about this. It seems that there is one other little problem, that is, in actuality there is a second President's budget in the same sense that there was a budget estimated in the year; and the Republicans, through the Budget Committee, and the House and the Senate, have actually produced a full budget, funding each of the departments of the U.S. Congress, as well as developing all the revenues necessary for doing so.

Actually, is it not the case that what the President is talking about now as his balanced budget is really a concept only, that, A, is not a full budget, B, will not be offered by anyone in his party, C, does not ever get into balance insofar as the Congressional Budget Office estimates are concerned, and, therefore, really the only thing that we do have to vote on later on this week is the Republican budget combined with the other fear of what we call the reconciliation bill here?

Mr. SANTORUM. The Senator from Arizona again is exactly correct. What the President has trumpeted across this land and the Democratic National Committee and the House and the Senate, have actually produced a reconciliation package is a pretty sizable amount of numbers, the Office of Management and Budget is using a common set of assumptions. And he pointed out that, of course, that common set of assumptions came from using the numbers, the credible numbers, that bipartisan, the bipartisan numbers of the Congressional Budget Office, to analyze how much Government would actually cost and how much the revenue would actually be for the various kinds of taxation that we have. And then, secondly, that instead of the President using the OMB, which is what he accused past administrations of using, and the Congress using the CBO, or the Congressional Budget Office, we ought to both agree that the CBO had it figured out; they used the right assumptions; and we ought to use the CBO numbers.

Now, I would ask the Senator from Pennsylvania, which numbers did the President use? And did that have an effect on the assumptions inherent in his so-called budget?

Mr. SANTORUM. As the Senator from Arizona knows very well, the President broke his promise. He broke his promise to Congress in 1993 when he came to the joint session of Congress in his first speech before the Congress, and he stood up and said that we will use a common set of numbers, we will use the Congressional Budget Office numbers, and we are working with the same numbers, so there are not going to be any games on wishing away the problems.

He offered this budget using OMB numbers. The President said the President should use OMB numbers. The Congressional Budget Office, and she said that common set of assumptions came from using the right assumptions; and we ought to use the CBO numbers.

Mr. SANTORUM. That is correct, and that is why this amendment is here. If the President was not out running around saying that he has a balanced budget plan, and he has talked about the need for us to work together, and the Democratic National Committee—by the way, this Democratic National Committee spot was not 3 months ago, 4 months ago, it was this weekend—this weekend. In the face of this, in the face of the knowledge that the Congressional Budget Office says this plan does not balance, does not deter the Democratic National Committee from running around lying to the American public that it does balance, and it does not.

You have the Democratic leader who, after the President introduced his second budget that said balanced, when the Congressional Budget Office came out and said it did not, the Democratic leader said the President should use CBO numbers.

Now you have the Democratic leader criticizing the President saying, "Use the right numbers, don't cook the numbers." And yet the Democratic National Committee, in the middle of this Titanic struggle to balance the budget, is going out there trying to fool the American public, suggesting the President has a balanced budget plan.

Mr. FORD. Will the Senator from Pennsylvania yield for a question?

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

Mr. FORD. The two Senators over there are just talking to each other. I do have a germane amendment, which yours is not, to this bill. I have discussed it with the floor manager of the legislation. I would like to get on. If you want a vote, let us have a vote. You can even move to table your amendment. I just would like to get on to other things, because we have been discussing this for some time, and we are very acquainted with "Rosy" because you have introduced her to us.

Mr. HATCH. Will the Senator yield?
Mr. SANTORUM. Rosy is not unique among Democrats and Republicans in the White House. She has been a constant partner of Presidents for a long time. The unfortunate part is this is the first time that a Congress has come forward with a true balanced budget without Rosy, and what we are doing is very serious business and what the President—

Mr. FORD. If the—

Mr. SANTORUM. Let me finish my statement. What the President is not there is Rosy to cover up what is a truly deficient budget that does not balance in the face of the tough decisions that this Congress is making now, it raises that specter of deceit that has been going on with Presidents for a long, long time to a new level. That is why this amendment is on the floor.

Mr. FORD. Mr. President, will the Senator yield again?

Mr. SANTORUM. I yield for a question.

Mr. FORD. Did the Senator hear the former chairman of the Budget Committee this morning when he said your budget, by CBO figures, was $108 billion or $105 billion short in 2002?

So your coming here and telling us that you are balancing the budget and you have the direct opposite view from that of the former chairman of the Budget Committee, and he got his information from CBO.

Mr. SANTORUM. If I can reclaim my time, I am sure the Senator from New Mexico will present the letter from the Congressional Budget Office Director which certifies the budget does balance in 7 years, I do not know where the Senator from South Carolina got his information.

Mr. FORD. He did not get it out of his own office, he got it out of CBO.

Mr. SANTORUM. I reclaim my time, and I encourage that we defeat this amendment. I will be happy to take an up-or-down vote. If the Senator from Kentucky will allow an up-or-down vote, we can do that. If the Senator requires me to table, I will be happy to do that.

Mr. HATCH. Will the Senator yield?

Mr. SANTORUM. I will be happy to yield.

Mr. HATCH. If I can make a suggestion, I suggest we have a vote up or down on the Senator's amendment. I intend to support him. I think we should do that right now.

I notice the distinguished Senator from Iowa is ready to speak on the underlying bill. The distinguished Senator from Kentucky, the minority whip, has an amendment he would like to bring up. So I am prepared to go to a vote if we can.

Several Senators addressed the Chair.

Mr. KYL. Mr. President, I rise in opposition to the amendment and the budget that President Clinton submitted. The President says he supports a balanced budget and that he has submitted a balanced budget to the Congress for consideration, but the agency he praised as the best authority on budget numbers, the CBO, says otherwise.

June O'Neill, the Director of CBO, testified in August that "the deficits under the President's July budget would probably remain near $200 billion through 2005."

So, the President's budget does not balance. Not in 7 years, 8 years, 9, or 10 years. It doesn't balance.

The President says he supports a balanced budget. The Congress is cutting Medicare to pay for tax cuts for the rich. We all know that's not true either, just as we know the President didn't propose to cut Medicare when he proposed tax cuts in his revised budget.

CBO estimates that the President's revised budget would reduce the growth in Medicare by $105 billion by 2005. The President's numbers put net Medicare savings at $124 billion. So, President Clinton finds savings in Medicare as well.

His budget also proposes tax cuts that would cut the growth of tax revenues by $166 billion. The President's tax cuts are more than offset by Medicare spending cuts. Yet we all know that cuts have nothing to do with Medicare. Whether we raise taxes, lower taxes or leave taxes the same, the fact is that Medicare will go bankrupt unless spending growth is slowed and the program is reformed.

Last week, the President said that he could support a balanced budget in 7 years, just as we are proposing. We should vote down this budget today and give the President another chance to produce a budget that CBO will certify gets us to balance. We want to work with the President, but we don't want—and we shouldn't—go back on the promise we made to the American people to balance the budget by the year 2002.

Let us vote down this budget today and consider an alternative that keeps spending under control and gives the President another chance to produce a budget that certifies the budget does balance and gives tax relief to hard-working American families.

Mr. President, I think it is time for us to have a vote, and I simply would like to frame what the vote is, in about 30 seconds here.

The Senator from Pennsylvania offered the President's budget. We are going to be voting later this week on the Republican budget. Members will have an opportunity to decide: Do they want to continue to pay for the program that according to June O'Neill, the Director of the Congressional Budget Office, shows deficits of $200 billion through the year 2005, or do they want a balanced budget offered by the Republicans which will be voted on later this week?

I suggest that we have the vote, that it be up or down, and that we defeat the budget that has been offered by the Senator from Pennsylvania, since none of the Members of the Democratic Party were willing to offer the President's budget.

Mr. HATCH. Mr. President, I also suggest we have this vote up or down, and I agree this amendment should be defeated. We should not be voting for the President's budget, which has $200 billion in deficits, ad infinitum. It is not realistic about getting spending under control, and I think, once and for all that we can do.

Mr. SANTORUM. Mr. President, one additional comment. The Senator from Kentucky and I just had a conversation. I want to give the Senator from Kentucky and the Democrats credit for not defending the President's budget.

He is absolutely right, he is not defending the President's budget because the President is not using the right numbers, so I give credit to the other side for not standing up and defending this budget. I think they are showing character in not doing so. I think, hopefully, that is a message that will be sent to 1600 Pennsylvania Avenue.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we do not have a bill before us, a very important bill. We have been talking about amendments to that bill that are unrelated to the underlying bill. I am going to speak about the underlying bill. I want to tell people who are watching this that something happens in the U.S. Senate; that you get a relatively noncontroversial bill before the Senate, and then people want to offer amendments. I do not have any fault with either the process, or I do not have any fault with the amendment on which we are going to be voting. In fact, I cheer what the Senator from Pennsylvania is doing. But I do want to state my view on this underlying bill which creates and extends some temporary judgeships. I want to make a statement on how we arrive at the number of judgeships we ought to have and the necessity for a review of that process.

As far as the underlying bill is concerned, Mr. President, I want to clearly state that I support the bill, even though I am going to raise some questions about the process, even though I might raise a question about one of the judges that is being temporarily extended. I agree this is the creation of which is being temporarily extended.

I want to state for the record that there is at least one of these positions that is being extended, some questions from judges who operate in this judicial district as to whether or not it even ought to be extended.

I want to say at the outset that the Sixth Circuit judicial Council has asked that one of the temporary judgeships that be renewed. This issue has been brought to me by Mr. Wiggins, circuit executive for the sixth district, who speaks about the temporary judgeship for the western district of Michigan, says at a
I agree with a large number of well-respected Federal judges who have raised serious concerns about the run-away growth of the Federal branch. Some judges, including Judge Silberman on the D.C. circuit and Judge Wilkinson of the First Circuit Court of Appeals, have expressed objections to an excessively large Federal judiciary. These circuit judges have concluded, based on the experience of the ninth circuit, that courts of appeal which are too large actually decrease the quality of decision making and increase the possibility of a conflicting panel decision which must be reconciled through full court rehearings.

At my hearing that I held last week in my subcommittee, Judge Silberman testified that 12 judges is just too many for the D.C. circuit. In those very brief periods when the D.C. circuit has actually had 12 judges—and that was just for a brief period of time, quite frankly in the years of President Reagan, between 1984 and now, when it was created, I think a period of not more than 18 months—there just was not enough work to go around. That is what Judge Silberman said.

I ask unanimous consent that an article from a newspaper about the hearing I recently chaired which appears in the paper be printed in the RECORD at the end of my remarks. Furthermore, I ask unanimous consent have printed the letter I read from the sixth judicial conference. The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. GRASSLEY. Furthermore, when there are too many judges—and I go back to what Judge Silberman is saying—and what Judge Wilkinson is saying—there are too many opportunities for Federal intervention.

We should not forget, just as Government regulation increased, the United States actually declined slightly over the past few years. The number of agency cases in the D.C. circuit is about the same now as it was in 1983—that was a year before Congress created a 12th judgeship in the D.C. circuit.

It costs a little under $1 million—$800,000, to be exact—when we create and keep filled a circuit court judgeship. By the way, that figure, $800,000, comes from the judicial conference. In other words, this is the official judiciary’s estimate. It is not my estimate.

The administration claims despite the declining caseload, despite the expense to the American taxpayers, that a 12th seat must be filled. I am not convinced. Mr. President, the President of the United States should be paid an $80,000 per year, per judgeship is a lot. I do not think it should be spent unwisely.

Mr. President, with respect to the D.C. circuit, the administration basically says that the D.C. circuit is too slow in rendering decisions and that a 12th judge would speed things up. But this is not necessarily so.

We are going do that, obviously, but it calls for the consideration of how we do this, how often we do it, and whether we do it in too willy-nilly of a fashion.

Like most of my colleagues on this side of the aisle, I do not necessarily support Federal solutions to local problems. With the Republican victory last November, I am confident that some common sense will be restored to the way that we do business up here in Washington.

Mr. President, all of what I have described is expensive. When we ask for more Government, more committees, more employees on the Hill, more bureaucrats downtown, and even more judges, it is all very expensive. So it is time we in Congress step up to the plate on the issue of the Federal judiciary and its size and we make some tough budgetary choices.

I yield the floor.

EXHIBIT 1
When it comes to judges, many say less is more.
(From Frank J. Murray)

The U.S. Senate may be about to abolish an appeal's court judgeship because there's enough work to justify it. This has happened only once before, in 1968, when Congress cut the U.S. Supreme Court from 10 justices to 9. But the mood to cut judgeships is growing.

At issue is whether to cut the 12-judge U.S. Court of Appeals for the D.C. Circuit, the nation's second most important court. Three of the nine current Supreme Court justices were elevated from that court.

Yesterday, Judge Randall R. Rader of the Federal Circuit told the Senate Commerce Committee last week that 12-judge appeals courts also could be better off if its current vacant slot were abolished.

"I think circuit courts work better in smaller numbers. I think that the Federal Circuit would work as well with 11 judges," Judge Rader said.

In the Eastern District of Louisiana, Chief Judge Morey L. Sear is asking the Senate not to fill two vacancies on the U.S. District Court bench.

And Judge Laurence H. Silberman of the D.C. Circuit advocates cutting one judge from that court.

Sen. Charles E. Grassley, Iowa Republican and chairman of the Senate Judiciary oversight subcommittee, says he has found support for reducing the number of judges on the D.C. Circuit and elsewhere during soundings of sentiment among appeals judges nationwide.

Chief Circuit Judge Harry T. Edwards, who opposes the reduction, acknowledges that Judge Silberman speaks for a significant faction of the court, although its 11 judges have taken no vote.

Chief Judge Edwards says any decision not to leave the question to the U.S. Judicial Conference could suggest "some agenda that has nothing to do with the quality of justice."

In opening a committee hearing last week, Mr. Grassley said his choices fall between filling the vacancy and cutting the bench by as many as three positions. Each circuit judgeship costs about $800,000 a year, including salaries for a support staff of five. Such judgeships must be eliminated when vacant because the Constitution guarantees incumbent judges the jobs and their salary levels for life.

"We think the [D.C. Circuit] seat should be filled," says White House spokeswoman
October 24, 1995

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Ginny Terzano. “It’s not a political issue. It’s a question of whether this seat should exist or not, and the administration thinks it should.”

In separate interviews, Judges Edwards and Silberman say they respect each other’s opinions on an issue laden with political overtones.

“If the question to me is, are we better off with 12 judges—do we serve the public better and do our jobs better?—my answer is yes,” Judge Edwards says. But he concedes he can’t effectively manage those who rely on a formula allotting the circuit just 9 \( \frac{1}{2} \) judges because of declining workload.

“I now have a limited number and produce that number to prove the point,” Chief Judge Edwards says. “I admitted it is a difficult assessment in those terms.” Although the number of cases accepted for receipt fell over a 10-year period, the backlog of 2,000 is up 70 percent.

“I do think the 12 judges is excessive and therefore a diversion of judicial resources,” Judge Silberman told the judiciary Committee. He says 11 is the right number and nine is too few.

The resolution of the dispute could determine whether Mr. Clinton eventually undoes what Ronald Reagan wrought. The D.C. Circuit has five Reagan nominees, two Bush appointees and two Clinton appointees—including Chief Judge Edwards. Judge Silberman was appointed by President Reagan.

“I am in favor of the abolition of the 12th judgeship no matter who is president or who controls the Senate. We simply do not need a 12th judgeship, and there is a cost in the quality of our decisionmaking,” Judge Silberman says. He says he expressed this view privately months before Mr. Garland’s nomination and wrote a Sept. 26 letter spelling out his position at Mr. Grassley’s invitation.

“The fact that I am in some measure of disagreement with the chief judge on this issue has not affected my enormous respect and affection for him,” Judge Silberman says. Says Chief Judge Edwards: “Everyone else who’s testified has supported the 12th judgeship. I don’t care to say anything on that. Our relationship is good. I’ll leave it that way.”

EXHIBIT 2

U.S. COURT OF APPEALS
FOR THE SIXTH CIRCUIT
Cincinnati, OH, May 5, 1994

Re temporary judgeship in Western District of Michigan.

DAVID L. COOK,

DEAR MR. COOK: At a meeting of the Sixth Circuit Judicial Council held on May 4, 1994, the Council approved the request of the Western District of Michigan that no action be taken to extend the temporary judgeship for the Western District of Michigan.

Sincerely,

JAMES A. WIGGINS,
Circuit Executive.

MACK. Mr. President, I rise to support the effort that the Senator from Pennsylvania has put to the Senate but would encourage my colleagues to vote against the resolution.

The resolution calls for the adoption, as I understand it, of the President’s budget as submitted June 13 of this year. If the vote is called, I hope that my colleagues would vote against the resolution.

Again, I want to support the effort that the Senator from Pennsylvania is making. What he is really giving us is an opportunity to discuss—and I suspect maybe some do not want to discuss—it the President’s budget, because there is the impression that has been created that with this proposal that the President made in June, that there is a mandate to what Republicans have proposed.

In the next few days we will be voting on the reconciliation package. That, combined with other actions of the Senate—the appropriations bill, the budget resolution earlier this year—will lead us to a balanced budget, according to CBO.

There is a proposal, again, that will come to the floor of the Senate tomorrow, and we should have a vote on final passage before we conclude our work this week, that will, in fact, over a period of 7 years, balance the budget. If my memory is correct, that will be the first time that the budget will have been balanced since 1969.

I again want to have the opportunity here to talk about the President’s budget, but I cannot help but think that there are times maybe for a little levity.

Over the weekend, through some clandestine activity, we were able to come up with an instrument that allows us to understand how the President comes to conclusions about certain tax policies.

This instrument is the key. This is spun, apparently, and where it stops is an indication of what the President’s policy with respect to taxes should be.

Again, just to quote some of the various options here that the President has to pick from, in January 1992 the President said, “I want to make it very clear that this middle-class tax cut is central * * * * to what he is trying to accomplish.” Then, in March 1992, just a few months later, I am quoting the President again, he says, “but to say that this is the center of anybody’s economic package is just wrong.”

Then, on June 8, the President went on to say, “I would emphasize to you that the press and my opponents always made more of the middle-class tax cut than I did.” We are all familiar with the President’s comments with respect to taxes raised in 1993. He has been quoted rather extensively, I think, now, over the last week or so. In essence admitting that he went too far in raising taxes.

What is ironic about that, in the same breath he really said it was not his fault, that the Congress—the fact that he had to work within the Democratic Party—he was forced to raise taxes and he now admits it was a mistake and in essence he apologized for having raised those taxes.

Interestingly enough, you could use this instrument for just about any political decision-making. If you wanted to, you could take the issue of budget resolutions. If you go to candidate Clinton in 1992, I believe he said on the “Larry King Show” that he believed that a budget could be balanced in a 5-year period.

Then, the first budget that the President submitted to the Congress did not call for a balanced budget at all. That was in 1993, even after raising taxes to the point that I think most people felt was the largest single tax increase in the history of the country. Certainly a large one. So here we are in the President’s first year, presenting to the Congress a budget that in fact does not call for balance.

A few months earlier this year the President proposed to the Congress his budget for fiscal year 1996. Interestingly enough, there was no effort to balance the budget in that particular proposal. In fact, I think this is the one that was voted on. It was voted down 99 to zero. There was no support whatsoever in the Senate for the President’s first proposal this year. That called for balancing the budget in a 10-year period.

When it was reestimated by CBO, it was found that the deficit would be $200 billion plus per year.

The President has been quoted, too, as saying he now favors a program that would balance the budget in 7 years—at least he was the one to raise the idea. He should be careful about that. That was the implication—that the President in fact supported the concept of balancing the budget in 7 years.

So I thought it was an interesting finding over the weekend to have found this instrument that really has turned out to be the key to the President’s policy decision-making process. That has been, I think, very helpful.

Also, since we have the opportunity to talk about the President’s budget, it has been some time since we have had an opportunity to focus on this. The Joint Economic Committee, as the Chair recognizes, held a hearing to review the President’s supposed balanced budget proposal over 10 years. Mind you, over 10 years. He claimed to have balanced the budget in 10 years.

This chart indicates, again according to CBO, what would be necessary in order to balance the budget over a 7-year period. We would have to reduce Federal expenditures, that is the anticipated Federal expenditures, over that 7-year period by $1.257 trillion. In fact, that is the proposal that the Republicans have put before the Senate, but in a budget resolution. And now we are faced with the combination of appropriations bills and reconciliation bill. So we are going to meet this goal.

The President’s proposal does not come anywhere near that. As you begin to review—not my analysis of the President’s budget, but the Congressional Budget Office’s analysis of the President’s budget—and you might be asking yourself why does the Senator keep referring to the Congressional Budget Office, known as CBO? The reason I said was I remem-
session of the Congress to hear the President’s State of the Union Message, he really challenged the Congress. Maybe that is really not the way to say it. I think what he was saying to the Congress is he recognized in the past, and those administrations and previous Congresses frankly, had used smoke and mirrors to put budget resolutions together. When things got tough and tough decisions were going to have to be made, the Congress somehow or another decided they would accept rosy economic assumptions—economic assumptions about the level of economic growth; economic assumptions about interest rates; economic assumptions about inflation and so forth.

The end result was that the President has, in fact, estimated his way out of the problem. This portion of the reduction does in fact come about as a result of changing economic assumptions; economic assumptions about interest rates; economic assumptions about inflation and so forth.

I say to my colleagues as we have an opportunity to both vote on this resolution and on reconciliation, it is obvious. It does not get to zero. Over half of the deficit reduction the President has proposed comes from estimating his way out of the problem, using higher growth numbers, lower interest rates, and so forth. That program just will not do it. This is exactly what created the problem we are in today. It is because, in the past, every administration and every Congress decided to blink.

All I am saying is you cannot get there with the plan the President has proposed and that is why I encourage Members to vote against the resolution that is on the floor.

Sometimes people get lost with charts in this discussion of economics and statistics and numbers. If you think about it, in essence what CBO has said is that deficits are growing at this rate, and the CBO is the same organization that was in favor of the children’s health care, and his wife works for the weekend to make just a little bit more money so they can make ends meet. What about them? What about those individuals that we have been taking money away from to transfer it to someone else that they feel, frankly, is not worthy of it, because they hear the stories about the programs that have failed.

In fact, that has happened as we have gone from this dream that was created in the early 1960s to the nightmare of the programs that have been developed over the years, and the poverty that people are living in today, and the dependency that people are living in today as a result of those programs.

I urge my colleagues to think about those men and women who are working hard day-in and day-out. What about them? What about their future? What about their opportunity? They will not have one—not at the level that we have experienced over the years, if we continue the kind of Federal spending and the Federal programs that have been going on for these last 25 years or so.

The last point I would make is I think that the decision we are making here is the decision to reject the President’s alternative which does not get us anywhere near a balanced budget and the reconciliation package that we will have an opportunity to vote on in just a few days, I think the opportunity is much greater than the simple reach-thing of a balanced budget. We have a Nation that for generations and for centuries has been dedicated to the principles of freedom, independence, justice, democracy, human rights, free markets, free enterprise, and capitalism. And I believe that our country is the only one in the world today that has the interest or the concern or the desire to see that those principles are exported around the world. But if we do not get our fiscal house in order, we will not have an opportunity to do that. America will not be the center of influence in the 21st century, and America will not have the opportunity to expand and pursue those ideas around the world.

So this is much larger than just this simple debate today about whether we are going to support the President’s plan or whether we are going to support our plan. We are talking about America’s future.

The President has failed to provide us with leadership. He has failed to provide us with a plan and, therefore, he has failed to provide us with an alternative. There is no choice. Reject this resolution that has been proposed, and in a few days vote for the reconciliation package.

I yield the floor.

Mr. HATCH. Mr. President, I suggest that we are prepared to vote.

The PRESIDING OFFICER (Mr. CAMPBELL). Is there further debate?

Mr. FORD. Is this on the second degree?

Mr. HATCH. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered on the second-degree amendment.
If there is no further debate, the question is on agreeing to the amendment of the Senator from Utah. On this question, the yeas and nays have been ordered, and the clerk will call the roll. The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from Ohio [Mr. GLENN] are necessarily absent.

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

The result was announced—yeas 0, nays 96, as follows:

[Roll call Vote No. 408 Leg.]

NAY—96

Abraham Feingold Lugar
Akaka Feinstein Mack
Ashcroft Ford McCain
Baucus Fris McConnell
Bennett Gorton Mikulski
Biden Graham Mossely-Braun
Bingaman Graham Moynihan
Bond Grams Murkowski
Boxer Grassley Murray
Breault Greggie Nickles
Brown Harkin Nunn
Bryan Hall Pell
Bumpers Hatfield Presler
Burns Heflin Pryor
Byrd Heflin Rich
Campbell Hollings Robb
Chafee Hutchison Rockefeller
Coats Inhofe Roth
Cothran Inouye Santorum
Cohen Jeffords Sarbanes
Corbett Johnson Shelby
Coverdell Karmansohn Simpson
Craig Kennedy Simpson
D’Amato Kennedy Smith
Daschle Kerry Snowe
DeWine Kohl Specter
Dodd Kyl Stevens
Dole Lautenberg Thomas
Domenici Leahy Thompson
Dorgan Levin Thurmond
Exon Lieberman Warner
Faircloth Lott Weidman

NOT VOTING—3

Bradley Glenn Kassebaum

So the amendment (No. 2945) was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FORD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. SANTORUM addressed the Chair. The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized.

Mr. SANTORUM. Mr. President, we just witnessed on the Senate floor the President’s revised balanced budget getting no votes; his plan to balance the budget over 10 years getting no votes on the U.S. Senate floor, no support on either side of the aisle. Nobody on the other side of the aisle, and rightfully so, I might add, defended his balanced budget.

All I suggest to the Democratic National Committee, which is running a television ad today that the President has a balanced budget, that it is now, I think, apparent that the President does not have a balanced budget and that nobody believes he has a balanced budget. So quit running ads on national television saying he does have a balanced budget.

There is no support for phony numbers in the U.S. Senate from either side of the aisle, and I commend my colleagues on the left for standing up and sending a very clear message down Pennsylvania Avenue. We are tired of the President running around campaigning and not coming back here to work on a serious balanced budget resolution and reconciliation package.

We have the opportunity, as a result of the 1994 elections and the movements in this House and Senate, to pass a balanced budget. No more phony-baloney politics, but real deficit reduction, real balanced budgets.

Mr. President, 0 to 96; 0 to 96, I think that is a pretty clear message to the President and his TV commercial that the Democratic National Committee has put out which says—as they read the text; that is an image of the President sitting at his desk working on a balanced budget plan. I suggest that the President actually do go to his desk and actually do start working on a balanced budget plan and not try to pull the wool over the American public’s eyes on a budget that does not balance, on a plan that does not do what he is claiming it does.

I am hopeful that the message will be sent to the President and to the Democratic National Committee that these kinds of ruses that are trying to be pulled on the American public have no place in a serious dialog about solving the great fiscal problems of this country.

I want to commend both sides of the aisle for delivering that message loud and clear this afternoon to the President of the United States that his budget is phony, his budget does not work; that he needs to get serious about balancing this budget; that he needs to come to the Hill and sit down and work on a bipartisan basis to solve this problem; and that the campaigning has to end and be President and presiding has to begin today.

We are ready to go. We are going to start tomorrow. We are going to pass a budget. We are going to pass a reconciliation package, and I hope at that time that the President will hear the call, will hear 0 to 96 on his phony plan and come here and get serious about the business at hand.

I yield the floor.

Mr. DORGAN addressed the Chair. The PRESIDING OFFICER. The Senator from North Dakota [Mr. DORGAN] is recognized.

Mr. DORGAN. Mr. President, has the Senator from Pennsylvania withdrawn the first-degree amendment that he offered?

The PRESIDING OFFICER. The Senator from Pennsylvania withdrew the first-degree amendment that he offered.

Mr. DORGAN. Mr. President, has the Senator from Pennsylvania withdrawn the first-degree amendment that he offered?

Mr. SANTORUM. If the Senator from North Dakota will yield for an explanation. I intended to withdraw the amendment. The Senator from Mississippi wanted to speak briefly, and then I was going to withdraw the amendment.

Mr. DORGAN. Reclaiming my time, I sought recognition expecting that you would have withdrawn the amendment, but you did not. I am tempted to offer a second-degree amendment, which I was intending to do. But let me just make a comment: The Senator from Pennsylvania has a knack——

Mr. HATCH. Will the Senator yield for just a second?

Mr. DORGAN. I will be happy to yield.

Mr. HATCH. I suggest that the Senator from Pennsylvania withdraw his amendment and that will solve that problem, and then, of course, whatever remarks the distinguished Senator would like to make is that OK?

Mr. DORGAN. Mr. President, I have the floor. Let me just make my statement.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. DORGAN. The Senator from Pennsylvania has a knack for winning debates that we are not having. This is the third that he has won with this amendment offering President Clinton’s budget. I did not vote for that. The Senator from Pennsylvania is correct that the President did not propose a budget that calls for a balanced budget.

I want to ask the Senator from Pennsylvania a question. The Senator from Pennsylvania offered this, I guess, because he wanted to make the point that we must have a balanced budget on the floor of the Senate. And I think in further of that point, he would say the reconciliation bill that he is going to vote for later this week does, in fact, provide a balanced budget.

I ask the Senator from Pennsylvania if he has seen the letter of October 20 from the Director of the Congressional Budget Office, and I will read to the Senator from Pennsylvania the last sentence of the first paragraph. Just to refresh the memory of the Senator from Pennsylvania, he will recall that the majority party brought a big chart to the floor, and it had one of these giant gold seals on it with ribbons and things. It says, “This certifies that this budget is in balance,” and it was attached to a letter from the Director of the Congressional Budget Office. I looked at that big gold seal that had been printed up in some confetti someplace and did not really mean anything but it was colorful, I looked at that and said, “Gee, how can you certify that this is in balance?”

That is a curious thing, because I know that in the year 2002, the only way you could have done that would have been to have taken the Social Security trust funds and use them and then claim they were in balance. Of course, that would not be an honest
way to use the Social Security trust funds.

So I wrote to the Director of the Congressional Budget Office the next day, October 19, and said, “Could you tell me, if you don’t use the Social Security trust funds, what is the budget balance in the year 2002?”

She wrote a letter back on the 19th of October and then a second letter correcting an error in the letter of the 19th. The second letter is the 20th and it says: “Excluding an estimated off-budget surplus of $115 billion in 2002 from the calculation, the CBO would project an on-budget deficit of $105 billion in 2002.”

Is the Senator from Pennsylvania familiar with this letter that says the CBO would project an on-budget deficit of $105 billion in 2002?

The Senator from Pennsylvania was critical. I think properly so, of the budget that he submitted in his amendment. Would he also be critical of a proposal brought to the floor of the Senate that contains a deficit of $105 billion in the year 2002, or is this the one he is going to vote for?

I will be happy to yield for a question or for a response without yielding my right to the floor.

Mr. SANTORUM. Mr. President, we have a certification from the Congressional Budget Office that says that the budget comes into balance by the year 2002.

The Senator from North Dakota is under the false assumption because we have trust funds they are not part of the Federal Government. They are part of the Federal Government like the highway trust fund is, like the aviation trust fund is. Just like we have a number of trust funds in this budget.

To suggest that they are not part of the Federal Government should not be considered just does not look at reality. The reality is this is all part of the Federal Government. The Social Security Administration is a Federal Agency run by the Federal Government. They are part of the Federal Government.

Mr. SANTORUM. The money is a credit toward the trust fund. That trust fund surplus, like the aviation trust fund surplus, like the highway trust fund surplus, is part of the overall budget and is used for accounting purposes—for accounting purposes—to offset the deficit in other areas of the budget, for accounting purposes.

Now, you propose that it is a credit in the trust fund. It is a credit. Now, that means that is the trust fund which owned money you have used somewhere else.

That is why, you see, this does not add up. The only reason I am doing this, you brought to the floor something that says the administration’s budget is a fraud because it does not propose to balance the budget. I agree with you. It did not balance the budget.

I am asking if the Director of your CBO writes a letter to us and says, if you do not use the Social Security trust fund—and believe me, you cannot do that because it is not the right way—you have a $105 billion deficit in the year 2002.

Why is that important? It is important because you say you will trigger a tax cut in balancing the budget and come up with a letter dated 10/18 saying, guess what? We have gold paper and a new ribbon and a letter saying we will balance the budget.

Then I asked the question, if you balance the budget according to the law as written by Senator HOLLINGS—incidentally, that says you cannot use the trust fund. What do you have? Could you have a balanced budget? The answer is no, I am sorry, you have a $105 billion deficit in the year 2002.

I only do this to point out the contradiction of what you have just done. You do not have a balanced budget, either.

What I want to see us do is find a way that all of us could sift through all of this and figure out what represents wise choices. Where do you cut spending, where do you find revenue, where do you invest, where do you put together the pieces of this puzzle that really address the fiscal policy problem that we have?

This amendment we just had was not a tough vote for me because I have said I do not support what President Clinton sent to us. But last night I offered an opportunity to vote on a simple proposition: At least restrict or limit the tax cut to those people whose earnings or income is less than a quarter of a million dollars a year.

Do you know what you save by that restriction? If you say the tax cut only goes to those with incomes of $250,000 a year or less, you save $50 billion by limiting the tax cut, over 7 years—$50 billion.

Now, I said, use that to reduce the cut we will make in Medicare. It is kind of an interesting juxtaposition. A lot of people in this country are doing very well, some making $1 million a year, some $10 million a year. God bless them. But frankly, they do not need a tax cut.

We are going to very low-income people and saying, guess what? News for you—increase your cuts and reduce your health care. It is about choices, which the Senator was alluding to on the requirement to vote for this amendment. I have no objection.

My only point is the argument made in favor of offering this, that the budget was not in balance as offered by the President, is exactly the same position you find yourself in, certified by the Director of the Congressional Budget Office. Is that not kind of a contradiction?

I am happy to yield to the Senator from Pennsylvania.

Mr. SANTORUM. Where does the Senator from North Dakota come up
with a $50 billion figure for those making over $250,000. I would love to see the estimate.

Mr. DORGAN. It is a reckoning by the Department of Treasury. Over 7 years, the amount of the tax break that goes to earnings over one-quarter million dollars a year, over the 7-year period, totals about $50 billion.

Mr. SANTORUM. If the Senator will yield, the Senator from New Mexico and the Senator from Delaware have on numerous occasions come to the floor and tried to get estimates on a very timely basis of the tax break changes. So that is the other side of this debate. We will have a long and tortured debate in the days ahead.

The Senator from Utah and Senator from Delaware, I think, are seeing their position thin by this. But I did just want to respond to the proposition that the President's budget was not in balance. He is correct about that. But my point is, your budget is not in balance either. It is a fair piece out of balance.

I will not offer my second amendment. I should say to my friend, however, I am very tempted because my second-degree amendment would just ask us to vote on the same proposition we voted on last night except to say, Would you agree at least to limit the earnings to those below a half a million dollars? If you will not agree to $100,000 or $250,000, would you agree at least to limit the tax cut to those whose income is under a half a million dollars? And I am sorely tempted to offer that as second-degree amendment, but I will not do that because I know the Senator intends to withdraw his amendment.

Mr. HATCH. I know this is an important debate and I do not want to interject myself, but I want to move this bill.

Mr. DORGAN. I yield the floor.

Mr. LOTT. Mr. President, there were so many things that were said in the exchange a few moments ago between the Senator from North Dakota and the Senator from Pennsylvania that I want to comment on that and I hardly know where to begin. But I cannot leave many of those statements on the Record without a response.

The Democratic National Committee continues to run a spot that says this about the President's budget:

These are the values behind the President's balanced budget plan, values Republicans ignore.

He continues to talk about the fact that he has a balanced budget. We all know that is not true.

With regard to Social Security, I should note, by the way, that the President's budget treats Social Security the same way that the budget we are going to vote on later on this week treats that matter. The President does not have a balanced budget in 10 years, 9 years, or 8 years, for that matter. Now the Senator has spoken I think more than once, but also in the vote we just had, 96 to zero, repudiating the President's budget.

That having been done, I think it is time for us to really get serious about doing this job and balancing the budget. It is not an easy task. But we have a historic opportunity this time to actually make the commitment to balance the budget in 7 years.

I thought some of the President's comments during the past week had been positive, and what he had to say about tax increases. He said, you know, that he probably raised them too much. And he himself got around to saying that we can probably balance the President's budget in 7 years. Now there has been a lot of give and take on that. But we are getting closer together I thought.

But my question here this afternoon is when is the President going to get serious about talking to the Congress and working with the Congress in getting this job done? Everybody says we are going to have to come to some accommodation. Everybody says we need a balanced budget. What I want to know is when is that going to happen? I do not see any movement in that direction from the President, or from his representatives. It is just not occurring.

So the Congress has an obligation to go forward and fulfill the commitment that we made in our budget resolution earlier this year. That is what we are going to do in the next 2 or 2½ days. We are going to pass a reconciliation bill that keeps our commitments to a balanced budget in 7 years. The President does not have a balanced budget plan, values Republicans ignore.

I know that it is a very easy thing to do, I guess, here on the floor of the Senate—to attack the tax cut, as the Senator from North Dakota did a while ago. But when you go down the list and start asking Senators which one of these tax cuts do you oppose, then their attitude changes. Who among us does not want to get rid of the marriage penalty? For 20 years—at least 10 years—I have been hearing that we need to get rid of this marriage penalty that penalizes people where they have to pay more taxes when they get married. Maybe that goes to upper income, lower, or middle income. But the question is, is the marriage penalty wrong? The answer is that it absolutely is. We ought to eliminate it.

On spousal IRA's, who among us wants to argue that a spouse working in a home should not be able to have an IRA like everybody else? That spouse is prohibited. That is what is in this bill. We want to encourage savings. IRA's, Individual Retirement Accounts, will do that.

Capital gains tax rate cuts will provide growth in the economy and create jobs.

Here is an interesting tidbit that is ignored around here. Even in spite of...
Mr. HATCH. I move the bill.
Mr. LOTT. What is the pending business, Mr. President?

AMENDMENT NO. 2946, AS MODIFIED

THE PRESIDING OFFICER (Mr. ABRAHAM). There is no specific order to moving the bill. The question is on the amendment of the Senator from Pennsylvania, at this time. The Senator from Utah has the floor.

Mr. HATCH. Mr. President, could I yield to the distinguished Senator from Kentucky?

Mr. FORD. Mr. President, I would like to have the floor in my own right. I do not think the Senator from Pennsylvania has withdrawn his amendment yet. There is a pending amendment.

THE PRESIDING OFFICER. Right.
Mr. SANTORUM. Mr. President, I withdraw my amendment.

THE PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 2943), as modified, was withdrawn.

AMENDMENT NO. 2946

(Purpose: To provide for the appointment of 1 additional Federal district judge for the western district of Kentucky, and for other purposes)

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

THE PRESIDING OFFICER. The clerk will report.

The amendment (No. 2946), as modified, was withdrawn.

THE PRESIDING OFFICER. The amendment (No. 2943), as modified, was withdrawn.

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

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

The amendment is as follows:

AT the end of the bill add the following new section:

SEC. 2. ADDITIONAL FEDERAL DISTRICT JUDGE FOR THE WESTERN DISTRICT OF KENTUCKY.

(a) In General. The President shall appoint, by and with the advice and consent of the Senate, 1 additional district judge for the western district of Kentucky.

(b) EASTERN DISTRICT. The district judge responsible for the eastern and western districts of Kentucky (as in effect before the date of the enactment of this Act) shall be a district judge for the eastern district of Kentucky only, and the incumbent of such judgeship shall hold his office under section 133 of title 28, United States Code, as amended by this section.

(c) TABLES. In order that the table contained in section 133 of title 28, United States Code, shall reflect the change in the total number of district judgeships authorized under this section, such table is amended to read as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>Judges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kentucky</td>
<td>1</td>
</tr>
<tr>
<td>Eastern</td>
<td>5</td>
</tr>
<tr>
<td>Western</td>
<td>5</td>
</tr>
</tbody>
</table>

Mr. FORD addressed the Chair.

THE PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I rise today to introduce an amendment to correct a longstanding problem in my State of Kentucky. There is an old expression that goes, ‘justice delayed is justice denied.’ Well many in Kentucky are being denied justice and if it were not for an extremely hardworking and dedicated judiciary, many more would feel the same.

The situation is nothing short of critical. For several years, Kentucky is in a unique situation. It has what is known as a ‘swing’ judgeship. That means a judge is shared between two districts. In this case it is the eastern and western districts. Being largely a rural State, the communities that hold cases are usually a long way from each other and the only means of travel is by car over bad roads that wind through the mountains.

This situation is far more troubling than many of my colleagues from other areas of the country may realize. Long trips by judges after hours or before court take up a significant amount of time—time a judge would normally spend hearing cases. In fact, without the difficult travel requirements, I personally believe we would not have the Senate with this amendment. Unfortunately, I must—the problem is just too great.

Juries also travel great distances. This results in jurors who would rather dodge jury duty late in the evening, evening or sometimes into the early morning—in order to avoid travel home and back for additional days of deliberations. This poses still further hardships on the judges who are then forced to stay up late and travel to court the next jurisdiction the very next day.

Furthermore, new gun control legislation has dramatically affected cases in Kentucky. Many times a more routine drug bust or other arrest turns into a time consuming and difficult case because of the presence of the firearm. The practical effect of this has been a large increase in long cases that tie up the judges, keeping them from getting to other matters on their dockets. Court time—any instances have been held to a stand still.

Mr. MCCONNELL. Mr. President, I would like to speak in support of the effort by my senior colleague to relieve the burdensome situation within the Federal judiciary in Kentucky. I commend him for his leadership on this issue.

We have two districts in Kentucky’s Federal court. And we have one judge who splits her time between the eastern and western districts. In order to fulfill her responsibilities, she often logs hundreds of miles each week. She has two principle offices and must attend administrative meetings for both districts. This is an inefficient use of time and represents valuable time away from managing her caseload. And, this situation is no reflection on the current judge who occupies this position. These are the identical circumstances that existed with the prior occupant of this position.

For a number of years, it may not be feasible to create a single additional Federal judge at this particular time. I am aware of the complicated balancing act that must
members of the committee look at the circumstances in Kentucky. When the occur any time the number of Federal October 24, 1995
judiciary committee, through this court docket was reduced tremendously. It is not likely that the Senators from several other States are in very difficult shape. For example, in the southern district of Florida, they could use a handful more judges just to get their dockets up and running to be able to handle civil cases because they have so many criminal cases; in southern California, in Texas, in New York. So there are a lot of places we need extra judges. I compliment the Senator from Kentucky for making the case for his State. The whole purpose of my speaking these 5 minutes or so is to make the point for the Record. On the one hand, the Senator from Kentucky has a case. I believe he is correct. I will tell him I will do all I can immediately to try to get him an additional judge. But he knows the system as well as I do, and, quite frankly, better than anybody else. I would not want him to bet the mortgage on—he probably does not have a mortgage anymore—but I would not want him to bet the farm or the house on us getting this done very quickly. But I support him and I think he is substantively correct.

Mr. FORD. I thank my friend from Delaware, and I also thank my friend from Utah.

Mr. President, I am reluctant to do this but I understand where we are coming from. We will revisit this question, and if we do not vote, if I do not get it the first time, it may be the second time and it may be the third time. I am going to be persistent.

So, therefore, Mr. President, I withdraw my amendment.

So, the amendment (No. 2946) was withdrawn.

Mr. HATCH. Mr. President, I thank my colleague for that.

Mr. LEVIN. Mr. President, today the Senate will consider legislation to extend the temporary judgeships created this literally: Not referencing any particular Senator. But we are getting into the field, the time and space, where it is going to be hard to get judges moving through here at all. As some will remember, when President Bush and President Clinton suffered from the same problem. They took too darned long in getting a lot of their nominees up here for us. But we are not here now. I cannot speak and do not intend to speak for the Senator from Utah. I expect that had things moved more quickly we may have been in a position to be pushing the judgeship bill over. My guess is that the record, for the Record, the Senator are not likely to get that done until the next election settles, whether or not we will get it done.

That is a long way of saying I think on the merits the Senator from Kentucky is correct about the need for an additional judge in Kentucky. I would add in addition to that that the Senators from several other States are in very difficult shape. For example, in the southern district of Florida, they could use a handful more judges just to get their dockets up and running to be able to handle civil cases because they have so many criminal cases; in southern California, in Texas, in New York. So there are a lot of places we need extra judges.

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So, therefore, Mr. President, I withdraw my amendment.

So, the amendment (No. 2946) was withdrawn.

Mr. HATCH. Mr. President, I thank my colleague for that.

Mr. LEVIN. Mr. President, today the Senate will consider legislation to extend the temporary judgeships created
by the 1990 Federal J udgeship Act from 5 years or more from the date of enactment of the act to 5 years or more from the confirmation date of the judge named to fill the temporary judgeship created in that act.

Of the 13 temporary Federal judgeships created by the 1990 act, only Michigan will be exempt from today’s extension. This is because the Michigan Western District judges do not want to preserve this seat because they don’t believe it can be justified by their caseload and only consent to insert in the RECORD the attached Grand Rapids Press article on this subject.

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

[From the Grand Rapids Press, Oct. 14, 1995]

IN STRANGE MOVE, JUDGES SAY THEY DON'T WANT NEW COLLEAGUE

(By Arn Shackelford)

West Michigan federal judges have shocked members of the area’s Republican delegation by maintaining they don’t need any more judges.

The judges last month wrote to U.S. Sen. Spencer Abraham, R-Michigan, requesting that the federal Western District of Michigan be excluded from a bill that likely would bring another federal jurist to the area.

“We were surprised to hear they were saying no,” said Orrin Hatch, R-Utah, and likely will be passed this year, would extend the Federal Judgeship Act of 1990. The act, under which U.S. District Judge Gordon Quist was appointed, created “temporary” judgeship for five years, or through December 1995.

Quist’s judgeship doesn’t evaporate that month, but if one of the district’s five active judges takes senior status, retires or dies before that time, that vacancy would not be filled.

Under the Hatch bill, the period during which another judge could be appointed will be extended from the Hatch bill, said the district was the only one to make such a request. “Most of the other areas are saying, ‘Yes; we want this extended,’” she said. “This is very good of them, they could use their extra time playing golf.”

Mr. ABRAHAM. Mr. President, I am delighted to support S. 1328. I just want to address one aspect of this legislation: why the bill does not extend the temporary district judgeship in western Michigan.

That judgeship is not being extended because the judges of the western district contacted the offices of members of the Judiciary Committee, including mine, and requested that it not be extended. I will admit that I was surprised to receive this request. It is, I believe, the only request I have received on behalf of any government entity to give it fewer resources. Indeed, I was so surprised I thought I should see if there was some hidden agenda behind it.

Remarkably enough, however, there proved to be none. Rather, the judges in the western district were simply saying the following:

“We believe the government should be run for the benefit of the governed. We are volunteering to work longer hours and take fewer vacations with no obligation to do so.”

For these reasons, we do not need this judgeship. Not filling it will thereby save the taxpayers millions of dollars. To be sure, given the size of the deficit, that will not make that much of a dent. But we believe it is our responsibility to do our part in reducing the size of the government, and the burden it places on taxpayers American citizens.”

While there is much talk of shared sacrifice, there are not many offers to take on a greater share of it. I simply want to express my thanks, and the thanks of my fellow Michiganders, to the western district judges, for making this unusual request, to which my colleagues and I are glad to accede.

Mr. HEFLIN. Mr. President, I rise today as a cosponsor of S. 1328, a bill to amend the commencement dates of temporary judgeships that were created under section 203(c) of the Judicial Improvements Act of 1990.

This legislation created 13 temporary judgeships in districts throughout the United States, one of which is in the northern district of Alabama, and the act provided that the first vacancy in the office of a district judge in those 13 districts occurring after December 1, 1995 would not be filled.

The reason this legislation is necessary is because delays occurred in the nominations and confirmations of the 13 judgeships in the 1990 act. Thus, many districts have had a relatively short time in which to utilize the services of these temporary judgeships. For instance, in the northern district of Alabama, our new judge, the Honorable Joseph F. Blackwell, was not confirmed until May 28, 1991. She has served with remarkable distinction and is a very hard working and dedicated U.S. district judge.

What is important to remember, as we seek to pass this legislation, is that the delays in filling these temporary judgeships frustrates the intent of Congress back in 1990 to reduce the backlog of cases pending in these 13 districts.

The bill before this body today provides that the first district judge vacancy occurring 5 or more years after the confirmation date of the judge appointed to fill the temporary judgeship will not be filled. Thus, each of these 13 districts, with the exception of the western district of Michigan which requested to be excluded from coverage under this bill, will benefit from an extra judge for a minimum of 5 years, regardless of how long the judge’s confirmation took. I urge my colleagues’ support for S. 1328.

Mr. HATCH. Mr. President, as far as I am concerned the bill is ready for a vote.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading was read the third time, and passed as follows: S. 1328

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

SECTION 1. COMMENCEMENT DATE OF TEMPORARY JUDGESHIPS.

Section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101-650; 104 Stat. 5301; 28 U.S.C. 133 note) is amended by striking out the last sentence and inserting in lieu thereof “The first vacancy in the office of district judge in each of the judicial
MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

PRESIDENTIAL BUDGETS

Mr. FORD. Mr. President, I hear all this talk about the budget every day and everybody says the same thing. We could probably just have a tape recording of what we said yesterday, and we get the same thing again today.

Senators act like this is the first budget that has ever been brought before the House or the Senate submitted by a President that has been voted on that did not get any votes.

The distinguished Senator from Mississippi talked about 96 to nothing or 99 to nothing. Remember Ronald Reagan's 425 to nothing in the House. I believe that is correct. I see him shaking his head. So there have been a lot of budgets that have been dead on arrival. Even the Republicans have voted against a Republican President's budget. So this is not new. Senators act like this is the first time for it to ever happen, this is the worst fellow that has ever been up there.

If turning budgets down makes a bad President, then we have had some Republicans up there who had their budgets turned down, so they were not very good Presidents that we are now bragging about.

One statement has been made here that we ought to quit this smoke and mirrors, and we ought to sit down and we ought to do it rather than beating up on the President. You have responsibility; I have responsibility; we all have responsibility to try to get it worked out. We take CBO figures and we get letters from the Director of CBO which state the Republican budget is not in balance by $105 billion.

We did not select that chairman. The majority selected that chairman. That chairman sent us the letter, and we now have it, which says the budget that is being proposed is $105 billion short.

So what I wish to do, Mr. President, is not stop the Pell grants for my State. I do not want to reduce or eliminate the help for 55,000 higher education students in my State. We are in a global market. We are in global competition. Education is fair and equal. Education is the great equalizer. But oh, no, we are increasing, you hear from the other side, Pell grants by $100. That may be true, but you are eliminating—if you are not eligible for $900, you are eliminated from the rolls. So in Kentucky we lose 6,000 Pell grants next year alone—next year alone.

So it just is a little bit disconcerting to me to hear all of these things, and the public ought to be quite confused, quite confused because you get a CBO letter with a gold seal on it that says the budget is balanced, and the next day you get one that says it is not—from the same office, signed by the same person as it relates to whether Social Security is in the trust fund and loaned it a general fund. It cannot be both places. You can say what you want to and argue all day. I do not believe you can find a jury that would say in this particular case that it is both. You can borrow from it and spend it, but the assets are over in Social Security. It cannot be used twice. And so we do not have it.

So the point I am trying to make here, Mr. President, is that we can take care of Medicare without cutting it $270 billion; $89 billion is enough. We do not need to put the middle-income people in a problem, and the middle-income people, $35,000 to $70,000, is where I would say they are as it relates to Medicaid and nursing homes because you are going to run out of money. That is going to fall on the shoulders of the sons and daughters of the $35,000 to $70,000 income families at some point when their parents are in a nursing home on Medicaid and the phone rings about the latter part of July, 1st of August saying, “Come and get dad; come and get mom; we are out of money.”

And you change the rules in this bill on regulations on nursing homes. You change the rules as they relate to regulations on nursing homes. Let States do it. The reason the Federal Government is in the business of regulating nursing homes is because the States had it. And the statement has been made, OK, just sedate the elderly; you can handle them easier; then you have fewer employees, you will need fewer employees.

Well, that is just one giant indication that we are headed back to the same place we were when we had to take over the regulation of the nursing homes.

One of the things that we see coming down the pike is hiding the sale of power marketing administrations in the House bill on page about 470-something where it is now the Secretary of Energy, Interior and Army cannot sell PMA’s, but in the House bill you repeal those three and then you instrust those three Secretaries to have a report on the sale of PMA’s by the end of next year. And now you have put it in the appropriations bill, and those that are opposed to the sale of PMA’s, you better go look at the appropriations bill, Interior bill, and see what they have done. And I am going to sign the conference report until the PMA sale is in that appropriations bill.

I see the Senator looking at his watch. I will quit any time he wants me to.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. I would have looked at my watch sooner.

Mr. FORD. I would not have quit sooner, though.

FOUR CHANGES TO BE MADE

Mr. THOMAS. I want to talk a little bit about the business that we are approaching this week. It seems to me it is the most important opportunity that we have had in 25 years, and the Senator and the previous speakers talked about the reasons why we cannot make these changes and the reasons why this is wrong and the reasons why it has to be some other way. The real test is that we have been talking that way for 25 years, and the results speak for themselves.

We find all kinds of reasons why we cannot balance the budget. So what has the result been? A $5 trillion debt.

It has resulted in the interest on the debt being the largest single line item in the budget. But we have been talking that same talk for 25 years: Cannot do it.

I wish to talk a little bit about why we should do it and why we have the greatest opportunity we have had in a very long time to do the same, to complete at least four things that I think most of us, particularly most of us that are new here, apparently came here to do, and it is the first time there has been a chance to do that, and I wish to talk about the benefits of doing it.

They are four changes that need to be made and four changes that can be made in the next couple of weeks, fundamental changes, not messiing around the edges, not talking about change but never doing it. All of us have watched this Government for a long time. Most of us have watched this Congress this year. I want to talk about the changes that we want change. The fact is, it has not changed. The fact is, the debt has continued to grow. So we have a chance to make some fundamental changes, to not only turn around the arithmetic but to turn around the morality and the fiscal responsibility of the spending of the Government sound within. Maybe more importantly than that, shaping the Government in the way that you would like to
see it be shaped when we go into a new century, that you would like to see it be shaped when you turn it over to your kids or your grandkids.

Do we want a Government that is $5 trillion, $6 trillion, $7 trillion in debt? I do not think so. Despite all of the rhetoric, despite all the talk every year, the same thing has gone on, and I guess that is how you really measure it—by results, not by talk, not by whether it is CBO or whether it is OMB, but what are the results. And the results are that the debt has gone up each year.

So we have a chance to make fundamental change, fundamental change in at least four areas. One of them is to balance the budget, a change you would not think we would even need to make, a change to make income and outgo the same. Can you imagine that? That is the way it has to be with families, the way it has to be with businesses. But we have not done that. We have spent more than we have taken in, and the credit card. Someone asked recently in a letter to a column called Ask Marilyn, and they talked about the problem with a credit card.

Let me quote from it.

Let’s suppose you have an income of $125,760, you don’t work from work break from the contributions of all your friends and relatives who work. You’re not satisfied with what $125,760 can buy this year, so you prepare for yourself a budget of $146,060 and charge the $20,300 difference to your credit card, on which you’re already carrying an unpaid balance of $452,240—boosting that to $472,548, on which you pay interest daily.

Multiply that little scenario by 10 million, and you have the national budget.

The second thing we can do is strengthen and save Medicare. We can do that. We can do that. Reform welfare, that here. We can reform welfare for the very first time. We can reduce the burden to taxpayers.

Now, why is this the right thing to do? It is because that is what we said we would do when we came. That is what we volunteered we would do when we came. That was in the contract for America. The President said he was going to do those things when he ran. But he did not do it. So, that is what we need to do. These are key issues and these are attainable goals.

The position I am taking always, mostly from people who have put the programs that are now in place in place, from people who talk about the failure of the present program and use as an example what is wrong now and the reason why we cannot change based on programs that are already in place and have been put in place by the folks that are opposing change. That is where we are.

So, we need to make changes if we expect some different results. But guess what? Folks want to continue to do the same thing and anticipate that the results will be different. It will never happen.

What are good things to be gained? Of course, we balance the budget. We will do something about that interest that is going on. The largest line item can go to something else, can be used for tax deductions, can be used for many things, put more money into the private sector that takes it out of the private sector to fulfill this. It would change the interest rates, reduce the interest rates. But maybe most of all it shows some responsibility in fiscal responsibility in terms of our future and the future of our kids.

Welfare: We need to change the pattern of welfare. Everyone believes we ought to have welfare programs to help the people who need help, but then to help them back in, help them back in to the private economy. We need to move it to the States. The States are the laboratories that develop effective distribution systems.

Medicare: We all want Medicare to continue to serve the elderly. It will not unless we make changes. There is no question that you have to make a change; there is some question, I suppose, how you do it. But it will go broke if we do not do something. We need to have the elderly have choices? We have been able to contain some, the increased costs in health care costs—not in Medicare, not in Medicaid. It continues to go up at 10 percent. We can do that.

Tax reductions: We continue to leave more money into the pockets of families. We ought to leave more money in businesses to be reinvested in jobs for the economy. We have a chance to do these things and a chance to do them in the next 2 or 3 weeks. Mr. President, I hope that my associates will take that opportunity and cause that to happen.

I yield the floor.

Mr. ASHCROFT. Mr. President, this week we will have an opportunity to save our children’s future. Time and time again there are individuals that have come to the floor of the Senate to speak to this deliberative body about the rights of the children. But the discussion has been all about spending the inheritance of our children, not just their inheritance, but also we have been spending their yet unearned wages at an alarming rate. We need to begin consideration of a budget reconciliation bill which indeed will save our children from having their resources consumed in advance of their having earned them.

Our current national debt is $5 trillion. Children born this year will have an interest of about $200,000 over their lifetime. That is just interest—not principal. When we think about the children, I think we ought to think carefully about what we do to the children when we displace the costs of our consumption to the next generation, to the children born and yet unborn. For decades now the Federal Government has sent beyond its means and lived beyond its resources. It has done so at the expense of the next generation.

We have a chance to alter the current plans to limit the size and growth in spending. I have been reminded of the philosopher’s words, “They sought to heal by incantations a cancer which required the surgeon’s scalpel.” We cannot react to the countries’ fiscal crisis by saying a few rosy words. We cannot make a few incantations and heal the problem we have in terms of the finances and resources of this country. We need to take the surgeon’s knife.

It is important to note that the surgeon’s knife is an instrument of therapy, not an instrument of destruction. It is an instrument which will provide for better health. I believe we will do that, and we will make responsible— makes more difficult choices. We can use the knife to the cancer and we take the knife where it is necessary to pare back the increase that would otherwise happen too frequently, with the kind of wasteful increase we have had in the past.

We have to stop an ever-increasing spiral of debt, a spiral which is a spiral of abuse against the next generation. In the past few months, we have made some difficult choices surrounded by people clinging to the discredited and irresponsible philosophy of spending without consequence or budgeting without accountability.

Mr. President, I believe in the purpose for which we were sent to Washington. The people were demanding and expecting that we would balance the budget and they are expecting that we will end business as usual. They are expecting us to listen to them. We must continue. We have made some progress, but we must continue on this historic journey toward meeting their demand—we represent them. We must fulfill their expectation by passing a balanced budget reconciliation bill that puts us on a path to fiscal responsibility.

Now, there are those who came here in this session of the Congress who decided that two rules have to be changed; therefore, we cannot call the budget balanced. They say now, we have a different set of procedures than we would have used in the past. I think it is time for us to balance the budget according to the rules and to get that behind us. There are other things we might do in the future to improve our fiscal health.

Let us take this directive from the American people. Let us balance the budget. We could put our heads in the sand rather than to face this Nation’s fiscal realities. We could produce a plan that is a surcharge that would allow minor changes. We could only tinker with the operations and see that we stave off the Medicare bankruptcy for several months or a couple of years. We need
to set our system on a sound footing for long-term growth and development. Congress could continue the ingrained habit of treating taxpayers’ funds as the key to the candy store. We could wait until the year 2015 to address our problems like this. In November 1995, at the rate of current spending, the Government would only be able to spend on four entitlement programs and interest on the national debt—that would take the entirety of the budget. There would be no money for defense for the country, no law enforcement, no food safety, no highways. It would all be just for the entitlements and interest. We cannot do that. We must act now. We must protect the children. We must protect their opportunities.

We live in a global economy where productivity and competitiveness are the hallmarks. We will succeed, we will sink or swim based on whether or not we are productive and competitive. We cannot swim with a debt load on the back of each citizen in the next century so great that they cannot compete in the world marketplace.

Some people say, “Well, instead of cutting spending, we could always raise taxes.” The largest tax increase in history was pushed through in 1993. Now the President says he raised taxes too much. I think we all felt that he raised taxes too much. I know we could find a lot of things that we want to do instead of balance the budget—people did not send us here for that. They sent us here to balance the budget, and it is time that we do it, because the Government sets a standard.

Over the last 30 years, tragically, we have been setting a standard of irresponsibility, a standard of undisciplined spending. We are like the parents who never set a standard for their children and then complain when this Government spend, spend and spend without accountability. It is time that we meet the challenge of bringing responsibility and accountability back to Government. It is time that we stop saying an incessant “yes.” It is time we have the tough character to say “no” to protect the children—to take a responsible path.

During the 104th Congress we passed a budget resolution to balance the budget in 7 years. We voted to phase in a budget resolution to balance the budget—people did not send us here to do that. They sent us here to balance the budget. It means that the attitude of “Washington knows best” must come to an end. It means that the Congress must exercise the same kind of fiscal responsibility and restraint in making its difficult decisions that every family in this country has exercised when budgeting around their kitchen tables. We say that we will not buy the things that we cannot afford. We do not spend the money we do not have, and that is a virtue that ought to be imposed upon the Government.

In conclusion, over the next couple of weeks, all Senators, both Democrats and Republicans, will have the opportunity during the debate on the budget reconciliation bill, and other measures, to send a message to the American people. Let us make it a message of responsibility and integrity and accountability. Let us say that we have heard the truth; that they have not been able to do the job, not necessarily an easy job, it is a job that requires no courage, or a job that requires no judgment. They have sent us here to do a tough job, but it is a job, the toughness of which they face on a daily basis in their own lives and businesses.

Let us do that job. We have a duty to America and the next generation to tackle the tough decisions and not to hide our heads in the political sands. So let us come together to a point of reconciliation. Let us come to a point of decision on a bill that will set us on a steady path, a responsible path of accountability, of integrity and responsibility, a path of a balanced budget. It is within our grasp in the next 2 days. Let us make sure we take advantage of this opportunity.

Mr. President, I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I ask unanimous-consent to speak—I had not realized that there was a 10-minute limit. Then I created the speech, which is talking about something which has not been talked about before on the floor, I did it for the purpose of trying to enlighten the membership. So if I go over just a couple of minutes, will that put me in severe jeopardy with the President here?

The PRESIDING OFFICER. Another Presiding Officer will be here by that point.

Mr. ROCKEFELLER. That is true. The PRESIDING OFFICER. So the Senator from West Virginia might want to seek a unanimous consent agreement first.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that I, with discipline and with good intent, have the time which I might require for my remarks.

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

PROMISES MADE SHOULD BE PROMISES KEPT

Mr. ROCKEFELLER. Mr. President, I rise to report to the entire U.S. Senate and, in fact, I am talking to my colleagues—hopefully, everybody is listening, probably not—about just how low, frankly, some are willing to stoop.

As we all know, we will soon see a gigantic budget bill with the impossible name of “reconciliation” on the floor. Using the special rules, the Senate will have very little time to discuss, let alone try to alter, this mammoth Government bill. That is why I stand here today. I want to take the time to shine a piercing light on one of the darkest, most hidden and most underhanded parts of the mammoth budget bill about to land on everybody’s desk.

Using that familiar label of tax relief, the provision is an attempt to line the pockets of a select group of companies, some of which I shall name in a few moments, at the expense of something as critical as health benefits for the most vulnerable, the oldest, the weakest, and the most deserving group
of Americans you could find: Our coal miners, retired, old. It is a provision based, in my judgment, upon greed. It is a provision stuck quietly into the package—it is, in fact, the second to last part of the financial deal of about $30 billion that surfaced in the open just last week. It was stuck in by the majority leader. It is a provision that has brought a shudder into the hearts and minds of 92,000 very old, sometimes very sick, retired miners, their widows, and their orphans. Mr. President, almost 30,000 of them live in West Virginia. Obviously, I would tend to care about that a lot. On the other hand, 8,000 live in Virginia; 6,500 in Ohio; 20,000 in Pennsylvania; 12,000 in Kentucky; close to 2,000 in Indiana; and, in fact, they are in every State in this country, with the exception of Hawaii, and also in the District of Columbia.

Mr. President, these are 92,000 people who were promised by employers for decades—that was not an open question, it was a done deal—promised by their employers that they could count on health care when they made their last exit from the mines, when their lungs had sacrificed enough and they could not go on. They simply could not; when they had been underground digging out the fuel that made this country the world's most powerful economic engine, when they got too old, too sick or even lost a spouse or a parent to the dangerous work of, particularly underground coal mining, when they could hope for some rest finally in their retirement years. 92,000 of these people are still living across this country and still have a right to believe in the principle that promises made should be promises kept.

Instead, with no hearings, with no visible authorship, no announcement, a special favor for the companies—a small group of which will get the majority share, particularly to the underground, coal mining, when they could hope for some rest finally in their retirement years, 92,000 of these people are still living across this country and still have a right to believe in the principle that promises made should be promises kept.

What exactly does the provision do? It hands over the money that is keeping the miners' health trust fund solvent to a select group of companies that cannot bear keeping their promise to their own retirees to whom they promised health benefits, with whom there was an agreement. It is one more reminder that special interests count a whole lot more in this particular Congress—not the working people who toiled in the mine, miles underground in crawl spaces, crouched in the icy water until their backs ached and their lungs spoiled, as they dug to provide the power for our Nation's growth and prosperity.

Those workers—fathers, friends, brothers, and uncles—do not count when they are stacked up against the interests of big corporations who want to wriggle out of any responsibility for their own retirees to whom they have made this commitment of health benefits so long as they shall live. I want to share with you a little bit of history with the Senate. Almost 50 years ago, Madam President, the President of the United States, Harry S. Truman—this is important, because it gives context—ended a national coal strike by seizing the coal mines. That action established an unprecedented relationship between the Federal Government, miners, and operators in the coal industry. In that 1946 strike right after the Second World War, health care was a central issue. It is not hard to understand why pensions are important, health care is everything—both for miners and for their families. Back then, people died of mining illnesses and injuries in staggering numbers. There were no safety precautions. That did not take place until we passed the 1969 Coal Safety Act. All to dig out coal for the rest of the country to grow and become what it is today which is, of course, a great, incredible, American miracle.

Since that 1946 strike, coal miners have traded—sacrificed—other benefits like pensions to preserve the decent health care benefits which they depend on because illness and injury are so intertwined with the nature of coal mining.

This leads up to the health program under attack in the reconciliation bill about to come to the floor. In the 1990's, a grand compact involving the President and others was reached between labor and management in the coal industry—an extraordinary sort of event.

In return for health and pension security, it was decided labor agreed to make sure the coal companies were not going to go out of business. This was a promise made to the miners that they would be kept.

Much later on the health care promised to retirees faced jeopardy, and because of the impending crisis—this is much later on—I, as a Member of the Senate, worked night and day for years to find a way to shore up the health fund and extend its solvency.

I cared passionately about working this out. That led to the passage of the 1992 Coal Industry Retiree Health Benefits Act, simply known as the Coal Act. Coal miners helped to create the mighty America. Nobody would dispute that. They fueled our progress. In 1992, when we passed the Coal Act, unanimously, when we worked with both Republicans and Democrats, in a solution which was suggested by President Bush and his White House, and the law, of course, was signed by President Bush, we told those miners that their tremendous contributions and sacrifices mattered, and the promises made to them would be kept.

Action had to be taken. That became clear in the late 1980's. That is because the dwindling base of contributors resulted from bankruptcies and the failure of some companies to keep paying into the fund, just walking away from their responsibilities, put the miners' health trust fund in jeopardy. When a strike broke out in 1989, then-Secretary of Labor Elizabeth Dole appointed a mediator to assist in a settlement. When the settlement was reached, she announced the appointment of a commission to recommend a long-term solution to the health crisis in this fund. That commission became known as the Dole Commission.
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single company, "It became clear," she said in the unanimous report, "to all parties involved that the issue of health care benefits for retirees affects the entire industry."

She went on to say, "A comprehensive industrywide solution is desperately needed."

Secretary Dole's Coal Commission submitted its final report in November of 1990. The Commission observed that health benefits are an emotional subject in the coal industry, not only because coal miners have been promised and guaranteed health care benefits for life, but also because coal miners in their labor contracts have traded lower pensions over the years for better health care benefits.

In fact, in the solution that we reached in 1992, the miners contributed something like $210 million from their pension funds to the solution to protect their health benefits.

Something else that the Coal Commission said:

Retired coal miners have legitimate expectations of health care benefits for life. That was the promise they received during their working lives. That is how they planned their retirement years. That commitment should be honored.

Close quote, the Dole Commission.

The Dole commission also considered the fairest way to ensure that the health fund did not collapse. The base upon which the fund was funded was getting more narrow. Therefore, there had to be a broader solution. They recommended that companies that employed miners—current signatories, so to speak, and former signatories alike—share the costs of providing benefits to miners whose employers went out of business. And, in the words of the Dole commission, the best way to finance the health benefits promised miners was the "imposition of a statutory obligation to contribute on current retiree liabilities, mechanisms to prevent future dumping of retiree health obligations."

(Ms. SNOWE assumed the chair.)

Mr. ROCKEFELLER. It was hard. And at that time we ran up against, to be quite honest, Madam President, President Bush's so-called "read my lips" problem. What the Dole commission was talking about was a tax on coal companies. The President said, "This is not acceptable." So he came in with the solution that became the Coal Act, upon which everything is based today and which is being undermined in the reconciliation bill about to come before us.

Collective bargaining cannot work when workers are not treated fairly, not gain with because they are bankrupt, perhaps, or have walked away from their responsibilities, sometimes through legal loopholes which created dozens of conflicting court decisions. Moreover, the miners faced another problem: the last employers were gone faced the prospect that when the collective bargaining agreement expired in 1993, no one would have been responsible for their health care. And that was the fact. The Bituminous Coal Operators Association was going to just cease to exist, and there would be nobody to pay for any of the health benefits. Whereas this small group, 25 percent of the coal industry, was paying for 100 percent of the total health care for all coal companies, and that patently was not fair.

So, the Miners Health Program, with the shrinking funding base and spiraling costs, made continuation of the old program unworkable, hence the task Congress and the administration faced in 1992, when we did pass, unanimously, the Coal Act. That was the best that we could do to assign responsibility for funding the health program, recognizing that there was not then nor is there now any perfect solution.

So, in 1992, Congress set its national responsibility to protect miners' health benefits. I was proud to offer that legislation—again, the Coal Industry Retiree Health Benefit Act, or the Coal Act. It was attached to the Energy Policy Act of 1992. I worked on that legislation in a group of 12 Senators whose invaluable contributions were essential to securing passage of the act, my esteemed colleagues Senator BYRD, Senator FORD, and Senator SPECTER. Senator Wallop was absolutely crucial. The Senator from Wyoming at that time was absolutely crucial in the passage of that act, and others from the Finance Committee and the Energy Committee. The Coal Act would not have become law without their work and without strong bipartisan cooperation, which is what has me so perplexed now.

We did our work, and miners' benefits were saved and that makes me proud. Now those miners, today, on average are 73 years old. Most worked in life. That is how they planned their retirement years. That commitment should be honored.

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benefits were going to be safe and secure. I had to tell them about a document that appeared on Monday, that was debated by the Finance Committee on a Wednesday, that was approved by its Republican members on Thursday, full of tax breaks for every conceivable special interest. But on page 165 and 166—those are the pages I care about—the very end of the package containing the Cracker Jack prize for all of the companies that want to renegotiate on their promise to their retirees.

One miner, who worked for decades in the mines, told me starkly, he said, "I am worried to death." He said, "Now it seems like the company is the one running the whole show."

He is right.

"They want to do away with us when we were the ones who worked and built everything else."

He is right.

Budge Jarvis, one of the miners, asked me, "What's going to happen to me if I lose my benefits?" And he answered his own question, "They'll probably just put me in the grave before my time."

Another miner, worried about his diabetic wife—diabetes is common—he said, "If I had to buy her medicine, I don't know what would happen. I could not afford it."

Today retired miners' health benefits pay for prescription drugs. That is one of the beauties. They are on Medicare, but Medicare does not pay for any of that stuff.

These are people who will have taken a dozen different kinds of pills by lunch because of their ailments. So when it comes right down to it, this provision is about one thing. Old coal miners and their widows being ground up in the legislative process like hamburger while the lobbyists cut them up.

All the jockeying, the lobbying, the lawyering, and the loopholes making behind this provision, who pays, who does not, by how much, how much legal mumbo jumbo to a retired miner. He does not get into those things, nor does his widow.

When a retired coal miner who has worked for half a century underground in the most dangerous profession in the world by far—by far, Madam President—cannot count on the health care that he was promised decades ago by this Federal Government, and by the companies that richly profited from his labors, how much has it to make this body worthless—worthless—and will have made contracts worthless. If the Senate and society do not say that the contract that guaranteed miners—guaranteed miners and their widows—benefits is worth keeping, then how can we trust any contract? A contract is not anything to an average American if he needs a bevy of lawyers to make it count. That is supposed to be a problem in countries which are struggling out of the clouds of dictatorships and Communist economies. A contract is not worth anything if it is only good until some special interest with political connections can take away what you were promised while elected representatives, including perhaps your own, turn their backs.

Promises made should be promises kept, whether you are a coal miner, or a teacher, or a computer technician, or a nurse, or a politician, or a plumber. Promises made should be promises kept.

The Senate still has a chance to reject this giveaway to select companies trying to profit at the expense of 92,000 retirees with widows and orphans. They are dying at the rate of 6,000 a year. Ninety-two thousand are dying. When we passed the bill, there were 120,000. Now it is 92,000. They are dying.

We know the budget reconciliation bill will pass with virtually every Republican vote. I hope I am wrong on that. We know that the process is stacked so that the bill cannot be filibustered. But my colleagues on the other side of the aisle can stand up for the people in their own States and the principle that comes right down to it, this provision, who pays, who does not, it is so.

And I close with this. My colleagues on the other side of the aisle who heard the call of Secretary Dole's Coal Commission for a fair solution and helped me pass the bill to rescue the health fund for retirees. To anyone who says America's crisis is about values, this is the chance to turn those words into deeds. This provision that mocks the basic value of keeping promises and attacks the health care of 92,000 retirees should go, Madam President. It should go. And, if it does not, those of us on the other side, in West Virginia and across the country, will not give up. We will not, and we cannot, as I am sure the President understands, be still.

I thank the Presiding Officer. I thank my distinguished colleague from Minnesota who must think that I took considerable advantage.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Madam President.

Madam President, we are beginning a truly historic week. With a vote approaching on budget reconciliation, Congress is ready to set this Nation on course toward a balanced budget. We are also ready to offer working-class Americans relief from a Federal tax burden that is crushing them and their families.

The legislation we will approve this week is nothing short of revolutionary. The desperate attempts of my colleagues across the aisle to discredit the revolution are nothing short of pitiful.

For several weeks now, we have had to listen to baseless statements made on the floor of this Senate about the budget reconciliation package, the kind of statements that in Minnesota we call fish stories.

A New York Times story last week raised a lot of time in answering such ridiculous charges, but in Washington, things that get repeated three times somehow become fact, especially in the minds of the liberal press, who will carry these charges as fact.

My colleague, the junior Senator from California, was on the floor last Friday, getting in the last words before the weekend, and claimed Speaker Gephardt had made a deal with people making over $350,000 a year to give them a huge tax break but they had to settle for $5,500 back instead.

The good Senator should first of all be held accountable for making such a ridiculous, baseless charge.

Mr. GRAMS. I have no idea what that means. Where is the proof to back up such outlandish accusations?

What she failed to say is that the Republican tax relief plan has been scored with nearly 75 percent of our $245 billion in tax cuts going to working-class families with incomes under $75,000.

So why would she pick out the figure of 350,000? The answer is class warfare. It is an old trick our opponents have perfected in 1995: if you are not right, then make it appear like you are the same.

The good Senator from California also spoke about Medicare and trustees' report warning the Medicare Program would be bankrupt by 2002.

She was right when she said nearly every year, the Medicare trustees issue a report naming a date when the system faces default.

But again, she failed to mention that this year, the trustees urged Congress to act quickly to save the system and stave off bankruptcy—to lessen the impact it will have on the hard-working families who pay the taxes to support it. And besides, that is no excuse to do nothing.

My colleague said the Medicare system has been faced with the same problem many times, that Democrats have made some tough decisions, but have extended the life of Medicare each time.

But again, she did not tell the American people that the seven times the Democrats faced those "tough" questions, their answer was to raise taxes on working Americans.

Seven times they raised taxes in the last 30 years to keep the program going. Doubling, tripling, quadrupling your withholding taxes * * * and then doubling it again and again. Rather than finding a way to save Medicare, increase it, and hold down the costs, they would advocate a tax increase.

That new tax, of course, would have to amount to $388 billion over the next 7 years, $388 billion in new payroll taxes—to feed this huge Government machine * * * a machine we cannot control now * * * a bureaucracy that is so out of control there is no efficiency, only billions in waste, fraud, and abuse.

But hey, it is only the taxpayers' money, not mine. Put it on the taxpayers' credit card, they say.

Funny, the Democrats never seem to have a problem in raising taxes, taking money from you and me * * * but ask
them to support a tax cut, and they will rush to the floor in a flood of protest. They just cannot stand the pain of not being able to give away more of your dollars. They want to raise your taxes so they can be compassionate and give away more money.

But Mr. President, that is not compassion. That behavior is greedy and power grabbing.

For over 40 years, the Democrats have done the inviting people to dinner, and using the American taxpayer as the credit card to pay for it. I also heard the Democrats say they have the resolve to balance the budget, but would do it in a "more reasonable" way, with "more compassion."

The last 40 years, however, tell us how they would do it: Raise taxes, give away more money, raise taxes, give away more money.

Again, what is lost for that word "compassion"—it means they want more of your hard-earned dollars so they can spend it.

The President says he has the resolve to balance the budget, but he does not have a budget to offer. The outlines he has put on the table have never come close to balancing the budget. They leave $200 billion a year plus deficits as far as the eye can see.

And what about the so-called balanced budget promised by the senior Senator from North Dakota has proposed, the one my Democrat colleagues say is the answer.

Again, their answer is always more taxes, and my colleague's budget is no different.

I have a chart here just to compare 1993, 1994, and 1995—the Democrat budget and answer, and the Republican budget and answer. You can see in each year—1993, a $251 billion tax increase by President Clinton, the largest in history; Democrats in 1994 continue more taxes; in 1995, under the plan of the Senator from North Dakota, he would want to raise taxes another $228 billion rather than giving back $245 billion in tax cuts.

His budget would supposedly balance without inflicting pain on millions of Americans, unless, of course, you include those who get up and go to work every day, the taxpayers of this country. There apparently is no pain in working longer hours to pay more in taxes.

The budget offered by the Senator from North Dakota would pick your pocket, rather than saving the $50 billion plus, in additional taxes over the next 7 years. Imagine, rather than supporting a tax cut of $245 billion, their plan would be to raise another $228 billion from American taxpayers.

If the growth of the Federal budget is not reduced and spending continues to increase, you need more dollars to feed the spending fire, and that is where you, the taxpayers, come in again.

The Republicans have a plan that will balance and reduce the budget—eliminate the deficit—by the year 2002.

Now, they say our plan will cost students more to go to school, cost families more for everything from food to clothing to shelter, the elderly will pay more for Medicare, nursing homes, etcetera.

But let me ask you a simple question: If we cannot afford it as individuals, as families, as a society, how can we afford for the Government to do it for us?

The money has to come from somewhere.

The Government creates no wealth; it only reallocates it, redistributes it. If we do not have the money to pay the bills that need to be paid, how can we afford the taxes Washington wants in order to do it for us—to be compassionate?

The Senate Democrats do not hold a monopoly on compassion. Liberal or conservative, Republican or Democrat, I think most of us came to this Chamber out of deep compassion for our fellow Americans.

We want nothing more than for every American to have the opportunity to be successful, no matter what that means to each individual. As Edward Deming, the Father of the Japanese industrial revolution would say. We need a "Win-win" solution. We do not want losers in society, or those left out. We want winners. We are all better off with more winners.

But somehow, according to the senior Senator from California, if you make $350,000 a year, you do not deserve it, because you somehow gotten it illegally or unfairly.

Or if nothing else, it is just not right that you have it.

And if you do, the Government should step in and take it away—whatever amount it deems "fair"—and give it to those the Government thinks deserve it.

There are individuals in this country that need our help and we are spending nearly $1.6 trillion this year to try and help the people so that they can, without destroying the very fabric of our society, our families and our job creators—to do it.

But the rhetoric that spending is being reduced so the money can be funneled into huge tax cuts for the wealthy is a sham.

The whole argument is being presented in this manner to drive your attention from the facts to the fiction, the shell game, the con man, the snake oil salesman, the Democratic opposition.

President Clinton himself is guilty of this budgetary double-speak.

The President raised taxes in 1993 by $251 billion. Of course, we all know that last week, he told a crowd of fat cat contributors at a $1,000 a plate fundraiser he knew they were mad and he admitted he raised taxes too much, but said it was the Republicans' fault because they would not help him stop the Democrats from spending more money.

He had to raise taxes, he said. But the next day, back in Washington, he blamed that statement on being tired, reiterating his point that "no Democrat in his right mind would ever propose cutting taxes, or saying they had raised them enough."

They do not want the taxpayers to keep more of their own money. They do not trust you to spend it wisely.

Who knows, you might "waste it" on food, clothing, shelter, a vacation, or by saving it for your child's education. "Send it to Washington and we'll be compassionate with your hard-earned money," they say. "Let us take care of you."

The kind of care offered by the Democrats is suffocating the American people.

To stop the suffocation, we are ready to cut their taxes, and I need to remind my colleagues across the aisle that tax relief is not dessert.

Congress has been eating the taxpayers' dessert for the past 40 years. And the American people have been left only gruel to eat.

Finally, when the opponents of change resort to class warfare, when they resort to statements like, "champagne bottles are being chilled in penthouses all across the country—except in those where someone has a conscience," well, that is nothing but the desperate cry of a dying liberal agenda.

I cannot afford champagne, but that is OK because I do not like it anyway. When I get back to Minnesota this weekend, I am going to put some beer in the cooler.

And like millions of Americans across this country, we are going to celebrate a small victory over this powerful Government machine, because the people know they will be able to keep $245 billion of their own money, to spend the way they want, rather than giving it to those who claim to be compassionate.

And we are going to say this is only the first in a long line of victories to come.

The PRESIDING OFFICER. The Senator's 10 minutes' time has expired.

Mr. GRAMS. I thank the Chair.

Mr. KERRY. Madam President, what is the legislative status at this point?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. KERRY. I thank the Chair. The PRESIDING OFFICER. Statement are limited to 10 minutes.

Mr. KERRY. I ask unanimous consent that I be permitted to proceed for such time as I might consume.

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

FOLLOWING THE BUDGET DEBATE

Mr. KERRY. Madam President, I listened with interest to the comments of my colleagues from Minnesota and I guess in a way as I listened to him I sort of felt sorry for Americans who try to follow this debate. It is going to be difficult because the rhetoric flies fast
and furiously, and a lot of people evidently are going to have difficulty trying to figure out what is really true and what is not true.

The Senator from Minnesota talked about the amount of taxes that were raised. Remember, it is the Democrats who have done that. And for a family with no children, it is the Democrats who have done that. It is the Democrats who have raised the Social Security tax and put it into Medicare. It is the Democrats who have made the changes in Medicare. It is the Democrats who have made the changes in Medicaid. It is the Democrats who have caused the unemployment for all the farmers, which is already at 25 percent. It is the Democrats who have imposed the tax on the capital gains. It is the Democrats who have raised the taxes on all the new small businesses. It is the Democrats who have raised the taxes on the millionaires. It is the Democrats who have raised the taxes on the middle class. It is the Democrats who have raised the tax on the middle class. It is the Democrats who have raised the tax on the middle class.

For 17 million American families, a tax increase of $30,000 or less, you have a tax increase. For 4 million some families with one child it is again about a $410 increase, and for a family with no children, it is about a $300 increase. That is just the reality, a tax increase for $30,000 and less; a tax break for $500,000 and of over $5,600 a year.

Now, the last time I looked, I really did not think that somebody earning under $5,000 a year needed that $5,000 tax break this next year if it is at the expense of somebody earning $30,000 or less.

Now, somehow in this country a fundamental notion of fairness has been lost. And somehow, unfortunately, not enough Americans get the facts or the truth of what is happening. Mr. President, today I stood up with Senator John McCain of Arizona, Senator Fred Thompson of Tennessee, Senator Russ Feingold of Wisconsin, and we offered some $60 billion of cuts that could be made in the budget that are based on fairness and common sense.

One of them, for example, is this now infamous program called the Market Promotion Program. Now, we had a vote on that, and we lost. It does not mean we should not offer it and offer it until we finally win, as we did on the wool and mohair subsidy; as we finally won on the ALMR, the advanced liquid metal reactor; as we finally hit the supercollider, which the Senator from Arkansas and others fought so long to get rid of; as we finally won on the mink subsidy.

Sometimes it takes time for people to understand the full measure of common sense the American people are asking us to exercise. But the fact is, the Market Promotion Program—how do you turn to the average American and say, ‘‘We’re going to ask you to pay more in your premiums in Medicare, we’re going to cut working families off of Medicaid, we’re going to cut school lunches and take away science research that produces more jobs for the future, but we’re going to continue to let the Gallo Wine Co. get a subsidy from the Federal Government to sell its wine abroad, we’re going to continue to let Japanese-made underwear, that happens to be made with American cotton, be advertised abroad, we’re going to continue to let Japanese-made underwear, that happens to be made with American cotton, be advertised abroad, we’re going to allow giant companies like McDonald’s to be able to sell their products even though they make money’’? They all make money. We are going to tell a senior citizen on a fixed income, ‘‘You pay more, but we’re going to help these companies cut their taxes because they are making millions of dollars to sell their products.’’ It does not make sense.

I am not saying that in an ideal world I would not love to help our companies sell abroad, but we are living in a very tough world now where the average family in America, on a daily basis, is being asked to make tough decisions. ‘‘Can I buy clothing for my family? Can I afford to take a vacation? Can I send my kid to even the parochial school where there may be a $4,000 or $5,000 tuition to send my kid to private school?’’

There is not a parent in America who must get for their survival and for their kids’ future. We ought to be making the same decisions here in Washington. What do we need? What must we provide for the American people? Must we provide a market promotion program when we know that millions of people are only going to have that might be the only meal they get a day that is hot? Must we provide the Gallo Co. with an additional subsidy to sell wine at a time when we are asking senior citizens on a fixed income to tighten their belt and pick up more of the cost of absolutely predictable medical costs or in a time when we are telling certain people that they have to sell their home and go into poverty in order to qualify for the health care that they may need? It just does not make sense.

You know, we woke up this morning to the umpteenth statistic of violence in the city of Washington. A young diplomat’s son, sitting on the doorsteps of his home on Massachusetts Avenue, was shot and killed. We do not have a big city. All over this country today the acts of random violence are increased. And where are the police? Where are the police? That is something we must do in America, is put more police on the streets.

But instead we are going to build B-2 bombers. Even though the Pentagon does not want the B-2 bombers, even though the Pentagon never submitted a request for the B-2 bombers, even though Boris Yeltsin and President Clinton are meeting, talking about the cooperation of former Soviet troops now Russian troops in Bosnia. We are building B-2 bombers. For what threat? For what reason? The military did not even ask for an additional $5 or $7 billion. But this budget provides it, and provides it even while they are asking all these folks below $30,000 and all these other folks to tighten their belt. Mr. President, it does not make sense. And in the next hours, as we debate this, and in next days as America comes to confront the realities of this budget, America is going to understand it does not make sense.

Now, I keep hearing my colleagues say, ‘‘Well, what do you guys want to do? You just want to continue the deficit? You just want to spend more money? You just want to build up the debt of this country?’’ The answer is no. We voted this year for a balanced budget in 7 years, but we did not do it at the expense of asking education costs to go down. We did not do it by cutting certain people that they have to sell their home and go into poverty in order to qualify for the health care that they may need. It just does not make sense.
that you should not give this enormous tax cut to those who least need it at a time when you are complaining about a deficit and the debt of this Nation. The Wall Street Journal the other day had an article that showed that even under your own analysis, this "reconciliation package," as I know, will add to the debt of this country over the next 7 years, add to the debt service of the country, and that it will, indeed, raise taxes on people.

Jack Kemp came before the Small Business Committee just last week, and he said, "I hope you guys"—referring to those in the committee—"will not cut the earned-income tax credit, because if you do, that is a tax increase."

Ronald Reagan called the earned-income tax credit the greatest anti-poverty program, the social program, in this country. What is happening in the next few days is that $40 billion will be cut from the earned-income tax credit which will make it harder for people at the low end of the income scale to do what so many people on the other side of the aisle talk about, going to work, making work pay, living out the values of work, and being able to break out of poverty.

Here we are taking this extraordinary program that Republicans and Democrats together voted to support in the past years, and cutting it. Mr. President, in the next 2 days of debate and 1 day of just rapid-fire voting, because of the situation the Senate finds itself in, we are going to be debating on what I call the antivision, the counter reform 1995 reconciliation act.

I know one thing in the midst of this debate, Mr. President. The American people want to put this country back on track. They want, and they deserve, a balanced budget. They want, and they deserve, a reduction in the deficit. But they also want us to exercise common sense in a way that is fair and that talks and thinks about the future of this country.

What began in January of 1995 as an effort to work on a bipartisan basis to achieve change, Mr. President, has regrettably turned into a very partisan war of rhetoric and, I think, even some deception. Why do I say "deception?" Because under the guise of saving the Medicare program, we have somebody who has basically misled the public by calling for a massive change to Medicare that will increase the out-of-pocket costs to seniors. It will result in hundreds of thousands of health care jobs lost. And it will also change the fundamental relationship of seniors to their health care delivery system, while at the same time telling them they are going to get more money.

Mr. President, what is the deception in the facts? What is the deception that really cuts tax rates for all Americans and American businesses, the Republicans are increasing taxes on the middle class and increasing the number of loopholes for business, contrary to the very reform effort that we tried to put in place in 1986. The Republican antivision, counterreform, tax-and-spend legislation sends a clear and unequivocal message to middle-income Americans across this Nation, which is: "You're really not that important."

How else can you explain to people who earn $30,000 a year, who comprise just about 50 percent of the people in this country, why it is that their taxes are going to go up? Nowhere in the legislation that will come to the floor tomorrow is there a demonstrated commitment to the 2 million Americans who work slightly at or above the minimum wage. Nowhere is there a clear commitment to continued environmental cleanup and the progress that we made of the last 25 years, and for the working mothers of this country who cut the strings of welfare dependence and sought and secured employment.

This legislation is saying to them that it is going to remain silent and even absent from helping them by proposing an increase in the minimum wage that has gone down now to a 40-year low level. For middle-class families that have an aging parent living in a nursing home, we may now find that those young people who once thought that their mothers and fathers were taken care of are now going to help them with the costs of care. And having already bankrupted the elderly nursing home resident because of the requirements we have, we are going to place additional burdens on their children.

In contrast to that, the wealthiest Americans will reap a substantial bonus from this legislation. The richest 12 percent—and I do not want to get into a class distinction here, but fair is fair and we have to measure the notion of fairness.

The fact is that at the upper level of the income scale, the upper 12 percent are going to receive a whopping 48 percent of the tax benefits, and people with annual incomes greater than $200,000 are going to find their taxes decreased by over $3,400, and the 13 million Americans who earn $200,000 are going to find their taxes decreased by over $1,138. It is not okay. I do not know how you explain that when the other people are paying more taxes. I do not know anybody who can argue that that is a sensible idea of tax equity or tax fairness.

In the end, if you look at the various breaks that are continued and loopholes that are created, there is, in this reconciliation bill a new definition of what reform means for the American citizen at the upper end of the scale, and I think it is part of a deception, or a counterreform, if you will, that literally turns back the clock to the time before we learned...
in this country that you needed to have a Government that was willing to respond and make a difference in people's lives.

It strips away those protections that were developed through harsh and bitter experience during the Depression years and through the long years prior to the Depression where we began to understand what abject poverty and racism did to the Nation. We learned that you needed a response. All we hear about is the failure of that response, even though, in fact, most people lived dispassionately and apolitically analyze it will tell you that it is not that so many of those things have failed, it is rather that they have not been permitted to be completed or to go to fruition.

Maybe this is what the real Contract With America is all about; Mr. President, creating a lesser America for those who are struggling at the middle and lower end of the scale and then increasing privilege for the few.

The statistics on what has happened to income in the last 13 years dramatize this. From 1940 to 1950, 1950 to 1960, 1960 to 1970, 1970 to 1980, everybody in this country saw their income grow together. But at the lowest end of the income scale, the lowest 20 percent of Americans during that period of time, your income went up in the area of 138 percent every 10 years. If you were in the upper end of the income scale, your income went up in the area of 98 percent. That is not a bad balance. But from 1980 to 1993, the income of the lowest 20 percent of workers went down.

Over a 13-year period, the income of the lowest 20 percent of Americans went down in the area of 17 percent. The next 20 percent, their income went down in the area of 4 percent. The middle two stayed the same, but the top quintile of America went up in the area of 105 percent. That really is the story of what has happened in this country in the last 13 years.

Not very long ago, Speaker GINGRICH talked about creating an "opportunity society," as he called it—a society where problems would be turned into opportunities, where Americans of all ages, ethnic, or racial backgrounds would be afforded equal opportunity.

Well, Mr. President, that rhetoric should be measured against the reconciliation bill that we will debate the next hours—a reconciliation bill where we see spending on middle income and the lowest 20 percent of workers, where you can go into any community in America today and find kids who talk with a level of anger and alienation unlike anything any of us have ever known historically. The truth is that there are kids who have never had contact with church or school or parents. That is why they are in trouble.

Now, we can talk about values all we want. But if somebody does not have some contact with that child, ages 9 to 16, where are the values going to come from? Most of us would come to the floor and extol the virtues of the Boy Scouts, Girl Scouts, Brownies, boys and girls clubs, YWCA's, YMCA's. But the truth is that, for the vast majority of the children in this country, they are not available. Who is going to provide the structure? Or are we going to wait until we are forced to spend $50,000 a year to incarcerate that new felon?

I keep hearing my colleagues perpetuate one of the great misstatements and myths of American politics today. They sweep every one of these efforts to reach children under the same rug. They brand it all with one great sweeping brush and say, "The liberal programs of the past failed."
entities intervened in their life, whether it was a City Year, YouthBuild, or a host of other entities. I know a young man who graduated—I do not know him personally, but I know of him—and I have seen his curricula and history, in the context of YouthBuild. From Rutgers this past year. He came out of the streets through a YouthBuild program and saved his opportunity. I know a young woman currently working as a project manager on the Boston third harbor tunnel project in Boston. She came out of gangs and drug use and a prison record, or at least a court-associated record. By virtue of this program that entered her life where there was no parent, where there was no affirmation, she got it from the friends that joined her in this effort to save their lives.

Much of that is being done away with, with this effort by the Republicans.

There are many of these efforts that are enormously successful across the country, Mr. President, and we should not have to fight for basic support to have a successful program to give some of these kids a chance.

I think the vision we need is a positive vision for a truly progressive revolution in this country that reforms the Government, and not just a negative vision that is guaranteed to take us back to darker times. The right choice is to lower communities to come together to do what needs to be done and to help them do it.

I am not in favor, nor am I coming to the floor, to advocate that we should stay with the old programs that have failed. I am not even coming to the floor to advocate this ought to all come from Washington. It should not be, Mr. President.

I am not even advocating Government programs. I am advocating a new partnership between the Federal capacity to help distribute some resources and do it in an administratively cheap way that gets that money to those non-governmental entities, to the nonprofit entities by the thousands that are out there, struggling to make a difference in the lives of young people.

But we do not do that, not in this piece of legislation, even with this extraordinary opportunity to really create a blueprint for the future of this country.

I think we ought to be encouraging partnerships for community progress all across the country between the Government and the private sector and churches and schools and community groups. We should rely on the community groups and on those local entities and on the local people to help define those efforts.

One thing I know, Mr. President, when you have only 82 kids in a YouthBuild program, and you have kids on the waiting list, it is unconscionable to be continuing some of those other subsidies in giving tax breaks when we could be saving some of those 400 kids and providing the same kind of self-help program that truly embodies the notion of giving people values.

Mr. President, the people in this country are really sick and tired of the way that capital makes those decisions from Washington. They are tired of the gamesmanship. They are tired of the rhetoric that comes off of this floor. It is hard.

I must say I listened to C-SPAN a couple of days ago and I said, “God, I really hope I do not sound like that,” because the words just sort of bounce around. They sometimes have no real connection to the lives of the people that we were sent here to represent. There is more finger pointing and more gamesmanship.

Sadly, we have arrived at a point where we have this extraordinarily important budget, and truly it can be said that there has been no real outreach, no real effort to try to find a bipartisan approach.

We are implementing the Contract With America. We are implementing an agenda that was set in a campaign document, a document that does not even mention the words “children.” The word “children” does not appear in this contract. The words “health care” do not appear in this contract. “Environment” does not appear in the contract except under the concept of regulatory reform.

Most importantly, those things that really matter to people, which is how am I going to get a job? How am I going to raise my income for the additional work I am putting in on a daily basis? That is the primary thing that most Americans are concerned about.

People want to know whether or not they will have their kids be able to have an adequate enough education to be able to get that kind of job. They want to know whether or not they will be able to bring a home at night and literally not be so exhausted and burned out and frazzled that they can spend some time with a child, truly imparting values, and that they can have time for something we used to call quality of life.

I think the people of this country want us to move inexorably to a stronger, richer, safer, better, and saner America for everyone—everyone—on a fair basis.

They want what is right. They want to keep what is right. There is a lot that is right.

Unfortunately, in this budget we are not going to have the opportunity to really present those choices to the American people. I am convinced that most Americans very quickly will understand what is fair and what is real and what is not.

The American people believe unquestionably in their hearts that we have lagged too long that the Republicans and Democrats joined together in doing in the last years. Republicans joined with Democrats to guarantee that those who work at the low end of the scale of America have a reasonable wage. That we did together.

They joined together to guarantee that we would put 100,000 cops on the streets of America. And yet here we are with a proposal that blocks it all into the pocketbook, makes those cops compete with floodlights for prisons, computers for the precinct, new cruisers, all the other things—except that we so desperately need cops on every street in this country.

Mr. President, the budget debate that we will embark on in the next hours really should not be so honed in political ideology or 30-second sound bites. I think it really ought to be a much more thoughtful discussion to the American who is listening and who wants to really consider how we will build the future of this country.

It ought to be a debate based on facts, not on distortions and side bars to expediency and debate all the facts. The implacable and irrefutable facts about where we are heading in terms of income and jobs, violence, education, environmental cleanup, and the other things that make up the quality of life. Mr. President, I hope this discussion that should not be limited in this arbitrary 20-hour way of jamming all of the legislative effort and the 1,000 pages that most people have not even time to read.

The tax provisions contained in this legislation certainly require a great deal more time and exposure in order to really flesh out their fairness and also their long-term impact on the economy of this country.

Maybe it is time we changed our rules, Mr. President, by voting to recommit the legislation of the Budget Committee to ensure that a tax-writing committee has had sufficient time to explore and debate all issues not addressed, including real tax reform and simplification.

This legislation leaves us with many, many questions, Mr. President. Why is it that we could not have used this as a great opportunity to try to make a stronger set of choices for the American people? Why could we not have lowered the tax rates for lower-income Americans and been fairer in the distribution at the upper end? Why could we not have used this as a means of debating how we will break people out of that lower end cycle, rather than sending them back into it by doing away with the earned income tax credit? Could we not have used this to have a stronger real fix for the problem of the inequity of the delivery of health care in the country and the problem of the distribution of resources and the increasing numbers of Americans who have no coverage? And we did not have spent the time on the floor really expressing the stronger vision of where it is that we are headed.

I know my colleagues will come to the floor, and they will say that the Senator has it all wrong. What we are going to do here is we are going to balance the budget. We are going to end this cycle of spending.
I agree, Mr. President. Balancing the budget is good for America, and reducing this deficit is good for America. That is not the issue. That is not what is at stake here because we are going to do that.

The question is, how are we going to do it? Are we going to do it fixed only on the fiscal deficit, or are we also going to think about the spiritual, moral, cultural deficit in this country? Are we also going to think about the investment deficit in this country? I do not get from here to there in America on an old FAA computer system and call it safe. You do not get from here to there in America on trains that are predestined to crash because we do not invest enough in safety measures for our country. You do not get from here to there in America on roads that were not built in the National Highway System with the commitment of Federal participation. There are hundreds of examples, where responsive action at the Federal level has improved the capacity of this country to provide for its people and to help people provide for themselves.

I am absolutely one who accepts the notion that we have to rethink how we deliver health care. I am prepared to shrink the size of Washington. In fact we have been doing that. We will soon have around 200,000 fewer bureaucrats. It is the smallest Government we had since Jack Kennedy was President of the United States. You would not know that from listening to our colleagues. We have had 3 straight years of deficit reduction. And now we will move on to balance the budget, which is what we ought to do.

But Americans are going to ask whether, as we did this, we did it sensibly; whether it is fair; whether we had a vision for what we want the future to be. Americans are going to ask whether or not this document represents an investment, or a vision for a better America. I am confident that, because it represents an antivision, the President of the United States will ultimately veto it, because it is not bipartisan, because it is not reflective of the higher plane of vision of what this country ought to be and what we want it to be.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

MEDICARE

Mr. FRIST. Mr. President, I rise today to join my colleagues who earlier discussed what is truly a historic budget reconciliation that will be coming to the floor in the morning. This is legislation that will balance the Federal budget in 7 years, and that is the issue before us; that will reform welfare, and that is the issue before us; that will save Medicare from bankruptcy, because that is the issue before us; and which will provide much needed tax relief to American families.

The Social Security and Medicare programs were reviewed in a document. The trustees, there were six in all, three of whom were on the Clinton administration's Cabinet, made it very clear that the issue before us in Medicare is to save it from bankruptcy, to save the entire program—not just a part of it, not just one trust fund, but the entire program.

On the first page of the report of the trustees—and, again, the trustees, three of whom are from Clinton's Cabinet—it says very clearly, "The Federal Hospital Insurance Trust Fund will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range. The trustees believe that prompt, effective and decisive action is necessary." And that action we have in this reconciliation package.

On page 13 of this same report it spells it out very clearly that, "both the hospital insurance trust fund and the supplementary medical insurance trust fund show alarming financial results, that is, both part B; not just part A, as we so often hear from the other side of the aisle."

I continue reading from page 13. "The HI trust fund continues to be severely out of financial balance and is projected to become insolvent in 1998. The SMI trust fund [which is part B, the physician part] shows a rate of growth of cost which is clearly unsustainable." Again, reading the exact words, these words are from Sanford Ross and David Walker, the two public trustees. "The Medicare program is clearly unsustainable in its present form." Not just the part A trust fund but the Medicare program. Again, we hear from the other side of the aisle we can put another Band-Aid on this program. We can do what we have done in the past and ratchet down a little more on the hospitals, because it is not a crisis. It is not all that urgent. "We have seen it before over the last 10 years," the other side says. Yet the trustees say, "We strongly recommend that the crisis presented by the financial condition of the Medicare trust funds [both funds] be urgently addressed on a comprehensive basis."

These are the trustees' words. I point that out because, again, we hear every day and several times a day, "Let us just put another $100 billion into the program and that will take care of it for another couple of years." No, the trusts say we need to do something like, part A, and part B, hospitals and doctors, the program overall, and not just one aspect of that program.

So, we make the case. The trustees have made the case that Medicare is going bankrupt if we do nothing. The American people did not know that 1 year ago, or even 8 months ago. Now our senior citizens recognize that. Our individuals with disabilities recognize that. And they recognize that we are going to hear this for every Medicare program from bringing it up to date, to 1996 standards. It is a good program. As a physician I have seen that it has cared for millions and millions of our seniors citizens in an effective way. But, as the trustees said, it cannot be sustained. It needs to be modernized.

We pointed out again and again that we are going to increase spending in the Medicare program. Just a few moments ago we heard you trust it on a per beneficiary, or per capita, or per person basis we are really not increasing it. That is not true. On a per capita, per person, per senior citizen, we are spending $4,800 a year this year and that is going to increase next year. If we continue to do that in the year after that, and increase the year after that to, by the year 2002, just 6½ years from now, we are going to be spending $6,700, almost $2,000 more than we are spending today. And that is not a cut. It is going bankrupt if we do nothing.

We have heard no alternative, reasonable alternative that addresses the overall program from the other side of the aisle.

Second, we are going to increase spending, not cut.

And, third is something that I am most excited about, again because of my past experience as a physician, as one who has taken care of thousands of senior citizens. When I close my eyes I see faces, individual faces of mothers, of grandmothers, of fathers, of grandfathers, of individuals with disabilities. We cannot just throw more money at the problem, more Band-Aids. We have to strengthen the system.

We have not given enough attention publicly to what we are doing in strengthening this system, in improving it, in giving our seniors and individuals more options that meet their individual needs. That is where we are giving them the right to choose, empowering them to choose a plan which might better meet their needs but at the same time allowing them to keep exactly what they have today if they wish.

Let me refer to this chart, just to explain what I mean by that, how we are strengthening the program. I just focus on the top part of this part. Today we have fee for service, traditional fee for service, where you choose your own physician, you pay your physician in a very direct fashion for the services delivered, and about 91 percent of the 37 million people on Medicare today are in a fee for service system.

About 9 percent of those 37 million people are in an HMO. It is a very limited model. It is a very closed model today, but that is an option for 1 out of 10 of our citizens. On the other hand, in the State of Tennessee there are no HMO's in the Medicare system. Everybody, the number actually in Tennessee of all those 37 million people, for the most part are in just this fee-for-service system.

We are going to hear the plan laid out here for not too many more days. But what does it do for our senior citizens? As I said, our senior citizens can stay in fee for service, keep their same physician today, not be forced
out of that system at all. Or they can stay in an HMO, if they happen to be there and are pleased with that. But look what we are actually opening up to those senior citizens: A wonderful array of plans that can better meet their individual needs.

If you need a lot of prescription drugs, you are not going to want to be in a fee-for-service system where prescription drugs are not covered. You might want to pick one of these other plans. You do not have to, but you can, for the third years in the history of this program.

Medical savings accounts; for the first time a senior citizen can pick a medical savings account or indemnity plan or a preferred provider organization or a point of service plan, or a union-sponsored plan. For the first time, our senior citizens are going to be able to opt for the plan that better meets their needs.

Medical savings accounts—let me just take a few minutes and talk about medical savings accounts, because it is an example of an option that our seniors today have no access to, that, once this bill passes, they will be able to choose if they would like. The use by health consumers of MSA's will change provider behavior—the physician, the hospital—as well as consumer behavior. Why? Because it, if one chooses that, will decrease the role of third-party payers.

It will also increase an individual's awareness of the health care costs. Today, there is really very little incentive for patients to be cost-conscious consumers of health care. On average, every time a patient in America receives a dollar's worth of care, 79 cents is paid by a third party—by an insurance company, or by the Federal Government. Only 21 cents is paid by that patient.

The result is that we have the potential—and I believe grossly—of over-consuming medical services today. Everyone wants it. It is a human tendency. You want it for your mother, your spouse, and your children. Everybody wants the latest, the hottest, the most sophisticated, and, yes, usually the most expensive in whatever medical service it is. It might be the most deluxe hospital room, or it might be getting an MRI scan for a headache, or it might be the latest in nuclear medical imaging. We want the very best. This does play a role in increasing the cost of health care.

Medical savings accounts—which are savings accounts that an individual puts money into and can draw upon for care—will help introduce incentives, marketplace incentives, for most cost-conscious behavior.

MSA's, medical savings accounts, give individuals more choice in the health care market. Our senior citizen cannot join a MSA today in Medicare. It will help stem rising health care costs without decreasing availability or the quality of patient care. It empowers individuals to make prudent, cost-conscious decisions about their health care, about their health care needs, and how to meet those needs. And it will encourage hospitals and physicians to compete for patients on the basis of cost, yes, but also outcomes and quality of care.

There is an important aspect of medical savings accounts, and it is really overlooked almost always by policymakers in Washington; that is, the effect that empowerment of individuals—37 million individuals potentially—will have. I think all Americans know that it will be that—but that empowerment actually changes provider behavior. It changes physician behavior. Doctors, like patients, are accustomed to a system that is not subject to market forces. When leaders of the world become seriously ill, they do not go to Great Britain or Canada to seek treatment. They come to the United States. Because someone else usually pays the bills, many patients forget that they are consumers. They do not ask providers to be accountable. If one individual can make such a difference, just imagine what impact we can make when we empower thousands of individuals similarly.

Because I strongly believe that empowerment of individuals will help reform—not totally reform the system but help reform, the delivery of health care. I recently introduced S. 1249, which provides for establishment of a little bit different type of MSA. Under this bill, just to use an example, an employer would deposit up to $2,500 in a tax-free savings account for an employee and would also purchase a catastrophic-type health insurance policy to cover the cost of extraordinary medical expenses. Routine expenses, like eye glasses, annual checkups, possibly prescriptions and dental work would be paid by the employee using that medical savings account. If you did not use all those funds, that medical savings account would accumulate from year to year. Self-employed and uninsured individuals would also be able to establish an MSA link with a low-cost insurance plan under this plan.

Unlike the other MSA proposals introduced in Congress, my bill allows for greater flexibility in benefit design. S. 1249, unlike some of the other more restrictive MSA's, allows managed care companies to offer a low-cost plan based on higher cost sharing rather than just a large, rigid deductible. Restricting plan participation to the size of the deductible may work fine in today's market, but as we learn more and more about how individuals purchase health care services under an MSA, the market may need greater flexibility which can be accomplished under our plan.

Indeed, many insurance plans today have modified their benefit and cost-sharing design over time to alter consumer behavior. Some critics of MSA's are concerned that individuals may forego preventive care to save money. I personally believe that greater control over your health care dollars will encourage more preventive care in this environment.

In my MSA proposal, we would allow a plan to possibly stretch the effect of cost-conscious purchasing by requiring companies to offer a low-cost plan based on first $5,000 of services in a year as opposed to the traditional high deductible plan. My bill would allow this flexibility.

Mr. President, in closing, we, in America, are fortunate to have the absolute highest quality health in the world. When leaders of the world become seriously ill, they do not go to Great Britain or Canada to seek treatment. They come to the United States. While there are those who would like to put our technology advances and allow bureaucrats to tell us how much and what kind of health care we can receive, the American people have loudly and clearly rejected this notion.
No one can predict what will happen in medicine over the next 50 years. Over the last 50 years, there have been tremendous changes. The technological advances are simply mind-boggling. The challenge for us in health care is to maintain the quality of health care in the world and at the same time to continue to make it available to all Americans, but this can be done only if we change that basic framework through which medical services are consumed.

A national savings account, again, is not the answer to these problems. But it is an alternative. It is an option which will go a long way to empower individual consumers.

HONORING HARRY KIZIRIAN

Mr. PELL. Mr. President, today the Senate will act on H.R. 1606, legislation to designate the U.S. Post Office Building located at 24 Corliss Street, Providence, R.I., as “The Harry Kizirian Post Office Building.” I was pleased to join my colleague, Senator J. JOHN CHAFEE, in cosponsoring the Senate version of the bill, S. 786.

It is a fitting tribute for Congress to name this particular structure after Harry Kizirian because it was the first post office in the United States to use a fully automated sorting system, under Harry’s supervision. Harry Kizirian himself is a Rhode Island landmark because of his extraordinary contributions to the United States, to Rhode Island, and to Providence.

When Harry was just 15 years old, his father died, and he went to work part-time as a postal clerk to help support his widowed mother. He then worked his way up through the leadership positions in the Postal Service. After being nominated by former Senator John O. Pastore, Harry was confirmed by the Senate in 1961 as postmaster of Providence, R.I., a post he held for more than 25 years.

World War II interrupted Harry’s career for a short time. He enlisted in the U.S. Marine Corps after he graduated from Mount Pleasant High School and subsequently became Rhode Island’s most decorated marine.

He fought in Okinawa and was shot in battle. He earned the Navy Cross, the Bronze Star with a “V,” the Purple Heart with a gold star and, finally, the Rhode Island Cross of Honor.

After the war, Harry returned to Rhode Island and to his job at the Post Office. In addition to his military service and his work in the Postal Service, he had served on numerous committees and boards in Rhode Island, including the Department of Labor.

Harry served on the board of directors of Butler Hospital, Big Brothers of Rhode Island, the Providence Human Relations Commission, Rhode Island Blue Cross, and Rhode Island Heart and Lung Associations.

He was also a member of the Community Advisory Board of Rhode Island College, the Providence Heritage Commission, the Commission on Rhode Island Medal Honor Recipients, DAV, and the Marine Corps League.

Harry Kizirian’s name has become synonymous with the qualities he exemplifies—dedication, loyalty, leadership, and hard work. I am delighted to honor him for his lifetime of service to the Postal Service, but also for his involvement with and commitment to his community. Congratulations, Harry.

U.S. WORKERS NEED MORE PROTECTION UNDER OUR IMMIGRATION LAWS

Mr. KENNEDY. Mr. President, legal immigration within the limits and rules of our immigration laws has served America well throughout our history, and is one of the most important elements of our national strength and character.

Clearly, Congress and the American people today are rightly concerned about illegal immigration. There is broad bipartisan support for effective measures to crack down on this festering problem. But we must be careful to ensure that attitudes toward illegal immigrants do not create a backlash against legal immigrants.

In general, the current laws and policies on legal immigration work well, and we must be hesitant to change them, especially those that give high priority to encouraging family reunification and enabling U.S. citizens to bring their spouses, children, parents and siblings to this country.

But one area of legal immigration that needs reform is in the rules protecting American workers. It has become clear that protections for U.S. workers under current law have not kept pace with changes in the American labor market and the world labor market.

This problem is particularly serious in our laws permitting the entry of temporary foreign workers—the so-called nonimmigrants. Hearings conducted earlier this month by the Senate Subcommittee on Immigration, under the able chairmanship of Senator SIMPSON, have revealed the depth of this problem.

U.S. companies are increasingly outsourcing activities previously performed by permanent employees. More firms are resorting more often to the use of temporary workers or independent contractors as a way of increasing profits and reducing wages and benefits, even though the result is less in-house expertise for the firms.

Often, the workers brought in from outside are U.S. citizens. But increasingly, U.S. firms are also turning to temporary foreign workers. Yet, this little known aspect of our immigration laws includes few protections for U.S. workers.

Current laws governing permanent immigrant workers require employers to try to recruit U.S. workers first. The Department of Labor must certify that efforts for such recruitment have been carried out before an employer can sponsor an immigrant worker. This process has some shortcomings, but it is intended to guarantee that immigrant workers do not displace American workers.

A serious problem is that our laws governing temporary foreign workers contain no such requirement. They are based on the outdated view that because they enter only temporarily, few protections for U.S. workers are required.

Current laws require employers to try to recruit U.S. workers first, and the Department of Labor has little authority to investigate and remedy abuses that arise, such as the underpayment of wages or the use of inadequate working conditions.

As a result, a U.S. firm can lay off permanent U.S. workers and fill their jobs with temporary foreign workers—either by hiring them directly or by using temporary foreign workers.

In one case, a major U.S. computer firm laid off many of its U.S. computer programmers, then entered into a joint venture with an Indian computer firm that supplied replacement programmers—most of whom were temporary workers from India.

While reforms are needed in this area, we must be careful not to throw the baby out with the bath water. Many temporary workers who come here provide unique skills that help the United States to stay competitive in the global marketplace. For example, such workers can bring unique knowledge and expertise to university research programs that develop new medical advances and new technologies.

As Congress takes up far-reaching reforms in legal immigration, it is vitally important that we recognize these basic distinctions. Stronger protections for American workers are needed. But they are not inconsistent with preserving an appropriate role for foreign workers with unique skills.

In our subcommittee hearings earlier this month, Secretary Reich said that he proposed three important changes to our immigration laws on temporary foreign workers. I believe these should receive serious consideration by Congress.

Secretary Reich proposed, first, that these employers should be required to make good faith efforts to recruit U.S. workers first—before seeking the entry of a foreign worker. Second, he proposed that employers who lay off U.S. workers should be required to seek foreign workers in that field for at least 6 months. Third, he proposed that the length of time that temporary foreign workers may remain in the United States be reduced from 6 years under current law to no more than 3 years, in order to reduce the overall number of temporary foreign workers in the country at a given time.

In addition to these three thoughtful proposals by Secretary Reich, the bipartisan Commission on Immigration Reform, chaired by former Congresswoman Barbara Jordan, has recommended that employers who request
immigrants also be required to contribute to the training of American workers. As the Commission stated in its report last June:

To demonstrate the bona fide need for a foreign worker and to increase the competitiveness of U.S. workers, an employer should be required to pay a substantial fee, that is, make a substantial financial investment into a certified private sector initiative dedicated in increasing the competitiveness of U.S. workers.

Each of these proposals is worth serious consideration by Congress—both for permanent immigrant workers and for temporary foreign workers. As Congress nears the end of the fiscal year, it is in a rush to fashion immigration reform legislation, it is essential that we enact stronger safeguards against unscrupulous resorting to foreign workers at the expense of American workers, and I look forward to working closely with my colleagues in the Senate and the House to achieve this important goal.

Mr. President, I ask unanimous consent that a recent article from the Washington Post—White-Collar Visas: Importing Needed Skills or Cheap Labor?—be printed in the RECORD.

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

[From the Washington Post, Oct. 21, 1995]

**WHITE-COLLAR VISAS: IMPORTING NEEDED SKILLS OR CHEAP LABOR?**

(William Branigin)

A large New York insurance company lays off 250 computer programmers in three states and replaces them with lower-wage temporary workers from India. A Michigan firm sends underpaid physical therapists from Poland to work at health care facilities in Texas. A company in California advertises that it can supply employers with “technical workers” from the Philippines at low pay. Even the White House resorts to cheap technical help, using a company that imports its workers from India to upgrade the president's correspondence-tracking computer system.

As Congress considers major changes in immigration law, the Department of Labor and a number of professional associations and private citizens are citing cases such as these in urging an overhaul of a little-known immigration program designed to meet shortages of highly skilled workers in certain “specialty occupations.” The debate highlights much broader dilemmas that the nation faces as it tries to decide how many foreigners to admit and what qualifications to demand of them.

Each year, tens of thousands of such workers from around the world are brought into the United States under the H-1B visa program, which admits computer programmers, engineers, scientists, health care workers and fashion models under “nonimmigrant” status.

Businesses say they need the program to obtain temporary workers in professional jobs that cannot be found in the U.S. work force. They say the visa category enables them to hire people with “unique” skills—the “best and brightest” that the world has to offer—without lowering wages or morbidity. They say they are employing these workers as “body shops,” which recruit the foreign professionals and hire them out to major U.S. companies at a profit.

In many cases, employment-based immigration is used not to obtain unique skills, but cheap, compliant labor,” said Lawrence Richards, a former IBM computer programmer who formed the Software Professionals’ Political Action Committee last year after being laid off and replaced by lower-paid professionals. Richards, along with other critics of the H-1B visa program have described the imported professionals as “techno-braceros,” the high-tech equivalent of migrant farm workers.

They charged that the program is driving down wages in certain sectors, displacing American workers and bringing in foreigners who often are not needed by their employers. In the long run, they predicted, it will accelerate the flight of high-tech jobs overseas, discourage American students from entering certain occupations and produce the very shortages it was designed to alleviate.

In addition, some immigrants have used the program to avoid the job-contracting concerns that discriminate against Americans in hiring, sometimes even as they receive federal assistance for minority-owned businesses.

To remedy what he says is a situation “fraught with abuse,” Labor Secretary Robert B. Reich is seeking major reforms under immigration legislation now being debated in both chambers of Congress.

“We have seen numerous instances in which American businesses have brought in foreign skilled workers after having laid off skilled American workers, simply because they can get the foreign workers more cheaply,” Reich said in an interview. The program “has become a major means of circumventing the costs of paying skilled American workers or the costs of training them,” he said.

“There is abuse of the current non-immigrant system, but it is by no means overwhelming,” argued Austin T. Fragomen, an immigrant lawyer who represents major U.S. corporations, “To the extent there is abuse, [it] occurs among small, relatively unknown companies—and should be controlled through more effective enforcement,” he said in written Senate testimony last month.

“It is minimally widespread,” said Charles A. Bilodeau, the American Federation of Information Technology Association of America, a pro-immigration group, “Are U.S. workers being put out of work by foreign workers? Probably. But the overwhelming case, he said, H-1B visa holders account for only a fraction of the U.S. workforce.”

Such arguments are not much comfort to John Morris, a former IBM computer programmer who formed the Software Professionals’ Political Action Committee last year after being laid off and replaced by lower-paid professionals. Richards, along with other critics of the H-1B visa program have described the imported professionals as “techno-braceros,” the high-tech equivalent of migrant farm workers.

“Greed is the reason they’re doing this,” Morris said. “Anybody who says it ain’t greed is smoking roach. I saw it happen.” He said he also has turned down a Chinese employer who offered him a job of $10 an hour and a job offer from an American employer who wanted him to move to India to work for $20 a day.

“In practice, critics say, “prevailing wages” have not been defined to prevent many job contractors from significantly undercutting the salaries usually paid to Americans. Moreover, the anticipated shortages did not materialize, in part because defense industry cuts after the end of the Cold War added to the ranks of an estimated 2.3 million Americans who have been laid off so far this decade.

In Senate testimony last month, Reich called on Congress to prohibit employers from hiring nonimmigrant workers in place of Americans who were laid off. He said companies should be required to try to “recruit and retain U.S. workers” in the occupations for which nonimmigrants were sought. He also recommended that the anticipated stay of these workers be reduced to three years.

“Hiring foreign over domestic workers should be the rare exception, not the rule,” Reich said.

The labor secretary noted that although nonimmigrant workers are admitted on a “temporary” basis, many stay for years, sometimes illegally. More than half of foreign professionals granted permanent resident status in fiscal 1994 originally came in as nonimmigrant students or “temporary” workers, Reich said.

In response to “abuse” of the nonimmigrant programs, over the past three years the Labor Department has charged 33 employers with wage violations involving more than 400 workers in physical therapy and computer-related occupations.

In one case, the department found that an Indian-owned firm in Michigan called Syntel Inc. had “willfully underpaid” its Indian computer programmers to the equivalent of migrant farm workers under H-1B visas and made up more than 80 percent of the company’s workforce.

In November last year, American International Group, a large Manhattan-based insurer, paid off 250 American programmers in New York, New Jersey and New Hampshire and transferred the work to Syntel. Syntel admitted that some of the work to about 200 Indians it had brought in, reportedly at about half the American’s salaries, and gave the rest to much to much lower-paid employees at its home office in Bombay. During their last weeks of employment, the laid-off American workers were even required to train their replacements, Reich said.

“American workers did not bring in any special skills that we did not have,” said Linda Kilcrease, one of the full-time programmers who lost their jobs.

Another Michigan company, Rehab One, which received millions of dollars from the Labor Department to have underpaid physical therapists it brought in from Poland. The workers, who came in with H-1B visas, were assigned to U.S. health care facilities primarily for wages as little as $500 a month, the department found.
Several months ago I cosponsored a bill, S. 1031, that will allow the Governors of States with Bureau of Land Management lands to request these lands be transferred to the States in which they are located. This bill brings control of public lands over to the local government of the state. I signed on to this bill as a way of addressing an issue that I have fought long and hard for local control and oversight of public lands by the people that live in and around those lands.

This bill will provide for the Secretary of the Interior to offer to transfer BLM lands to the States in which they are located. The Governor of the State will then have 2 years in which to make the decision on the future of this land. This bill will allow the Secretary to transfer these lands to the States.

What this effectively does, Mr. President, is place control and oversight of these lands into the hands of those closest to the land. This puts the decisions on the use of this land into the hands of the local hands, and out of the hands of people that live thousands of miles away. It will provide a better opportunity for all Montanans to have a voice in the future of the public lands in the State.

There have been many incidents in Montana where people, outside the State, have affected the Federal land policy of land within Montana. People living in the New York City have placed a stamp on an envelope and appealed decisions that affect the people in Montana. This goes against the fact that Montanans make the best decisions about the future of Montana.

I would like to return debate of this bill to the topic from which it has been taken. This bill as a way of addressing an issue that I have fought long and hard for local control and oversight of public lands by the people that live in and around those lands.

As I look at this legislation I would like to ask a couple of questions about the future of public lands. In Montana I wonder who among us would like to have the future of our public lands, our access to those lands and use of them, determined by Federal land managers in Washington? How many of us would prefer to have our neighbors and friends, those people who live in our state determine when and where we can use and have access to the lands?

I would like to return debate of this bill to the topic from which it has been taken. This bill as a way of addressing an issue that I have fought long and hard for local control and oversight of public lands by the people that live in and around those lands.

I would like to return debate of this bill to the topic from which it has been taken. This bill as a way of addressing an issue that I have fought long and hard for local control and oversight of public lands by the people that live in and around those lands.
tolerances of pesticides in food safeguard the health of infants and children; the need to encourage the registration of minor use pesticides; and the need to repeal the Delaney clause and replace it with a negligible risk standard, no matter the amount of the risk to human health. In the intervening years, our ability to detect residues has improved, to the point where we can now detect minute amounts, even parts per trillion.

Many including the Environmental Protection Agency agree the Delaney clause zero risk standard should be replaced with a de minimis standard. In fact, for a number of years, EPA has used a de minimis standard for regulating pesticide residues on food.

The United States Supreme Court decision in Les versus Reilly and a consent decree in California versus Browner, the Environmental Protection Agency will have to strictly enforce the Delaney clause the end of this year. States and its agencies, as well as those against Federal officers, and to allow removal of suits against the United States and its agencies, as well as those against Federal officers, and to allow removal of suits against Federal agencies, are brought in local courts of U.S. territories and possessions; to the Committee on the Judiciary.

A concern that I have about S. 1166 is that it provides for national uniformity and preempts California's more stringent standards. I believe that States should be able to set tougher standards, and will move an amendment to do so.

I will work to improve the bill as it goes forward, and to get a bill enacted. It is vital that we reform the Delaney clause this year.

ANNOUNCED
The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-374. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-375. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-376. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-377. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-378. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-379. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-380. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-381. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-382. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-383. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-384. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-385. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-386. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-387. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-388. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-389. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-390. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-391. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-392. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-393. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-394. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-395. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-396. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-397. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-398. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-399. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-400. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-401. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-402. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-403. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-404. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM-405. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS
The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1543. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report entitled, "National Annual Industrial Sulfur Dioxide Trends, 1995-2015"; to the Committee on Environment and Public Works.

EC-1544. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report entitled, "Acid Deposition Standard Feasibility"; to the Committee on Environment and Public Works.

EC-1545. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report regarding the progress implementing the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act; to the Committee on the Environment and Public Works.

EC-1546. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation to amend title 31 United States Code, to require executive agencies to verify for correctness of transportation charges prior to payment, and for related purposes; to the Committee on Governmental Affairs.

EC-1547. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the annual report for fiscal year 1994; to the Committee on the Judiciary.

EC-1548. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, pursuant to law, the annual report summarizing actions taken under the Program Fraud Civil Remedies Act (PFCRA) during fiscal year 1995; to the Committee on Governmental Affairs.

COMMUNICATIONS
The following communications were transmitted, a draft of proposed legislation to amend title 31 United States Code, to require executive agencies to verify for correctness of transportation charges prior to payment, and for related purposes.

PFCRA during fiscal year 1995; to the Committee on Governmental Affairs.

October 24, 1995

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to the Committee on the Judiciary.

State of Kansas for a redress of grievances;
to the Committee on the Judiciary.

POM±411. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±412. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±413. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±414. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±415. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±416. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±417. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±418. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±419. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±420. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±421. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±422. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±423. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±424. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±425. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±426. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±427. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

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POM±433. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±434. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±435. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

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POM±443. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±444. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±445. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±446. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±447. A petition from a citizen of the State of Kansas for a redress of grievances; to the Committee on the Judiciary.

POM±448. A resolution adopted by the Southern Governors' Association relative to the Endangered Species Act; to the Committee on Environment and Public Works.

POM±449. A resolution adopted by the Interstate Oil and Gas Compact Commission relative to the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

POM±450. A resolution adopted by the board of commissioners of Columbus County, NC, relative to water resource reform; to the Committee on Finance.

POM±451. A petition from a citizen of the State of Texas relative to a Constitutional Convention; to the Committee on the Judiciary.

POM±452. A resolution adopted by the council of the city of Atlanta, GA, relative to drug treatment programs; to the Committee on Environment and Public Works.

POM±453. A concurrent resolution adopted by the legislature of the State of Mississippi; to the Committee on Environment and Public Works.

SENATE CONCURRENT RESOLUTION NO. 547

A concurrent resolution post-ratifying amendment XIII to the Constitution of the United States prohibiting the practice of slavery within the United States except as punishment for a crime whereof the party shall have been duly convicted; and for related purposes.

Whereas, the Thirty-Eighth Congress of the United States, on February 1, 1865, by Concurrent Resolution No. 547, did ratify the Thirteenth Amendment to the United States Constitution, relative to the constitutional prohibition of slavery; and whereas, the people of present-day Mississippi strongly condemn the unconscionable practice of slavery and firmly believe that the Thirteenth Amendment to the Constitution should be ratified; and whereas, the justifications for the ratification and action be taken now to finally place upon Amendment XIII the special approval of the State of Mississippi: Now, therefore, be it

Resolved, That the State Senate of the State of Mississippi transmit properly authenticated copies of this resolution to the Archivist of the United States, pursuant to Pub. L. 98-497, to the Vice-President of the United States, as presiding officer of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to both U.S. Senators and to all U.S. Representatives from Mississippi with the request that this concurrent resolution be transmitted in its entirety in the Congressional Record.
and second time by unanimous consent, and referred as indicated:

By Mr. THOMPSON:

S. 1358. A bill to authorize the Secretary of Transportation to issue a certificate of documentation to any entity engaging in the coastwise trade for the vessel Carolyn, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SIMPSON:

S. 1359. A bill to amend title 38, United States Code, to revise certain authorities relating to management and contracting in the provision of health care services; to the Committee on Veterans Affairs.

By Mr. BENNETT (for himself, Mr. DION, Mrs. KASSAY, Mr. KENNEDY, Mr. FRIST, Mr. SIMON, Mr. HATCH, Mr. GREGG, Mr. STEVENS, Mr. JEFFORDS, Mr. KOHL, Mr. DASCHLE, and Mr. FEINGOLD):

S. 1360. A bill to ensure personal privacy with respect to medical records and health care-related information, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. COCHRAN, and Mr. SIMPSON):

S. Res. 33. A resolution to provide for the appointment of Howard H. Baker, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S. Res. 40. A joint resolution to provide for the appointment of Anne D'Harnoncourt as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S. Res. 41. A joint resolution to provide for the appointment of Louis Gerstner as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON:

S. 1359. A bill to amend title 38, United States Code, to revise certain authorities relating to management and contracting in the provision of health care services; to the Committee on Veterans Affairs.

THE VETERANS HEALTH CARE MANAGEMENT AND CONTRACTING FLEXIBILITY ACT OF 1995

Mr. SIMPSON. Mr. President, it is a great pleasure for me, as chairman of the Senate Veterans' Affairs Committee, to introduce today the Veterans Health Care Management and Contracting Flexibility Act of 1995. This legislation, Mr. President, would free the Department of Veterans Affairs [VA] from a number of statutory restrictions which unnecessarily limit its authority to contract for health care-related services. It would also ease and clarify current reporting requirements which excessively impede VA's ability to manage its own affairs.

What this bill would accomplish is best understood by considering, first, the health care environment within which all health care providers—including VA—must operate today, and then the state of the law under which VA attempts to so operate. If there is any certainty today with respect to health care, it is this: those who pay for health care—whether those payers be State or Federal Government agencies, insurance carriers or health maintenance organizations, or better informed consumers drawing, perhaps some day, from health savings accounts or simply from their own bank accounts—will dictate the unrestrained cost inflation that they have been forced to put up with in the past. All health care providers, therefore, are now—and will continue to be—under unprecedented pressure to contain costs and find operating efficiencies that they can implement in an increasingly cost sensitive environment.

In light of these realities, all now agree that health care providers must restrain the growth of—or affirmatively cut—costs. One sure way of doing that is to share certain resources—including, but not necessarily limited to, high tech medical resources—lest there be wasteful duplications in expenditures and effort within the system. It has become increasingly common for one hospital or practice group to sell, for example, Magnetic Resonance Imaging [MRI] services to another, while buying other diagnostic services from the same purchaser.

Like any health care provider, VA medical centers ought to be able to share, buy and swap all sorts of services with other community providers. But they cannot fully capitalize on such opportunities under current law. Presently, VA can only share or purchase "medical" services. It cannot share or purchase other critical services, for example, risk assessment services, that all health care providers must either buy or provide "in house." Even within the narrow authority allowing only "medical" services to be shared or purchased, there is an unnecessary restriction. VA cannot purchase or share any medical resource; it can only purchase or share "specialized medical resources." And that is not all, Mr. President; there is further restriction imposed upon VA. VA medical centers are not free to purchase from, or share with, any and all health care providers they might find in the local community. They can only "partner up" with—and, here, I quote from statute—"health care facilities (including organ banks, blood banks, or similar institutions), research centers, medical schools[.]"

Thus, Mr. President, my bill seeks to open up to VA an entire new world of potential sharing partners and sharing opportunities. VA would not have totally unfettered authority to buy and sell services—for example, VA would be required to ensure that any such arrangements do not diminish services made available to its veteran patients. That, of course, is my intent. VA be freed from restrictions which were applied when VA tried to do everything itself "in house." There was a time, perhaps, when VA could afford to try to be everything to everyone, but it cannot do so now. Now any provider can afford that mentality today.

I note for the Record, Mr. President, that VA has requested the expanded legal authority that I propose today. But it has done so in the context of a much larger bill, S. 1345, that I introduced at VA's request on October 19, 1995. The main thrust of S. 1345 is so-called "eligibility reform," that is, a broad scale revision of current statutes defining who shall be eligible for what VA medical services. That issue, Mr. President, is, in my view, one inasmuch as, lying at its very center, are very difficult judgements about who shall have priority over whom in securing VA health care in a period of limited resources. The Committee on Veterans' Affairs intends to take this critical issue up, but it will take time to sort out conflicting claims to priority to such limited resources. I think we ought to proceed now to streamline the statutes that restrict VA's sharing authorities. I think, my view, can be taken now, and will make sense whether or not we are able to accomplish "eligibility reform."

My bill would do more, Mr. President. As I have pointed out, VA now has authority—through authority that is, in my view, too narrow—to contract for "specialized medical resources." Even so, however, VA medical centers are statutorily barred from "contracting out" the very same services. 38 U.S.C. § 8153. Again, my view, any other health provider may not contract out activities that are "incident to direct patient care," id. Finally, VA medical centers may contract out other "activities at VA
medical centers, for example, grounds' maintenance services—but only if VA leaps through a series of substantive and procedural hoops that plainly impede the contracting process.

Under my reading of the law, it is apparent that, under the law as amended by the Flexibility Act of 1995, VA's Under Secretary for Health, Dr. Kizer, has 90 days to provide the Congress with 90-day notice computed to count from the date he determines it to be necessary in order to carry out a proposed reorganization. The statute specifies that the 90-day notice and waiting period would expire even if both bodies of Congress are in session, i.e., he and we were unable to determine when the 90-day notice would expire since no one was able to know when either body of the Congress might recess.

Such obstructionism by the Congress is, in my view, most unfortunate and unseemly. I really think that we ought to grant more trust to the senior officials we confirm than is reflected in this statute. Yet, I remain sensitive to the Members' needs to know if a field office reorganization will adversely affect a significant number of their constituents. Therefore, I do not propose today that this provision of law be totally repealed. I do propose, however, that we reduce to 45 the waiting period from 90 days. That period, I believe, is sufficient to allow Senators and House Members an opportunity to assess the impact of a given reorganization on their constituencies.

To recap, Mr. President, my bill would expand VA's authority to share, purchase and swap resources, as is necessary to meet the challenges of 21st century medicine. And it would remove an excessive restriction on VA's right to organize and station its employees efficiently. These measures are dictated by common sense and are, in the main, supported by VA. I request the support of this body.

Mr. President, I request unanimous consent that the text of my bill be printed in the RECORD.

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

S. 1399

B E 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 "Veterans Health Care Management and Contracting Flexibility Act of 1995".

SEC. 2. WAITING PERIOD FOR ADMINISTRATIVE REORGANIZATIONS. Section 8152 of title 38, United States Code, is amended by striking out subsection (c).

SEC. 3. REPEAL OF LIMITATIONS ON CONTRACTS FOR CONVERSION OF PERFORMANCE OF DEPARTMENT OF HEALTH-CARE FACILITIES. Section 8110 of title 38, United States Code, is amended by striking out subsection (c).

SEC. 4. AUTHORITY TO SHARE MEDICAL FACILITIES, EQUIPMENT, AND INFORMATION. (a) Statement of purpose—The text of section 8153 of title 38, United States Code, is amended by read as follows:

"It is the purpose of this subchapter to improve the quality of health care provided veterans under this title by authorizing the Secretary to enter into agreements with health-care providers to share health-care resources with, and receive health-care resources from, such providers while ensuring no diminution of services to veterans. Among other things authorized by these means to strengthen the medical programs at Department facilities located in small cities or rural areas which facilities are remote from major medical centers."

(b) Definitions.—Section 8152 of such title is amended—

(1) by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following new paragraphs (1) and (2):

"(1) the term 'health-care resource' includes hospital care (as that term is defined in section 1701(c) of the Public Health Service Act), any other health-care service, and any health-care support or administrative resource.

(2) the term 'health-care providers' includes health-care plans and insurers and any organizations, institutions, or other entities or individuals that furnish health-care resources;"

and

(2) redesignating paragraph (4) as paragraph (3).

SEC. 5. AUTHORITY TO SECURE HEALTH-CARE RESOURCES.—(1) Section 8153 of such title is amended—

(A) by striking out paragraph (1) of subsection (a) and inserting in lieu thereof the following new paragraph (1):

"(1) The Secretary determines it to be necessary in order to secure health-care resources which otherwise might not be feasibly available or to utilize effectively health-care resources, make arrangements, by contract or other form of agreement, for the mutual use, or exchange of use, of health-care resources between Department health-care facilities and non-Department health-care providers. The Secretary may make such arrangements without regard to any law or regulation relating to competitive procedures.

(B) by inserting paragraph (2) after paragraph (1).

"(2) The Secretary may secure health-care resources which otherwise might not be feasibly available or to utilize effectively health-care resources, make arrangements, by contract or other form of agreement, for the mutual use, or exchange of use, of health-care resources between Department health-care facilities and non-Department health-care providers. The Secretary may make such arrangements without regard to any law or regulation relating to competitive procedures."

(2) by striking out subsection (e).

(2)(A) The section heading of such section is amended to read as follows:

"§ 8153. Sharing of health-care resources."

(C) the table of sections at the beginning of chapter 81 of title 38, United States Code, is amended by striking out the item relating to section 8153 and inserting in lieu thereof the following new item:

"8153. Sharing of health-care resources."

By Mr. BENNETT (for himself, Mr. DOLE, Mr. LEAHY, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. FRIST, Mr. SIMON, Mr. HATCH, Mr. GREGG, Mr. STEVENS, Mr. EFFORDS, Mr. KOHL, Mr. DASCHLE, and Mr. FEINGOLD):

S. 1360. A bill to ensure personal privacy with respect to medical records and health care-related information, and for other purposes; to the Committee on Labor and Human Resources.

THE MEDICAL RECORDS CONFIDENTIALITY ACT OF 1995

Mr. BENNETT. Mr. President, today I am introducing the Medical Records Confidentiality Act of 1995. This legislation is one of the many small steps that are needed to reform our health-care system. I am pleased that a number of my Republican and Democratic colleagues have joined me in cosponsoring this legislation.
I can think of few other areas in our lives that are more personal and private than is our medical history. Each of us has a relationship with our doctors, nurses, pharmacists, and other health care professionals that is unique and personal. They know things about us that we choose not to tell our spouses, children, siblings, parents, or our closest friends. While our medical records may contain nothing of the ordinary, to us these records should be strictly private.

S. 15577 is designed, first, to provide Americans with greater control over their medical records in terms of confidentiality, access, and security, and second, to provide the health care system with a Federal standard for handling identifiable health information.

Most Americans believe their medical records are protected in terms of confidentiality under Federal law. Most Americans are mistaken. Protecting the confidentiality of our medical records is under state laws. At this time there are 34 states with 34 different laws to protect these records. Only 28 states provide patients with access to their medical records. My purpose is not to have a comprehensive law to protect medical records or provide access. Given the transient nature of our society and that fact that more than 50 percent of the population live on a State boarder, it is vital that we provide a national standard for the protection of medical records.

It is unfair to both the patients and the providers of medical services not to clearly and concisely outline the rights of the patient and define the standards of disclosure. The effort to provide Federal protection of medical records has continued for the last 20 years. Many of the outside groups that have provided assistance to me and my staff have been involved for many of these years. Those groups that have provided assistance include patient right advocates, health care providers, electronic data services, insurance companies, health researchers, States, health record managers, Federal and State boards, and the American Hospital Association. It is time to put into place the safeguards and security measures needed to protect the integrity and confidentiality of our medical records.

Patients should be assured that the treatment they receive is a matter between themselves and their doctor, regardless if it's a yearly physical, psychiatric evaluation, plastic surgery, or cancer treatment. The majority of patients agree that treatment and billing are the two appropriate uses of medical records. This legislation provides patients the right to limit disclosure of medical records for purposes other than treatment and billing and requires separate authorization forms for treatment, billing and other kinds of disclosures. It also requires providers to keep a record of those to whom they disclose information.

In the hospital, most patients are unaware that their records are accessible to almost any health care provider walking into their room or almost any hospital employee with a computer who can gain access to the hospital's computer system. There are a number of doctors and nurses who refuse to be treated in the hospital where they practice because their colleagues know that with a stroke of a keyboard their colleagues will know why they are in the hospital and know they are being treated.

One of the most important issues this legislation addresses is that of access to personal medical records. It is difficult for most of us to understand that in many instances individuals may have great difficulty gaining access to their medical records. There are no Federal laws regarding access to medical records and only a few states allow patients the right to review and copy their medical records. In many instances, if the medical record is incorrect the patient has the opportunity to address those errors. This legislation would allow individuals not only access to their records but also the opportunity to address any errors.

This legislation will enable organizations and entities involved in providing health care, or who act as contractors or agents to providers, to abide by one standard for confidentiality. Our health care system grows more complex and sophisticated with each year. Having one standard will simplify the year. Having one standard will reduce the cost of complying with 50 state standards and allow the continuation of research that will improve the efficiency of our health care system.

Currently, the only protection of medical records is under state laws. At this time there are 34 States with 34 different laws to protect these records. Only 28 States provide patients with access to their medical records. My purpose is not to have a comprehensive law to protect medical records or provide access. Given the transient nature of our society and that fact that more than 50 percent of the population live on a State boarder, it is vital that we provide a national standard for the protection of medical records.

It is unfair to both the patients and the providers of medical services not to clearly and concisely outline the rights of the patient and define the standards of disclosure. The effort to provide Federal protection of medical records has continued for the last 20 years. Many of the outside groups that have provided assistance to me and my staff have been involved for many of these years. Those groups that have provided assistance include patient right advocates, health care providers, electronic data services, insurance companies, health researchers, States, health record managers—to name just a few. I am grateful to them for their assistance and expertise; without their efforts we would not be here today.

I want to express my appreciation to the two leaders, Senators DOLE and DASCHLE for their support as cosponsors. I am very pleased to have Chairwoman KASSEBAUM and the ranking minority member, Senator KENNEDY of Labor and Human Resources Committee as cosponsors. I want to express my appreciation to Senator LEAHY for his efforts in this legislation. This has been a supporter of this legislation for a number of years and I appreciate his cosponsorship. I am also pleased to add Senators HATCH, FRIST, JEFFORDS, STEVENSON, ANDREWS, BENNETT, DASCHLE for their support as cosponsors. I am also pleased to add Senator FEINGOLD as original cosponsor. I hope the Senate will act swiftly to hold hearings and to move this legislation through the committee process to the Senate floor for final consideration. I urge my colleagues to support this legislation and I would welcome their cosponsorship.

Mrs. KASSEBAUM. Mr. President, I rise today to join Senator BENNETT, the distinguished majority leader, Senators HATCH, KENNEDY, FRIST, LEAHY, BENNETT, and others in introducing the Medical Records Confidentiality Act of 1995.

We have spent a great deal of time and energy these last several months—and will spend even more time during the coming weeks—debating changes to the Medicare and Medicaid programs. As we debate these changes, the private health care system continues to literally transform itself overnight.

While health providers still wrestle with multiple paper forms and bulky files, increasingly health information and data is digitized and turned into multiple databases by high-speed computers over fiber-optic networks. Many Americans believe their private medical records are safely stored in doctors' offices and hospitals. Yet, the evolving health care delivery system and the technological infrastructure necessary to support it has left gaping holes in the patchwork of current State privacy laws and threatened the confidentiality of private medical information.

Let me give just one example that highlights both the promise and the peril of medical information. Recent advances have allowed researchers to identify a growing number of genetic characteristics that place individuals at higher-than-average risk for developing disease. While genetic research provides tremendous opportunities to help us better treat and manage illness, disclosure of genetic information also may place individuals at a greater risk of discrimination in obtaining health coverage for themselves and their families.

The Medical Records Confidentiality Act takes a balanced approach to encouraging the continued development of a world-class health information infrastructure while, at the same time, assuring Americans that their sensitive medical records are protected. The legislation is designed to provide all patients with Federal safeguards for their medical records, whether in paper or electronic form, and to provide doctors, hospitals, insurance companies, managed care companies, and other entities that have access to medical records with clear Federal rules governing when and to whom they may disclose health information.

Mr. President, I applaud Senator BENNETT for taking on such a complex and important issue. I look forward to working with him, and with my colleagues on the Senate Committee on Labor and Human Resources, to see
that this very important piece of legislation is enacted during the 104th Congress.

Mr. LEAHY. Mr. President, today I join in introducing the Medical Records Confidentiality Act of 1995, with Senator BENNETT, our distinguished colleague from Utah.

For the past several years, I have been engaged in efforts to make sure that Americans' expectations of privacy for their medical records are fulfilled. This is the purpose of this bill. I do not want advancing technology to lead to a loss of personal privacy and do not want the fear that confidentiality is being compromised to stifle technological or scientific development.

The distinguished Republican majority leader put his finger on this problem last year when he remarked that a compromise of privacy that sends information about health and treatment to a national data bank without a person's approval would be something that none of us would accept. We should proceed without further delay to enact meaningful protection for our medical records and personal and confidential health care information.

I have long felt that health care reform will only be supported by the American people if they are assured that the personal privacy of their health care information is protected. Indeed, with the confidence that their personal privacy will be protected, many will be discouraged from seeking help from our health care system or taking advantage of the accessibility that we are working so hard to protect.

The American public cares deeply about protecting their privacy. This has been demonstrated recently in the American Civil Liberties Union Foundation's benchmark survey on privacy entitled “Live and Let Live” wherein three out of four people expressed particular concern about computerized medical records held in databases without the individual's consent. A public opinion poll sponsored by Equifax and conducted by Louis Harris indicated that 85 percent of those surveyed agreed that protecting the confidentiality of medical records is extremely important in national health care reform. I can assure you that if that poll had been taken in Vermont, it would have come in at 100 percent or close to it.

Two years ago, I began a series of hearings before the Technology and the Law Subcommittee of the Judiciary Committee. I explored the emerging smart card technology and opportunities being presented to deliver better and more efficient health care services, especially in rural areas. Technology can expedite care in medical emergencies and eliminate paperwork burdens. But it will only be accepted if it is used in a secure system protecting confidentiality of sensitive medical conditions and personal privacy. Fortunately, improved technology offers the promise of security and confidentiality and can allow levels of access limited to information necessary to the function of the person in the health care treatment and payment system.

In January 1994, we continued our hearings before that Judiciary Subcommittee. I was pleased to hear testimony from the Clinton administration, health care providers and privacy advocates about the need to improve upon privacy protections for medical records and personal health care information.

In testimony I found the most moving I have experienced in more than 20 years in the Senate, the subcommittee heard first hand from Rep. Nydia Velázquez, our House colleague who had sensitive medical information leaked about her. She and her parents woke up to find disclosure of her attempted suicide smeared across the front pages of the New York tabloids. If any of us have reason to doubt how hurtful a loss of medical privacy can be, we need only talk to our House colleague.

Unfortunately, this is not the only horrific story of a loss of personal privacy. I have talked with the widow of Arthur Ashe about her family's trauma when her husband was forced to confess publicly that he had the AIDS virus and how the family had to live its ordeal in the glare of the media spotlight.

We have also heard testimony from Jeffrey Rothfeder who described in his book "Privacy for Sale", how a freelance artist was denied health coverage by a number of insurance companies because someone had erroneously written in his health records that he was HIV-positive.

The unauthorized disclosure and misuse of personal medical information has affected insurance coverage, employment opportunities, credit, reputation, and a host of services for thousands of Americans. Let us not miss the opportunity to make the matter of privacy right through comprehensive Federal privacy protection legislation.

As I began focusing on privacy and security needs, I was shocked to learn how catch-as-catch-can is the patchwork of State laws protecting privacy of personally identifiable medical records. A few years ago we passed legislation protecting records of our videotape rentals, but we have yet to provide even that level of privacy protection for our personal and sensitive health care data.

Just yesterday the Commerce Department released a report on Privacy and the NII. In addition to financial and other information discussed in that report, there is nothing more personal than our health care information. We must act to apply the principle that a person's health information is protected and to be kept confidential. It creates both critical and vital information for the health care reform package is resurrected this year. I am proud to say that the Medical Records Confidentiality Act that Senator BENNETT and I introduced today, derives from the work we have been doing over the last several years. I am delighted to have contributed to this measure and look forward to our bipartisan coalition working for enactment of these important protections.

Our bill establishes in law the principle that a person's health information is to be protected and to be kept confidential. It creates both criminal
and civil remedies for invasions of pri-

vacy for a person’s health care inform-

ation and medical records and admin-

istrative remedies, such as debarment for 

health care providers who abuse others’ 

privacy.

The legislation would provide pa-

tients with a comprehensive set of 

rights of inspection and an oppor-

tunity to correct their own records, as 

well as information accounting for disclo-

sures of those records.

The bill creates a set of rules and 

norms to govern the disclosure of per-

sonal health information and narrows 

the sharing of personal details within 

the health care system to the mini-

mum necessary to provide care, allow 

for payment and to facilitate effective 

oversight. Special attention is paid to 

delay medical situations, public health 

requirements, and research.

We have sought to accommodate le-

gitimate oversight concerns so that we 
do not create unnecessary impediments to 

effective health care oversight is essen-
tial if our health care system is to 

function and fulfill its intended goals. 

Otherwise, we risk establishing a pub-

licly sanctioned playground for the un-

scrupulous. Health care is too impor-

tant a public investment to be the sub-

ject of undetected fraud or abuse.

I look forward to working with my 
colleagues both here in the Senate and 

in the House as we continue to refine 

this legislation. I want to thank all of 
those who have been working with us 
on the issue of health information pri-

vacy and, in particular, wish to com-

mend the Vermont Health Information 

Consortium, the Center for Democracy 

and Technology, the American Health 

Information Management Association, 

the American Association of Retired 

Persons, the AIDS Action Council, the 

Bazelon Center for Mental Health Law, 

the Legal Action Center, IBM Corp. 

and the Blue Cross and Blue Shield As-

sociation for their tireless efforts in 

addressing this issue.

With Senator B E N NETT’s leadership 

and the longstanding commitment to 
personal privacy shared by Chair-

man KASSEBAUM and Senator KENNEDY, 

I have every confidence that the Senate 

will proceed to pass strong privacy pro-

tection for medical records. With con-

tinuing help from the administration, 

health care providers and privacy advo-

cates we can enact provisions to pro-

tect the privacy of the medical records 
of the American people and make this 

part of health care security a reality for 

all Americans.

By Mr. MOYNIHAN (for himself, 

Mr. COCHRAN and Mr. SIMPSON):

S. J. Res. 39. A joint resolution to pro-

vide for the appointment of Howard H. 

Baker, Jr. as a citizen regent of the 

Board of Regents of the Smithsonian 

Institution; to the Committee on Rules 

and Administration.

S. J. Res. 40. A joint resolution to pro-

vide for the appointment of Anne 

D’Harnoncourt as a citizen regent of 

the Board of Regents of the Smithso-

nian Institution; to the Committee on 

Rules and Administration.

S. J. Res. 41. A joint resolution to pro-

vide for the appointment of Louis V. 

Gerstner, Jr. as a citizen regent of 

the Board of Regents of the Smithso-

nian Institution; to the Committee on 

Rules and Administration.

APPOINTMENTS AS CITIZEN REGENTS OF THE 

SMITHSONIAN INSTITUTION

Mr. MOYNIHAN. Mr. President, I in-

troduce three joint resolutions to ap-

point Howard H. Baker, Jr., Anne 

D’Harnoncourt and Louis V. Gerstner, 

Jr., to serve as citizen regents of the 

Smithsonian Institution. I introduce 

these joint-resolutions on behalf of my 
distinguished colleagues, Senators 

COCHRAN and SIMPSON, with whom I 

have the privilege to serve on the 

Smithsonian’s Board of Regents.

Howard Baker, whose reputation is 

well known among those of us who 

make the laws of this country, is a 
superb public servant. After spending 

18 illustrious years in the Senate, during 

which time he served 4 years as Major-

ity Leader, Senator Baker went on to 

become President Reagan’s most trusted 

adviser. He has elevated the concept of 

private practice, as the senior partner in 

the law firm of Baker, Donelson, Bearman 

& Caldwell, but has remained an active 

leader in the political and business 

communities. His commitment to both 

comparative political roles - his 

membership on the Council on Foreign 

Relations and the Washington Institute of 

Foreign Affairs and his positions on the 

boards of Federal Express, United 

Technologies, and Penzoil. He has most 

deservedly received the Nation’s high-

est civilian award, the Presidential 

Medal of Freedom, as well as the Jef-

ferson Award for Greatest Public Ser-

vice Performed by an Elected or Appoint-

ed Official.

As the distinguished statesman and 
gifted strategist that he is, Howard 

Baker would bring to the Smithsonian 

voice that can talk to Congress at a 
time when that is what is most ur-

ately needed. The Institution would 

benefit immensely from his political 

and fiscal wisdom, and I urge my col-

leagues to support his appointment.

J ust as Senator Baker would add his 
experience on matters political and eco-

omic, Ms. Anne D’Harnoncourt would 

bring to the Smithsonian’s leadership 

in the management and oversight of 

a large museum. Having served with 

her for some 15 years on the Board of 

the Hirshhorn Museum, I can think of 

no person better suited to serve on the 

Board of Regents.

Ms. D’Harnoncourt has served as an 

Assistant Curator for the Art Institute 
of Chicago, a Curator for the Philadel-

phia Museum of Art, and is currently 

the George D. Widener Director of the 


Anne D’Harnoncourt is currently the 

George D. Widener Director of the 

Philadelphia Museum of Art, having 

previously served that museum as Cu-

urator of Twentieth Century Art and as 

Assistant Curator of Twentieth Cen-

tury Art at the Art Institute of 

Chicago. A Fellow of the American 

Academy of Arts and Sciences, Ms. 

D’Harnoncourt is a member of numer-

ous advisory committees and boards, 

including the Board of Directors of The 

Henry Luce Foundation and the Board of 

Overseers of the
Graduate School of Fine Arts of the University of Pennsylvania.

Louis V. Gerstner, Jr., is Chairman and Chief Executive Officer of International Business Machines Corp. He previously served as chairman and chief executive officer of RJR Nabisco and as president of American Express Company. He is a director of The New York Times Company, Bristol-Myers Squibb Company, the Japan Society, and Lincoln Center for the Performing Arts. A lifetime advocate of the importance of quality education, he has redirected a majority of IBM’s substantial philanthropic resources in the United States to the support of public school reform.

I urge Senators to support the resolutions of appointment of these outstanding Americans.

ADDITIONAL COSPONSORS

At the request of Mr. Kohl, the name of the Senator from Montana [Mr. Baucus] was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals who are subject to Federal limitations on hours of service.

S. 490

At the request of Mr. Grassley, the name of the Senator from Kansas [Mr. Dole] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 704

At the request of Mr. Simon, the name of the Senator from Arizona [Mr. Kyl] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 837

At the request of Mr. Warner, the name of the Senator from Louisiana [Mr. Johnston] was added as a cosponsor of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 1032

At the request of Mr. Roth, the name of the Senator from Iowa [Mr. Grassley] was added as a cosponsor of S. 1032, a bill to amend the Internal Revenue Code of 1986 to provide nonrecognition treatment for certain transfers by common trust funds to regulated investment companies.

S. 1166

At the request of Mr. Lugar, the names of the Senator from Nebraska [Mr. Exon], the Senator from North Carolina [Mr. Helms], the Senator from Oklahoma [Mr. Nickles], the Senator from California [Mrs. Feinstein], the Senator from South Dakota [Mr. Pudewill], the Senator from Minnesota [Mr. Craig], the Senator from Kentucky [Mr. Ford], the Senator from Mississippi [Mr. Lott], and the Senator from North Carolina [Mr. Faircloth] were added as cosponsors of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1200

At the request of Ms. Snowe, the names of the Senator from Illinois [Mr. Simon], the Senator from Wisconsin [Mr. Feingold], and the Senator from California [Mrs. Feinstein] were added as cosponsors of S. 1200, a bill to establish, implement efforts to eliminate restrictions on the enclave people of Cyprus.

S. 1228

At the request of Mr. D’Amato, the name of the Senator from Connecticut [Mr. Lieberman] was added as a cosponsor of S. 1228, a bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

S. 1271

At the request of Mr. Craig, the name of the Senator from South Carolina [Mr. Thad] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1277

At the request of Mr. Brown, the name of the Senator from Colorado [Mr. Campbell] was added as a cosponsor of S. 1277, a bill to provide equitable relief for the petroleum drug industry, and for other purposes.

S. 1285

At the request of Mr. Smith, the name of the Senator from Alaska [Mr. Murkowski] was added as a cosponsor of S. 1285, a bill to reauthorize and amend the Comprehensive Environmental Recovery, Compensation, and Liability Act of 1980, and for other purposes.

S. 1289

At the request of Mr. Kyl, the name of the Senator from New Hampshire [Mr. Gregg] was added as a cosponsor of S. 1289, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

S. 1322

At the request of Mr. Daschle, his name was added as a cosponsor of S. 1322, a bill to extend the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 1322

SENATE CONCURRENT RESOLUTION NO. 11

At the request of Ms. Snowe, the name of the Senator from Wisconsin [Mr. Feingold] was added as a cosponsor of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

AMENDMENT NO. 2941

At the request of Mr. Daschle, his name was added as a cosponsor of amendment No. 2941, proposed to S. 1322, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

At the request of Mr. Wellstone, his name was added as a cosponsor of amendment No. 2941, proposed to S. 1322, supra.

AMENDMENTS SUBMITTED

THE BALANCED BUDGET RECONCILIATION ACT OF 1995

BYRD (AND DORGAN) AMENDMENT NO. 2942

(Ordained to lie on the table.)

Mr. BYRD (for himself and Mr. DORGAN) submitted an amendment intended to be proposed by them to the bill (S. 1357) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996; as follows:

At the appropriate place in the bill, insert the following:

SEC. 2. DEBATE ON A RECONCILIATION BILL AND CONFERENCE REPORT.

(a) Consideration of a Bill.—Section 330(e)(2) of the Congressional Budget Act of 1974 is amended by striking "20 hours" and inserting "50 hours".

(b) Consideration of a Conference Report.—Section 330(e)(2) of the Congressional Budget Act of 1974 is amended by adding at the end the following: "Debate in the Senate on a conference report on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeal in connection therewith, shall be limited to not more than 20 hours".

THE TEMPORARY FEDERAL JUDGESHIPS ACT

SANTORUM AMENDMENT NO. 2943

Mr. SANTORUM proposed an amendment to the bill (S. 1322) to amend the commencement dates of certain temporary Federal judgeships; as follows:

Strike all after “section” and insert in lieu thereof the following:

SENSE OF THE SENATE REGARDING THE PRESIDENT’S REVISED FEDERAL BUDGET

(a) Findings.—Congress finds that—

(1) On May 19, 1995, the United States Senate voted 99-0 to reject the Fiscal Year 1996 budget submitted by President Clinton on February 6, 1995.

(2) The President on June 13, 1995, after the House of Representatives and the Senate passed resolutions that the Congressional Budget Office said would result in a balanced
federal budget in Fiscal Year 2002, revised his budget.

(3) The President said on June 13, 1995, and on numerous subsequent occasions, that this revised budget would balance the federal budget in Fiscal Year 2005.

(4) The President’s revised budget, like the budget he submitted to Congress on February 6, 1995, took into account surpluses in the Old Age, Survivors and Disability Insurance (OASDI) trust funds in calculating the deficit.

(5) President Clinton, in his address before a joint session of Congress on February 17, 1993, stated that he was “using the independent numbers of the Congressional Budget Office” because “the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous Presidents have been.”

(6) President Clinton further stated: “Let’s at least argue about the same set of numbers, so the American people will think we’re shooting straight with them.”

(7) The Congressional Budget Office estimated that the President’s revised budget would achieve savings of $128 billion in Medicare through 2002 and $295 billion through 2005.

(8) The Congressional Budget Office estimated that the President’s revised budget would achieve savings of $54 billion in federal Medicaid spending through 2002 and $105 billion through 2005.

(9) The Budget Office has proposed savings of $54 billion in “non-health entitlements by 2002 by reforming welfare, farm and other programs.”

(10) The Congressional Budget Office estimated that the President’s revised budget includes proposals that would reduce federal revenues by $97 billion over seven years and $166 billion over ten years.

(11) These proposed tax reductions are more than offset by the President’s proposed Medicare savings.

(12) The Congressional Budget Office has determined that enactment of the President’s proposal would result in deficits in excess of $200 billion in each of fiscal years 1997 through 2005.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact the President’s budget as revised on June 13, 1995.

WELLSTONE AMENDMENT No. 2944
Mr. WELLSTONE proposed an amendment to amendment No. 2943 proposed by Mr. SANTORUM to the bill S. 1328, supra, as follows:

Strike all after the first word and insert, in lieu thereof, the following—

In the event provisions of the FY 1996 Budget Reconciliation bill are enacted which result in an increase in the number of hungry or medically uninsured children by the end of FY 1996, the Congress shall revisit the provisions of said bill which caused such increase and shall, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

HATCH AMENDMENT No. 2945
Mr. HATCH proposed an amendment to amendment No. 2943 proposed by Mr. SANTORUM to the bill S. 1328, supra, as follows:

In the pending amendment, strike all after the first word and insert in lieu thereof the following:

(A) FINDINGS.—Congress finds that—


4. THE PRESIDENT’S REVISED BUDGET, LIKE THE BUDGET HE SUBMITTED TO CONGRESS ON FEBRUARY 6, 1995, TOOK INTO ACCOUNT SURPLUSES IN THE OLD AGE, SURVIVORS AND DISABILITY INSURANCE (OASDI) TRUST FUNDS IN CALCULATING THE DEFICIT.

5. PRESIDENT CLINTON, IN HIS ADDRESS BEFORE A JOINT SESSION OF CONGRESS ON FEBRUARY 17, 1993, STATED THAT HE WAS “USING THE INDEPENDENT NUMBERS OF THE CONGRESSIONAL BUDGET OFFICE” BECAUSE “THE CONGRESSIONAL BUDGET OFFICE WAS NORMALLY MORE CONSERVATIVE IN WHAT WAS GOING TO HAPPEN AND CLOSER TO RIGHT THAN PREVIOUS PRESIDENTS HAVE BEEN.”


9. THE BUDGET OFFICE HAS PROPOSED SAVINGS OF $54 BILLION IN “NON-HEALTH ENTITLEMENTS BY 2002 BY REFORMING WELFARE, FARM AND OTHER PROGRAMS.”

10. THE CONGRESSIONAL BUDGET OFFICE ESTIMATED THAT THE PRESIDENT’S REVISED BUDGET INCLUDES PROPOSALS THAT WOULD REDUCE FEDERAL REVENUES BY $97 BILLION OVER SEVEN YEARS AND $166 BILLION OVER TEN YEARS.

11. THESE PROPOSED TAX REDUCTIONS ARE MORE THAN OFFSET BY THE PRESIDENT’S PROPOSED MEDICARE SAVINGS.


THE HARRY KIZIRIAN POST OFFICE BUILDING DESIGNATION ACT OF 1995

STEVENS AND OTHERS
AMENDMENT NO. 2947
Mr. FRISS (for Mr. STEVENS, for himself, Mr. SIMON, and Mr. PAYOR) proposed an amendment to the bill (H.R. 1600) to designate the United States Post Office Building located at 24 Corliss Street, Providence, RI, as the “Harry Kizirian Post Office Building” as follows:

At the end of the bill add the following new section:

SEC. 3. SALARY ADJUSTMENTS FOR THE BOARD OF GOVERNORS OF THE UNITED STATES POSTAL SERVICE.

(a) IN GENERAL.—Section 202(a) of title 39, United States Code, is amended—

(1) by inserting “(1)” after “(a)”;

(2) by striking out the fifth and sixth sentences; and

(3) by adding at the end thereof the following new paragraph—

“(2)(A) Each Governor shall receive—

“(i) a salary of $30,000 a year as adjusted by subparagraph (C); and

“(ii) $30 a day for the not more than 42 days each year, for each day such Governor—

“(A) attends a meeting of the Board of Governors; or

“(B) performs the official business of the Board as approved by the Chairman; and

“(iii) reimbursement for travel and reasonable expenses incurred in attending meetings and performing the official business of the Board.

“(B) Nothing in subparagraph (A) shall be construed to limit the number of days of meetings each year to 42 days.

“(C) Effective on the first day of the first applicable pay period beginning on or after the date on which an adjustment takes effect under section 503 of title 5 in the rates of pay under the General Schedule, the salary of each Governor shall be adjusted by the percentage equal to the percentage adjustment in such General Schedule rates of pay.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act.

Amend the title so as to read: “An Act to designate the United States Post Office Building located at 24 Corliss Street, Providence, Rhode Island, as the “Harry Kizirian Post Office Building”, to amend chapter 2 of title 39, United States Code, to adjust the salaries of the Board of Governors of the United States Postal Service, and for other purposes.”
NOTICE OF HEARING
SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management to receive testimony from academicians and State and local officials on alternatives to Federal forest land management. Testimony will also be sought comparing land management cost and benefits on Federal and State lands.

The hearing will take place on November 2, 1995, at 9:30 a.m. This will be a continuation of the hearing that begins on October 26, in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Mark Rey at (202) 224-6170.

AUTHORITY FOR COMMITTEES TO MEET
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HATCH. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet Tuesday, October 24, at 2:30 p.m., to consider S. 1316, the Safe Drinking Water Act Amendments of 1995, and other pending business.

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

COMMITTEE THE JUDICIARY

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 2 p.m., in room 226 Senate Dirksen Office Building to consider nominations.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 5 p.m., to hold a closed conference with the House Permanent Select Committee on Intelligence on the fiscal year 1996 intelligence authorization bill (H.R. 1655).

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

SUBCOMMITTEE ON THE ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Oversight and the Courts of the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, October 24, 1995, at 10 a.m., in the Senate Dirksen Building room 226 to hold a hearing on S.1101, Federal Courts Improvement Act.

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

ADDITIONAL STATEMENTS

RECOGNITION OF INDONESIA'S ACHIEVEMENTS

Mr. BOND. Mr. President, this past August, Indonesia, a longtime Asian friend and ally of the United States, marked 50 years of independence.

Over those 50 years, the United States has been able to count on this strong ally for support in a wide range of areas, including its anti-Communist commitment, its support during the Vietnam war, its backing for United States and United Nations operations in countries such as Somalia and Cambodia, and its role in advancing trade liberalization in the Asia Pacific Economic Cooperation (APEC).

Over the past 25 years, under the direction of President Soeharto, this nation of 13,000 islands and 198 million people has achieved some of the most impressive economic growth the world has seen. Let me give you some numbers to emphasize this point: a 7 percent average annual growth in the GDP since 1967, an increase in the per capita GNP from less than $70 in 1967 to almost $900 today, a life expectancy rate that has risen from 41 in 1967 to 61 in 1992, and a dramatic decrease in both the infant mortality rate and illiteracy rate.

The Government of Indonesia is continuing to move ahead with aggressive and impressive projects to develop further the nation's quality of life, its infrastructure, and its capabilities and competitiveness for the next millennium. Over the next 5 years, these projects include: increasing the telephone penetration in the country by 8 million lines; increasing power generation by 1 million kilowatts; implementing a $13 billion basic transportation infrastructure program that will touch almost every sector, including, ports, airports, railways, roadways and a rail system through the city of Jakarta; and a water and sanitation plan to bring clean water to a larger portion of the population.

In all, the country is looking at approximately $53 billion in new works and heavy maintenance, engineering and support systems development over the next 5 years.

I think my colleagues would agree with me that this is an impressive program of development.

As these projects move forward, the Government of Indonesia is also working to make the country an easier place to do business by streamlining investment regulations and removing import license requirements; thus making it easier for foreign firms to participate in this booming market's economy.

And for anyone who questions whether the changes and opportunities created in this environment have benefited U.S. business, the answer is yes.

In fact U.S. firms have reacted enthusiastically with exports from the U.S. rising 113 percent—from $2.3 billion in 1989 to $4.9 billion in 1994. For the U.S. economy that means that more than 95,000 jobs are supported by exports to Indonesia. And the United States Government has participated in supporting United States industries' interest in Indonesia by naming this emerging Asian tiger one of the 10 big emerging markets [BEM] for economic growth and opening one of the first overseas U.S. Export Assistance Centers in Jakarta.

As Indonesia has gained a growing presence in the economic arena, President Soeharto has also brought the country into a more active role in the international community. As chairman of the Non-Aligned Movement [NAM], Mr. Soeharto has been a moderating voice in the developing world on the benefits of an active dialog between developed and lesser developed countries. Indonesia has also taken a leading role in promoting peace and security in the Asia-Pacific region. From its role in helping to settle the Cambodian conflict, where Indonesians made up one of the largest U.N. peacekeeping contingencies, to its efforts to establish an Asian dialog to settle the Spratly Islands territorial dispute, President Soeharto's efforts have been instrumental in helping promote harmony in a rapidly evolving region.

In recognition of his tireless efforts to bring economic prosperity to Indonesia while also engaging the country in a prominent international political role, President and Mrs. Soeharto are being honored later this week in Washington at a dinner hosted by CARE. It is an honor they richly deserve.

The strong relationship between the United States and Indonesia is indeed a benefit for both our countries. We both have prospered and continue to prosper from our close ties and common interests.

I think I also speak for many of my colleagues when I say that the achievements and growth of Indonesia over the past 25 years are truly impressive by any standards. I congratulate President Soeharto and the people of Indonesia on the many achievements they have made since independence and wish them continued success for the next 50 years.

I am confident that the strong relationship between our two great nations will continue not only for the next 50 years but well beyond.
THE AMERICAN JOBS AND MANUFACTURING PRESERVATION ACT
• Mr. LEAHY. Mr. President, I arise as an original cosponsor and strong supporter of Senator Dorgan’s bill, the “American Jobs and Manufacturing Preservation Act.”

Mr. President, many people in Washington talk about cutting corporate welfare. But my colleague from North Dakota has actually written legislation that will cut corporate welfare by $1.5 billion over the next 5 years. I applaud his commitment to ending corporate welfare once and for all.

Over the years, big business and other special interests have lobbied hard for tax subsidies for specific industries. And, unfortunately, they have been successful on occasion. These wasteful special interest tax subsidies do not increase economic growth. To the contrary, wasteful special interest tax subsidies only add to our deficit, which puts a drag on our whole economy.

Like an old-fashioned pork sausage, it is amazing what is actually in our Internal Revenue Code. This bill reveals one of the most infamous examples of “corporate pork” in our tax laws today—the tax deferral on income of controlled foreign corporations. These tax laws allow US firms to delay tax on income earned by their foreign subsidiaries until the profit is transferred to the United States. Many US multinational corporations naturally drag their feet when transferring profits back to their corporate headquarters to take advantage of this special tax break. But the millions of small business owners—who make up over 95 percent of businesses in my home State of Vermont—do not have the luxury of paying their taxes later by parking profits in a foreign subsidiary.

The American Jobs and Manufacturing Preservation Act closes this tax loophole by taking aim at past abuses. It would end the tax deferral where US multinationals produce abroad and then ship those products back to the United States. As a result, the bill terminates the current tax incentive for corporations to ship jobs overseas.

The Progressive Policy Institute, a middle-of-the-road think tank, along with the liberal Center on Budget and Policy Priorities and the conservative Cato Institute, have all recommended that Congress repeal the tax deferral on income of controlled foreign corporations. Budget experts on the right, center, and left all agree that this tax deferral is a pork-barrel tax loophole just as wasteful as pork-barrel programs.

Mr. President, I urge my colleagues to support the American Jobs and Manufacturing Preservation Act.

CONGRATULATING DR. SAM WILLIAMS FORwinning the 1995 MEDAL of TECHNOLOGY
• Mr. ABRAHAM. Mr. President, I rise today to congratulate Dr. Sam Williams, Chairman and Chief Executive Officer of Williams International, on his winning the 1995 Medal of Technology. This medal is given by the US Department of Commerce in recognition of Dr. Williams’ unequalled achievements as a gifted inventor, tenacious entrepreneur, risk-taker and engineer in pushing the technology and competitiveness, and for his leadership and vision in revitalizing the US general aviation business, jet and trainer jet aircraft industry.

I can think of no one who deserves this recognition more than Dr. Williams. He pioneered the design and development of small gas turbine engines at a time when most companies were preoccupied with developing larger engines. He blazed a new trail by developing engines for general aviation, jet aircraft, missiles, and unmanned vehicles such as the Tactic Rainbow and TSSAM.

And Dr. Williams did not stop there. He led the design and development of the FJ 44 turbofan engine, an engine that makes possible a new class of lightweight business jet aircraft and new low-cost military and civil trainers.

Dr. Williams has contributed greatly to America’s technological advancements, to our defense and to our provision of good jobs to our citizens. He has brought enormous high paying, long lasting jobs to the Detroit metropolitan area and his continued success promises continued advancement for America’s technology and her workers.

UNITED STATES POLICY ON HUMAN RIGHTS IN CHINA
• Mr. FEINGOLD. Mr. President, this week President Clinton will be meeting in New York with Chinese President Jiang Zemin. We can recall that about this time last year, in Indonesia, President Clinton also met with Jiang Zemin; going into that meeting the President declared: “the United States, perhaps more than any other country in this world, consistently and regularly raises human rights issues.” I expect that in the reports coming out of this latest meeting we will hear that President Clinton once again took issue with the Chinese leadership for the egregious abuse of human rights in China.

I only wish, Mr. President, that we were heading in the right direction on human rights. In fact, the Chinese leadership appears to have taken the exact opposite lesson from what we have been saying. The Chinese Government has essentially abandoned a policy linking MFN status for China to an improvement of its human rights situation. The administration argued that U.S. business investment and overall improved economic ties would lead the Chinese in the right direction on human rights. In fact, the Chinese leadership appears to have taken the exact opposite lesson: that the United States puts corporate interests, market access, and profits before fundamental rights.

Mr. President, we have in MFN a weapon that the Chinese fear. Whenever it appears that its status is in question, they cancel high-level official contacts. They threaten to limit the access of American corporations lasting after a potentially huge market. Why are the Chinese so preoccupied in their reaction? The $20 billion trade surplus China has with us, a surplus it uses to continue financing its economic development, might have something to do with it.

It is clear that the Chinese care deeply about this trade relationship and the benefits it brings to their economy. We have leverage, and we should use it to oppose egregious human rights abuses,
such as slave labor, torture, and disappearances of Chinese citizens.

President Clinton did this effectively earlier this year when, in response to flagrant Chinese piracy violations against United States companies, President Clinton threatened to slap $1.1 billion worth of trade sanctions on China. Rather than face economic retaliation, the Chinese immediately promised to make statutory changes to address this problem. I am proud that the United States was willing to stand up for our software industry; it should do the same for human beings.

This is one of the reasons I introduced legislation in July to revoke MFN status from China because of its human rights record. We have had strong bipartisan support for linking MFN and human rights in the past. Taking that action will get Chinese attention in a concrete manner, in a way that words have not and cannot, and I renew my call to have such a resolution passed and supported by the administration.

Alternatively, I would welcome another strategy the administration could put forth for how human rights can be more effectively protected and promoted in China. Clearly, raising the issue has not been successful. This week’s meeting is an opportunity to pursue this issue more aggressively, and I would urge the President to do so.

CHANGES TO THE BUDGET RESOLUTION REVENUE ALLOCATIONS

Mr. DOMENICI. Mr. President, upon the reporting of a reconciliation bill, section 205(b) of House Concurrent Resolution 67 requires the chairman of the Senate Budget Committee to appropriately revise the budgetary allocations and aggregates to accommodate the revenue reductions in the reconciliation bill.

Pursuant to Sec. 205(b) of House Concurrent Resolution 67, the 1996 budget resolution, I hereby submit revisions to the first- and 5-year revenue aggregates contained in House Concurrent Resolution 67 for the purpose of consideration of S. 1357, the Balanced Budget Reconciliation Act of 1995.

The material follows:

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<td>Current revenue aggregates</td>
<td>$1,042,500,000,000</td>
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<td>Revised revenue aggregates</td>
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CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The text of the bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes, as passed by the Senate on October 19, 1995, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 927) entitled “An Act to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes”, do pass with the following amendment:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
(a) SHORT TITLE.—This Act may be cited as “Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995’.’
(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

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<th>Sec.</th>
<th>1. Short Title; table of contents.</th>
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<tr>
<td>Sec.</td>
<td>2. Findings.</td>
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<td>Sec.</td>
<td>3. Purposes.</td>
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<td>Sec.</td>
<td>4. Definitions.</td>
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TITLES I–STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

Sec. 101. Statement of Policy.

Sec. 102. Authorization of support for democratic and human rights groups and international observers.

Sec. 103. Enforcement of the economic embargo of Cuba.

Sec. 104. Prohibitions against indirect financing of Cuba.

Sec. 105. United States opposition to Cuban membership in international financial institutions.

Sec. 106. United States opposition to termination of the suspension of the Government of Cuba from participation in the Organization of American States.

Sec. 107. Reaffirmation by the Government of Cuba with faith with the people of Cuba, and has been effective vehicles for providing the people of Cuba with news and information and have ensured the international community’s continued awareness of, and concern for, the plight of Cuba.

Sec. 108. Television broadcasting to Cuba.

Sec. 109. Reports on commerce with, and assistance to, Cuba from other foreign countries.

Sec. 110. Importation safeguard against certain Cuban products.

Sec. 111. Reinstatement of family remittances and travel to Cuba.

Sec. 112. News bureaus in Cuba.

Sec. 113. Impact on lawful United States Government activities.

SEC. 102. AUTHORIZATION OF SUPPORT FOR A FREE AND INDEPENDENT CUBA

Sec. 201. Policy toward a transition government and a democratically elected government in Cuba.


Sec. 203. Implementation; reports to Congress.

Sec. 204. Termination of the economic embargo of Cuba.

Sec. 205. Requirements for a transition government.

Sec. 206. Factors for determining a democratically elected government.

Sec. 207. Settlement of outstanding United States claims to confiscated property in Cuba.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economy of Cuba has experienced a decline of approximately 60 percent in the last 5 years as a result of—
(2) The reduction in subsidies from the former Soviet Union;
(3) 36 years of Communist tyranny and economic mismanagement by the Castro government;
(4) The precipitous decline in trade between Cuba and the countries of the former Soviet bloc; and
(5) The policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba predomi-

At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of Cuba’s economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba or to adopt any economic or political reforms that would lead to democracy, a market economy, or an economic recovery.

The repression of the Cuban people, including a ban on free and fair democratic elections and the continuing violation of fundamental human rights, has isolated the Cuban regime as the only non-democratic government in the Western Hemisphere.

As long as no such economic or political reforms are adopted by the Cuban Government, the economic condition of the country and the welfare of the Cuban people will not improve in any significant way.

Fidel Castro has defined democratic pluralism as “pluralistic garbage” and has made clear that he has no intention of permitting free and fair democratic elections in Cuba or otherwise tolerating the democratization of Cuban society.

The Castro government, in an attempt to retain absolute political power, continues to utilize repression and has from its inception, torture in various forms (including psychiatric abuse), execution, exile, confiscation, political imprisonment, and other forms of terror and repression as most repugnant demonstrated by the massacre of more than 40 Cuban men, women, and children attempting to flee Cuba.

The Castro government holds hostage in Cuba innocent Cubans whose relatives have escaped the country.

The Castro government has threatened international peace and security by engaging in acts of armed subversion such as the training and supplying of groups dedicated to the overthrow of the United States.

The completion and any operation of a nuclear-powered facility in Cuba, for energy generation or otherwise, poses an unacceptable threat to the national security of the United States.

The unleashing on United States shores of thousands of Cuban refugees fleeing Cuban oppression will be considered an act of aggression.

The Government of Cuba engages in illegal international narcotics trade and harvests fugitives from justice in the United States.

The totalitarian nature of the Castro regime has deprived the Cuban people of any peaceful means to improve their condition and has led thousands of Cuban citizens to risk or lose their lives in dangerous attempts to escape from Cuba to freedom.

Attempts to escape from Cuba and courageous acts of defiance of the Castro regime by Cuban pro-democracy and human rights groups have ensured the international community’s continued awareness of, and concern for, the plight of Cuba.

The Cuban people deserve to be assisted in a decisive manner in order to end the tyranny that has oppressed them for 36 years.

Radio Marti and Television Marti have been effective vehicles for providing the people of Cuba with news and information and have helped to bolster the morale of the Cubans living under tyranny.

The consistent policy of the United States towards Cuba since the beginning of the Castro regime, carried out by both Democratic and Republican administrations, has sought to keep faith with the people of Cuba, and has been effective in isolating the totalitarian Castro regime.
SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to assist the Cuban people in regaining their freedom and prosperity, as well as in joining their democratically elected government in countries that are flourishing in the Western Hemisphere;

(2) to strengthen international sanctions against the Castro government;

(3) to continue international claims settlement negotiations, as required by the Cuban Claims Settlement Act of 1986, for claims against the Castro government, which negotiations have been determined as being in the national interests of the United States; and

(4) in view of the threat to the national security posed by the operation of any nuclear facility, and the Castro government's continuing blackmail to unleash another wave of Cuban refugees fleeing from Castro's oppression, to make it clear to the Cuban Government that—

(A) the completion and operation of any nuclear power facility, or

(B) any further political manipulation of the desire of Cubans to escape that results in mass migration to the United States.

SEC. 4. DEFINITIONS.

As used in this Act, the following terms have the following meanings:

(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE.—The term "agency or instrumentality of a foreign state" has the meaning given that term in section 1603(b)(1) of title 28, United States Code, except as otherwise provided for in this Act under paragraph 4(5).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) COMMERCIAL ACTIVITY.—The term "commercial activity" has the meaning given that term in section 1603(d) of title 28, United States Code.

(4) CONFOCATED.—The term "confiscated" refers to

(A) the nationalization, expropriation, or other seizure by the Cuban Government of ownership or control of property, on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban Government of, or the failure by the Cuban Government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban Government;

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban Government;

(iii) any debt which was incurred by the Cuban Government in satisfaction or settlement of a confiscated property claim.

(5) CUBAN GOVERNMENT.—(A) The term "Cuban Government" and "Government of Cuba" include the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term "agency or instrumentality" is used within the meaning of section 1603(b)(1) of title 28, United States Code.

(6) DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.—The term "democratically elected government in Cuba" means a government that the President has determined as being democratically elected, taking into account the factors listed in section 206.


(8) FOREIGN NATIONAL.—The term "foreign national" means—

(A) an alien, or

(B) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(9) OFFICIAL OF THE CUBAN GOVERNMENT OR THE RULING POLITICAL PARTY IN CUBA.—The term "official of the Cuban Government or the ruling political party in Cuba" refers to members of the Council of Ministers, Council of State, central committee of the Cuban Communist Party, the Politburo, or their equivalents.

(10) PROPERTY.—(A) The term "property" means any property (including patents, copyrights, trademarks, and other forms of intellectual property), whether real, personal or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest therein.

(B) For purposes of title III of this Act, the term "property" shall not include real property used for residential purposes, unless, at the time of enactment of this Act—

(i) the claim to the property is held by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by an official of the Cuban Government or the ruling political party in Cuba.

(11) TRANSITION GOVERNMENT IN CUBA.—The term "transition government in Cuba" means a government that the President determines as being a transition government consistent with the requirements and factors listed in section 204.

(12) UNITED STATES NATIONAL.—The term "United States national" means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has a principal place of business in the United States.

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

SEC. 101. STATEMENT OF POLICY.

It is the sense of the Congress that—

(1) the acts of the Castro government, including its massive, systematic, and extraordinary violations of human rights, are a threat to international peace;

(2) the President should advise, and shall instruct the United States Permanent Representative to the United Nations to propose and seek within the Security Council a mandatory international embargo against the totalitarian Government of Cuba pursuant to chapter VII of the Charter of the United Nations, employing efforts similar to consultations conducted by United States representatives with respect to Haiti;

(3) any recognition of the independent state of the former Soviet Union to make operational the nuclear facility at Cienfuegos, Cuba, and the continuation of intelligence activities from Cuba targeted at the United States, will be met with an appropriate response in order to maintain the security of the national borders of the United States and the health and safety of the American people.

SEC. 102. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) AUTHORIZATION.—The President is authorized to furnish assistance to and make available for independent international human rights groups and international observers—

(1) to encourage the holding of free and fair democratic elections in Cuba;

(2) to provide for the continued national security of the American people.

(b) DENIAL OF FUND TO THE GOVERNMENT OF CUBA.—In implementing this section, the President shall take all necessary steps to ensure that no funds or other assistance are provided to the Government of Cuba or any of its agencies, entities, or instrumentalities.

(c) SUPERSEDES OTHER LAWS.—Assistance may be provided under this section notwithstanding any other provision of law, except for section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2370f) and the notification requirements contained in sections of the annual foreign operations, export financing, and related programs appropriations Act.

SEC. 103. ENFORCEMENT OF THE ECONOMIC EMBARGO OF CUBA.

(a) POLICY.—(1) The Congress hereby reaffirms section 1704(a) of the Cuban Democracy Act of 1992, which states the President should encourage foreign countries to restrict trade and credit relations with Cuba in a manner consistent with the purposes of that Act.

(2) The Congress further urges the President to take immediate steps to apply the sanctions described in section 1704(b)(1) of such Act against countries assisting Cuba.

(b) DIPLOMATIC EFFORTS.—The Secretary of State should ensure that United States diplomatic personnel abroad understand and, in the events with foreign officials, communicate the reasons for the United States economic embargo of Cuba, and are urging foreign governments to cooperate more effectively with the embargo.

(c) EXISTING REGULATIONS.—The President shall instruct the Secretary of the Treasury and the Attorney General to enforce fully the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

(d) TRADING WITH THE ENEMY ACT.—(1) Subsection (a) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(b)), as added by Public Law 102-484, is amended to read as follows:

(2) A civil penalty of not to exceed $50,000 may be imposed by the Secretary of the Treasury on any person who violates any license,
order, rule, or regulation issued in compliance with the provisions of this Act.

"(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with their equipment, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the direction of the Secretary of the Treasury, be forfeited to the United States Government.

"(3) The penalties provided under this subsection may be imposed only on the record after an opportunity for hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

"(4) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code.

"(2) Section 16 of the Trading With the Enemy Act is amended—
(A) by striking subsection (b), as added by Public Law 102–96; and
(B) by striking subsection (c).

"(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS UNDER THE ECONOMIC EMBARGO OF CUBA.—Section 31 of the Trading with the Enemy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—
(1) by striking "and" at the end of subpara-
graph (A); and
(2) by redesignating subparagraph (B) as sub-
paragraph (C); and
(3) by inserting after subparagraph (A) the fol-
lowing new subparagraph (B):
"(B) includes an exchange, reduction, or for-
giveness of Cuban debt owed to a foreign coun-
try in return for a grant of an equity interest in a property, investment, or operation of the Gov-
ernment of Cuba or of a Cuban national; and"

"SEC. 104. PROHIBITION AGAINST INDIRECT FIN-
ANCING OF CUBA.

(a) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other fi-
cancing may be extended knowingly by a United
States financial institution, a political subdi-
vision of Cuba, or a United States agency to a foreign or United
States national for the purpose of financing transactions involving any property confiscated by the
Cuban Government that is owned by a United States national as of the date of enactment of this Act, except for financ-
ing the owner of the property or the claim there-
to through a United States financial institution.

(b) SUSPENSION AND TERMINATION OF PROHIBI-
TION.—(1) The President is authorized to sus-
pend this prohibition upon a determination pur-
suant to section 203(a).

(2) The prohibition in subsection (a) shall cease to apply on the date of termination of the economic embargo of Cuba, as provided for in section 201.

"(c) PENALTIES.—Violations of subsection (a) shall be punishable by such civil penalties as are applicable to similar violations of the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

"SEC. 105. UNITED STATES OPPOSITION TO CUBAN MEM-
BERSHIP IN INTERNATIONAL FINANCIAL IN-
STITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEM-
BERSHIP IN INTERNATIONAL FINANCIAL IN-
STITUTIONS.

(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director of each inter-
national financial institution to use the voice and vote of the United States to oppose the ad-
mission of Cuba as a member of such institution until the President submits a determination pursu-
ant to section 203(c).

(2) Once the President submits a determina-
tion under section 203(a) that a transition gov-
ernment in Cuba is in power, and

(b) the Secretary of the Treasury is author-
ized to instruct the United States executive di-
rector of each international financial institution to support loans or other assistance to Cuba only to the extent that such loans (including the sale of petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—
(C) the making of commercial loans to Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy; and
(D) the exchange, reduction, or forgiveness of Cuban debt in return for a grant by the Cuban Government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national.

"(4) CUBAN GOVERNMENT.—(A) The term "Cuban Government" includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

"(B) For purposes of paragraph (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b)(5) of title 28, United States Code.

"(D) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the existence in Cuba of the Multilateral Investment Guaranty Agency, which provides $200,000,000 in support of the intelligence facili-
ty at Lourdes, Cuba, announced in November

"1994.

(2) Section 498a of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

"(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress toward the withdrawal of personnel of any independent state of the former Soviet Union under section 203(c) that a democratically elect-
ed government in Cuba is in power.

"(b) ASSISTANCE BY THE INDEPENDENT STATES OF THE FORMER SOVIET UNION FOR THE GOVERNMENT OF CUBA.

(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress toward the withdrawal of personnel of any independent state of the former Soviet Union (within the meaning of section 3 of the FREEDOM Support Act (22 U.S.C. 5801)), in-
cluding all military personnel and military per-
sonnel, from the Cienfuegos nuclear facility in Cuba.

(b) CRITERIA FOR ASSISTANCE.—Section 498a(a)(11) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(a)(11)) is amended by striking "military facilities" and inserting "military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cien-
fuegos."

"(c) INELIGIBILITY FOR ASSISTANCE.—(1) Section 498a(b) of that Act (22 U.S.C. 2295a(b)) is amended—
(A) by striking "or" at the end of paragraph (4); and
(B) by redesignating paragraph (5) as para-
graph (6); and
(C) by inserting after paragraph (4) the fol-
lowing:
"(5) except for assistance under the secondary school exchange program administered by the United States Information Agency, for the gov-
ernment of any independent state effective 30 days after the President has determined and certified to the appropriate congressional com-
mittees (and Congress has not enacted legis-
lative authority at Lourdes, Cuba, announced in November

"1994.

"(b) AT THE TIME OF A CERTIFICATION MADE WITH RESPECT TO RUSSIA PURSUANT TO SUBPARAGRAPH (A), THE PRESIDENT SHALL SUBMIT TO THE APPROPRIATE CONGRESSIONAL COMMITTEES A REPORT DESCRIBING THE INTELLIGENCE ACTIVITIES OF RUSSIA IN CUBA, INCLUDING THE PURPOSES FOR WHICH THE LOURDES FACILITY IS USED BY THE RUSSIAN GOVERNMENT AND THE EXTENT TO WHICH THE RUSSIAN GOVERNMENT PROVIDES PAYMENT OR GOVERNMENT CREDITS TO THE CUBAN GOVERNMENT FOR THE CONtinued USE OF THE LOURDES FACILITY.

THE REPORT REQUIRED BY SUBPARAGRAPH (B) MAY BE SUBMITTED IN CLASSIFIED FORM.

"(D) FOR PURPOSES OF THIS PARAGRAPH, THE TERM 'INTELLIGENCE ACTIVITIES' INCLUDES THE ACTIVITIES OF THE RUSSIAN GOVERNMENT IN CUBA THAT THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE OF THE HOUSE OF REPRESENTATIVES AND THE SELECT COMMITTEE ON INTELLIGENCE OF THE SENATE HAS CONCLUDED ARE OF A PRIORITY OF RUSSIAN INTELLIGENCE INTEREST.
"(A) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

(B) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

(C) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

(D) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

(E) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

(F) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

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(a) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

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(5) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.

(6) to assist the movement of Cuban political prisoners, in order to bring about a democratic transition in Cuba, and for other purposes.
annual foreign operations, export financing, and related programs appropriations Act.

(b) RESPONSE PLAN.—

(1) DEVELOPMENT OF PLAN.—The President shall, after consulting with the appropriate congressional committees, develop a response plan detailing, to the extent possible, the manner in which the United States would provide and implement support for the Cuban people in response to the formation of—

(A) a democratically elected government in Cuba; or

(B) a democratically elected government in Cuba.

(2) TYPES OF ASSISTANCE.—Support for the Cuban people under the plan described in paragraph (1) shall include the following types of assistance:

(A) TRANSITION GOVERNMENT.—(i) The plan developed under paragraph (1)(A) for assistance to a transition government in Cuba shall be limited to such food, medicine, medical supplies and other assistance as may be necessary to meet the basic human needs of the Cuban people.

(ii) When a transition government in Cuba is in power, the President is encouraged to remove or modify restrictions that may exist on—

(I) remittances by individuals to their relatives of cash or humanitarian items, and

(II) travel by family members to travel to Cuba other than that the provision of such services and costs in connection with such travel shall be internationally competitive.

(iii) The United States Congress shall, not later than 60 days after the date of the enactment of this Act, establish a transition government in Cuba, to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(B) DEMOCRATICALLY ELECTED GOVERNMENT.—The plan developed under paragraph (1)(B) for assistance for a democratically elected government in Cuba should consist of assistance to promote development, democratic enterprise, and a mutually beneficial trade relationship between the United States and Cuba. Such assistance should include—

(i) financing, guarantees, and other assistance provided by the Export-Import Bank of the United States;

(ii) insurance, guarantees, and other assistance provided by the Overseas Private Investment Corporation for investment projects in Cuba;

(iii) assistance provided by the Trade and Development Agency and other United States agencies.

(iv) international narcotics control assistance provided under chapter 8 of part I of the Foreign Assistance Act of 1961; and

(v) Peace Corps activities.

(C) INTERNATIONAL EFFORTS.—The President is encouraged to take the necessary steps—

(1) to seek to obtain the agreement of other countries and multinational organizations to provide assistance to a transition government in Cuba and to a democratically elected government in Cuba; and

(2) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(d) REPORT ON TRADE AND INVESTMENT RELATIONS.—

(1) REPORT TO CONGRESS.—The President, following the transmittal to the Congress of a determination under section 203(c) that a democratically elected government in Cuba is in power, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees a report that describes—

(A) acts, policies, and practices which constitute, or do not constitute, support of United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding the ability to support a democratically elected government in Cuba, and the reasons therefor, including possible—

(I) reciprocal extension of nondiscriminatory trade treatment (most-favored-nation treatment);

(ii) designation of Cuba as a beneficiary developing country under Title V of the Trade Act of 1974 (relating to the Generalized System of Preferences) or as a beneficiary country under the Caribbean Basin Economic Recovery Act, or as a beneficiary developing country designated with respect to trade and any other country that is such a beneficiary developing country or beneficiary country or is a party to the North American Free Trade Agreement; and

(iv) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement.

(2) CIVIL TRADE AND INVESTMENT RELATIONS.—

(C) specific trade negotiating objectives of the United States with respect to Cuba, including the objectives described in section 108(b)(5) of the North American Free Trade Agreement Impeachment Act; and

(D) actions proposed or anticipated to be undertaken, and any proposed legislation necessary or appropriate, to achieve any of such policy and negotiating objectives.

(2) CONSULTATION.—The President shall consult regularly with the appropriate congressional committees and shall seek advice from the appropriate advisory committees established under title V of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

(3) COMMUNICATION WITH THE CUBAN PEOPLE.—The President is encouraged to take the necessary steps to communicate with the Cuban people regarding this section of the plan described in paragraph (1).

(f) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under this section.

SEC. 203. IMPLEMENTATION; REPORTS TO CONGRESS.

(a) IMPLEMENTATION WITH RESPECT TO TRANSITION GOVERNMENT.—Upon making a determination, consistent with the requirements and factors in section 205, that a transition government in Cuba is in power, the President shall transmit to the appropriate congressional committees a report on the transition government referred to in paragraph (1), except that the President shall consult regularly with the appropriate congressional committees regarding the development of the plan.

(b) IMPLEMENTATION WITH RESPECT TO DEMOCRATICALLY ELECTED GOVERNMENT.—Upon making a determination, consistent with section 206, that a democratically elected government in Cuba is in power, the President shall transmit to the appropriate congressional committees a report on the development of the plan; and shall seek advice from the appropriate advisory committees established under title V of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

(c) REPORTS TO CONGRESS.—(1) The President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under subsection (a), including a description of each type of assistance to Cuba authorized under section 202, including a description of each type of assistance, the amounts expended for such assistance, and a description of the assistance to be provided to Cuba, as determined by the President, after consulting with the Congress, is appropriate to take steps to suspend the economic embargo on Cuba and to suspend application of the right of action created in section 302(c) of the Trade Act of 1974 with respect to Cuba.

(2) THE COMMITTEE ON FOREIGN RELATIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(a) that a transition government in Cuba is in power, the President shall report to the Committee on Foreign Relations, the matter after the resolving clause of which is as follows: “That the Congress disapproves the action of the President under section 204(a) of the Cuba Liberty and Democratic Solidarity Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Committee on Commerce, Science, and Transportation under section 204(c) of such Act.”

(b) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—In carrying out subsection (a), the President may suspend the enforcement of—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) with regard to the “Republic of Cuba”;

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005);

(4) section 902(c) of the Food Security Act of 1985; and

(5) the prohibitions on transactions described in part 515 of title 31, Code of Federal Regulations.

(c) ADDITIONAL PRESIDENTIAL ACTIONS.—

(1) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—Upon submitting a determination to the appropriate congressional committees under section 203(c) that a democratically elected government in Cuba is in power, the President shall take steps to terminate the economic embargo of Cuba.

(d) CONFORMING AMENDMENTS.—On the date on which the President submits a determination under section 203(c):—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is repealed;

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended by striking “Republic of Cuba”;

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005) are repealed;

(4) section 902(c) of the Food Security Act of 1985 is repealed.

(e) REVIEW OF SUSPENSION OF ECONOMIC EMBARGO.

(1) REVIEW.—If the President takes action under subsection (a) to suspend the economic embargo of Cuba, the President shall, immediately thereafter, inform Congress of such action, and, after the resolving clause of which is as follows: “That the Congress disapproves the action of the President under section 204(a) of the Cuba Liberty and Democratic Solidarity Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Committee on Commerce, Science, and Transportation under section 204(c) of such Act.”

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term “joint resolution” means only a joint resolution of the 2 Houses of Congress, by enrollment, after the resolving clause of which is as follows: “That the Congress disapproves the action of the President under section 204(a) of the Cuba Liberty and Democratic Solidarity Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Committee on Commerce, Science, and Transportation under section 204(c) of such Act.”

(f) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on Foreign Relations and joint resolutions introduced in the Senate shall be referred to the Committee on Foreign Relations.
(4) Procedure.—(A) Any joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1994.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution shall be agreed to by a simple majority vote of the Senate in the 6-month period beginning on the date on which the President notifies the Congress under paragraph (1) of the action taken under subsection (a), and in each 6-month period thereafter.

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

(a) A determination under section 202(a) that a transition government in Cuba is in power shall not be made unless that government has taken the following actions—

(1) legalized all political activity;

(2) released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(3) dissolved the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades; and

(4) has committed to organizing free and fair elections for a new government—

(A) to be held in a timely manner within 2 years after the transition government assumed power;

(B) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(C) to be conducted under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other election monitors;

(b) In addition to the requirements in subsection (a), in determining whether a transition government in Cuba, the President shall take into account the extent to which that government—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has publicly committed itself to, and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights;

(C) effectively guaranteeing the rights of free speech and freedom of the press, including granting privately owned newspapers and telecommunications companies to operate in Cuba;

(D) permitting the reinstatement of citizenship to Cuban-born nationals returning to Cuba;

(E) assuring the right to private property; and

(F) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(3) has ceased any interference with broadcasts by Radio Marti or the Television Marti Service;

(4) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people; and

(5) has implemented throughout Cuba of independent and unfettered international human rights monitors.

SEC. 206. FACTORS FOR DETERMINING A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of determining under section 203(c) of this Act whether a democratically elected government in Cuba is in power, the President shall take into account, and the extent to which—

(1) results from free and fair elections—

(A) conducted under the supervision of internationally recognized observers; and

(B) in which opposition parties were permitted ample time to organize and campaign for such elections, and in which all candidates in the elections were permitted full access to the media;

(2) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(3) is substantially moving toward a market-oriented economic system based on the right to own and enjoy property;

(4) is committed to making constitutional changes that would ensure regular free and fair elections and the full enjoyment of basic civil liberties and human rights by the citizens of Cuba; and

(5) is continuing to comply with the requirements of section 205.

SEC. 207. EMBARGO OF OUTSTANDING UNITED STATES CLAIMS TO CONFISCATED PROPERTY IN CUBA.

(a) Support for a Transition Government.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a transition government in Cuba; and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a transition government in Cuba, except for assistance to meet the emergency humanitarian needs of the Cuban people, unless the President determines and certifies to Congress that such a government has publicly committed itself, and is taking appropriate steps, to establish a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, by any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(b) Support for Democratically Elected Government.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a democratically elected government in Cuba; and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a democratically elected government in Cuba, unless the President determines and certifies to Congress that such a government has publicly committed itself, and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights;

(C) effectively guaranteeing the rights of free speech and freedom of the press, including granting privately owned newspapers and telecommunications companies to operate in Cuba;

(D) permitting the reinstatement of citizenship to Cuban-born nationals returning to Cuba;

(E) assuring the right to private property; and

(F) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(3) has ceased any interference with broadcasts by Radio Marti or the Television Marti Service;

(4) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people; and

(5) has implemented throughout Cuba of independent and unfettered international human rights monitors.

(b) Waiver.—The President may waive the prohibitions in subsections (a) and (b) if the President determines and certifies to Congress that it is in the vital national interest of the United States to provide assistance to contribute to the stable foundation for a democratically elected government in Cuba.
Mr. President, I ask unanimous consent that reading of the bill be dispensed with.

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

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 2. SALARY ADJUSTMENTS FOR THE BOARD OF GOVERNORS OF THE UNITED STATES POSTAL SERVICE.

(a) In General.—Section 302(a) of title 39, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out the fifth and sixth sentences; and

(3) by adding at the end thereof the following new paragraph:

"(2)(A) Each Governor shall receive—

(i) a salary of $30,000 a year as adjusted by subparagraph (C);

(ii) $300 a day for not more than 42 days each year, for each day such Governor—

(I) attends a meeting of the Board of Governors; or

(ii) performs the official business of the Board as approved by the Chairman; and

(iii) reimbursement for travel and reasonable expenses incurred in attending meetings and performing the official business of the Board.

(2) Nothing in subparagraph (A) shall be construed to limit the number of meetings each Governor shall be required to attend under section 3303 of title 5 in the rate of pay under the General Schedule, the salary of each Governor shall be adjusted by the percentage equal to the percentage adjustment in such General Schedule rates of pay.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first applicable pay period beginning on or after the date on which an amendment takes effect under section 5303 of title 5 in the rates of pay of the Federal Government.

The PRESIDING OFFICER. The amendment I offer today, on behalf of myself and Senators Simon and Pryor, would rectify a situation which has gone unattended for far too long. This amendment would, for the first time in the history of the Postal Reorganization Act, Congress created an 11-member Board of Governors whose duties are to direct and control the expenditures and review the practices and policies of the Postal service. Nine of the members are private citizens who are nominated by the President and confirmed by the Senate to serve 7-year terms. In addition, members represent the Board on other occasions—as technical advisors to the Postmaster General—which they do not receive the daily rate.

How does this compare with other boards within the Federal Government? Not well. For example, board members for Fannie Mae, Sallie Mae, and Freddie Mac all receive at least double the annual Postal Service Board salary. And, that doesn’t take into account the much higher daily meeting rates they receive.

Mr. President, I ask unanimous consent to reprint in the RECORD at this point a chart comparing the compensation of the Postal Service Board of Governors with Fannie Mae, Sallie Mae, and Freddie Mac.

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

<table>
<thead>
<tr>
<th>Organization</th>
<th>Board of Directors</th>
<th>Retainer</th>
<th>Additional Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>USPS</td>
<td>9 Governors</td>
<td>$10,000</td>
<td>$300 a day for not more than 42 days each year.</td>
</tr>
<tr>
<td>Fannie Mae</td>
<td>18 (13 elected annually by the common stockholders &amp; 5 appointed annually by the President)</td>
<td>$23,000</td>
<td>$1,000 annually for personal attendance at Board or Board committee meetings.</td>
</tr>
<tr>
<td>Sallie Mae</td>
<td>21 (14 elected annually by the common stockholders &amp; 7 appointed annually by the President)</td>
<td>$20,000</td>
<td>$1,000 annually for participation in Board or Board committee meetings.</td>
</tr>
<tr>
<td>Freddie Mac</td>
<td>18 (13 elected annually by the common stockholders &amp; 5 appointed annually by the President)</td>
<td>$20,000</td>
<td>$1,000 annually for participation in Board or Board committee meetings.</td>
</tr>
<tr>
<td>Federal Express Corp.</td>
<td>14 (5 elected by the common stockholders &amp; 9 appointed by the corporation)</td>
<td>$10,000</td>
<td>$1,000 annually for participation in Board or Board committee meetings.</td>
</tr>
</tbody>
</table>
Mr. STEVENS. Mr. President, in addition, this chart shows the compensation received by members of the boards of the Postal Service’s private sector competitors like Federal Express and UPS.

Our amendment would provide a much-needed increase in the compensation for the Postal Service Board of Governors. First, we increase the annual salary of the governors to $30,000. Second, we allow the daily meeting rate to be paid for performance of official business as determined by the chairman of the board, up to the current annual adjournment of 42 days per year. And, third, we create an automatic annual pay adjustment which is equivalent to that received by Federal employees.

I urge my colleagues to support this amendment.

Mr. FRIST. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time and passed, as amended.

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

So the bill (H.R. 1606), as amended, was deemed read for a third time and passed.
most of the proposed tax cuts as untimely at best and pandering at worst. I would agree that there is one area of tax relief that could be reasonably undertaken at this time, and that is reduction in the capital gains tax rate. The proposal will allow all capital gains of individuals to exclude 50 percent of capital gains from taxation, while dropping the corporate capital gains rate from 35 to 28 percent, would cost the Treasury some $40 billion in revenue foregone over 5 years.

As I see it, this would be a worthwhile expenditure. It would help release some $1.5 trillion in locked-up capital gains to pursue investment opportunities that create jobs and growth in the U.S. economy. By one estimate, this would result in a rise in gross domestic product of 1.4 percent and result in $12 million in increased federal tax revenues.

Another right note that the individual beneficiaries of capital gains tax relief are by no means limited to wealthy stockholders. A recently updated U.S. Treasury study shows that nearly one-half of all capital gains are realized by taxpayers whose wage and salary incomes of less than $50,000. And these would include every homeowner who has benefited from an increase in the value of his house over recent years.

Notwithstanding my support for this one tax provision, I must reiterate my view that the overall tax package is untimely and inappropriate. Together with the other major flaws of the bill, there is compelling reason to vote against the bill, and good cause for the President to veto the measure as he has promised to do, in the likelihood that Congress approves it.

Our task will not end there. Assuming the probability that the President's veto cannot be overridden, the real work will have to begin to devise a compromise that can be enacted. My hope is that reason, compassion, and responsibility will prevail and that the many excesses of this bill will be recast into more reasonable measure.

I yield the floor.

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

Mr. LAUTENBERG. I thank the Chair.

WHOSE SIDE ARE YOU ON?

Mr. LAUTENBERG. I will try to confine my remarks to 10 minutes, not simply to distinguish the occupant of the Chair from further duty but to try and consolidate the message so that it has meaning and is clearly understood.

Mr. President, I look at what is proposed in terms of this budget reconciliation, and I truly believe that the American people are being deceived; that there is kind of a sneak attack on senior citizens and the impoverished in our society; that they do not yet know what is planned for them for their future.

The question that arises is a very fundamental one, and that is, Whose side are you on? Whose side are we on in this body when we pass legislation? Are we on the side of the people who have worked hard, who try to put away a few bucks, who have tried to protect their security in their old age, who worry about what happens to them in their golden years?

Are we on the side of those who are making lots of money, who will get a benefit, the benefits of a tax cut that is being proposed as a result of the exorbitant increase that is being made of the senior citizen population of our country or of those who are dependent on Medicaid? It is a backdoor attack.

I do not mean to insult my friends on the other side of the aisle. I am describing what I think is their approach to decimate a program that has been of value. All one has to do is look at the human dimension as we discuss these programs. Forget about the accountant's approach for just a moment, forget about the fact that we are strapped, that we have to figure out ways out of our dilemma in terms of our budget deficit. I just think first about the people who are affected, think of those who worked hard, who put away small sums of money by paying the taxes, and who are going to have to pay over the next few years, who believe deeply that a Government contract, a contract with their Government was something of value that could not be diminished.

We know, Mr. President. That is, that that program, the Medicare Program, has worked incredibly well. All you have to do is look at the life expectancy in our population today and look at the quality of life that people can enjoy even as they age if their health is good, if they take care of themselves at the appropriate time, if they get the right kind of medication, if they get the right kind of physician attention or health care provider attention. The program has worked.

In Russia, in the Soviet Union, the life expectancy for a male on average is 57 years. Fifty-seven years in this country is beginning to look like the prime of life. I know guys who are becoming fathers for the first time at 57 years of age. It is not something I recommend. I have no opinion on it. I am simply stating a fact. Fifty-seven is young. Age 72, 73 is a time when lots of people can do things that they did when they were much younger.

I expect to be spending time with my grandchildren sometime to see. I do not like to tell anybody, but my next birthday is going to be my 72d birthday. I served in World War II. I worked hard all my life before I came to the Senate and, I think, since I have come to the Senate, because I believe so deeply in those things that this Government of ours can and should do for its citizens.

We are looking at a $270 billion cut in Medicare opportunity for our senior citizen, a $180 billion cut in Medicaid. Mr. President, those who are dependent on Medicaid are either impoverished or disabled. The senior citizen who runs out of funds, who needs nursing home care, which is becoming an evermore present condition in our society, and who has to spend their time in a nursing home depends on Medicaid for care.

Seventy-one percent of the funds applied for Medicaid are for senior citizens and the disabled. For the disabled, Mr. President we have seen people who are totally dependent on Medicaid support for the sustenance of their lives.

We had a young man in his 20's appear before the Budget Committee the other day breathing from a device on his wheelchair. And as he spoke, he was obviously straining for breath, straining for volume in his voice. He said, "If they cut out Medicaid the way they are planning, if they reduce it the way they are planning, I will lose my ability to continue my life." He is a college student. And that is what is going to happen. This is just not an accounting exercise.

Mr. President, I want us to see a balanced budget in our society, in our country. Frankly, I am not upset whether it takes 7 years or 10 years. I think if we get on the right kind of a down slope, we will be doing the right thing. We have other ways of getting to that balanced budget, as we have other programs that the elderly depend on for their health and well-being. We do not have to spend as much on defense as we are spending. We do not have to spend as much giving away mining claims to the corporation. We have other programs from the Federal Government that are beyond comprehension for most people. We do not have to continue to support wealthy corporate farms or corporate ranches. That is not necessary. But we do have to support people who depend upon us for their very existence. And those are the senior citizens and those who live as a result of having assistance from Medicaid.

Mr. President, again, the question is simply put, whose side are you on? And when we examine the sum of money, the sums that are being asked for reductions in health care programs, $270 billions is in the Medicare cut, a $245 billion tax break, much of it for the wealthiest in our society.

The House proposed that if you had an income of $350,000 a year, you would get a $20,000 tax break. How does that square? Mr. President, it does not square. We do not believe that it is necessary to save $270 billions in health care programs to save the program as the proponents are suggesting. This is the case where the medicine is far worse than the cure because it could kill you. The medicine can kill you when we start worrying elderly people about whether or not they are going to have to have health care, whether or not they are going to have to depend on their kids, having the kids worry about whether or not mom or pop or grandma or grandpop is going to have to come to them begging for them to take care.

That is what is going to happen if we go ahead with the program as proposed. (Mr. ASHCROFT assumed the chair.)
Mr. LAUTENBERG. Mr. President, I ask unanimous consent that a letter I have been printed in the RECORD. It comes from the chief actuary for the Health Care Financing Administration. It says that we need $89 billion to continue Medicare and its viability until the year 2006. The cut proposed by the Republican majority is to take care of things until 2002. They say it needs $270 billion. Let me correct the record, Mr. President, because I think there is an arithmetic error here. For $89 billion we can carry the program until the year 2002, $89 billion versus $270 billion.

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

HEALTH CARE FINANCING ADMINISTRATION,
THE ADMINISTRATOR,
Hon. Thomas Daschle, U.S. Senate, Washington, D.C.

Dear Senator Daschle: This is in response to your request for information about the effect on Medicare savings in the President's balanced budget initiative on the exhaustion date of the Hospital Insurance (HI) Trust Fund.

Attached is a memorandum that I have received from the Chief Actuary of the Health Care Financing Administration (HCFA). The memo indicates that the year-by-year savings in the President's plan, which would total $89 billion in Part A over the period 1996-2002, would extend the life of the HI Trust Fund from 2002 to the fourth quarter of fiscal year 2007. This estimate is based on the 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Fund intermediate assumption baseline.

Please let me know if I can provide any further information.

Sincerely,

Bruce C. Vladeck.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, I also want to include in the RECORD an article that appeared in the New York Times a couple weeks ago. It talks about the arrangement made between the House Republican leadership and the AMA and about how, by reducing the reductions that the doctors and the health providers may have to take, that, in fact, they were able to get the doctors, the AMA, aboard for their health plan.

Mr. President, while they were doing that for the doctors, they were not talking to the seniors who are alarmed by the prospects that their health care options are going to be substantially reduced. And I ask unanimous consent that this article from the New York Times be printed in the RECORD as well.

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

DOCTORS' GROUP BACKS PLAN OF REPUBLICANS ON MEDICARE

(By Robert Pear)

WASHINGTON, Oct. 10.—After receiving assurances that Medicare payments to doctors would be preserved for the next seven years and that the American Medical Association tonight expressed support for a House Republican plan to redesign the medical plan for the elderly.

Leaders of the association issued a statement after meeting with House Speaker Newt Gingrich. The group endorsed House G.O.P. plan to transform Medicare.

Republicans in the House and Senate alike want to cut projected spending on Medicare by $70 billion in the next seven years. Of that amount, $26.4 billion would have come from strict new limits on Medicare payments for doctors regardless.

Kirk B. Johnson, senior vice president of the association, said tonight that the doctors would receive billions of more dollars over the period the Republicans had planned. But he and Mr. Gingrich refused to give details, nor would they specify which other groups might receive less money to make up the differences.

Mr. Gingrich had been wooing the doctors all summer in the hope of winning their endorsement for the Republicans' Medicare plan. But just last week—a few days after details of the Republican plan were disclosed—spokesmen for the American Medical Association complained that the Republican plan would not only slow the growth of Medicare payments to doctors, but actually reduce payments for many services.

In response to such complaints, House Republicans made unspecified financial concessions to the doctors, and their support tonight was apparently one result. Mr. Gingrich, thrilled with the endorsement, said it showed that the Republicans were willing to listen to suggestions from various interest groups.

The president of the association, Dr. Lonnie R. Bristow, said, "This legislation will expand choices for Medicare beneficiaries, allowing them to open medical savings accounts in conjunction with high-deductible insurance policies, enroll in private sector coverage plans or remain in the traditional Medicare program."

For the association, he said, the Republican plan "represents the end of a decade-long quest to put Medicare on a fiscally sound basis, as well as the beginning of a new journey toward delivery of appropriate quality care in a more fiscally prudent environment."

Dr. Bristow praised elements of the Republican plan that would encourage doctors from the antitrust laws in certain situations and limit payment of damages to some victims of medical malpractice.

In the debate over President Clinton's health plan last year, the association endorsed the goal of universal health insurance coverage, but criticized many details of the Clinton plan.

The medical association sways votes on Capitol Hill. It has shrewd lobbyists and a partisan action committee that donates tens of thousands of dollars to congressional candidates. In the battle over President Clinton's health plan, the association endorsed the goal of universal health insurance coverage for all Americans. But it was critical of his plan and wavered in its support for his proposal that all employers be required to buy health insurance for their employees. The association's failure to endorse Mr. Clinton's plan was politically damaging to the White House.

Elsewhere on Capitol Hill, Republican efforts to revamp Medicare gained momentum today as House Republicans voted down a series of Democratic proposals that would have established competitive bidding for Medicare beneficiaries who join private health plans.

Democrats repeatedly failed in their efforts to establish Federal standards for such private health plans, which would serve millions of elderly people under the Republican plan. Democrats said the standards were needed to protect those who enrolled in the plans. Republicans said they would stifle growth of the health care market.

The House Ways and Means Committee appeared today to be moving on schedule toward approving the Republicans' plan to cut Medicare spending on doctors by $70 billion, or 14 percent, in the next seven years. The committee is expected to approve the legislation on Wednesday, with the full House likely to vote on the next week. The Senate Finance Committee has approved similar legislation.

Democrats noted that the Ways and Means Committee has worked on the plan for 14 hours on Monday, and they complained that the panel was moving too fast. "What is the hurry?" Representative Sam Gibbons, Democrat of Florida, asked. Republicans said they were moving quickly to save Medicare from bankruptcy.

The heart of the Republicans' Medicare measure is a proposal to open Medicare to hundreds of private health plans, so elderly people would have a much wider range of health insurance plans. For the elderly, regressive amendments to remedy what they see as severe weaknesses in the Republican plan, but the proposals were rejected, generally on party-line votes.

By a vote of 22 to 13, the Ways and Means Committee debated a proposal by Representative Pete Stark, Democrat of California, to set detailed Federal standards for private health plans enrolling Medicare beneficiaries. He would, for example, have required plans to cover services to metropolitan area, not just the affluent neighborhoods. Bruce C. Vladeck, who supervises Medicare as administrator of the Federal Health Care Financing Administration, said that under the Republican bill "health plans could gerrymander their service areas so that minorities and low-income people will not be offered the same choices as everyone else."

Consumers Union and the American Association of Retired Persons supported Mr. Stark's proposal, but Republicans rejected it, saying such Federal regulation would frustrate the development of a private health insurance market. Republicans' plan would provide Medicare beneficiaries with a choice, they said, and Mr. Gingrich refused to give details, nor would they specify which other groups might receive less money to make up the differences.

Mr. Stark said the elderly needed the government to protect them because the Republicans were "forcing Medicare beneficiaries into the arms of private-profit insurance companies." Republicans replied that the Democrats' proposals for more Federal regulation would stifle the development of private health insurance. Republicans said they were moving quickly to save Medicare from bankruptcy.

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make sense if the Republicans were not simultaneously squeezing $270 billion out of Medicare.

The Republicans describe the various private health insurance options as "Medicare Plus." But Mr. Gibbons told them: "You ought to call it Medicare Minus. What you're doing is herding all the seniors together and forcing them to accept managed care."

Mr. LAUTENBERG. I thank the Chair.

I would just like to read from the article for a couple seconds.

After receiving assurances that Medicare payments to doctors would be cut less than originally planned, the American Medical Association tonight expressed support for a House Republican plan to redesign the medical plan for the elderly. * * *

Republicans in the House and Senate alike want to cut projected spending on Medicare by $270 billion . . . in the next seven years. Of that amount, $26.4 billion would have come from strict new limits on Medicare payments for doctors' services.

Obviously, that was obviated or the AMA in this case would not have come along.

Mr. President, what this budget does is painful. It doubles the premiums for part B from $46 a month to $93 a month. It doubles part B deductibles from $100 to $210. It hurts seniors who want to stay in fee for service. It will mean a cut of $6 billion in the State of New Jersey that would cause us to lose the services of 40 out of 110 hospitals in our State, when combined with the Medicaid cuts.

In short, this proposal, as it is outlined, would result in disaster for our senior citizen population.

The arithmetic is very simply displayed on this chart. "The GOP's New Medicare Plan: The Untold," I call it the sneak attack, "The Untold Story."

Mr. President, $270 billion worth of proposed cuts, $89 billion is needed for the trust fund. It leaves $181 billion, and where is it going? It is going for tax breaks for the well-off.

And so, when we finally vote on this reconciliation bill, one I voted against in committee—I am on the Budget Committee—and one that I continue to view as harmful to the very structure of our society, breaking promises with people to whom we have had arrangements, I know one thing: That I am going to be on the side of the senior citizen. I am going to be on the side of the students in this country who are depending on our Government for help in getting their education. I am going to be on the side of those who need Medicaid for their support, and I am going to vote "no" on this budget reconciliation bill.

The one thing I hope will come out in the debate these next couple of days is that the American people will fully realize what it is that is being proposed; that the notion that these cuts have to be made to save the program are patently false, they are untrue and that what we have to do is put our thinking caps together, sit down and take the time necessary to redesign a program that will fit the bill, that will not continue to exacerbate the budget deficit situation.

So, Mr. President, as we close the debate this evening, I hope that our colleagues in the Senate will continue to examine this proposal that is in front of us and reject it when the time comes and to think about the folks back home and those who are depending on it.

With that, I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under a previous order, the Senate will now stand in adjournment until 10 a.m. on Wednesday, October 25.

Thereupon, the Senate, at 8:03 p.m., adjourned until Wednesday, October 25, 1995, at 10 a.m.
I believe this bill is consistent with the Superfund reform legislation introduced last week and other regulatory reform legislation which seeks to relate environmental costs to real benefits. By doing so, the bill will benefit not only the tens of thousands of small dry-cleaning and the owners of their businesses but also shopping mall owners, insurance companies, banks, and consumers. They will be free from the fear of crushing liability from an ordered remediation that could cost them a lifetime of savings, merely for such pointless requirements as cleaning up soil behind a shopping center to arbitrary pristine levels.

I look forward to working with my colleagues to pass this important bill.

H. R. —

SECTION 1. SHORT TITLE.
This Act may be cited as the "Small Business Remediation Act of 1995".

SEC. 2. FINDINGS AND INTENT OF CONGRESS.
(a) The Congress declares that the public should be protected from the risk of waste or spilled solvents and other chemicals in the soil, surface water, groundwater, and other environmental media. The Congress intends that standards shall be set for remediation that, with an adequate margin of safety, will protect public health from serious risk from these chemicals and which level of remediation will be permitted but not required.
(b) Congress resolves that to implement these conclusions a maximum level of remediation in soil, surface water, groundwater, and other environmental media shall be set, initially, for solvents for the dry cleaning industry.

SEC. 3. STANDARD FOR CLEAN-UP.
The maximum level of remediation of dry cleaning solvents in soil, surface water, groundwater, and other environmental media that a Federal, State, local agency, or court may require of a person engaged in dry cleaning or the owner of land or a facility in which such a person is conducting dry cleaning shall be one-tenth the equivalent exposure of the workplace standard for such solvents established by the Secretary of Labor under the Occupational Safety and Health Act of 1970.

SEC. 4. CALCULATION OF EQUIVALENT EXPOSURE.
(a) In consultation with the Administrators of the Occupational Safety and Health Administration and the Environmental Protection Agency, the National Institute of Environmental Health Sciences shall, within 6 months of the date of the enactment of this Act, publish in the Federal Register its computations, based on realistic scientific assumptions, of equivalent exposure by ingestion, inhalation, and absorption indices for the general public, for soil, surface water, groundwater, and other environmental media in nonoccupational circumstances.
Mr. Speaker, I ask you and my other colleagues to join me in a heartfelt message of congratulations to the Reverend Aliferakis and the congregation of St. George Hellenic Orthodox Church on this wonderful day of celebration. The members of St. George should be proud of their efforts to successfully preserve their Greek heritage.

A TRIBUTE TO FLOYD I. STUMBO

HON. LARRY COMBEST
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. COMBEST. Mr. Speaker, I rise today to pay tribute to Mr. Floyd I. Stumbo. On October 1, 1995, Mr. Stumbo retired after 38 years of service to the Children's Home of Lubbock, TX.

Floyd has been associated with the Children's Home of Lubbock for the past 38 years. Since 1957 he has selflessly served in many roles with the home. In 1970 he was named their chief executive officer, in which capacity he served until 1989, when he was named President. During these years the Children’s Home, and its dedication to Him. This ceremony dates back to the fourth century, when St. Constantine dedicated the church after the Christian persecution ended. This one-in-a-lifetime ceremony for any church, will be conducted by Bishop lakovos of the Greek Orthodox Diocese of Chicago. At the ceremony, the Bishop will dedicate the new furniture and painted wall hangings of six saints and martyrs.

Mr. Speaker, I ask you and my other colleagues to join me in a heartfelt message of congratulations to the Reverend Aliferakis and the congregation of St. George Hellenic Orthodox Church on this wonderful day of celebration. The members of St. George should be proud of their efforts to successfully preserve their Greek heritage.

MEDICARE PRESERVATION ACT OF 1995

SPEECH OF
HON. NEIL ABERCROMBIE
OF HAWAII
IN THE HOUSE OF REPRESENTATIVES
Thursday, October 19, 1995

The House in Committee of the Whole on the State of the Union had under consideration the bill (H.R. 2425) to amend title XVIII of the Social Security Act to preserve and reform the Medicare Program, with Mr. LINDER in the chair.

Mr. ABERCROMBIE. Mr. Chairman, last year Republicans in Congress blocked efforts to pass legislation that would have guaranteed health care to all Americans. Now Republicans propose a bill, H.R. 2425, which guts the health care safety net for older Americans. Medicare is our contract with American families, illustrating our commitment to enabling seniors to live in dignity and independence. H.R. 2425 is a direct attack on this contract and reneges on our commitment to older Americans, leaving them to face the high cost of health care alone at a time when they are at their most vulnerable.

H.R. 2425 cuts the Medicare Program by $270 billion over the next 7 years. The Republicans in Congress state that these cuts are necessary to save the Medicare Program, but the cuts are far too deep and would create increased uncertainty and instability. The Medicare Trustees’ Report states that Medicare will become insolvent in 2002, a fact that we must seriously address. However, by reducing Medicare funding by $90 billion, we can assure the Medicare trust fund’s viability through 2006. H.R. 2425, despite the massive $270 billion cut, would still only assure Medicare solvency through 2006—the same year.

Instead of saving Medicare, Republicans are more interested in providing a $245 billion tax- giveaway for the wealthiest Americans. Clearly, without the tax break, a smaller and more reasonable reduction in Medicare spending would be possible. However, Republicans refuse to acknowledge the recklessness of their actions and insist on maintaining a tax windfall for their wealthy friends. My commitment, I can assure you, remains with senior citizens, the Medicare contributors and I intend to oppose H.R. 2425.

The Democrat’s substitute, addresses the real issues facing Medicare. By reducing funding by $90 billion over the next 7 years, we will shore up the Medicare trust fund through 2006. This gives us more than a decade to work on significant and sensible reforms to assure Medicare will always be there for those who need it. In addition, a major component of the Democratic proposal would combat fraud and abuse which costs Medicare $18 billion each year. The Republican plan does not adequately address this issue and in fact makes it easier for fraud to go undetected.

I prevail upon my colleagues to stand up for America’s senior citizens and vote against H.R. 2425. Do not abandon your commitment to their health and security in old age.

PROSPECTS FOR DEMOCRACY IN CENTRAL AND EASTERN EUROPE

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. HAMILTON. Mr. Speaker, while we do not hear much about it, the struggle for democracy continues in Central and Eastern Europe. It is a hard work, but important work because it affects the stability of Europe. Earlier this week, at a conference in Washington organized by Indiana University, a former colleague of ours, John Brademas, who represented the Third District of Indiana, delivered some very incisive remarks on the prospects for democracy in these countries. I commend these remarks to my colleagues.

Can U.S.-Style Democracy Work in the CEE Republics?

Allow me to welcome everyone to our panel on “Can U.S. Style Democracy Work in the CEE Republics?”, part of the Indiana University International Forum on “Economic, Political & Military Security in Central and Eastern Europe.”

I congratulate Indiana University on its initiative in organizing this Forum and I want to salute the Forum co-chairs, my fellow Hoosiers and distinguished former colleagues, Senator Richard Lugar and Representative Lee Hamilton; and to say how pleased I am that Congressman Hamilton, a friend of mine and the on this panel with Susan Atwood of the National Democratic Institute and Charles Gati of Interinvest. I am pleased also that two other friends, Rozanne Ridgeway and John Whitehead, both outstanding public servants, are chairing the other two panels at this Forum.

At the outset, I would like to say a few words about why I am particularly interested in the issue of promoting democracy in Central and Eastern Europe and elsewhere. First, since 1991 I have been a principal of the National Endowment for Democracy, one of the principal vehicles through which American Presidents, Senators, and Representatives of both our political parties have sought over the last decade to promote free, open and democratic societies around the world.

Founded in 1963 by Act of Congress, NED is a bipartisan, non-governmental organization that champions, through grants to private organizations in other countries, the institutions of democracy. Although not a government entity, the Endowment is financed by an annual appropriation by Congress. The current budget is $34 million.

I note that the National Endowment for Democracy is the only private association in
the country with two presidential candidates on its board, Senator Richard Lugar and Malcolm S. Forbes, Jr., and I am also pleased to add that our eminent keynote speaker today, Dr. Zbigniew Brzezinski, is also a member of the board of the NED and that Congressman Hamilton is one of our strongest supporters on Capitol Hill.

NED staff are made to organizations dedicated to promoting the rule of law, free and fair elections, a free press, human rights and the other components of a genuinely democratic society. The Endowment has a long-standing and successful program of grants in Central, Southern and Eastern Europe.

I also note that to expand its role as a center of ideas, the National Endowment for Democracy established in 1990 a quarterly journal of Democracy and, in 1994, the international forum for Democratic Studies. The Forum serves as a center for the study of democratic developments, a repository of published research and documents on democracy and an electronic communications network for democratic thinkers and activists. The Forum’s staff conducts seminars and twice yearly holds a major conference on a central issue in democracy-building. Last August, for example, the International Forum co-hosted with the Albanian government a very successful conference on “Consolidating the Third Wave Democracies.”

Of course, we must acknowledge that those of us who look to building democracy around the globe should not assume that it is we who have all the answers.

CULTURE OF DEMOCRACY

Because of my interest in issues of democracy and building, you will not be surprised to hear that I believe we in the United States as well as our compatriots in Eastern Europe must do all we can to stimulate, in our own countries and abroad, a culture of open and accountable government.

This means, among other things, promoting the revival of civil society through the creation of open and accountable government. This, Professor Robert D. Putnam of Harvard University, writing, by the way, in the journal of Democracy, describes the bonds of trust and cooperation that develop among citizens actively involved in non-governmental organizations and associations. And Putnam asserts that activity in such voluntary organizations generates involvement in the institutions of democratic government.

Building a culture of open and accountable government also means encouraging respect for diversity of views and tolerance of those of different racial, religious and national backgrounds.

ORTHODOXY AND DEMOCRACY

Now, in this vein I want to close these introductory remarks by briefly raising one issue, not widely discussed or even acknowledged, concerning our topic—“Can U.S. Style Democracy Work in the CEE Republics?”

The issue is whether the countries of the Balkans, with an Eastern Orthodox heritage or “civilization,” as Samuel Huntington would put it, are capable of building fundamentally democratic institutions. Can those countries—the inheritors of the Byzantine and Serfian side—develop an active civil society after decades of communist rule and centuries of church-state interpenetration? Will the former communist states and the West have been uniquely successful in the transition to democracy because they have inherited a different legacy, that of Western Christendom?

It will not, I am sure, surprise you to hear that I believe that Eastern Orthodoxy and “Western” democracy can be, indeed, are compatible and can co-exist in harmony. First, as Richard Schiffer has argued in his well-known article, “Is There a Democracy Gene?”, we have no reason to assume that now that the ideas of the Enlightenment “have at long last been accepted by the West, they cannot spread any further.” In other words, it is not enough to say that Greece cannot be uniquely successful in the transition to democracy because they have inherited a different legacy, that of Western Christendom.

Second, I must note the obvious: Greece, of course, is the birthplace of both Eastern Orthodoxy and democracy. Its very existence and success give the lie to the idea that these two traditions cannot be combined. If Greece can succeed without the heritage of what some have described as “non-European” civilization, then it should not be impossible for Serbs, Bulgarians, Romanians, Ukrainians, even Russians, to overcome this “burden.”

Finally, as I have said, I take issue with the notion that the Orthodox church, while often identified as a nationalist institution, cannot play a productive role in developing a lively civil society in the Balkan countries. Here I commend to your attention an article by Elizabeth H. Prodomou of Princeton University in Mediterranean Quarterly. Professor Prodomou writes of utilizing Orthodox customs and rituals in fostering a culture of democracy in East Central Europe and the Balkans. While acknowledging “a historical record that underscores the failure of the Orthodox churches in the Balkans to assume an activist stance in favor of democratic politics,” Prodomou argues for the potential to engage Orthodoxy in remaking civil society and describes in detail “Orthodoxy’s emphasis on freedom, community, and choice as values compatible with democratic culture.”

In other words, it is not enough to say that the people of the Balkans, as an imagined dividing line have not heretofore experienced democracy and therefore cannot or will not. Particularly if one believes in a universality of Western values—democracy, individual liberty, human rights, to name a few—one must look not only to the potential but also to the opportunities to construct the institutions of self-government and the habits of freedom.

So against the background of these brief observations, I would like to ask our panelists for their views on the question we’ve been assigned, “Can U.S. Style Work in the Central and Eastern European Republics?”

I’ll ask each person to speak for five minutes and then we’ll engage in discussion.

BRIDGEWATER WINS WASTE-WATER TREATMENT AWARD

HON. BARNEY FRANK OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, because we in Congress must often focus on legislation and issues which pose problems for communities in our districts, we too rarely note those cases where municipalities we represent have complied with Federal laws in an effective manner to the benefit of their residents. I would like to take a few moments to recognize one community which has done just that: the town of Bridgewater, Massachusetts, which was recently selected as a recipient of the Environmental Protection Agency’s 1995 national first place award for outstanding operation and maintenance program in the medium advanced category.

According to the letter announcing the award, “EPA based this selection on the facility’s demonstrated innovative and cost-effective achievements.” The town has a lengthy history of this type of accomplishment and recognition in water treatment, having already won the EPA regional award in the same category, an award which made the town eligible for the national award. The town became eligible for the regional award by virtue of having exceeded the EPA operating standards for the past 2 years. In fact, the town has been recognized for its innovative operation and maintenance procedures—particularly in the areas of septage and odor handling, which of course constantly present themselves to a facility of this kind—since the current wastewater treatment plant first went on line in 1989.

Mr. Speaker, while any award of this kind is inevitably the result of a team effort, a great deal of the credit for this exemplary work should go to Joseph Souto, the wastewater treatment plant superintendent. In addition, the following town officials also made important contributions to this success: Allan S. Knight and Fawn L. Gifford (chairman, clerk and member, respectively of the board of water and sewer commissioners); Robert A. Correa, (assistant superintendent); Richard W. Boss, John E. Garabee, and Michael J. Studley (plant operators); and Katharine T. Dues and Eileen J. Weinberg (water and sewer secretaries).

I offer my congratulations to the town of Bridgewater and the hard-working people involved in the operation of the wastewater treatment plant for their work in improving their community and for showing us the positive role government can play in our society.
University, was chosen as the next president of the College. Bringing new vision and a fresh perspective, his challenge was to place Rosary Hill on sound financial footing, building toward a bright and secure future. It was a challenge he would vigorously embrace—and surpass—to the benefit of the entire Daemen College community.

Origins of Daemen's academic programs. Originally established as a women's college, Rosary Hill became coed in the 1960's, and began to evolve in a new direction. In order to reflect this, the College adopted a new name: Daemen College, certainly: there were many more to come. One of Dr. Marshall's first—and most significant—accomplishments was providing the leadership necessary to guide and focus these changes.

Perhaps the most immediate need of the College at that time was to increase operating funds—and ensure the doors of the institution remained open. Over the next few years, through sound management practices, effective cost-containment, and aggressive development efforts, Daemen College turned a corner. Major fund raising campaigns reached—and surpassed—their goals, resulting in dramatic expansions of academic programs, faculty development, and a center for professional development were among the benefits of a $2.2 million grant, received in 1982, from the U.S. Department of Education.

These financial successes supported Daemen's academic programs. One of the most significant steps toward the physical therapy major in 1975. A confluence of heightened emphasis on physical fitness, a rapidly growing elder population, and increasing interest in alternative medical fields of sports medicine have combined to make physical therapy one of the fastest-growing professions in the health field today. Thanks to Daemen College, Daemen's Physical Therapy Department of Daemen quickly became a pace setter. Through new courses, equipment, and first-rate instructors, today it is one of the largest, and best, programs of its kind in the nation.

Dr. Marshall's vision for Daemen didn't stop there. In 1979, the College received authorization from the New York Board of Regents to offer a bachelor of science degree in nursing. The program was the first in Western New York to offer the degree to registered nurses, who, having studied in two or three year programs, decided to return to school to pursue their bachelor's degree.

To help implement Dr. Marshall's plan, the College received a grant of $110,000 from the Department of Health, Education, and Welfare. Because of its uniqueness, Daemen's bachelor of science in nursing has joined the College physical therapy program in garnering national attention. Since 1987, enrollment in the nursing program has increased by more than 350 percent.

Enrollment increases for the entire College over the last two decades are equally impressive. Since the beginning of Dr. Marshall's tenure as president, Daemen has experienced a time of decreasing college and university enrollments nationwide—the number of students attending Daemen College has steadily increased, to today's all-time high of more than 2,000.

Dr. Marshall realized that no college or university can progress without a first-rate faculty. Thus, he provided Daemen students the benefit of instruction from a quality faculty from schools such as Harvard, Oxford, the University of Notre Dame, Columbia University, the University of California at Berkeley, and the University of Chicago, to name but a few.

Another sign of development due to Dr. Marshall's leadership is Daemen's post-licensure master of science degree in Physical Therapy. The M.S. is specifically designed to provide licensed physical therapists with the much needed opportunity to acquire in-depth training and upgrade their skills. It is the first master's program to be offered at the College.

The future holds promise, as well. Programs in Daemen's Business and Commerce Division will be expanded, and housed in a new, state-of-the-art building, that has just been completed. New academic initiatives, such as the physician's assistant program, and environmental health programs, are underway. Applications for admissions into several programs are at record levels. In short, the state of the College is sound. Daemen's accomplishments in the last two decades, and Dr. Marshall met each of them with sound judgment and vision.

We have much to be proud of at Daemen. Over the years, the College has demonstrated a special ability to integrate the resources of higher education with the needs of the community. Through the last two decades, Dr. Marshall has proved himself to be a leader, and his creativity and leadership necessary for this institution's continued success. Tonight, pausing to look back, we take note of his many accomplishments, and express our appreciation to him for a job well done.

HONORING ARTHUR W. "NICK" ARUNDEL
OF VIRGINIA

Mr. DAVIS. Mr. Speaker, it is with great pride and pleasure that my colleague and I honor one of northern Virginia's pioneers, Arthur W. "Nick" Arundel. Mr. Arundel, has over the last 30 years built the Times Community Newspapers into a chain of 16 weekly publications stretching from Fairfax County west through the Piedmont. Today we are proud that he has received the Suburban Newspapers of America's 1995 Dean S. Lecher Award for his decades of contributions to suburban journalism.

Mr. Arundel's career started when he was hired by famed CBS correspondent Edward R. Murrow to be a reporter in the network's Washington bureau in 1956. In 1960, having developed an entrepreneurial itch, he bought a bankrupt newspaper in Washington, renamed it WAVA and created the first all-news radio station in the country. The station was a phenomenal success. In 1965 he started the Times Community Newspapers with his acquisition of the 175-
year-old Loudon Times Mirror. His next acqui-
sition was the fledging Reston Times, which
planted the Times Community Newspapers’
flag in Fairfax County. Today the Fairfax group
includes 11 papers.

Nick Arundel has continued to build his
Times Community Newspaper chain right
through last month, when he acquired the
McLean Providence Journal and its sister
paper, the Great Falls Current, from Dear
Communications. With those acquisitions,
Times Community Newspapers now circulates
to nearly 200,000 households in northern Vir-
ginia.

In addition to his success as a newspaper
mogul, Nick Arundel is a graduate of Harvard
University. He served 4 years as a decorated
and twice wounded Marine Corps parachute
officer in both the Korean and Vietnam wars.

Nick Arundel and his wife Margaret “Peggy”
live in The Plains, a community he has helped
restore, particularly through his creation, in the
1980’s, of Great Meadow. Through his hard
work he has turned it into the home of the Vir-
ginia Gold Cup steeple chase races.

Mr. Speaker, my colleagues and I join us
in paying tribute to Arthur W. “Nick” Arun-
del for his many years of hard work and dedi-
cation, and for making northern Virginia a bet-
ter place to live.

In Recognition of the AIDS
Service Center of Lower
Manhattan

HON. JERROLD NADLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. NADLER. Mr. Speaker, I rise today to
recognize the fifth anniversary of the AIDS
Service Center of Lower Manhattan, which will
be commemorated October 30, 1995. Found-
ed in October 1990 as the Lower Manhattan
AIDS Task Force, the AIDS Service Center has
grown into a multiservice community organi-
zation which is dedicated to serving individ-
uals, families, and communities that are af-
fected by HIV/AIDS. ASC has expanded its
services to provide case management, advo-
cacy and support services, peer education,
community outreach, and training opportunities
for people living with AIDS in Manhattan. The
AIDS Service Center has served over 4,000
people through street outreach and education
activities, and engaged over 300 people living
with HIV/AIDS in case management services.
I am honored to pay tribute to this fine organi-
zation, which is located in my district, and to
mark its fifth anniversary. As the number of
people who need assistance increases every day, it
is gratifying that ASC is here to meet the needs
of all who are affected by AIDS.

Thirty-Ninth Anniversary of
the Hungarian Revolution

HON. CHRISTOPHER H. SMITH
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. SMITH of New Jersey. Mr. Speaker, 39
years ago yesterday, Hungarian students de-
manding reforms and democratization dem-

onstrated in Budapest, touching off what has
become known as the 1956 Hungarian Revo-
lution. The 2 weeks that followed witnessed
the event of the cold war. Soviet troops and tanks entered
Budapest; hundreds of peaceful marchers were killed at Park
Lane where they were gathered to protest; fighting spread
across the country; a new Hungarian Government was formed and
negotiations for Soviet troop withdrawals were begun; revolu-
tionary workers’ councils and local national committees rose to
prominence and attention was given to political and eco-

onomic demands, including calls for free elections, free speech,
presence, assembly, and wor-
ship. Hungary announced its withdrawal from
the Warsaw Pact and proclaimed itself neutral.

In early November, Soviet forces attacked Bu-
dapest and took over strategic locations
across Hungary. By mid-November, any hope
of advancement was crushed by the ruthless
Soviet military assault. Mr. Speaker, the short
lived, but courageous struggle against com-
munism and Soviet domination so brutally
quelled by Soviet tanks vividly illustrated to the
entire world the iron curtain’s concepts of So-

viet imperialism and totalitarianism.

The West offered no effective response. Mr.
Speaker, and the bloody suppression of the
Hungarian freedom fighters seemingly under-
scored the status quo of Soviet power and

might. This led to a feeling of impotence in the
West. The 1956 Revolution was, of course,
a testament to the fortitude, heroism, and com-
mitment to freedom of the Hungarian people.
One could note that the uprising also signified
the beginning of the end of Soviet rule. The
famous Yugoslav dissident, Milovan Dijas,
writing very shortly after the uprising, charac-
terized the revolution in Hungary as “the be-

ginning of the end of communism generally,”
and observed that “... the Hungarian fight-
ers for freedom, struggling for their existence
and country, may not have foreseen what an
epochal deed they had initiated.”

Innocent lives were lost, hopes were
dashed, much of the potential of the States
under Soviet dominance was never allowed to
blossom, and almost two generations knew
nothing but the iron curtain’s concepts of So-
viet imperialism. Mr. Speaker, the bloody
uprising of Hungary in 1956 was the most
important legacy of the Hungarian Revo-
lution. As the number of people who have noted this
fact increases every day, it is gratifying to know that
ASC is here to meet the needs of all who are affected by AIDS.

Domestic Violence Awareness
Month

HON. BRUCE F. VENTO
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. VENTO. Mr. Speaker, I rise today to
commemorate domestic violence awareness
month. Domestic violence is a serious problem
in communities across our Nation. Research
carried out by the Department of Justice has
uncovered a disturbing fact regarding this type
of violence, that women are just as likely to be
victimized by someone close to them, such as
e a spouse or friend, than they are by an ac-
quaintance or stranger. It is frightening that in
our communities only a small number of victims
across the Nation are on the rise, many
women are not even safe inside their own
homes.

My home State of Minnesota has been on
the forefront of the campaign to reduce the
cases of domestic violence. It was my hometown of St. Paul, MN, where the Nation’s first battered women’s shelter, Wom-

en’s Advocates, began operating 25 years ago. Today, the Harriet Tubman shelter in

Minneapolis, MN, is expanding its services to
provide apartment living for women while they
rebuild their lives. The State has also imple-
mented a more effective arrest and prosecu-

tion procedure regarding domestic violence
cases in an attempt to decrease dismissal
rates and prosecute more offenders. I am
pleased that efforts of all of Minnesota’s
communities, and their citizens, have made in
the campaign to ensure that Minnesota is safe
domestic violence.

One organization in the Twin Cities aiding
this effort is the Casa De Esperanza Women’s
Shelter. The shelter at Park Lane has made
significant strides in ending domestic abuse in Latino families, but its services are available to all battered women, including
those who have been previously abused, and
their children. Housing 22 beds, the shelter
served 87 women and 118 kids last year and
ran a number of community programs. Operat-
ing in west side schools, Casa De Esperanza
offers an antiviolence training program for chil-
dren, which works to curb the cycle of vio-

lence that inflicts many families. The program
reached 160 children last year alone. The
shelter also operates a number of advocacy
programs to help battered women and their
children receive other services they may need
such as medical care. Casa De Esperanza,
and its executive director, Gloria Perez Jor-
dan, are on the front lines of the effort to help
victims of domestic violence in Minnesota.
Their efforts must be supported by a strong
commitment from Washington to work to
decrease incidents of domestic violence and to
help those who have been battered achieve
abuse-free lives for themselves and their
chil-
dren.

Organizations like Casa De Esperanza are
succeeding in the campaign to end domestic
violence. However, there is still much work
to be done. In Minnesota, 100,000 women use
the State’s battered women’s services every
time. The largest obstacle to be overcome is
the silence that shrouds this abuse. Many vic-
tims of repeated domestic violence feel power-
less to escape the abusive household and are
unaware of the services available to help them

Others are afraid to confront their attackers
or try to leave the household, fearing further
abuse. Domestic Violence Awareness Month
was established to heighten awareness of dom-
estic violence, its effects on our community
and families, and the services available to its
victims.

Informing the community about domestic vi-

This is not my part to do. However, I hope that

Another
reason to dedicate this month to the cause of domestic violence is to focus attention on the fact that current programs and facilities are not adequate to help all victims. Nation-wide, two-thirds of the women who seek help at women’s shelters are turned away because of a lack of space. Programs that aid victims of domestic violence must be expanded so that all citizens have the opportunity to obtain the services they need to live abuse-free lives. We must not turn away from victims seeking assistance to build better futures safe from abuse.

So far in 1995, 21 children and 9 women have died in incidents of domestic violence in Minnesota. By heightening awareness of domestic violence in communities across the Nation, we can step up efforts to ensure that all Americans live free from incidents of domestic violence.

FORTIETH ANNIVERSARY OF SYMMES, MAINI & MCKEE

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise today to commemorate the 40th anniversary of Symmes, Maini & McKee Associates [SMMA], a multidisciplinary architectural, engineering, and strategic planning resources firm, of Cambridge, MA. During its 40 years of operation, SMMA has designed many facilities for industrial, commercial, and institutional uses, and has distinguished itself by providing a high level of creative design and responsive service. I would like to express my warmest congratulations to everyone at SMMA, who have worked so hard over the years to make the company so successful in recognition of their long standing commitment to excellence.

TRIBUTE TO THE LATE MR. IRV LEWIN

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. VISCLOSKY. Mr. Speaker, it is my great honor to rise today to pay tribute to the late Mr. Irv Lewin. On October 27, 1995, the Salvation Army-East Chicago Corps is dedicating the Irv Lewin Fellowship Hall.

Irv served as a board member for the Salvation Army-East Chicago Corps for over 35 years. During a portion of this period, he served as chairman of the board. What is to be dedicated as the Irv Lewin Fellowship Hall is an area for the feeding program sponsored by the Salvation Army. According to the Salvation Army-East Chicago Corps, Irv gave untiring support to the Salvation Army through unparalleled service and commitment."

Irv, who passed away earlier this year, was a resident of East Chicago for many years. He also resided in Hammond and Highland for a portion of his life. Irv was a graduate of McKinley Grade School and Roosevelt High School, both of East Chicago. Irv then graduated from Indiana University, where he played the clarinet with the Indiana University marching band.

After graduating from college, he served with the U.S. Army in World War II, and, later, became a co-owner of Lewin’s Clothing Store in East Chicago with his brother, Ken. In addition, Irv was an educator at Indiana University Northwest in Gary, as well as Calumet College of St. Joseph. However, Irv is probably most well known as the original commentator for WJOB Radio Center in Hammond. During his career at WJOB, he helped organizations by fulfilling requests from community, nonprofit agencies.

Irv was not only committed to the goals and success of the Salvation Army, but the community as a whole. Irv was a past exalted ruler for the Elks Lodge #981, as well as chairman of the Lake County Polio Foundation and the United Jewish Appeal. Moreover, Irv served as past president for the East Chicago Chamber of Commerce, East Chicago Community Chest, East Chicago Lions Club, East Chicago Board of Education, and the Calumet College of St. Joseph. Irv was a board member of the 1st Bank of Whiting, Katherine House of East Chicago, the American Legion Post #369, and B’nai B’rith. For 13 years, Irv served as commissioner of higher education for the State of Indiana.

All this dedication proved to be successful as Irv earned the Man of the Year Award from St. Joseph College, a Sagamore of the Wabash from former Governor Orr, and a place in the East Chicago Hall of Fame.

Irv Lewin is survived by his children, Paul and Stuart Lewin, Rosemarie Broach, Carol Bogushi, and Judi Bach, as well as many grandchildren. He rightfully deserves the great honor of having the Irv Lewin Fellowship Hall dedicated to his memory by the Salvation Army-East Chicago Corps. Indiana’s First Congressional District has surely benefited from Irv’s dedication and commitment to improve the quality of life for all residents of northwest Indiana. Mr. Speaker, I ask you and my other colleagues to join me in commemo-

rating the memory of this great man.

THE PHILANTHROPY PROTECTION ACT OF 1995

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. FIELDS of Texas. Mr. Speaker, the funding of hospitals, universities, scholarships, churches, and other organizations that help the needy are under attack. A Federal lawsuit filed in Wichita Falls, TX, is threatening the funding of thousands of these institutions, based, in part, on a misguided argument that the charitable donation programs that they maintain violate the Federal securities laws.

The charitable donation programs that are under attack are maintained by organizations like the Red Cross, the Salvation Army, the Boy Scouts, the Southern Baptist Foundation, and universities all across the country—including my alma mater, Baylor University. These programs have been operated since the 1830’s, when the American Bible Society entered into the first planned giving arrangement. They have been a keystone of charitable giving in this country.

Charitable gift annuities and charitable trusts make it possible for donors to make a gift to a charity—while receiving some of the investment income produced by that gift. The purpose of these programs is simple: they provide a flexible way to help people help others. The people who donate to charities through charitable giving programs such as these are helping to feed a cloth the less fortunate, provide education for those who could not otherwise afford it. Every citizen in this country is better off for the hard work of these organizations.

Imagine the Oklahoma bombing tragedy without the American Red Cross. Imagine your own local church or your alma mater closing its doors in financial ruin. It sounds unthinkable, but these are very real possibilities.

The lawsuit in Texas alleges that the charitable trust program operated by the Lutheran Foundation violates the Federal securities laws. This is a flagrant misapplication of the law. The plaintiff in that suit is seeking to have that gift revoked. The plaintiff in the suit is not the donor who gave the donation—rather, she is an heir of the donor. Guess where that money will go if it is revoked—right to the plaintiff—and her lawyer.

Other plaintiff’s lawyers are looking at this suit as a huge business opportunity. The judge has been asked to make the suit a class action—which would pave the way for copycat suits against every charitable organization in the country that operates a charitable annuity or charitable trust donation program.

Some organizations have already stopped accepting gifts through their charitable donation pools for fear a class action will send that money right back out the door—into the pockets of plaintiffs and their lawyers.

This abuse of our legal system must be stopped. And today I, together with Chairman BILLEY, am introducing a bill to do exactly that—and make sure that charities and universities and religious organizations will not be vulnerable to further attack.

The Philanthropy Protection Act of 1995 will amend the Federal securities laws to clarify that the provisions of those laws are meant to apply to investment in our capital markets, not to gift-giving. A person seeking to get the best possible return on this investment will go to a brokerage house—not to church.

This legislation is another step forward in our efforts to rid our legal system of needless, expensive, and harmful abuses. The people who give to churches, schools, hospitals, and other worthy causes should not be foiled in their generous efforts to help. At the same time, they should be protected against fraud—and this legislation does exactly that. It does not exempt charities or those who seek donations to charities from the anti-fraud protections of the Federal securities laws.

This summer Senator KAY BAILEY HUTCHISON and Senator CHRIS DODD intro-
duced similar legislation to protect our coun-
ty’s charitable organizations. Governor Bush, pro-
of Texas, signed into law a provision that was passed unanimously by both houses of the Texas legislature to accomplish the same goal. And today, Chairman HENRY HYDE, of the House Judiciary Committee, has intro-
duced a bill to prevent the misapplication of the Federal antitrust laws to these charitable efforts.

In this good company, I hope my colleagues in the House will join Chairman BILLEY and me in this important bipartisan effort to protect
charitable giving in the United States. Those of us who believe in and support the work of charitable organizations located in my home State of Texas and throughout our country have an obligation to do what we can to help—not hinder—their efforts.

TRIBUTE TO PRESIDENT ARISTIDE

HON. EARL F. HILLIARD
OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. HILLIARD. Mr. Speaker, I want to con- gratulate President Aristide and the people of Haiti on the first anniversary of the restoration of democracy to Haiti. I believe that the role of the United States in the restoration of democracy to Haiti represents a high point in the United States foreign policy with respect to the Caribbean and Africa.

Further, I wish to commend President Aristide on his promise to adhere strictly to the Haitian Constitution by leaving office in 1996. He has put himself above politics by not sup- porting efforts to ignore or amend the Con- stitution to enable himself to run again for the Presidency. Rather, he has put in the appara- tus, so that his successor can continue the democratic process he has begun.

During the last year, President Aristide has worked relentlessly to move his country for- ward by reviving organizations destroyed dur- ing the years of corrupt military rule—organi- zations that are essential to the revival of democracy. In addition, President Aristide has made marked improvements in human rights.

As an enthusiastic supporter of democracy in Haiti, I wish the Haitian people continued success in their struggle to create a democ- racy that will withstand any efforts of individ- uals with aspirations to return Haiti to a totali- tarian government. My Haitian friends, do not let anyone turn you around. Best wishes to you for a long, democratic life.

75TH ANNIVERSARY OF OUR MOTHER OF SORROWS

HON. JOHN P. MURTHA
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. MURTHA. Mr. Speaker, I want to con- gratulate Our Mother of Sorrows Parish as they celebrate their 75th anniver- sary. We’ve certainly experienced many ups and downs in the past 75 years in Johnstown, but it has been our faith and the guidance of our Mothers of Sorrows Parish as they celebrate their 75th anniver- sary. Our Mother of Sorrows Parish will continue to be an important part of the lives of many of the people of Johnstown, and I wish you another wonderful 75 years and more as a Johnstown institution.

HONORING THE FLORIN JAPANESE-AMERICAN CITIZENS LEAGUE

HON. ROBERT T. MATSUI
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. MATSUI. Mr. Speaker, I am honored to rise today to bring to my colleagues’ attention the work of a distinguished public service or- ganization, the Florin Japanese-American Citi- zens League (JACL). On November 4, 1995, the Sacramento community will gather to honor this organization and celebrate its 60th anniversary.

The Florin JACL was formally organized in 1935 as one of the original 115 chapters na- tionwide. A volunteer nonprofit and educa- tional organization, the Florin JACL has dedicated the past six decades to upholding the human and civil rights of Japanese-Ameri- cans and all Americans.

In their early years, the Florin JACL oper- ated with dignity under the cloud of World War II. Though parents and relatives were confined in isolated relocation centers, 45 young Nikkei Florin soldiers fought a 2-front war: 1 against the enemy and 1 against national prejudice. After the war, the Florin JACL played an instru- mental role in the resettlement of internees after the camps closed.

During the post-war era, after the passage of the landmark 1952 Walter-McCarran Act, the Florin JACL mounted a successful campa- ign which promoted and assisted Issei to become naturalized citizens, a privilege here- tofore denied to them and others of Asian an- cestry.

In more recent times, the Florin JACL has directed its efforts to social and educational service. In 1982, the Florin JACL Scholarships were initiated and for the past 23 years have provided students with the financial and moral support needed to pursue higher education. Always evolving to meet the needs of today’s society, the Florin JACL now boasts such suc- cessful programs as an Annual Women’s Day Forum and the Healthy Family Traditions project.

In addition to these healthy initiatives, the Florin JACL has worked tirelessly to preserve the rich history of Japanese-Americans. For the past 12 years, the organization has sponsored Time of Remembrance programs featuring sig- nificant speakers, teachers, workshops, chil- dren’s sessions, and Nikkei VFW participation via lectures, exhibits, video, dissemination of informational materials, and question-and-an- swer sessions relating to the Japanese-American and World War II.

In this, one of the most ambitious and exciting new projects in Sacramento is the establishment of the Japanese-American Archive Collection. Started by the Florin JACL’s donation of the Mary Tsukamoto collection, the project has grown dramatically and serves as assurance that Japanese-American history will be pre- served with tangible proof for future genera- tions.

The Florin JACL is most deserving of our thanks and praise for their efforts and compa- ssion for all people in the Sacramento re- gion. I know my colleagues will join me in wishing the Florin chapter of the Japanese- American Citizens League many years of con- tinued success.

REMEMBERING AMERICA’S VETERANS

HON. BILL BAKER
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. BAKER. Mr. Speaker, as we prepare to honor the sacrifices of America’s veterans on November 11, I want to draw the attention of my colleagues to the words of a poem sent me by one of my constituents, Peter Whitney of Walnut Creek, CA.

John DiRusso served with Peter in the Sec- ond World War. They were among the tens of thousands of young Americans who, in the words of the late journalist Theodore H. White, “saved the world.” The words of this poem re- mind us of the heroism that was so common it came to be taken for granted. Yet we should never take for granted what so many brave men and women did to preserve our liberty.

It is a pleasure for me to include John DiRusso’s poem, “Please Remember Me,” in the CONGRESSIONAL RECORD. We do remem- ber America’s veterans. To forget them would be to ignore our very freedom, something we must never do as long as our Republic lasts.

Please Remember Me

(By John DiRusso)

Remember me, America, for I was once your son
I fought and died at Valley Forge with Gen- eral Washington.
I was there at Gettysburg on that tragic, tragic day
When brother fought against brother—the blue against the gray.
I rode with Teddy Roosevelt on the charge up San Juan Hill
Some came back to fight again—but I just lie there still.
I went to France with A.E.F. to bring the peace to you
I was twenty-one and fun of fun—I never saw twenty-two.
I’m still here at Pearl Harbor since that December seventh day of infamy
Lyin’ silently with my shipmates on the U.S.S. Arizona at the bottom of the sea.
D-Day June 6TH 1944, we hit the beaches of Normandy
And we fought uphill every inch of the way
We routed the Germans and hurled them back but what a terrible price we had to pay.
I served on a U.S. submarine, the bravest of the brave.
Until a German depth charge gave us a watery grave.
I bombed the Ploesti oil fields, they blew with one big roar.
But in the attack we were hit with flack—I'll never bomb anymore.
In Korea I heard the C.O. shout, ‘“we’ll make you eat it, you son of a b--!’
I lost my life to try and take a spot called Pork Chop Hill.
Vietnam! Vietnam! When will we ever learn?
I'm one of sixty thousand who never will return.
I left my town, my wife, my kids, my home
so cozy and warm
I was killed in a SCUD attack in a war called—Desert Storm!
And so in my eternity my thoughts are all for thee.
I’ll never forget my America—I pray she remembers me.

**FISHERY CONSERVATION AND MANAGEMENT AMENDMENTS OF 1995**

**SPEECH OF HON. JENNIFER DUNN OF WASHINGTON IN THE HOUSE OF REPRESENTATIVES**

Wednesday, October 18, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 39) to amend the Magnuson Fishery Conservation and Management Act to improve fisheries management with Mr. BUNNING (Chairman pro tempore) in the chair.

Ms. DUNN of Washington. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Washington State. While the amendment is narrow in nature, it addresses one of the most important developments in fishery management in the last decade.

The individual fishing quota (IFQ) system that is being used by the halibut and sablefish fisheries did not come about overnight, it took many years. The real challenge of fishing management has been to conserve limited resources in the face of large fishing fleets and improved fishing gear.

To prevent overfishing of the halibut resource, Federal officials began cutting back on fishing times. A season that started at 6 months in the 1980’s was reduced to 4 and then to 2 and finally down to 24-hour openings a year. These so-called derby days created misery and havoc in the overcapitalized fleet. The same situation was developing for the sablefish fisheries. When you have 2 days to fish you end up going to sea no matter what the conditions—or starve. Fishermen were working in a “damned if you do, damned if you don’t” environment.

An example of this was the September 1994 opening. At the St. Helens fishing grounds near Petersburg, AK, a storm system that was an offshore of a typhoon was just beginning to hit when the fishery opened. By the time the 48-hour opening was over, four boats had gone down, one of them taking three skippers with it.

With the introduction of IFQ’s, harmful catch limits and seasons are not to be considered harvestable levels. The IFQ’s have no effect on the fishery, but in effect they change the management from the current “take what you want” to one where the fisherfolk of tomorrow have the right to fish with the fisherfolk of today.

The Individual Fishing Quota (IFQ) System is new to Alaska. It is new to the halibut and sablefish fisheries and new to the fishermen and women who make their living from these resources.

A new management regime is bringing increased safety, and the target species, while encouraging the conservation of these stocks to the benefit of the present and future generations.

And for all of these reasons Mr. Speaker, it is my pleasure to support the McTavish amendment to ensure the continuation of the Individual Fishing Quota program.

**THE “REAL” CUBA TODAY**

**HON. ILEANA ROS-LEHTINEN OF FLORIDA IN THE HOUSE OF REPRESENTATIVES**

Tuesday, October 24, 1995

Ms. ROS-LEHTINEN. Mr. Speaker, in the debate a few days ago over the Cuban Liberty and Democratic Solidarity Act of 1995 we heard conflicting appraisals of Cuba today. From time to time the “Dear Colleague” letters and even congressional newsletters are distributed in this body about Cuba.

One aspect of Cuba that our sense of decency demands to incorporate in our discussions about the island is the continuing imprisonment of hundreds of political prisoners by Fidel Castro. This past June, the Cuban government reported a partial list of Cubans detained for political reasons. The list has been submitted to Ambassador Carl Schwab of the United Nations Special Mission for Human Rights and Natural Resources.

One of the areas under the Kerry Amendment that we should focus on for special attention is the matter of arms traffic.

Mr. HAMILTON. Mr. Speaker, I would like to call my colleagues attention to the important steps announced by the President over the weekend with respect to fighting narcotics and organized crime.

As you are aware, the President announced a series of initiatives in his speech to the U.N. General Assembly designed to strike a blow against the everincreasing dangers posed by narcotics trafficking and organized criminal activity. Two of those initiatives, I believe, will seriously damage the narcotics trade.

First, the President issued an executive order under the International Emergency Economic Powers Act freezing assets in the United States of 47 individuals and 33 companies associated with the Cali cartel and prohibiting any individual or company in the United States from doing business with these individuals or companies. By U.S. Government estimates, the Cali cartel controls 80 percent of the cocaine entering the United States. This executive order will hit the cartel where it hurts the most: their money.

Second, the President announced his intention to impose sanctions under the Kerry amendment against countries that do not control effectively the use of their financial systems by narcotics traffickers, terrorists, and other criminal enterprises. Under the Kerry amendment, countries which do not have in place adequate laws and procedures to deter money laundering can be denied access to the U.S. financial system. President Clinton— for the first time since the Kerry amendment was enacted 7 years ago—has sent a clear message to countries that turn a blind eye to money laundering in return for short-term economic gains: There is a heavy price to pay for such actions and we will exact that price.

The actions of the President have stepped up the pressure on narcotics traffickers and

**PRESIDENT TAKES DECISIVE ACTION AGAINST NARCOTICS TRAFFICKING AND CRIME**

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**CONGRESSIONAL RECORD — Extensions of Remarks**

October 24, 1995
organized crime, and show the commitment of this administration to attacking these problems both here in the United States and overseas. I commend the President and call on our friends and allies around the world to join him in his efforts.

H. R. 2517

SPEECH OF
HON. PAT ROBERTS
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Friday, October 20, 1995

Mr. ROBERTS. Mr. Speaker, I am inserting the following section-by-section analysis of H.R. 2517 into the Record at this time.

The analysis follows:

BRIEF EXPLANATION

Title I of the bill will reduce projected agricultural spending for farm commodity programs by $13.4 billion over the period, fiscal year 1996 through 2002. It consists of the final consideration by the Committee on Agriculture of the Chairman's reconciliation amendments to the 1995 farm bill, which have been patterned in large part after H.R. 2195, the Freedom to Farm Act. The latter bill is designed to reform U.S. agricultural policy to perhaps the greatest extent since the 1930's. The title also conforms to the reconciliation instructions directed to the Committee on Agriculture in House Concurrent Resolution 67, the Current Resolution on the Budget for Fiscal Year 1996. The provisions in the title I recognize the realities of a post-GATT and NAFTA world trade environment within which U.S. agricultural producers must compete as we approach the 21st Century.

The balance of the budget savings within the jurisdiction of the Committee on Agriculture is designed to achieve the budget reductions required by H. Con. Res. 67, which was realized with the House passage of H.R. 4, the Food Stamp Reform and Commodity Distribution Act. That act is now scheduled for a House-Senate conference.

PURPOSE AND NEED

Subtitle A—Freedom to Farm

Background

Since the last time Federal commodity programs were addressed in a farm bill (1985) or in reconciliation (1993), major changes in world trade policy, domestic budget policy, and commodity producer opinion require reconsideration of Federal commodity policy.

The new majority in the 104th Congress is committed to balancing the budget. With the passage of the first Budget Resolution in June, the House Committee on Agriculture, despite having cut over $50 billion in budget authorizations and 90,000 acres of Federal land, was directed by H.Con.Res. 67, the FY 1996 Budget Resolution to achieve $13.4 billion in savings from Federal farm programs over the next seven fiscal years. Admittedly, reducing Federal spending by that amount will impact farmers. This incentive created by current programs has also contributed to balancing the budget. With the passing of the first Budget Resolution in Congress authorizing greater and greater bureaucratic controls on producers over the last ten years in order to minimize environmental damage by requiring conservation compliance pursuant to wetlands, and compliance with many other land-use statutes. It would be hard to imagine a program which creates more inconsistent incentives than the existing commodity programs.

Added to one of the regulatory burdens which have resulted from the counter-productive environmental policies, and the current programs to function properly in a post-NAFTA world-oriented market. The programs are the additional regulatory burdens created by Congress over the past twenty years which attempt to target program benefits to the smallest possible geographic area. Payment limitation provisions have: (1) resulted in substantial paperwork requirements for producers whose operations do not qualify; (2) required a substantial amount of government administrative resources, which has inhibited the government-wide goal of downsizing; and (3) been largely ineffective as a means of ensuring that benefits are targeted to small producers because of the loopholes in the existing structure.

Third, preserving the current Federal farm program structure with the required $13.4 billion in cuts will leave producers with an ineffective and counter productive agricultural policy. The resulting system would be an amalgamation of the 1990s-era program which no longer serves the people it was originally intended to benefit. While further modifications of current Federal commodity programs may accomplish required budget savings, ten years of budget cuts has changed the fundamental nature of Federal programs to the extent they have inhibited farm production and producer earning potential.

Rationale

With these conclusions in mind, the recommended changes in Federal commodity policy which are accomplished in this title have a cumulative reconciliation savings of $13.4 billion, as estimated by the Congressional Budget Office. The Federal farm policy for commodities, titled as "Freedom to Farm" in Subtitle A, captures the CBO projected baseline for agriculture over the next seven years after incorporating the $13.4
billion in savings required by the House Con-
current Resolution 67 instructions to the
Committee on Agriculture
Freedom to Farm ("FFA") replaces the com-
mmodity support and production ad-
justment programs with a seven-year market
transition contract payment for eligible
owners and a nonrecourse loan program for eligi-
bly producers. Contract participants will re-
ceive seven annual market transition pay-
ments for maintaining compliance with their
marketing assistance loan program for eligi-
able producers. The Secretary is also directed to
implement reforms in exchange for maintaining
compliance with their respective conservation plans and applicable wetlands protection
provisions. Producers receiving these payments
will have freedom from the rules that end all
income, both

FFA insures that whatever government fi-
cial support is provided, it will be deliv-
ered, regardless of the circumstances, be-
cause the producer signs a contract with the
Federal Government for the next seven years. It
looks to a market for planting and marketing
signals, FFA will require producers to manage
their finances to compensate for price
swings. It may be true that when prices are
high, producers will receive a full market
transition payment under FFA but it is
equally true that if prices decline, farmers
will still receive a market transition
payment. That means the individ-
ual producer must manage all income, both
market and government, to account for
weather and price fluctuations.

Third, FFA encourages market orienta-
tion. Producers can plant or idle all their
acre at their discretion, with a significant
reduction in the restrictions on what can be
planted. Producers will have to make com-
modity planting decisions in response to
commodity markets instead of decisions
based on outdated acreage and crop
acreage basies. Decoupling Federal payments
from production (a process which began in
1985 when payment yields were frozen) would
end any direct government intervention in
choosing crops to plant. Under FFA, all pro-
duction incentives should come from the
market and government, to account for
weather and price fluctuations.

Fourth, FFA recognizes that the benefits
from current programs have, to some extent,
been recycled into the value of agricultu-
ral land. By abolishing the link between
production and benefits, but doing so in a
manner which provides a seven-year transi-
tion period, the economic distortions caused
by existing programs can be removed in a
manner that causes the least amount of dis-
ruption and harm to rural America. For that
reason the FFA contract payment has been
aptly named as a market transition
payment.

Good policy for the future
FFA is also good policy for the future of
production agriculture in the United States.
The most severe critics of current farm pro-
grams, including the New York Times, the
Washington Post, the Economist, and a host
of regional newspapers, have hailed FFA as
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Secondly, existing Federal milk marketing orders act as an impediment to a level playing field domestically. The U.S. dairy industry cannot hope to be competitive in the world dairy market if our domestic marketing system produces competitive advantages and disadvantages at home unrelated to market indicators and other economic conditions. The Federal Milk Marketing Order program in 1985, and the requirement that Class I differentials, fixed by statute in 1985, will add an average of $134 million annually to the cost of the dairy price support program for 1995. Five fiscal years ago, dairy producers were facing artificial incentives to produce milk in regions with insufficient Class I supplies of milk. Studies of Federal milk marketing orders by the Accounting Office of the USDA in 1983 and 1985 have produced similar conclusions.

Thirdly, the inactivity of the dairy price support program and the low levels of government-held dairy products are directly related to the success of the DEIP program. Dairy economists across the nation uniformly agree that the DEIP program has added between $.50/cwt to $1.00/cwt to producer prices in each of the last five years.

Rationale
With these conclusions in mind, the following changes in Federal dairy policy are accomplished:

- A cumulative reconciliation savings of $511 million estimated by the Congressional Budget Office.
- Chapter 2 of subtitle B replaces the dairy price support program on January 1, 1996, with a market transition program for milk producers and a reserve loan program for dairy processors. Producers will receive seven market transition payments in exchange for the termination of the price support program. Since any negative impact resulting from this transition will be greatest in 1996, producers will receive two of the seven market transition payments during calendar year 1996.
- From a GATT perspective, the termination of the price support program will make U.S. cheese, butter and nonfat dry milk immediately competitive on the world market. This is significant because, by the end of the decade, 17 percent of the world market for nonfat dry milk, 23 percent of the world market for cheese, and 31 percent of the world market for dairy products, but only 19 percent of the world market for butter, is sold at prices below the world market. The DEIP program provisions were retained. The program provisions were retained. The Secretary of Agriculture would also be given the authority to increase the marketing assessment on growers in a pool to cover any further losses, with a provision directing any unused assessment funds to be returned to the Treasury.

With respect to the sale, lease, and transfer of quota, several changes are recommended. Currently, a pool participant is allowed to sell or lease to another owner or operator in the fall or after the normal planting season within the same country. The Committee recommends full sale, lease, or transfer of quota to any county within a State without any restrictions.

The Committee recommends that the price support program on January 1, 1996.

Sugar
The Committee proposal increases revenue to the Treasury through an increased marketing assessment from 1.1% to 1.5% of the loan rate for raw cane sugar and from 1.17% to 1.5% of the loan rate for the preceding year. If the previous year’s loan support rate was below 1.17%, the increase would be applicable on a pro rata basis.

In this context, the Committee’s recommendation is to provide a safety net for sugar producers. The programs created and funded by the Committee’s recommendation would allow the Secretary or association of producers currently participating in the program to cover any further losses, with a provision directing any unused assessment funds to be returned to the Treasury.

With respect to marketing allotments, the Committee’s recommendation would allow the Secretary or association of producers currently participating in the program to cover any further losses, with a provision directing any unused assessment funds to be returned to the Treasury.

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Peanuts
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The Committee also proposes a consistent increase of imports through the establishment of a loan modification threshold which is initially triggered at 1,257,000 short tons short tons of wheat and 1,000
102% of the loan modification threshold for the previous fiscal year for fiscal years 1998 through 2002. Under this provision, re-
course lenders are made liable only up to the threshold level and would be converted into noncourse loans if imports rise above the threshold level.

Subtitle D—Miscellaneous Program Changes

The Committee proposes to delete the Federal Crop Insurance Act of 1994 (Reform Act), and to substitute the following provision:

Section 1403. Repeal of previous authorization for CFSA

(a) Authorization: Congress hereby authorizes CFSA to perform all functions authorized for the period of fiscal years 1995 through 1997.

(b) Reorganization: CFSA is authorized to reorganize its operations, including the name of its board of directors, to provide for the most efficient and effective management of the agency and its agencies.

(c) Administration: CFSA is authorized to operate and manage its agencies, including the Office of Risk Management, in such manner as it deems necessary to carry out this title and the other titles of this Act.

(d) Provisions: The provisions of this title are not intended to affect any provisions of this Act, or any other provisions of law, that are not inconsistent with the provisions of this title.

The changes in Federal farm policy made in the preceding subtitles are a dramatic departure from current farm commodity programs. Many of those involved in production agriculture from the farmer to the econo-
mist, to rural lenders, and especially to those with an economic interest in current programs, are concerned that a change of the magnitude described by the subtitles coupled with less Federal subsidy dol-
ars will adversely affect not only the U.S. agricultural industry, but also rural America. While the dramatic changes proposed for the Federal Government's involvement in agriculture as prescribed by the Freedom to Farm Act, are in fact a recognition of the changes currently taking place in American society and in agri-
culture, an examination of the changes wrought by these policy changes and what farm poli-
cies are needed for the 21st Century farm sector is necessary.

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CONGRESSIONAL RECORD — Extensions of Remarks

October 24, 1995

Billions of tons of topsoil have been saved over the life of the program. Large sections of prairie have been returned to grass, pro-
viding critical habitat for migratory water-
In the 1990 amendments to the 1985 Farm Bill, the Federal Government should get involved in agri-
culture. Indeed, the original Agricultural
Adjustment Act of 1993 was declared unconstitutional by the Supreme Court. But a consensus was reached and the United States Government embarked upon a course of substantial involvement in agriculture. Many present programs were claimed to be created out of political and economic necessity, because the nation was largely rural and the majority of the population lived on farms or rural areas.

In the intervening 60 years, the United States has been transformed into an urban society with less than 2 million citizens on farms. There is evidence that Federal farm programs may have eased the transition from farm to city for an urban society. While the United States is now largely an urban population, nearly 20 percent of the Gross National Product can be attributed to agriculture. This sector is characterized, i.e., from the farm to the manufacturing, distribution, and input infrastructure involved in modern agriculture's miracle of productivity.

The United States is blessed with a very valuable asset: fertile land, with adequate moisture, growing season, and dedicated users of such land that make it the envy of the world. The challenge for the United States as we enter the 21st Century is how do we wisely use our very valuable natural resource: agriculture. The present system of agricultural price supports and supply control programs has come under increasing attack by environmentalists, food farmers as being inadequate for modern agriculture. The Freedom to Farm Act is meant to be a transition policy for U.S. agriculture. But a transition to what?

Over the 7 years of the transition contract, the Congress hopes a national debate can take place as to what should be the Federal involvement in production agriculture in the 21st Century. Should it be a system of direct price supports found in the present system? Should it be some type of income support mechanism that provides some means of income or revenue protection given the nature of production agriculture, which is subject to the vagaries of weather, pestilence, and geopolitical market disruptions. Should the Federal involvement in production agriculture be limited to only foreign market development and research that enhances U.S. agriculture's relative competitive position? Or can many of the goals necessary to have a healthy food and fiber sector be accomplished through Federal tax policy?

To provide answers to these questions, Subtitle E establishes a Commission on 21st Century Production Agriculture, which is designed to give future Congresses and Presidents and others information and feedback to gauge the effectiveness of the changes made by this legislation, and also to recommend further appropriate Federal policy and involvement in production agriculture. The Commission is to conduct a "look-back" (how successful is Freedom to Farm) and a "look-forward" that recommends new or different policies for 21st Century agriculture.

This Commission, comprised of 11 members to be appointed by the President and the Chairmen of the House and Senate Agriculture Committees in consultation with their Ranking Minority Members, will conduct the anticipated market transition in the condition of the agricultural sector, taking into account land values, regulatory and tax burden, export markets, and other national and international trade agreements. The Commission will also make an assessment of changes in production agriculture, identify the appropriate future relationships of Federal Government and production agriculture after year 2002, and assess the future personnel and administrative needs of USDA. Not later than June 1, 1998, the Commission shall report its interim findings with respect to its comprehensive review of the condition of the agricultural sector. Not later than January 1, 2003, the Commission shall make a final report concerning its assessments and determinations regarding the future role of the Federal Government in agricultural price supports and supply control programs.

Amended section 102(c) describes eligible farmland, which is land that contains a crop acreage base, at least a portion of which was used to produce a crop for the 1991 and 1995 crop years. The Secretary may at his discretion use an owner's acreage base which has served as a basis for deficiency payments in at least one of the 1991 through 1995 crop years, including at least one of the years after 1995 in which the owner was the beneficial owner of a contract with the CRP for an annual payment based on the production of feed grains, feed cotton, or feed grains, or wheat and which has served as the basis for deficiency payments in at least one of the 1991 through 1995 crop years, including at least one of the years after 1995 in which the owner was the beneficial owner of a contract with the CRP for an annual payment based on the production of feed grains, feed cotton, and feed wheat. The provision requires that the owner be the beneficial owner of the contract at the time the deficiency payment is made.

An owner may be eligible to receive a crop payment with respect to a crop acreage base under paragraph (1) if the base is neither a base of a contract commodity with a total amount calculated under section 114(a)(2) nor a base of a contract commodity with a total amount calculated under section 114(a)(3) with respect to a crop acreage base under paragraph (1) if the base is neither a base of a contract commodity with a total amount calculated under section 114(a)(2) nor a base of a contract commodity with a total amount calculated under section 114(a)(3).
Amended section 102(g), in paragraph (1), establishes the basis for determining the amount of production attributable to a contract commodity covered by a contract, which is the product of—
(A) the acreage base of that contract commodity attributable to the eligible farm land subject to the contract; and
(B) the payment yield in effect for the 1995 crop of that contract commodity for the farm containing that eligible farm land.

Amended section 102(g), in paragraph (2), provides that, for each of the fiscal years 1996 through 2002, the total amount of production of each contract commodity covered by market transition contracts shall be equal to the sum of the amounts calculated under paragraphs (1) for each market transition contract covering that fiscal year.

Amended section 102(g), in paragraph (3), provides that the payment rate for a contract commodity for a fiscal year shall be equal to—
(A) the amount made available under section 102(f)(3) for that commodity for that fiscal year; divided by
(B) the amount determined under paragraph (2) for that fiscal year.

Amended section 102(g), in paragraph (4), provides that, for each of the fiscal years 1996 through 2002, the total amount to be paid under a particular market transition contract with respect to a contract commodity shall be the product of—
(A) the amount of production determined under section 102(g)(1) for that contract for that contract commodity; and
(B) the payment rate in effect under paragraph (3) for that fiscal year for that contract commodity.

Amended section 102(g), in paragraph (5), provides that the provisions of section 380 of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall apply to market transition contract payments, and that the owner, operator, or assignee to notify the Secretary of such assignment.

Amended section 102(g), in paragraph (6), directs the Secretary to allow for sharing of payments made under a market transition contract among the owners and operators subject to a contract on a fair and equitable basis.

Amended section 102(h) establishes an annual payment limitation under a market transition contract at $50,000 per person during any 5-month period and instructs the Secretary to issue regulations defining the term ‘person’ which shall conform, to the extent practicable, to the regulations defining such term issued under section 102 of the Food Security Act of 1985. The Secretary is further instructed to ensure that contract payments issued to corporations and other persons described in section 102(5)(B) of such Act comply with the attribution requirements specified in paragraph (C) of such section.

Amended section 102(h), in paragraph (1), authorizes the Secretary to terminate a market transition contract if an owner or operator violates the farm’s conservation compliance plan or wetland protection requirements. Upon termination, the owner or operator forfeits future payments and must refund payments received during the period of the violation, with interest as determined by the Secretary.

Amended section 102(h), in paragraph (2), provides that the Secretary may—
(A) require a partial refund with interest thereon; or
(B) adjust future contract payments.

Amended section 102(i), in paragraph (3), prohibits the Secretary from requiring repayments from an owner or operator if farm land which is subject to the contract is foreclosed on or otherwise transferred, or if the Secretary determines that forgiving such repayments is appropriate in order to provide fair and equitable treatment. This authority does not void the Secretary’s authority, if the owner or operator continues or resumes control or operation of the property subject to the contract, and in effect reinstate the contract.

Amended section 102(i), in paragraph (4), provides that a determination by the Secretary under this subsection shall be considered as an adverse decision for purposes of review by the National Appeals Division under subtitle H of title II of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994.

Amended section 102(i), in paragraph (5), provides that transfers of farmland subject to a contract on a fair and equitable basis.

Amended section 102(l) provides that the provisions of section 8(g) of the Agricultural Marketing Act relating to assignment of payments made under a market transition contract commodity are applicable to nonrecourse marketing assistance loans for certain crops.

New section 102(a)(a), in paragraph (1), directs the Secretary to establish the loan rate for each commodity no later than 90 days after the beginning of the marketing year for such commodity.

New section 102(a)(c), in paragraph (1), establishes the loan rate for each commodity at 90 percent of the simple average price received by producers during the marketing years for the immediately preceding five crops (a rolling average).

New section 102(a)(c), in paragraph (2), directs the Secretary to set the loan rate for each commodity for a marketing year if the Secretary estimates that the market price for a commodity is likely to be less than the loan rate calculated under section 102(a)(c).

New section 102(a)(c), in paragraph (3), instructs the Secretary to determine the five-year simple average price received by producers, excluding the highest and lowest years.

New section 102(a)(d) provides that, if the Secretary determines that the market price of a commodity falls below the lower of: (1) the loan rate; or (2) the adjusted loan rate set under paragraph (2), the Secretary shall allow such loan to be repaid at such market price. This subsection does not apply to marketing assistance loans for extra long staple cotton, rye or oilseeds.

New section 102(a)(e) authorizes the Secretary to make such adjustments in the announced loan rate for a commodity as the Secretary determines appropriate to reflect differences in grade, type, quality, location, and other factors.

New section 102(a)(f), in paragraph (1), provides that, in the case of a marketing assistance loan for a crop of wheat, feed grains, except rye, upland cotton, or rice, only a producer whose land on which the crop is raised is eligible to obtain a market transition contract. In the case of a market transition contract, the Secretary shall be eligible for a marketing assistance loan.
New section 102A(f), in paragraph (2), provides that, in the case of a marketing assistance loan for a crop of extra long staple cotton, rice or oilseeds, any producer shall be eligible for only one marketing assistance loan except as provided in subsection (d).

New section 102A(g) provides that the Secretary may not make payments to producers to cover losses incurred in connection with marketing assistance loans.

New section 102A(h), in paragraph (1), defines 'feed grains' to mean corn, sorghum, wheat, triticale, and the like; and in paragraph (2), defines 'oilseeds' to mean soybeans, sunflowerseed, rapeseed, canola, safflower, flaxseed, mustard seed, and, if designated, any other oilseed.

New section 102A(i) authorizes the Secretary to issue such regulations as are necessary to carry out this section.

Subsection (b), Repeal of current adjustment authority

Subsection (b) repeals section 403 of the Agricultural Act of 1949, relating to loan rate adjustment authority.

Section 1201. Seven year market transition contract for milk producers

Subsection (a), Payment schedule and payment rates

Subsection (a) suspends: (1) sections 331 through 347 of the Agricultural Adjustment Act of 1938 (applicable to wheat crops of 1996 through 2002); (2) sections 379d through 379f of the Agricultural Adjustment Act of 1938 (applicable to the wheat crops of 1996 through 2002); and (4) section 107 of the Agricultural Act of 1949 with respect to the wheat crops of 1996 through 2002.

Subsection (b), Feed grains

Subsection (b) suspends 105 of the Agricultural Act of 1949 with respect to the 1996 through 2002 crops of feed grains.

Subsection (c), Cotton

Subsection (c) suspends sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 and section 103(a) of the Agricultural Act of 1949 with respect to the 1996 through 2002 crops of cotton.

SUBTITLE B—MILK AND THE PRODUCTS OF MILK

Chapter 1—Authorization of Market Transition Payments in Lieu of Milk Price Support Program

Section 1201. Seven year market transition contracts for milk producers

Section 1201 amends the Agricultural Act of 1949 by replacing section 204, and conforming sections 201(a) and 301 accordingly.

Subsection (a), Contracts authorized

Subsection (a) replaces existing section 204 of the Agricultural Act of 1949 with the following new provisions.

New section 204(a) authorizes the Secretary to enter into market transition contracts with producers, the terms of which a producer would agree to continue compliance with any government animal waste regulations or wetlands protection requirements. The Secretary is required to make a determination regarding violations of animal waste or wetlands protection regulations with appropriate State governmental authorities. If the Secretary determines that a termination is appropriate, the producer will retain all rights to the contract, and is further required to refund any payment received after the producer was notified of the violation. If the Secretary determines that the violation does not warrant termination, the Secretary may require the producer to refund any payment received after the producer was notified of the violation and may make adjustments in the amount of future payments otherwise required under the contract.

New section 204(i) provides that market transition contracts shall be binding.

Subsection (b), Continued operation of existing program through 1995

Subsection (b) provides that the dairy price support program under existing section 204 of the Agricultural Act of 1949 continues in operation through December 31, 1995 at which time it is terminated. Producers that are entitled to a refund of their 1995 budget reconciliation assessment (i.e., their marketings of milk in calendar year 1995 did not exceed their markings of milk in calendar year 1994) will receive those refunds from CCC funds rather than from assessments on producers in 1996.

Subsection (c), Conforming repeal of general authority to provide price support for milk

Subsection (c) conforms sections 201(a) and 301 of the Agricultural Act of 1949 to eliminate milk from the desigated nonbasic agriculture commodities for which the Secretary has general authority to provide price support.

Section 1202. Recourse loans for commercial processors or dairy products

Section 1202 amends the Agricultural Act of 1949 by replacing section 242 with the following:

NEw section 242(a) authorizes the Secretary to make recourse loans available to commercial processors of cheddar cheese,
butter and nonfat dry milk dairy products to assist those processors in assuring price stability for the dairy industry.

Section 1211. Dairy Export Incentive Program

Section 1211 amends section 1153 of the Food Security Act of 1985 to make the following revisions in the Dairy Export Incentive Program (DEIP).

Subsection (a). In general

Subsection (a) requires the Secretary to use the DEIP program to export the maximum allowable quantities of U.S. dairy products consistent with the obligations of the United States as a member of the World Trade Organization, minus the quantity sold under section 1163 of the Food Security Act of 1985 during that year, except to the extent that such volume would exceed the limitations on value set forth in subsection (f).

Subsection (b). Sole discretion

Subsection (b) establishes that the Secretary of Agriculture exercises sole discretion over the DEIP program.

Subsection (c). Market development

Subsection (c) authorizes the Secretary to include an amount for the development of world markets for U.S. dairy products in the payment rate for DEIP.

Subsection (d). Maximum allowance amounts

Subsection (d) limits the Secretary's use of money and commodities for the DEIP program in any year to the maximum amount consistent with obligations of the United States as a member of the World Trade Organization minus the amount expended under section 1163 of the Food Security Act of 1985 during that year.

Subsection (e). Conforming amendment

Subsection (e) extends the operations of the DEIP program through the year 2002.

Section 1212. Authority to assist in establishment and maintenance of export trading company

Section 1212 authorizes the Secretary of Agriculture to assist the United States dairy industry in establishing and maintaining an export trading company under the Export Trading Company Act of 1982 to facilitate the international market development for an exportation of U.S. dairy products.

Section 1213. Standby authority to extend to entities best suited to provide international market development and export services

Section 1213 provides standby authority for the Secretary of Agriculture to extend to entities best suited to provide international market development and export services.
Subsection (a). Implementation of amendments

Subsection (a) requires the Secretary to issue an amended dairy products promotion and research order reflecting the amendments in sections 122 and 123, and upon notice and a hearing, to issue an order making such changes as the Secretary deems necessary and consistent with the order in existence on the date of enactment of this Act.

Subsection (b). Proposal of amended order

Subsection (b) directs the Secretary to publish an order reflecting the amendments in sections 122 and 123 not later than 60 days following the enactment of this Act, and shall provide notice and an opportunity for public comment on the proposed order.

Subsection (c). Issuance of amended order

Subsection (c) provides that, following notice and an opportunity for public comment, the Secretary shall issue a final dairy products promotion and research order.

Subsection (d). Effective date

Subsection (d) requires the final dairy products promotion and research order to be issued and become effective not later than 120 days following the publication of the proposed order.

Subsection (e). Referendum on amendments

Subsection (e) amends section 115 of the Dairy Production Stabilization Act of 1983 to direct the Secretary to conduct a referendum of producers and importers not later than 36 months after the issuance of the final order reflecting the amendments required by sections 122 and 123 for the sole purpose of determining whether those amendments shall be continued.

Chapter 4—Verification of Milk Receipts

Section 1231. Program to verify milk receipts

Section 1231 creates a new subsection (l) in section 8c of the Agricultural Marketing Agreement Act of 1937 to establish a program to verify receipts of milk and audit marketing agreements and other contracts for the marketing and receipt of milk between producers and handlers.

Subsection (a). Establishment of verification program

Subsection (a) provides that, under new section (l), the Secretary shall establish a program through which the verification of receipts of all cow’s milk marketed commercially in the contiguous 48 States and the District of Columbia has been verified. The Secretary shall prescribe regulations to implement the verification program.

New section 204(1)(2) requires the program to provide a means by which: (1) processors, associations of producers and other engaged in the handling of milk and milk products file reports with the Secretary regarding receipts of milk, prices paid for milk, and the purposes for which milk was used by handlers; (2) deductions from payments to producers, including assessments for research and promotion programs, are collected; (3) assurance of payment by handlers for milk is achieved; and (4) the reports, records, and facilities of handlers are reviewed and verified. The Secretary shall publish statistics regarding receipts, prices and uses of milk. Statistics published by the Secretary are to include information on payments received by processors for milk on a component basis. The expenses associated with the collection of such statistics are to be paid by handlers. Such assessments shall not exceed the total expenses of the Secretary.

New subsection (l) directs that the program shall further provide a means by which the weighing, sampling, and testing of milk purchased from producers is accomplished and verified. Cooperative Marketing Associations may continue to provide such services for their members. The cost of providing such marketing services is to be paid by producers. Such assessments shall not exceed the total cost of the services.

New section 204(1)(4) authorizes producer and association of producers to negotiate and enter into marketing agreements or other private contracts with handlers for the marketing or receipt of milk. Upon request, the Secretary may issue an agreement to assure compliance with its terms. The Secretary is to be reimbursed for any costs associated with an audit.

New section 204(1)(5) provides that no marketing agreement or government regulations applicable to milk or its products in any marketing area or jurisdiction shall prohibit or in any manner limit the marketing in that area of any milk or product of milk produced in any production area in the United States.

New section 204(1)(6) mandates that, effective July 1, 1996, the verification program shall supersede any Federal milk marketing order issued under section 8c of the Agricultural Marketing Agreement Act of 1937 with respect to milk or the products of milk.

Subsection (b). Time for issuance

Subsection (b) requires the Secretary to issue final regulations implementing the verification program not later than July 1, 1996.

Subsection (c). Process

Subsection (c) provides that the Secretary shall issue proposed regulations not later than April 1, 1996, and shall provide for a comment period on the proposed regulations not to exceed 60 days nor extend past May 31, 1996.

Section 1232. Verification program to supersede existing Federal milk marketing orders

Section 1232 provides that the verification program established by section 1231 will supersede existing Federal milk marketing orders by making the following amendments to the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

Subsection (a). Termination of milk marketing orders

Subsection (a) terminates existing Federal milk marketing orders by striking paragraphs (5) and (18) of section 8c.

Subsection (b). Prohibition on subsequent orders regarding milk

Subsection (b) conforms paragraph (2) of section 8c to remove milk from the list of commodities for which the Secretary has general authority to issue marketing orders.

Subsection (c). Conforming amendments

Subsection (c) makes conforming amendments to sections (3), (4), (6), (8)(18), 8c(13)(A), 8c(17), 8c(19), 8c(20), and 11.

Subsection (d). Effective date

Subsection (d) provides that the amendments made by section 1232 are effective on July 1, 1996.

Chapter 5—Miscellaneous Provisions Related to Dairy

Section 1241. Extension of transfer authority regarding military and veterans hospitals

The authority of the Secretary to transfer dairy commodities to military and veterans hospitals is extended until 2002.

Section 1242. Extension of Dairy Indemnity Program

The Dairy Indemnity Program is extended until 2002.

Section 1243. Extension of report regarding export sales of dairy products

The requirement that the Secretary report on export sales of dairy products is extended through 2002.

Section 1244. Status of producer-handlers

The legal status of producer-handlers is not altered or otherwise affected by the provisions of this subtitle.
Subsection (c) amends subsections (a)(3), (b)(1)(A), (b)(1)(B), (b)(2)(A) and (C), (b)(3)(A), and (f) of section 358-1, subsection (c) of section 358b, subsection (d) of section 358c, and subsection 358b of subtitle C of title III of the Agricultural Adjustment Act of 1938 by extending such subsections through the 2002 marketing year.

Subsection (d). Prioritized quota reductions

Amended section 358-1(b)(1)(C) of the Agricultural Adjustment Act of 1938 to provide a priority method for allocating decreases in poundage quota. Amended section 358b-1(d)(1)(C) provides that if the poundage quota apportioned to a State under section 358-1(a)(3) is decreased, rather than apply the decrease to all farms in the State, such decrease shall be allocated among farms in the following order:

(i) farms owned or controlled by municipalities, airport authorities, schools, colleges, refuges, and other public entities.
(ii) farms for which the holder is not a producer of the crop
(iii) farms for which the quota holder, although a resident of the State, is not a producer
(iv) other farms described in the first sentence of this subparagraph.

Subsection (e). Elimination of quota floor

Amended section 358-1(a)(1) of the Agricultural Adjustment Act of 1938 by eliminating the 1,350,000 ton minimum national poundage quota.

Subsection (f). Spring and fall transfers within a State

Amended section 358b(a)(1) of the Agricultural Adjustment Act of 1938 relating to farm poundage quota transfer. Amended section 358b(a), in paragraph (1), allows farm poundage quota to be sold or leased rather than transferred from one calendar year to another for the first planting season, to any other owner or operator of a farm in the same State. Current provisions requiring 90 percent of a farm’s basic quota to be planted or considered planted before a fall (or after the normal planting season) transfer is allowed to be maintained.

Subsection (g). Transfers in counties with small quota

Amended section 358b(a) of the Agricultural Adjustment Act of 1938 by adding a new paragraph (4) which authorizes the sale, lease or other transfer of farm poundage quota at any time to any other farm within a State if the county in which the transferring farm is located was less than 10,000 tons of national poundage quota for the preceding year’s crop. Current authority regarding quota transfers to other self-owned farms in paragraph 2 and transfers of the less than 10,000 tons of quota in paragraph (3) is maintained.

Subsection (h). Undermarketings

Amended section 358-1(b) of the Agricultural Adjustment Act of 1938 by deleting (b) and (g) relating to an increase in farm poundage quota based on undermarketings in previous marketing years (and adds conforming amendments).

Subsection (i). Limitation of payments for disaster transfers

Amended section 358-1(b) of the Agricultural Adjustment Act of 1938 by adding a new paragraph (8) relating to disaster transfers.

Amended section 358-1(b), in a new paragraph (8), provides that additional peanuts on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, may be transferred to the quota loan pool, under certain conditions, except that such peanuts shall be supported at a total not more than 70 percent of the quota support rate, for the marketing years in which such transfers occur, and such transfers shall not exceed 25 percent of the total farm quota pounds, including pounds transferred in the fall.

Subsection (j). Temporary quota allocation

Amended section 358-1b(2) of the Agricultural Adjustment Act of 1938 by deleting the current subparagraph (B) relating to allocation of increased quota in Texas and inserting a new subparagraph (B) authorizing temporary increases in quota based on seed use.

Amended section 358-1b(2), in subparagraph (C) of this section, applies to the 1996 through 2002 marketing years, a temporary quota allocation for the marketing year only in which the crop is planted, equal to the number of pounds of seed peanuts planted for the farm that shall be made to the producers for the 1996 through 2002 marketing years, in addition to the normal farm poundage quota for that crop year.

Subsection (k). Suspension of marketing quotas and acreage allotments

Amended section 358(b)(1)(B) of the Agricultural Adjustment Act of 1938 relating to suspension of certain price support provisions. Amended section 373(a) of the Agricultural Adjustment Act of 1938 by extending the recordkeeping requirements of such section to the 1996 through 2002 crops of peanuts.

Subsection (l). Extension of reporting and recordkeeping requirements

Amended subsection 206(c)(1) requires the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this section.
Amended subsection 206(i) requires the Secretary to estimate, each year on a quarterly basis, the domestic demand for sugar which shall be equal to domestic consumption, plus adequate carryover stocks, minus carry-in stocks. Quarterly reestimates are to be made by the Secretary at the beginning of each of the second through fourth quarters. Amended subsection 206(i) authorizes the Secretary to issue such regulations as are necessary to implement this section.

Subsection (b). Effect on existing loans for years thereafter.

Subsection (b) provides that the amendments made to section 206 of the Agricultural Act of 1949 by subsection (a), above, shall not affect loans made before the date of enactment of this Act for the 1990 through 1995 crops of sugarcane and sugar beets.

Subsection (c). Termination of marketing quotas and allotments

Subsection (c) repeals Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 153aa±1539j) relating to marketing quotas and allotments.

Section 1301. Repeal of obsolete authority for price support for cottonseed and cottonseed products

Section 301(b) of the Disaster Assistance Act of 1988 is amended by striking paragraph (1) and section 420 of the Agriculture Act of 1949 is repealed.

SUBTITLE D—MISCELLANEOUS PROGRAM CHANGES

Section 1401. Limitation on assistance under Emergency Livestock Feed Assistance Program

This section amends section 609 of the Emergency Livestock Feed Assistance Act of 1988 by striking paragraph (3) and inserting a new subsection (c) to provide that no person may receive benefits attributable to lost product of a fee commodity if catastrophic insurance protection or noninsured crop disaster assistance is available to the person under the Federal Crop Insurance Act.

Section 1402. Conservation Reserve Program

Subsection (a). Limitations on acreage enrollments

Subsection (a) in paragraph (1) amends section 1231(d) of the Food Security Act of 1985 to limit to the total number of acres authorized to be enrolled in the Conservation Reserve Program, under section 1231(b), the number of acres, and paragraph (2) amends section 727 of the Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1995 to require that the prorata relating to the enrollment of new acres beginning in calendar year 1997.

Subsection (b). Optional contract termination

Subsection (b) amends section 1235 of the Food Security Act of 1985 by adding a new subsection (c) to provide that no person may receive benefits attributable to lost product of a fee commodity if catastrophic insurance protection or noninsured crop disaster assistance is available to the person under the Federal Crop Insurance Act.

New subsection (e), in paragraph (5), provides that, if land is returned to production of an agricultural commodity upon termination of a contract under this section, the Secretary shall adjust the requirements on such lands which are more onerous than the requirements imposed on other lands.

Subsection (e). Limitation on rental rates

Subsection (e) amends section 1235(c) of the Food Security Act of 1985 by adding a new paragraph (5), which limits rental rates for contracts that are extended, or new contracts covering land previously enrolled in the conservation reserve program, not to exceed 75 percent of the annual rental payment under the previous contract.

Section 1403. Crop insurance

Subsection (a). Conversion of catastrophic risk protection program to voluntary program

Subsection (a) amends section 508(b)(7) of the Federal Crop Insurance Act by redesignating current subparagraph (b) as (c) and inserting a new subparagraph (b) to provide that catastrophic risk protection may be declined, beginning with the spring-planting of 1996 crops and in any subsequent crop years.

Amended subsection 206(j) authorizes the Secretary to provide for different expiring terms. A member may serve after expiration of his or her term until a successor is appointed.
Amended section 505(f)(2) provides that members of the Board who are not Federal Government employees shall be compensated as the Secretary determines, except that such compensation shall not exceed a level V of the Executive Schedule under section 5316 of title 5, United States Code. Actual necessary traveling and subsistence expenses are all to be paid out of the insurance fund established in section 518(c).

Amended section 505(g) provides that the Administrator of FIC may also be the chief executive officer, with such power as the Board may confer.

Section 1404.—Repeal of the Farmer Owned Reserve Program

Subsection (a) repeals the Farmer Owned Reserve Program authorized by section 110 of the Agricultural Act of 1949.

Subsection (b). Effect of repeal on existing loans

Subsection (b) clarifies that the repeal of the Farmer Owned Reserve Program under this section does not affect the validity or terms and conditions of any extended price support loan provided under such program before the date of enactment of this Act.

Section 1405.—Reduction in funding levels for export enhancement program

Section 301(e)(2) of the Agricultural Trade Act of 1978 is amended so as to limit the amount of the CCC funds or commodities available for the Export Enhancement Program as follows: $400,000,000 for fiscal years 1996 and 1997; $500,000,000 for fiscal year 1998; $650,000,000 for fiscal year 1999; $790,000,000 for fiscal year 2000; and $478,000,000 for fiscal years 2001 and 2002 (not more than $500,000 was provided for fiscal year 1995).

Section 1406.—Business Interruption Insurance Program

Subsection (a). Establishment of program

Subsection (a) directs that not later than December 31, 1996, the Secretary is to establish a Business Interruption Insurance Program that allows a producer of a program crop to obtain revenue insurance coverage in case of loss of revenue for a program crop. The Secretary is authorized to determine the nature and extent of such a program, including the manner of determining the amounts of indemnity to be paid.

Subsection (b). Report on progress and proposed expansion

Subsection (b) provides that the Secretary must submit data to the Commission on 21st Century Production Agriculture established under Subtitle E by January 1, 1998, regarding the results of the program through October 1, 1997. The Secretary shall also make recommendations to the Commission about how to best offer a revenue insurance program to agricultural producers in the future, at one or more levels of coverage, that—(1) is in addition to or in lieu of, catastrophic and higher levels of crop insurance, (2) is offered through reinsurance arrangements with private companies, (3) is actuarially sound, and (4) requires the payment of premiums and administrative fees by participating producers.

Subsection (c). Programs crop defined

Subsection (c) defines program crop to mean wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.

SUBTITLE E—COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE

Section 1501.—Establishment

This section establishes a commission to be known as the “Commission on 21st Century Production Agriculture.”

Section 1502.—Composition

Subsection (a). Membership and appointment

Subsection (a) of this section requires that the Commission be composed of eleven members: three members appointed by the President, for a term of seven years, by and with the advice and consent of the Senate; three members appointed by the Chairman of the Committee on Agriculture of the House of Representatives; and five members appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate (in consultation with the ranking minority member).

Subsection (b). Qualifications

Subsection (b) establishes the qualifications required for appointment to the Commission. At least one member appointed by each the President, the Chairman of the Committee on Agriculture of the House of Representatives, and the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate shall be an individual who is primarily involved in production agriculture.

Subsection (c). Term of members; vacancies

Subsection (c) requires that the appointment to the Commission be for the life of the Commission. It also directs that a vacancy on the Commission shall not affect the Commission’s power to fill the same vacancy in the same manner as the original appointment.

Subsection (d). Time for appointment; first meeting

Subsection (d) provides that the members of the Commission be appointed no later than October 1, 1997. The Commission convene its first meeting 30 days after six members of the Commission have been appointed.

Subsection (e). Chairman

Subsection (e) provides that the chairman of the Commission be designated jointly by the Chairman of the Committee on Agriculture of the House of Representatives and the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate from among the members of the Commission.

Section 1503.—Comprehensive review of past and future of production agriculture

Subsection (a). Initial review

Subsection (a) of this section requires the Commission to conduct a comprehensive review of changes in the condition of production agriculture in the United States subsequent to the date of enactment of this Act and the extent to which such changes are the result of the changes made by this Act. This review shall include: (1) the assessment of the initial success of market transition contracts in supporting the economic viability of farming in the United States; (2) the assessment of the security situation in the United States in the areas of trade, consumer prices, international competitiveness of United States production agriculture, food supplies, and humanitarian relief; (3) an assessment of the changes in farm land values and agricultural producer incomes; (4) an assessment of the regulatory relief for agricultural producers that has been enacted and implemented, including the application of cost/benefit principles in the issuance of agricultural regulations; (5) an assessment of the tax relief to agricultural producers that has been enacted in the form of capital gains tax reductions, estate tax exemptions, and mechanisms to average tax loads over high and low income years; (6) an assessment of the effect of any Government interference in agricultural export markets, such as the imposition of trade embargoes, and the degree of implementation and success of international trade agreements; and (7) the assessment of the likely effect of the sale, lease, or transfer of farm poundage quota for peanuts across State lines.

Subsection (b). Subsequent review

Subsection (b) requires the Commission to conduct a comprehensive review of the future position of United States production agriculture in the United States and the appropriate role of the Federal Government in support of production agriculture. This review shall include: (1) an assessment of changes in the condition of production agriculture in the United States since the initial review under subsection (a); (2) an identification of the appropriate future relationship of the Federal Government with production agriculture after 2002; and (3) an assessment of the manpower and infrastructure requirements of the Department of Agriculture in support of production agriculture.

Subsection (c). Recommendations

Subsection (c) requires that the Commission develop specific recommendations for legislation to achieve the appropriate future relationship of the Federal Government with production agriculture identified under subsection (b).

Section 1504.—Reports

Subsection (a). Report on initial review

Subsection (a) of this section requires that by January 1, 1998, the Commission submit a report containing the results of the initial review.

Subsection (b). Report on subsequent review

Subsection (b) requires the Commission to conduct a comprehensive review of the future position of United States production agriculture in the United States and the appropriate role of the Federal Government in support of production agriculture. This review shall include: (1) an assessment of changes in the condition of production agriculture in the United States since the initial review under subsection (a); (2) an identification of the appropriate future relationship of the Federal Government with production agriculture after 2002; and (3) an assessment of the manpower and infrastructure requirements of the Department of Agriculture in support of production agriculture.

Subsection (c). Mail

Subsection (c) provides that the Commission may conduct hearings, take testimony, receive evidence, and act in a manner the Commission considers appropriate to carry out the purposes of this Act.

Subsection (d). Assistance from other agencies

Subsection (d) provides that the Commission shall provide appropriate assistance from other agencies.
members. Additionally, the Commission must meet upon the call of the chairman or a majority of the members.

Section 1007. Quorum

Subsection (b) provides that a quorum of the Commission must be present to produce a quorum for transacting the business of the Commission.

Section 1507. Personnel matters

Subsection (a) of this section provides that members of the Commission serve without compensation but that provisions be allowed for reimbursement of expenses when engaged in the performance of Commission duties, including a per diem in lieu of subsistence authorized by section 5703 of title 5, United States Code.

Subsection (b) Staff

Subsection (b) provides that the Commission shall appoint a staff director. The staff director's basic rate of pay shall not exceed that of the Assistant Secretary for Research, Education, and Economics of the United States Department of Agriculture for fiscal year 1996, and ongoing business.

Chairman called the meeting to order at 9:30 a.m. and after finishing the first item of business, offered a statement concerning the Commission's budget reconciliation responsibilities. Ranking Minority Member de la Garza was recognized for a statement also.

The Chairman then offered an amendment, the Dairy Policy Act of 1996, and presented a brief description. After much discussion, the Committee adopted an amendment by a vote of 22 years to 26 years, the Emerson-Combest Substitute was not adopted. See Roll Call Vote No. 3.

Mr. Smith was then recognized and indicated that he had planned to offer an amendment which would extend the crop insurance provisions included in the Subtitle. Discussion occurred, and by a voice vote, the Dooley amendment failed. Mr. Hostettler was recognized to offer an amendment concerning crops which may be grown instead of program crops on what was formerly known as crop base acreage. Discussion occurred and at the request of the Chairman, Mr. Hostettler, without objection, his amendment was withdrawn from the table.

Mr. Vokmer then offered an amendment, the Dairy Policy Act of 1996, and presented a brief description. After much discussion, the Emerson-Combest Substitute was not adopted. See Roll Call Vote No. 3.

Mr. Smith was recognized to offer and explain an amendment on behalf of himself and Mr. Lewis, the House of Representatives for Fiscal Year 1996, and ongoing business.

Mr. Ewing was then recognized to discuss the peanut and sugar provisions contained in Title B. Brief discussion occurred, and by a voice vote, the Everett amendment was not adopted by a vote of 22 years to 25 years and 2 present. See Roll Call Vote No. 3.

Mr. Smith was recognized to offer and explain an amendment on behalf of himself and Mr. Lewis, the House of Representatives for Fiscal Year 1996, and ongoing business.

Chairman assured Mr. Allard that he had discussed the matter with Secretary Glickman and that the Secretary had indicated that he would address the issue. With the assurances of the Chairman, Mr. Allard withdrew his amendment.
In anticipation of a less than majority vote, Congressman Guderson requested that his vote be changed from yea to nay, and by a recorded vote of 22 yeas to 27 nays, the Guderson motion was not adopted. See Roll Call Vote No. 4.

After a brief recess, the Chairman announced that the Committee had come to no resolution on the Reconciliation bill and that the meeting was adjourned, subject to the call of the Chair.

On September 28, 1995, the Committee on Agriculture met to consider the Committee's Reconciliation Recommendations. Chairman Roberts advised the Committee that the motion to favorably report the Committee's Reconciliation Recommendations had failed on a vote of 22 yeas to 27 nays, and that he would send a letter to the Chairman of the Budget Committee and the Speaker advising them that the Committee had come to no resolution of this matter as directed in the instructions to this committee contained in House Concurrent Resolution 67, the Concurrent Resolution on the Budget for FY 1996.

The Chairman also indicated the authority of the House Rules Committee in those instances where a standing committee fails to submit recommended changes to the Committee on the Budget.

The meeting adjourned, subject to the call of the Chair.

**ROLL CALL VOTES**

In compliance with clause 2(1)(2)(B) of rule XI of the House of Representatives, the Committee sets forth the record of the following roll call votes taken with respect to consideration of the recommendations regarding the Reconciliation Bill for Fiscal Year 1996.

**ROLL CALL VOTE NO. 1**

Summary: Substitute Amendment.

Offered by: Mr. de la Garza, Mr. Rose and Mr. Stenholm.

Results: Failed by a roll call vote: 22 yeas/25 nays.


**ROLL CALL VOTE NO. 2**

Summary: En Bloc (Substitute) Amendment.

Offered by: Mr. Emerson and Mr. Combest.

Results: Failed by a roll call vote: 22 yeas/26 nays/2 present.


**ROLL CALL VOTE NO. 3**

Summary: Dairy Policy Act.

Offered by: Mr. Volkmerr.

Results: Failed by a roll call vote: 22 yeas/26 nays/2 present.


**ROLL CALL VOTE NO. 4**

Summary: Guderson motion to favorably report Recommendations for Title I—Agriculture to the Committee on the Budget for Reconciliation.

Offered by: Mr. Guderson.

Results: Failed by a roll call vote: 22 yeas/27 nays.


**BUDGET ACT CON Compliance SECTION 308 AND SECTION 403**

The provisions of clause 2(1)(3)(B) of Rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, or new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 2(1)(3)(C) of Rules XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974 submitted to the staff of the Budget Committee prior to the filing of this report are as follows:

**MEMORANDUM**

To: Wayne Struble.

From: Dave Hull and Craig Jagger, Congressional Budget Office.

Subject: Agriculture reconciliation proposals.

We have determined a preliminary score for the Agriculture Reconciliation proposals, as contained in the language drafted on October 12, 1996 (with revision discussed by telephone). The estimate is preliminary in that it has not had full consideration and approval by our managers, normally accomplished in a formal, signed cost estimate is produced.

The table attached covers changes in direct spending outlays only.

Two lines may require some explanation. Reimbursements to non-governmental employee members of the Board of Directors of the Federal Crop Insurance Corporation, if made, would be from the Crop Insurance Fund. This constitutes new direct spending, but is estimated less than $500,000. Also, the Secretary is directed to offer a Business Interruption Insurance Program by December 31, 1996. No real limits in costs are imposed on the initial program (although the 1998-and-later program is directed to be “actually sold”), so this program could be implemented in a cost-effective manner. It could also be implemented as a small pilot program, with premiums carefully set to avoid net costs.

We feel we have no good way of determining the costs of this provision as currently proposed.

In the dairy sections of the bill, the Secretary is ordered to carry out certain provisions, but is given the authority to collect assessments (e.g. for milk marketing verification studies and audits; promotion referenda; etc.)

The Dairy Indemnity Program is reauthorized, and there are several studies and commissions ordered by the bill. We assume these provisions would only be carried out if funds are appropriated for those purposes.
The 11th Annual Great Lakes Conference on Exports

HON. TOBY ROTH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. ROTH. Mr. Speaker, on September 15, I held my 11th Annual Great Lakes Conference on Exports. We had 1,043 attendees, making this the largest exports conference in the Midwest.

Our opening speaker this year was C. Michael Armstrong, chairman and CEO of Hughes Electronics, and the Chairman of President Clinton's Export Council. As the chairman of the House Subcommittee on the Export World Committee, I have worked very closely with Mike. His insights have been invaluable to the committee as we have tried to increase U.S. exports.

As Mike pointed out, America is a world-class player, and those firms that grasp this reality, no matter how powerful, will continue to grow and prosper. They will have the opportunity to learn more about the options and resources available to them. And they will be able to share experiences with sympathetic listeners who know too well the devastation of the disease.

Alzheimer's does not discriminate. In America, 1 in 10 people know someone suffering from the disease. In metro Detroit, 60,000 people have Alzheimer's. Their families know that caring for an Alzheimer's patient is a supreme challenge. The tireless effort put forth by caregivers is remarkable and an example for all.

Those caregivers have been called the hidden patients of Alzheimer's, and I agree. I commend the Alzheimer's Association for making this effort available and for raising consciousness about Alzheimer's in the metro Detroit area.

We must continue our fight against this painful disease. Through research, financial aid for Alzheimer's families, and a health care system that works for Alzheimer's victims, we can provide the best possible support for everyone affected by the ravages of Alzheimer's.

For my company, the export imperative is already the dominant fact of our economic life. Today, our competition, our customers, our standard of quality, are all global. I've tried to translate my terms of reference, at Hughes, at the President's Export Council into an advocacy of pro-export policies that will not only define the growth of our country, but will define the opportunities and standard of living for our children and our children's children.

That's the mission that shapes my message this morning. The change in mind-set—in goods policy, and in jobs. Last year—we need to see for this country to fulfill its economic destiny. For this to happen, we must act on three critical issues: Where government policy is hurting, where government can help, it has to start; and where the private sector lacks reach or competitiveness, it has to change.

If I may, let me start with a snapshot of the importance of exports to the American economy. Take the current projections of 2% percent growth for the U.S. economy—a steady, but unspectacular rate. No, compare that 2% percent to the growth rate for American exports which is 10 percent plus. Even during the 1990-91 recession, exports continued to grow. If you consider a downturn I know all of us thought was deep enough. Each year export growth adds about $30 billion dollars to our GDP.

Now numbers like that can be distant from the day-to-day. But they're alarming. And it's the same story in the other states represented here today. In Minnesota, exports account for a billion dollars and 158,000 jobs; in Illinois, $24 billion dollars and 440,000 jobs; in Michigan, $36 billion and more than half-a-million jobs. And in every one of your states 95 percent of the businesses active in export are small to mid-size companies of 500 employees or less. That's the reality and the strength, of America's export economy.

However, for just a moment, imagine our economy without export growth. Our country would red-line almost instantly, plunging into recession. With export growth gone, our balance of trade, and move strongly ahead to a 21st century, we need to listen to CEO's like Mike Armstrong. I urge you all to take heed of his advice.

The Export Imperative: Public Policy and Private Enterprise for the New Century

By C. Michael Armstrong, Chairman & CEO, Hughes Electronics

Thank you for that very warm Wisconsin welcome. This conference, drawing so many high-powered participants not simply from Wisconsin but from across the Great Lakes region, is testament to the energies and ingenuity of our congressman Toby Roth. The knowledge and pro-active approach he brings to the public debate about the market system and exports is critical to the future of this country.

Gatherings like this are instructive for another reason as well—as an indicator of the kind of collective, collaborative, effort we must have to turn economic opportunity to advantage. In the context of the local economy, some of you may be seated down the row this morning from a competitor. But in the context of the global economy, even competitors share a common interest in a system that permits and promotes economic opportunity and puts American firms on an equal footing with companies from other countries.

The theme of this year's conference captures the challenge we face: 'Going global' is, quite simply, where the growth is. Companies, and ultimately countries, that refuse to recognize this reality, no matter how powerful, no matter how well-positioned, are destined to decline. By the same token, even small companies that grasp this reality will reap world-class rewards. I'll say here what I say to the Congress and the President. I speak with: America's economic destiny is as an Export Superpower.

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population of the United States—will account for 40 percent of the world’s export opportunities. Some may see this developing world emergence as a shift away from American economic leadership to a zero-sum game in which our future is our sunset. I see it a different way. I see it as the whole new world hungry for the goods and services America can provide. I see it as the long-term sustainable prosperity for the U.S., if more of us get off our domestic duff and into global markets.

But look at those markets, to translate that opportunity into American exports and American jobs, will take more than European ingenuity and enterprise. It’s going to take government policy. I see it as the technological revolution taking place around us.

Let’s start with public policy. I just what government support and policy is necessary for the United States to be globally competitive?

Here, I’m going to depart from the prevailing wisdom that puts a box on both Houses as well as 1600 Pennsylvania Avenue—by asserting there is a constructive role government must play when it comes to exports.

First, we need to keep and extend export financing. There are opportunities for export that entail unique risks, deals where commercial and government, their balance sheets rightly fear to tread alone. We need adequate government-backed export financing. We need the Ex-Im Bank and OPIC—the U.S. Overseas Private Investment Corporation—to step in where political risk, or competitive country government involvement inhibits our opportunity. Government financing in international markets is not a form of foreign aid, it is a competitive imperative.

Second, we’ve got to improve export advo-
cacy. In the folks in Washington and Tobi Roth, have declared war on the Commerce Department. I want to propose something short on the horizon. But that’s changing: It’s become a reality. There are a few things we got. But more of us need in order. Our problem is relatively weak competitiveness. It’s going to take more than American jobs, will take more than American ingenuity and enterprise. It’s going to take much more than just American management, and no one else.

And while there are some encouraging signs that American management is adapting and restructuring for global competitiveness, there is one significant indicator. I would say the economy has not yet moved in the right direction. Our problem is relatively weak in- vestment in R&D, an important indicator that an enterprise is pursuing leading-edge investments. In 1989, Japan was 3.5 percent of GDP in civilian R&D. Our 1.9 percent compares to 3.3 percent for Japan and 2.7 percent for Germany. And remember in 1984, both of those countries were in recession.

While private investment would be aided by a permanent extension of tax credits, it is management’s ultimate responsibility to in-
vest, to train and to re-engineer our capabil-
ities. Our shareholders, our customers and our employees will not, and should not, let the company be a sitting duck, they must move on.

And if this conference proves anything, it demonstrates there is plenty of courage and conviction to invest to stay ahead of our global competitors.

And that, ladies and gentlemen, is my mes-sage:

First, we must all recognize the growing importance of exports in our increasingly global economy—and that America’s economic destiny is as Export Superpower.

Second, we must translate that export im-
portance into modern export public policies out of Washington.

And third, businesses in America should be ensuring their competitiveness, investing in the conviction and pursuing global markets.

WELCOME TO PRESIDENT JUAN CARLOS WASMOSY

HON. TOM LANTOS
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LANTOS. Mr. Speaker, today Members of Congress will have the opportunity to meet with His Excellency Juan Carlos Wasmosy, President of the Republic of Paraguay, who is visiting the United States.

Mr. Speaker, President Wasmosy is the first civil servant constitutional President of Paraguay in over half a century, and he has worked diligently to remove his country along the path of democracy, social justice, and market economic development after years of the dictatorship of General Stroessner. As my colleagues know, the Stroessner regime permitted a number of leading Nazis, including Josef Mengelle, to live in Paraguay. I am delighted to report that under President Wasmosy important changes are being made in Paraguay’s policies.

As my colleagues also know, terrorism has been a particular concern of mine. President Wasmosy has been a good ally in the effort to deal with Middle Eastern terrorists. Earlier this year, President Wasmosy courageously with-
stood pressure to release seven individuals ar-rested in Paraguay in connection with the bombing last year of the Jewish Community Center in Buenos Aires, Argentina, which resulted in the death of over 30 people. The Paraguayan courts ordered the extradition of these individuals to Argentina. For these ac-
tions, Bnai B’rith commended the Paraguayan Government.

Mr. Speaker, I commend President Wasmosy for his conscientious efforts to change the policies and the political culture of Paraguay. The institutionalized negative im-
pacts of the Stroessner dictatorship have left a legacy that is difficult to eliminate. Paraguay still faces difficulties in dealing with inter-
national drug traffickers, and we in the United States must intensify our efforts to work with the government of President Wasmosy to eradicate this vicious scourge.

Mr. Speaker, I join my colleagues in wel-
ing to the Congress His Excellency Juan Carlos Wasmosy, President of the Republic of Paraguay.

CHARITABLE GIFT ANNUITY ACT

HON. HENRY J. HYDE
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HYDE. Mr. Speaker, today I am intro-
ducing the Charitable Gift Annuity Antitrust
Relief Act of 1995 (H.R. 2525), legislation which grants antitrust protection to a charitable organization which issues gift annuities in accordance with the provisions of the Internal Revenue Code.

Charitable giving through gift annuities is currently under attack. For example, a Federal lawsuit in Texas alleges that charities are price fixing when they choose to offer the same annuity rates to their donors. A motion for class certification is pending which, if granted, would add as defendants virtually every charity in America. Regardless of the outcome of the suit, there is no denying that it has had and will continue to have a chilling effect on gift giving and that it is consuming financial resources which would otherwise be allocated to charitable missions.

Charitable giving has evolved well beyond the days when we simply put money in the collection plate or gave away our used clothes. There are now many innovative ways in which a donor can benefit a charity with a gift and himself with a charitable deduction. One increasingly popular mechanism is through a charitable gift annuity, which allows a person to give a chunk of money but obtain an income stream from it while alive, and also claim an immediate tax deduction. These gift annuities are attractive to both sides of the transaction; the donor still gets the income produced by his capital, and the charity gets immediate control over the entire amount of the donation.

Of course, the operative word here is “gift.” Gift annuities are not intended to maximize the value of the lifetime income stream, as one would do with a commercial annuity, which allows a person to give a chunk of money but obtain an income stream from it while alive, and also claim an immediate tax deduction. These gift annuities are attractive to both sides of the transaction; the donor still gets the income produced by his capital, and the charity gets immediate control over the entire amount of the donation.

Our goal should be to encourage gift giving through legitimate means, and particularly through instruments which the IRS approves and regulates. Gift annuities carry this imprimatur. Allowing litigants to use antitrust law as an instrument to increase their charitable annuity business should not be countenanced where, as here, there is no detriment associated with the conduct. In the first instance, it is a misnomer to use the term “price” to describe the selection of an annuity rate: an annuity rate merely determines the portion of the donation to be returned to the donor, and the portion the charity will retain. Second, the fundraising activities of charitable organizations are not trade or commerce, an essential predicate for establishing the application of our antitrust laws. Moreover, it is difficult to see what anticompetitive effect the supposed setting of prices has in a context where the decision to give is motivated not by price but by interest in and commitment to a charitable mission.

H.R. 2525 would make clear that the conduct alleged in these lawsuits would not be considered illegal under the antitrust laws. The protection it provides is narrowly tailored to cover only those activities required to market and create a gift annuity. I urge my colleagues to support this legislation so as to eliminate further frivolous lawsuits and barriers to charitable giving.

If you would like to co-sponsor this measure, please call Diana Schacht on extension 53951.

75TH ANNIVERSARY OF SAINT ANTHONY HIGH SCHOOL

HON. STEPHEN HORN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. HORN. Mr. Speaker, I rise today to salute the 75th anniversary of Saint Anthony High School in Long Beach, CA—the oldest parish high school in the Los Angeles archdiocese. Since 1920, Saint Anthony High School has played a vital role in the education of our area’s young people, shaping the lives of many who have gone on to become community builders and leaders—including a former Member of the House of Representatives, the Honorable Daniel Lungren, now California’s able attorney general, and Archbishop William Levada of Portland, OR. Today, it has a student body of ethnically diverse young people who are building their futures on the solid base of a Saint Anthony High School education.

Academic excellence has always been the priority at Saint Anthony High School. As the school moves into the 21st century, this proud tradition continues. The school’s newly developed medical science program is the only one of its kind in California. Its Air Force Junior ROTC program is the only one in the Los Angeles archdiocese. Saint Anthony’s offers an extensive honors and advanced placement program. Students in the advance placement economics and accounting classes have a 100-percent passage rate, while in most public schools that rate is 15 percent. And, Saint Anthony High School students were the undefeated champions of the Long Beach Academic Challenge Bowl 3 of the five years the competition was held.

Schools such as Saint Anthony High School have made our Nation strong—and hold the hope for the future of our country. For 75 years, Saint Anthony High School has taken this mission to heart. As the students and faculty move into the new century, I wish them many more years of success.

TRIBUTE TO DR. GABRIEL J. BATARSEH ON HIS RETIREMENT

HON. JAMES E. CLYBURN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Dr. Gabriel J. Batarseh of Florence, SC, for his dedication to serving his fellow citizens both publicly, through his professional career, and privately through the work he has done in his community.

Dr. Batarseh is a native of Bethlehem. He graduated from the Middle East College in Lebanon and received a masters degree and a doctorate of educational psychology from the University of South Carolina in 1964. Since then, Dr. Batarseh has unselfishly dedicated his life to enriching the lives of people with disabilities and their families in the State of South Carolina. He currently serves as director of the Pee Dee region in the South Carolina Department of Disabilities and Special Needs. Dr. Batarseh is retiring after 30 years of public service.

Dr. Batarseh’s career has spanned many years. In 1966, he implemented all programmatic, educational, and cottage life services for the South Carolina Retarded Children’s Habilitation Center, which is today known as Coastal Center in Ladson. Two years later, he opened the first South Carolina group home in Charleston. Since 1977, Dr.
Batarseh has been working for the citizens with mental retardation and their families in the Pee Dee region of South Carolina to provide them with specialized programs and services. As superintendent of the Pee Dee Center in Florence, he reintegrated hundreds of residents into prosperous lives in their home communities, while providing support mechanisms to enhance the lifestyles of remaining residents.

Over the years, Dr. Batarseh has not only modernized the Pee Dee Center, but he also initiated a number of novel services for people with mental retardation. He guided staff to provide early intervention training at home, encouraged the involvement of schools and families, and helped establish mental retardation boards in local communities to ensure people received the services they require.

Moreover, Dr. Batarseh has demonstrated his commitment to the community beyond his professional career. He is a very active member of All Saints Episcopal Church, where he has served as a warden and a lay reader. He was also a volunteer coach for the Family Y League and the Florence Soccer League for several years. Dr. Batarseh is married to the former Lillian McCarter of Clover, SC. They have three children: Leila, Mark, and Matthew.

Mr. Speaker, I join the South Carolina Commission on Disabilities and Special Needs to praise the work of Dr. Batarseh and salute the sacrifices he has made for the benefit of mentally retarded citizens and their families in the State of South Carolina. I am honored to represent such a citizen as Dr. Gabriel Batarseh in the Sixth Congressional District of South Carolina, and I hope you will join me in honoring this fine American.

TRIBUTE TO WILLIAM R. “PAT” PHILLIPS ON HIS RETIREMENT
HON. ROBERT C. SCOTT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, October 24, 1995

Mr. SCOTT. Mr. Speaker, I rise today with my colleague, Congressman HERB BATEMAN, to pay tribute to a gentleman whose life and work have exemplified the values of hard work and dedication. Mr. William R. “Pat” Phillips ends a 46 year career when he retires from Newport News Shipbuilding on November 1st of this year.

Mr. Phillips completed the Apprentice School at Newport News Shipbuilding in 1954. He received a Bachelor of Science degree in Mechanical Engineering from Virginia Polytechnic Institute and has been awarded an Honorary Doctor of Science Degree by Old Dominion University.

During his impressive career at the shipyard, Mr. Phillips amassed a long list of achievements, holding over a dozen positions on his way to his current position as Chairman and Chief Executive Officer. Before reaching this status, he was the President and Chief Executive Officer of the shipyard.

Mr. Phillips' leadership was instrumental to the Shipyard's continued success during the challenges of military downsizing and the shipyard's effort to re-enter the international commercial shipbuilding market, a market closed to U.S. shipyards for almost four decades. He played the key role in landing a commercial contract for the yard to build eight double-hull tankers for export. This contract has led to letters of intent for the yard to build up to 10 more of these commercial ships.

Mr. Phillips is leaving the shipyard after a distinguished career and he will focus his future concerns upon his family and his community. He is very active in the local community, serving on numerous civic and educational boards. Among his many awards, Mr. Phillips was named the 1986 “Peninsula Engineer of the Year” by the Peninsula Engineers Committee and, in 1994, he was one of five to receive the “First Annual International Maritime Hall of Fame Award,” presented by The Maritime Association of the Port of New York/New Jersey.

Pat Phillips has been a role model who has shown to his employees that hard work does pay. Having worked his way from the bottom ranks of the company to the top position, Mr. Phillips’ outstanding achievement will not go unnoticed nor soon be forgotten.
Tuesday, October 24, 1995

Daily Digest

HIGHLIGHT

House Committee ordered reported Immigration in the National Interest Act of 1995.

Senate

Chamber Action

Routine Proceedings, pages S15507-S15594

Measures Introduced: Three bills and three resolutions were introduced, as follows: S. 1358-1360, and S.J. Res. 39-41.

Measures Passed:

U.S. Embassy Relocation: By 93 yeas to 5 nays (Vote No. 496), Senate passed S. 1322, to provide for the relocation of the United States Embassy in Israel to Jerusalem, as amended.

Commencement of Dates of Federal Judgeships: Senate passed S. 1328, to amend the commencement dates of certain temporary Federal judgeships, after taking action on amendments proposed thereto, as follows:

Rejected:

(1) Wellstone Amendment No. 2944 (to Amendment No. 2943), of a perfecting nature. (By 53 yeas to 45 nays (Vote No. 497), Senate tabled the amendment.)

(2) By a unanimous vote of 96 nays (Vote No. 498), Hatch Amendment No. 2945 (to Amendment No. 2943), to express the sense of the Senate regarding the President’s revised federal budget proposal.

Withdrawn:

(1) Santorum Modified Amendment No. 2943, to express the sense of the Senate regarding the President’s revised federal budget proposal.

(2) Ford Amendment No. 2946, to provide for the appointment of an additional Federal District Judge for the Western District of Kentucky.

Winfield Scott Stratton Post Office: Senate passed H.R. 1026, to designate the United States Post Office building located at 201 East Pikes Peak Avenue in Colorado Springs, Colorado, as the “Winfield Scott Stratton Post Office”, clearing the measure for the President.

Harry Kizirian Post Office Building: Senate passed H.R. 1606, to designate the United States Post Office building located at 24 Corliss Street, Providence, Rhode Island, as the “Harry Kizirian Post Office Building”, after agreeing to the following amendment proposed thereto:

Frist (for Stevens) Amendment No. 2947, to amend chapter 2 of title 39, United States Code, to adjust the salary of the Board of Governors of the United States Postal Service.

Budget Reconciliation—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 1357, to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996 on Wednesday, October 25, 1996.

Messages From the House:

Communications:

Petitions:

Executive Reports of Committees:

Statements on Introduced Bills:

Additional Cosponsors:

Amendments Submitted:

Notices of Hearings:

Authority for Committees:

Additional Statements:

Text of H.R. 927 as Previously Passed:

Record Votes: Three record votes were taken today. (Total—498)

Adjournment: Senate convened at 9:15 a.m., and adjourned at 8:03 p.m., until 10 a.m., on Wednesday, October 25, 1995. (For Senate’s program, see
the remarks of the Acting Majority Leader in today's RECORD on page S15591.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING
Committee on Environment and Public Works: Committee ordered favorably reported the following business items:

S. 1316, to revise and authorize funds for programs of the Safe Drinking Water Act, with amendments;

S. 1097, to designate the Federal building located at 1550 Dewey Avenue, Baker City, Oregon, as the "David J. Wheeler Federal Building"; and

The nomination of Kathleen A. McGinty, of Pennsylvania, to be a Member of the Council on Environmental Quality.

NOMINATIONS
Committee on the Judiciary: Committee concluded hearings on the nominations of Sidney R. Thomas, of Montana, to be United States Circuit Judge for the Ninth Circuit, Todd J. Campbell, to be United States District Judge for the Middle District of Tennessee, P. Michael Duffy, to be United States District Judge for the District of South Carolina, Kim McLane Wardlaw, to be United States District Judge for the Central District of California, and E. Richard Webber, to be United States District Judge for the Eastern District of Missouri, after the nominees testified and answered questions in their own behalf. Mr. Thomas was introduced by Senators Burns and Baucus, Mr. Campbell was introduced by Senator Thompson and Representative Clement, Mr. Duffy was introduced by Senators Thurmond and Hollings, Ms. Wardlaw was introduced by Senator Feinstein, and Mr. Webber was introduced by Senators Ashcroft and Bond and Representative Volkmer.

FEDERAL COURTS IMPROVEMENT ACT
Committee on the Judiciary: Subcommittee on Administrative Oversight and the Courts held hearings on S. 1101, to make improvements in the operation and administration of the Federal courts, receiving testimony from Barefoot Sanders, United States District Judge for the Northern District of Texas, Dallas, Gustave Diamond, United States District Judge for the Western District of Pennsylvania, Pittsburgh, and Stephen H. Anderson, United States Circuit Judge for the Tenth Circuit Court of Appeals, Salt Lake City, Utah, all on behalf of the Judicial Conference of the United States; W. Earl Britt, Federal Judges Association, Raleigh, North Carolina; John J. Curtin, Jr., Boston, Massachusetts, on behalf of the American Bar Association; Robert L. Fanter, Whitfield & Eddy, Des Moines, Iowa, on behalf of the Defense Research Institute; and Loren E. Weiss, National Association of Criminal Defense Lawyers, Washington, D.C.

Hearings were recessed subject to call.

INTELLIGENCE
Select Committee on Intelligence: Committee met in closed session to receive a briefing on intelligence matters from officials of the intelligence community. Committee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 9 public bills, H.R. 2519-2527; and 2 resolutions, H. Res. 242-243 were introduced.

Reports Filed: Reports were filed as follows:

H. Res. 241, waving points of order against the conference report on H.R. 2002, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, (H. Rept. 104-289); and


Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Longley to act as Speaker pro tempore for today.

Recess: House recessed at 1:18 p.m. and reconvened at 2 p.m.

Journal: By a yea-and-nay vote of 363 yeas to 48 nays, with 1 voting "present", Roll No. 732, the House approved the Journal of Friday, October 20.

Corrections Calendar: On the call of the Corrections Calendar, the House passed and sent to the Senate, amended, the following bills:

Pages H10726, H10637, H10644, H10691
Senior citizens housing safety: H.R. 117, amended, to amend the United States Housing Act of 1937 to prevent persons having drug or alcohol use problems from occupying dwelling units in public housing projects designated for occupancy by elderly families (agreed to by a yea-and-nay vote of 415 yeas, Roll No. 733); Pages H10648–61, H10691

A authorizing minors to load materials into balers and compactors: H.R. 1114, amended, to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards; and Pages H10661–67

Federal employee representation improvement: H.R. 782, amended, to amend title 18 of the United States Code to allow members of employee associations to represent their views before the United States Government. Pages H10667–70

Personal Responsibility Act: The Speaker appointed Representative Cunningham as an additional conferee in the conference on H.R. 4, to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence. Page H10670

Jerusalem Embassy relocation: By a yea-and-nay vote of 374 yeas to 37 nays, with 5 voting "present", Roll No. 734, the House voted to suspend the rules and pass S. 1322, to provide for the relocation of the United States Embassy in Israel to Jerusalem—clearing the measure for the President. Pages H10680–89, H10691–92

Fishermen's Protective Act Amendments: House agreed to suspend the rules and agree to the Senate amendment to H.R. 1617, to consolidate and reform workforce development and literacy programs; and agreed to a conference: Appointed as conferees: Representatives Goodling, Gunderson, Cunningham, Mckeen, Riggs, Graham, Souder, Clay, Williams, Kildee, Sawyer, and Green of Texas. Page H10693

Presidential Message—National Emergency in Colombia: Read a message from the President wherein he reports the declaration of a national emergency with respect to narcotics traffickers centered in Colombia—referred to the Committee on International Relations and ordered printed (H. Doc. 104–129). Pages H10693–94

Referrals: Two Senate passed measures were referred to the appropriate House committees. Page H10725

Senate Messages: Messages from the Senate today appear on page H10646.

Amendments Ordered Printed: Amendments ordered printed pursuant to the rule appear on pages H10726–48.

Quorum Calls—Votes: Three yea-and-nay votes developed during the proceedings of the House today and appear on pages H10690–91, H10691, and H10691–92. There were no quorum calls.

Adjournment: Met at 12:30 p.m. and adjourned at 10:21 p.m.

Committee Meetings

DISTRICT OF COLUMBIA APPROPRIATIONS

Committee on Appropriations: Began markup of a measure making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said district for the fiscal year ending September 30, 1996. Committee recessed subject to call.

WHITE HOUSE TRAVEL OFFICE

Committee on Government Reform and Oversight: Held a hearing on White House Travel Office. Testimony
was heard from the following officials of the Department of Justice: Ivian C. Smith, Inspector, FBI; and Michael Shaheen, Counsel, Office of Professional Responsibility; Gary Bell, Chief Inspector, IRS, Department of the Treasury; Nancy Kingsbury, Director, Planning and Reporting, GAO; and John Podesta, former Press Secretary, The White House.

UN AT 50
Committee on International Relations: Held a hearing on the United Nations at 50: Prospects for Reform. Testimony was heard from Senator Kassebaum; Jeane Kirkpatrick, former Ambassador, United Nations; and public witnesses.

IMMIGRATION IN THE NATIONAL INTEREST ACT; PRIVATE CLAIMS BILLS
Committee on the Judiciary: Ordered Reported Amended H.R. 2202, Immigration in the National Interest Act of 1995. The Committee also considered private claims bills.

FEDERAL LAND EXCHANGE IMPROVEMENT ACT
Committee on Resources: Subcommittee on National Parks, Forests and Lands held a hearing on H.R. 2466, Federal Land Exchange Improvement Act of 1995. Testimony was heard from Janice McDougle, Associate Deputy Chief, Forest Service, USDA; Mat Millenbach, Deputy Director, Bureau of Land Management, Department of the Interior; and public witnesses.

CENTRAL VALLEY PROJECT REFORM ACT
Committee on Resources: Subcommittee on Water and Power Resources approved for full Committee action amended the Central Valley Project Reform Act of 1995.

OVERSIGHT—TIMBER SALVAGE
Committee on Resources: Salvage Timber and Forest Health Task Force held an oversight hearing on Timber Salvage. Testimony was heard from the following officials of the USDA: Mark Gaede, Acting Deputy Under Secretary, Natural Resources and Environment; and Gray Reynolds, Deputy Chief, Forest Service; the following officials of the Department of the Interior: Nancy Hayes, Chief of Staff, Bureau of Land Management; and Gary Jackson, Deputy Assistant, Ecological Services, U.S. Fish and Wildlife Service; Russ Bellmer, Chief, ESA Division, National Marine Fisheries Service, Department of Commerce; and Dick Sanderson, Director, Office of Federal Activities, EPA; Jim Welsh, Representative, State of Oregon, and public witnesses.

CONFERENCE REPORT—TRANSPORTATION APPROPRIATIONS
Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2002, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and against its consideration. Testimony was heard from Representative Wolf.

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM
Committee on Science Subcommittee on Basic Research held a hearing on the National Earthquake Hazards Reduction Program. Testimony was heard from Richard T. Moore, Associate Director, Mitigation, FEMA; Richard Wright, Director/Building and Fire Research Laboratory, National Institute of Standards and Technology, Department of Commerce; Joseph Bordogna, Assistant Director, Engineering, NSF; Robert Hamilton, Coordinator, Geologic Hazards Program Office, U.S. Geological Survey, Department of the Interior; Paul Komor, former Project Director “Reducing Earthquake Losses,” OTA; and public witnesses.

COMMITTEE BUSINESS
Committee on Standards of Official Conduct: Met in executive session to consider pending business.

Joint Meetings

APPROPRIATIONS—ENERGY AND WATER DEVELOPMENT
Conferees met to resolve the differences between the Senate- and House-passed versions of H.R. 1905, making appropriations for energy and water development for the fiscal year ending September 30, 1996, but did not complete action thereon, and will meet again tomorrow.

APPROPRIATIONS—FOREIGN OPERATIONS
Conferees continued in evening session to resolve the differences between the Senate- and House-passed versions of H.R. 1868, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996.

WELFARE REFORM
Conferees met to resolve the differences between the Senate- and House-passed versions of H.R. 4, to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, but did not complete action thereon, and recessed subject to call.
AUTHORIZATION—INTELLIGENCE

Conferees met in closed session to resolve the differences between the Senate- and House-passed versions of H.R. 1655, to authorize funds for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, but did not complete action thereon, and recessed subject to call.

NEW PUBLIC LAW

(For last listing of Public Laws, see DAILY DIGEST, p. D1205)


COMMITTEE MEETINGS FOR WEDNESDAY, OCTOBER 25, 1995

(Senate meetings are open unless otherwise indicated)

Committee on Armed Services, closed business meeting, to consider certain pending military nominations, 10 a.m., SR-222.

Committee on the Judiciary, to resume hearings to examine the status of religious liberty in the United States and whether there is a need for further legal protection, 10 a.m., SD-226.

Committee on Veterans Affairs, to hold hearings on S. 293, to authorize the payment to States of per diem for veterans receiving adult day health care, S. 403, to provide for the organization and administration of the Readjustment Counseling Service, to improve eligibility for readjustment counseling and related counseling, S. 425, to require the establishment in the Department of Veterans Affairs of mental illness research, education, and clinical centers, S. 548, to provide quality standards for mammograms performed by the Department of Veterans Affairs, S. 612, to provide for a hospice care pilot program for the Department of Veterans Affairs, and S. 644, to reauthorize the establishment of research corporations in the Veterans Health Administration, 10 a.m., SR-418.

Select Committee on Intelligence, to hold hearings to examine intelligence’s support to law enforcement, 10 a.m., SD-G50.

Special Committee To Investigate Whitewater Development Corporation and Related Matters, to resume hearings to examine issues relating to the President’s involvement with the Whitewater Development Corporation, 10:30 a.m., SH-216.

Committee on Agriculture, Subcommittee on Resource Conservation, Research and Forestry, hearing to consider rural development reforms and the Agricultural Relief and Trade Act of 1995, 3 p.m., 1300 Longworth.

Committee on Banking and Financial Services, Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises, hearing on H.R. 718, Markets and Trading Reorganization and Reform Act, 10 a.m., 2128 Rayburn.

Committee on Commerce, to mark up the following bills: H.R. 657, to extend the deadline under the Federal Power Act applicable to the construction of three hydroelectric projects in the State of Arkansas; H.R. 680, to extend the time for construction of certain FERC licensed hydro projects; H.R. 1011, to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Ohio; H.R. 1014, to authorize extension of time limitation for a FERC-issued hydroelectric license; H.R. 1051, to provide for the extension of certain hydroelectric projects located in the State of West Virginia; H.R. 1290, to reinstate the permit for, and extend the deadline under the Federal Power Act applicable to the construction of, a hydroelectric project in Oregon; H.R. 1335, to provide for the extension of a hydroelectric project located in the State of West Virginia; H.R. 1366, to authorize the extension of time limitation for the FERC-issued hydroelectric license for the Mt. Hope waterpower project; and H.R. 1835, to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in Oregon, 2 p.m., 2123 Rayburn.

Committee on Economic and Educational Opportunities, Subcommittee on Workforce Protections, oversight hearing on the Fair Labor Standards Act of 1938, 10:30 a.m., 2175 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Civil Service, to continue hearings on Civil Service Reform I: NPR and the Case for Reform, 10 a.m., 2247 Rayburn.

Subcommittee on National Security, International Affairs, and Criminal Justice, oversight hearings on Census Bureau: Preparations for the 2000 Census, 12 p.m., 311 Cannon.

Committee on House Oversight, to consider pending business, 11 a.m., 1310 Longworth.

Committee on International Relations, Subcommittee on Asia and the Pacific, hearing on United States-Japan Relations and American Interests in Asia: Striking a New Balance, 2 p.m., 2172 Rayburn.

Subcommittee on International Economic Policy and Trade and the Subcommittee on Western Hemisphere Affairs, joint hearing on Trade Issues Regarding Chile and other Latin American Countries in Light of the NAFTA Experience, 10 a.m., 2172 Rayburn.


Committee on the Judiciary, Subcommittee on the Constitution, hearing regarding the Economic and Social Impact of Race and Gender Preference Programs, 10 a.m., 2237 Rayburn.

Committee on Resources, to mark up the following bills: H.R. 826, to extend the deadline for the completion of
certain land exchanges involving the Big Thicket National Preserve in Texas; H.R. 924, to prohibit the Secretary of Agriculture from transferring any National Forest System lands in the Angeles National Forest in California out of Federal ownership for use as a solid waste landfill; H.R. 1838, to provide for an exchange of lands with the Water Conservancy District of Washington County, UT; H.R. 1581, to require the Secretary of Agriculture to convey certain lands under the jurisdiction of the Department of Agriculture to the city of Sumpter, OR; H.R. 207, Cleveland National Forest Land Exchange Act of 1995; H.R. 1163, to authorize the exchange of National Forest Service land in the Fire Island National Seashore in the State of New York for land in the Village of Patchogue; H.R. 1585, Modoc National Forest Boundary Adjustment Act; H.R. 1784, to validate certain conveyances made by the Southern Pacific Transportation Company within the cities of Reno, NV, and Tulare, CA; H.R. 2437, to provide for the exchange of certain lands in Gilpin County, CO; and H.R. 2402, Snowbasin Land Exchange Act of 1995, 11 a.m., 1324 Longworth.

Committee on Rules, to consider H.R. 2491, Seven-Year Balanced Budget Reconciliation Act of 1995, 10 a.m., H–313 Capitol.

Committee on Science, to mark up H.R. 2196, National Technology Transfer and Advancement Act of 1995; and to consider Committee business, 10:30 a.m., 2318 Rayburn.

Committee on Small Business, oversight hearing on “IRS Initiatives to Reduce Regulatory and Paperwork Burdens on Small Business,” 10 a.m., 2359 Rayburn.

Committee on Standards of Official Conduct, executive, to consider pending business, 10 a.m., HT–2M Capitol.

Committee on Veterans’ Affairs, Subcommittee on Hospitals and Health Care, oversight hearing concerning issues at the Harry S Truman VA Medical Center in Columbia, Missouri, 9:30 a.m., 334 Cannon.

Joint Meetings

Conferees, on S. 652, to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, 9 a.m., S–SC–5, Capitol.

Conferees, on H.R. 1905, making appropriations for energy and water development for the fiscal year ending September 30, 1996, 10 a.m., S–128, Capitol.

Conferees, on H.R. 2020, making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1996, 2:30 p.m., H–140, Capitol.
Next Meeting of the SENATE
10 a.m., Wednesday, October 25

Senate Chamber
Program for Wednesday: Senate will begin consideration of S. 1357, Budget Reconciliation.

Next Meeting of the HOUSE OF REPRESENTATIVES
11 a.m., Wednesday, October 25

House Chamber

Extensions of Remarks, as inserted in this issue

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Abercrombie, Neil, Hawaii, E2002
Ackerman, Gary L., N.Y., E2025
Baker, Bill, Calif., E2007
Barton, Joe, Tex., E2003
Clyburn, James E., S.C., E2025
Combest, Larry, Tex., E2002
Davis, Thomas M., Va., E2004
Dunn, Jennifer, Wash., E2008
Fields, Jack, Tex., E2006
Frank, Barney, Mass., E2003
Gejdenson, Sam, Conn., E2003
Hilliard, Earl F., Ala., E2007
Horn, Stephen, Calif., E2025
Hyde, Henry J., Ill., E2004
LaFalce, John J., N.Y., E2004
Lantos, Tom, Calif., E2004
Levin, Sander M., Mich., E2003
Matsui, Robert T., Calif., E2007
Murtha, John P., Pa., E2007
Nadler, Jerrold, N.Y., E2005
Roberts, Pat, Kans., E2009
Ros-Lehtinen, Ileana, Fla., E2008
Roth, Toby, Wis., E2003
Scott, Robert C., Va., E2006
Smith, Christopher H., N.J., E2005
Vento, Bruce F., Minn., E2005
Visclosky, Peter J., Ind., E2001, E2006
Wolf, Frank R., Va., E2004