United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, TUESDAY, OCTOBER 24, 1995 *No. 165*

House of Representatives

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, Jr. 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. DELAURO] for 5 minutes.

BULK SALES OF SPEAKER GINGRICH'S BOOK

Ms. DELAURO. 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 Republican 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.

Let me read to you an editorial from the Port Saint Lucie News, published by Scripps Howard, a prominent news gathering source around our Nation. The editorial says, ''Slowing down not stopping.'' If a car was going down the highway at 70 miles per hour, and the driver let up enough on the accelerator for the speed to be reduced to 65 miles per hour, would you then say the car had stopped? Well, if you are a Democrat Member of Congress, you probably would.

Of course, if the Democrats conceded that this was just an instance of going slower, they may also have to concede that the Republicans are not planning to deprive the elderly whose savings have run out, and other poor people, of health care. The Democrats are making that case all over the land. It is preposterous and shameful.

The real issue is that the budget cannot be balanced without reducing the growth rate of entitlement programs or increasing taxes astronomically. If 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 received 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 choice. You can 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 did take on the President of the United States because, they said, he spent too much on the explanation of taxes, too little on principle. In one typically self-pitying moment, Bill 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, the freshmen have 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; when I come from the sixth oldest district in America and I had over 700 people attend my town hall meetings saying to me, help save Medicare, nobody is screaming at me. Nobody yelling at me. One of two people threatened to throw me out of office, which is the risk of this business. Nobody is saying that this was the horrible plan. They want explanations.

One person got up in one meeting and said I had done a terrible thing and I was voting against him. The New York Times was with us, following that meeting. One person gets up to speak negatively about our plan, their headlines, tough Medicaid meeting. It was not a tough meeting. The public supports us, and I am proud to represent the 16th District of Florida.

GINGRICH BOOK DEAL

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

Mr. MILLER of California. Mr. Speaker, once again we are confronted in the press with reports of violations of House rules with respect to our Speaker of the House, Speaker GINGRICH. That is the bulk sale of his books to organizations that have connections to the Speaker and have been supportive of the Speaker or in fact have contributed to the Speaker in the past.

We saw, unfortunately, in the past when the Speaker engaged in this same activity, he later had to resign from office for this transgression of House rules. The suggestion here is because the commission is somewhat smaller, therefore it is right. No, it is not. The house rules prevent that.

This is the second time in a matter of a week and a half where revelations have again appeared in the press suggesting 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 communications 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 try to manage the investigation 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 House or to their districts. 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 President of 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 handle this investigation. So now 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, he

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, they would have never discovered Jim 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.

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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. Each one of 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, and town 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, we now 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 government 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 Farmer, Under Secretary of Commerce for Travel and Tourism, delivered some startling news.

He pointed out that the United States ranks 33d 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 message is clear. The United States 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 other that 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 the incoming 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 here on 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 stronger economy. By the year 2000, more than 661 million people will be traveling throughout the world, and, 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, 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, independent 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 leash 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 newest, newest charge that has been 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 Formation a bulk sale? How many 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 the price count? Does how much comes 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 not bulk sales that the Speaker was selling, yatta, 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 make them something else. We will make them kind of a lap dog, and that when you come to the issues around the Speaker'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 not 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 the real issues 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. 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 not do anything 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 staffs do, where do they go, 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 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. 45f(d)(2)) is amended—

(1) in subparagraph (B)—

(A) by striking ''be reviewed by the Secretary, and may'' in the first sentence; and

(B) by inserting before the period at the end of the first sentence the following: ''under the same terms and conditions as those contained in such lease or permit'';

(C) by striking ''shall be reviewed'' in the second sentence;

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

(E) by striking ''the date of enactment of this Act'' in the third sentence and all that follows and inserting in lieu thereof ''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 specific conditions detailed in the lease or permit.''; and

(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 (B),

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 subparagraph (B) and under 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 out of every dollar spent 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. 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 on this issue.

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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 food 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 want to 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 we created a system where, when one classifies something as a drug, a whole new set of regulations befails 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. Obviously, 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 make responsibility for their own health. Enactment 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 think we will all 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 is now no longer needed, 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 not misleading, 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 everyday lives 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 an unlevel playing field 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, Rubin versus 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 our constituents. 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 nutritional status. It also was allowed so 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 dietary ingredients.

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 and the claim was approved. But 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 birth defects that 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 might 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 the pain and suffering 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 same thing 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 innovation and cost 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 goals of the 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 healthy lifestyle 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 has to be made. The Senate passed version of S. 784 in the 103d Congress made it 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 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 approval process. Unfortunately this 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. 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 information and access they want 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 eve 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 103–417, 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 debate was not fully resolved and outstanding questions still remain. That was what was enacted into law. This debate will linger and smolder unless we act decisively to resolve this issue once and for all now. 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 that we act 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 gentleman 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 generate 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 9¾ 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 $11,000 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 his or her share of the interest on the national debt. By balance the budgeting 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. By reducing taxes 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 what we have done as last week'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 have said that the fraud, 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 I paraphrase him, ''and devastating.''

Was anybody listening? No, they were only gloating over the headlines of Friday and the big articles, and that they now have another victory or another 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 800 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 those 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 acknowledging that unlike the scare 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 would severly hurt our small hospitals, and, as well, the heavy burden on the Harris County public hospital system, of which many of them are part.

As we continue this process, we now approach the budget reconciliation process, in that process you will find $182 billion in cuts on Medicaid. Some people do not understand. They throw Medicaid to the side, saying ''That is another deadbeat program.'' For those of you who are working and supporting children in college and may be part of the baby boomer generation, Medicaid protects your seniors who are indigent, who may need long-term nursing care. It helps mothers with children and children who need immunization. It is a program that has helped this country become healthier. Do we need to get rid of the abuse? Who would not stand on the House floor and gladly say yes, we do, but $182 billion in cuts? No. Do you think it is for any reason? Yes, it is. It is to give tax cuts to those making over $200,000.

My seniors told me yesterday, they said ''Keep explaining this to us, because when the news trickles out beyond the Mississippi and other places, it is portrayed to look like the Congress is being obstructed,'' but they say ''now we understand. What work we, as senior citizens, have done in this country is disrespected and disregarded. When we come to a point in our lives when we need long-term nursing care that will not be there because of the actions of the Republican majority.''

I heard my colleague talk about this process of budget reconciliation this week, as I have indicated, this will be done on the backs of seniors and children by cutting the $270 billion in Medicare and $182 billion from Medicaid. This budget reconcilation process will hurt the working families of America. I heard a gentleman talk this morning on C–SPAN and mention that he had five children or five persons to take care of, he is doing it himself, and he makes about $28,000. I applaud him. He was complaining about taxes in this country.

Do you know what the Senate did last week, in conjunction with what we did here in the U.S. House of Representatives? They cut out the earned income tax credit that would benefit those individuals making under $30,000, a program President Reagan said has been the best program on getting people out of poverty, that he has ever been able to support, a program proposed under the Ford administration. Yet, hypocritically, the U.S. Senate showed by their actions that this earned income tax credit was not a valuable program.

Might I add as I close, Mr. Speaker, that one of the seniors I met at the luncheon yesterday was an older woman living alone. In her face I saw pain and distress, and she said to me ''Can you help me with my utility bill?'' That is the kind of person whose Medicare and possibility Medicaid that this Congress will cut. Is this the kind of person we want to face. It was not a pretty picture, it was a sad, sad picture.

I do not want to sit by idly, watching while our seniors and children suffer. What about you?

PRESIDENTIAL ELECTIONS IN HAITI?

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

Mr. GOSS. Mr. Speaker, the Washington Post took valuable editorial space last week to alert anyone who might be paying attention to what is going on in Haiti to the fact that the Presidential election process seems to be falling off track. In fact, the United Nations said last week that they need 110 days to do the job correctly, putting those elections—not the inauguration of a new Haitian President—into the first week of February.

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 demiisland nation.

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. While 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 new Lavalas 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 I, 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.

□ 1400

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 I, the Journal stands approved.

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

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

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 I, 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 fundraiser for his reelection campaign that he felt that he, along with the help of the Democratic Congress, raised taxes too much in 1993. One would assume at a fundraiser for a Presidential incumbent the majority of those in attendance would be wealthy. The President told wealthy Democrats he taxed them too much. But when the Republicans want to cut taxes, Clinton thinks we are giving too many tax cuts to the wealthy.

Republican tax breaks, like Clinton's tax increases, touch everyone, including senior citizens, small business, and middle- and low-income families. Many in politics would say President Bush lost in 1994 because of his reversal on his ''read my lips'' pledge. Mr. Speaker, I suggest it is impossible to read the current President's lips when he is on all sides of every issue.

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 currency 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 of the United States, not 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.

NEW MAJORITY WILL GIVE PRESIDENT CLINTON THE OPPORTUNITY TO ROLL BACK HIS RECORDBREAKING 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 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.

RED RIBBON CELEBRATION

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

Mrs. THURMOND. Mr. Speaker, I rise today to 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.

Higdon said 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 a 10 percent discount on purchases for students and adults wearing a red ribbon.

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. The dance is 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.

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 allow seniors to keep more of the money they 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

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

Mrs. SCHROEDER. Mr. Speaker, Sunday night we 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 that did not work. Hopefully, we will get it fixed and that will never happen again.

They are looking at the tiles that have fallen off the roof in the tower that were falling and allowing water to fall all over the equipment that the Air Traffic Controllers were trying to use. That is an outrage in a brandnew airport. Hopefully, that is going to get fixed right away.

Finally, they are looking at the discrepancies between the flow control coming out of the regional center and what the tower said they could absorb.

Mr. Speaker, there was a whole parade of mistakes. Thank goodness the FAA is there on the ground now trying to fix them, and we again thank the crew for making sure those mistakes did not end in a tragedy.

Sunday night Denver experienced its second snow storm of the season. Denver International Airport weathered the first storm with flying colors. Unfortunately, the second storm caused serious problems.

A United Boeing 727 nearly hit a city vehicle that accidently ventured onto an active runway. The pilot of that plane should be commended for his quick reaction. The FAA ground radar system that should have told air traffic controllers that there was a vehicle on the runway was operating, but not working.

Airport operations had trouble removing the snow from the runways, creating a backlog of aircraft waiting to land. One plane got stuck on a taxiway. The regional air traffic control center kept the flow of aircraft higher than the Denver tower could handle.

The Doppler radar and ground radar went out during the storm. Tiles from the ceiling of the newly built air traffic control tower fell to the ground. Water leaked all over the equipment and had to be vacuumed out.

And today I find out that a tile fell last night and hit an air traffic controller on the head while she was managing air traffic. Fortunately she's OK. Clearly, we need improvements.

The FAA has sent in a team of experts to DIA. They're on site, working hard to rectify this situation. 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.

NO INTENTION OF RAISING TAXES TOO MUCH

(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 increase 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 reductions 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.

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. 1322. An act to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

□ 1415

BUDGET RECONCILIATION ACT

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

Mr. FRAZER. Mr. Speaker, I rise to express my objection to the Budget Reconciliation Act of 1996.

This legislation is designed to devastate programs that help children, senior citizens, and students.

The Virgin Islands is in the process of recovering from Hurricane Marilyn which has an estimated price tag of $3 billion. The proposed cuts in housing targeted for families with children will have a devastating impact on our efforts to rebuild the Islands.

Over 7,500 senior citizens in the Virgin Islands receive Medicare. I was elected to Congress to represent my constituents who have invested in a system that would provide quality health care that is accessible and affordable.

We need to preserve and improve Medicare, education, and housing programs, not dismantle them for tax cuts for the rich making over $600,000 a year.

I urge my colleagues to defeat H.R. 2491.

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 here 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 event 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 ASSAULT ON CHILDREN

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

Mr. KLINK. Mr. Speaker, last week, it was the assault on the elderly. This week, as budget reconciliation comes to the floor of the House, the assault is on children.

Let me talk for a moment, Mr. Speaker, about my home State of Pennsylvania. The Republican Medicaid plan would eliminate coverage for as many as 114,892 Pennsylvania children and 4.4 million children nationwide. We are also going to cut in Philadelphia and Pittsburgh infant mortality programs by 52 percent.

We have heard a lot about tax credits. That is nonrefundable. How many people who have two or four children at the end of the year owe $1,000 or $2,000? Actually, when they eliminate the earned income tax credit, families with two or more children in Pennsylvania will face an average tax increase of $448 under the Republican plan.

This plan will deny Head Start to 6,000 children across Pennsylvania and 180,000 children nationwide. It will deny 45,000 Pennsylvania students basic and advanced skills in 1996 by cutting title I. The cuts just keep on coming, Mr. Speaker.

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 that when the bill came up, a 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 that 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.

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 his 1993 tax increases were a mistake.

He then attempted to hide behind his mother by saying he forgot her advice about making a speech after 7 p.m.

Mr. Speaker, I have not forgotten my mother's 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 back away from. No more excuses, no more inside-the-beltway gimmicks. The American people want action and they want Congress and the President to do the right thing for America's future—even if it means working late at night.

GO BRAVES

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

Mr. LEWIS of Georgia. Mr. Speaker, Ted Turner has done it again. Turn on your TV. Turn on almost any channel. You can't miss it. The Atlanta Braves are back—back in the World Series—to claim what is theirs.

Not since the Yankees of old has a baseball team stood so tall for so long. Bobby Cox has built a team for the ages—a team for destiny. Maddux. Glavine. Smoltz. Avery. Wohlers. The Murderer's Row of the 1990's—the pitchers no team wants to face.

The defense of Belliard, Lemke, and Grissom—the power of Justice, Klesko, Jones, and McGriff—they inspired Atlanta to forget the strike, to believe.

So I say to my friends from Ohio—get ready to rock and roll.

It's two and ''Oh'' and two to go. The Braves will not be denied. They cannot go back, they must not go back, they will not go back. Go Braves, 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

will do. It will eliminate Medicaid coverage for over 69,000 children in Michigan. We know it will jeopardize the immunization program for children in Michigan. We know that over 600,000 children in Michigan will have their taxes raised by an average of $380 by the year 2002. We know that they deny Head Start over 7,000 children in Michigan. We know that there are nutrition programs that will be cut in this reconciliation package.

Before we vote, I hope we get the whole text of the reconciliation bill and not just false promises.

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 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.''

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

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 reaccreditation 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 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 Mieczkowski 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 last.

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:

H.R. 117

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 ''Senior Citizens Housing Safety Act of 1995''.

SEC. 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) OCCUPANCY 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) REQUIRED STATEMENT.—A public housing agency may not make a dwelling unit in such a project available for occupancy to any person or family who is not an elderly family, unless the agency acquires from the person or family a signed statement that no person who will be occupying the unit—

''(i) uses (or has a history of use of) alcohol, or

''(ii) uses (or has a history of use of) drugs,

that would interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants.''.

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

(1) in paragraph (5), by striking ''and'' at the end;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

''(6) provide that any occupancy in violation of the provisions of section 7(a)(5)(A) or the furnishing of any false or misleading information pursuant to section 7(a)(5)(B) shall be cause for termination of tenancy; and''.

SEC. 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 is amended to read as follows:

''(c) STANDARDS REGARDING EVICTIONS.—

''(1) LIMITATION.—Except as provided in paragraph (2), any tenant who is lawfully residing in a dwelling unit in a public housing project may not be evicted or otherwise required to vacate such unit because of the designation of the project (or a portion of the project) pursuant to this section or because of any action taken by the Secretary of Housing and Urban Development or any public housing agency pursuant to this section.

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

''(3) REQUIREMENT TO EVICT NONELDERLY TENANTS FOR 3 INSTANCES OF PROHIBITED ACTIVITY INVOLVING DRUGS OR ALCOHOL.—With respect to a project (or portion of a project) described in subsection (a)(5)(A), the public housing agency administering the project shall evict any person who is not an elderly person and who, during occupancy in the project (or portion thereof), engages on 3 separate occasions (occurring after the date of the enactment of the Senior Citizens Housing Safety Act) in any activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants and involves the use of alcohol or drugs.

''(4) 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 persons who occupy the same dwelling unit as the person required to be evicted.''.

SEC. 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 (l)(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:

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 ASSISTED 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 8, that prohibit admission to such units and assistance under such section by any individual—

''(A) who currently illegally uses a controlled substance; 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 admission or assistance to any 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);

''(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).''.

SEC. 3. DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES.

(a) IN GENERAL.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

''DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES

''SEC. 7. (a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

''(1) IN GENERAL.—Subject only to provisions of this section and notwithstanding any other provision of law, a public housing agency for which a plan under subsection (d) is in effect may provide public housing projects (or portions of projects) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

''(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing projects (or portions of projects) that are designated for occupancy as provided in paragraph (1), the public housing agency may make units in such projects (or portions) available only to the types of families for whom the project is designated.

''(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a public housing agency determines that there are insufficient numbers of elderly families to fill all the units in a project (or portion of a project) designated under paragraph (1) for occupancy by only elderly families, the agency may provide that near-elderly families may occupy dwelling units in the project (or portion).

''(4) LIMITATION ON OCCUPANCY IN PROJECTS FOR ELDERLY FAMILIES.—

''(A) IN GENERAL.—Subject only to the provisions of subsection (b) and 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 any individual who is not an elderly person and—

''(i) who currently illegally uses a controlled substance; or

''(ii) 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 tenants.

''(B) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subparagraph (A), to deny occupancy to any individual based on a history of use of a controlled substance or alcohol, a public housing agency may consider the factors under section 16(e)(2).

''(b) STANDARDS REGARDING EVICTIONS.—

''(1) LIMITATION.—Except as provided in paragraph (2), any tenant who is lawfully residing in a dwelling unit in a public housing project may not be evicted or otherwise required to vacate such unit because of the designation of the project (or portion of a project) pursuant to this section or because of any action taken by the Secretary or any public housing agency pursuant to this section.

''(2) REQUIREMENT TO EVICT NONELDERLY TENANTS IN HOUSING DESIGNATED FOR ELDERLY FAMILIES WHO HAVE CURRENT DRUG OR ALCOHOL ABUSE PROBLEMS.—The public housing agency administering a project (or portion of a project) described in subsection (a)(4)(A) shall evict any individual who occupies a dwelling unit in such a project and who currently illegally uses a controlled substance or whose current use of alcohol provides a 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. This paragraph may not be construed to require a public housing agency to evict any other individual who occupies the same dwelling unit as the individual required to be evicted.

''(c) RELOCATION ASSISTANCE.—A public housing agency that designates any existing project or building, or portion thereof, for occupancy as provided under subsection (a) shall provide, to each person and family relocated in connection with such designation—

''(1) notice of the designation and relocation, as soon as is practicable for the agency and the person or family;

''(2) comparable housing (including appropriate services and design features), which may include tenant-based rental assistance under section 8, at a rental rate that is comparable to that applicable to the unit from which the person or family has vacated; and

''(3) payment of actual, reasonable moving expenses.

''(d) REQUIRED PLAN.—A plan under this subsection for designating a project (or portion of a project) for occupancy under subsection (a)(1) is a plan, prepared by the public housing agency for the project and submitted to the Secretary, that—

''(1) establishes that the designation of the project is necessary—

''(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy 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 tenants 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 assistance to nonelderly disabled 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)(8) 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) 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 whether the plan complies with 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 be considered 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), the Secretary shall specify in the notice under paragraph (1) the reasons for the noncompliance and any modifications necessary for the plan to meet such requirements.

''(3) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan 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 provided in the plan.

''(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 Senior Citizens Housing Safety and Economic Relief Act of 1995) that have not been approved or disapproved before such date of enactment.

''(f) EFFECTIVENESS.—

''(1) 5-YEAR 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 period under this sentence) by submitting to the Secretary any information needed to update such plan.

''(2) SAVINGS PROVISION.—Any application and allocation plan approved under this section (as in effect before the date of the enactment of the Senior Citizens Housing Safety and Economic Relief Act of 1995) before such date of enactment shall be considered to be a plan under subsection (d) that is in effect for purposes of this section for the 5-year period beginning upon such approval.

''(g) INAPPLICABILITY OF UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITIONS POLICY ACT OF 1970.—No tenant of a public housing project shall be considered to be displaced for purposes of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 because of the designation of any existing project or building, or portion thereof, for occupancy as provided under subsection (a) of this section.

''(h) INAPPLICABILITY TO INDIAN HOUSING.—The provisions of this section shall not apply with respect to low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.''.

(b) LEASE PROVISIONS.—Section 6(1) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph:

''(6) provide that any occupancy in violation of the provisions of section 7(a)(4) shall be cause for termination of tenancy; and''.

SEC. 4. STANDARDS FOR ASSISTED HOUSING LEASE TERMINATION AND EXPEDITED GRIEVANCE PROCEDURE.

(a) PUBLIC HOUSING AGENCY GRIEVANCE PROCEDURE.—Section 6(k) of the United States Housing Act of 1937 (42 U.S.C. 1437d(k)) is amended, in the first sentence of the matter following paragraph (6), by striking ''criminal'' the first place it appears and all that follows through ''such premises'' and inserting ''activity described in subsection (l)(5) of this section or section 8(d)(1)(B)(iii)''.

(b) PUBLIC HOUSING LEASES.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l) is amended by striking paragraphs (4) and (5) and inserting the following new paragraphs:

''(4) require that the public housing agency may not terminate the tenancy except for violation of the terms or conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause;

''(5) provide that the public housing agency may terminate the tenancy of a public housing resident for any activity, engaged in by the resident, any member of the resident's household, or any guest or other person under the resident's control, that—

''(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the public housing agency or other manager of the housing;

''(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

''(C) is criminal activity (including drug-related criminal activity);''.

(c) SECTION 8 HOUSING LEASES.—Section 8(d)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(B)) is amended by striking clause (ii) and (iii) and insert the following new clauses:

''(ii) the owner shall not terminate the tenancy except for violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or other good cause;

''(iii) the owner may terminate the tenancy of the tenant of a unit for any activity, engaged in by the tenant, any member of the tenant's household, or any guest or other person under the tenant's control, that—

''(I) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the owner or manager of the housing;

''(II) threatens the health or safety of, or right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises; or

''(III) is criminal activity (including drug-related criminal activity); and''.

SEC. 5. EXTENSION OF FHA MORTGAGE INSURANCE PROGRAM FOR HOME EQUITY CONVERSION MORTGAGES.

(a) EXTENSION OF PROGRAM.—The first sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking ''September 30, 1995'' and inserting ''September 30, 2000''.

(b) LIMITATION ON NUMBER OF MORTGAGES.—The second sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking ''25,000'' and inserting ''50,000''.

(c) ELIGIBLE MORTGAGES.—Section 255(d)(3) of the National Housing Act (12 U.S.C. 1715z–20(d)(3)) is amended to read as follows:

''(3) be secured by a dwelling that is designed principally for a 1- to 4-family residence in which the mortgagor occupies 1 of the units;''.

The SPEAKER pro tempore (during the reading). Without objection, the committee amendment in the nature of a substitute will be considered as read and printed in the RECORD.

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa [Mr. LEACH] and the gentleman from Massachusetts [Mr. KENNEDY] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, before 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 seniors 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.

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

For this initiative, I would compliment Mr. BLUTE, who introduced this approach in bill form, 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 LAZIO, 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.

☐ 1430

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LAZIO] to explain this program.

Mr. LAZIO of New York. Mr. Speaker, time and time 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 reauthorizing 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, not worrying about whether they can afford to.

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 grandparents, our neighbors, or our children.

I appreciate the hard work of so many of my colleagues who played a part in bringing this legislation to the floor and the leadership shown by Members such as my distinguished colleague from Massachusetts, Mr. BLUTE. I applaud the commitment being made today by Members on both sides of the aisle who, by voting for this bill, are supporting and protecting our parents and grandparents.

I also appreciate the concern many Members have shown with regard to the other provision of H.R. 117 that was in a bill I introduced earlier this year as H.R. 1934, which reauthorized the Home Equity Conversion Mortgage Program for older Americans. I feel

very strongly about the need to reauthorize this program because of the tremendous value reverse mortgages have for seniors around the country.

This provision encourages those who want to stay in their homes and in the neighborhoods they care about, while 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 colleagues of the strong showing of support we have received for this legislation. The American Association of Retired Persons, the National Association of Home Builders, the American Association 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 for the people these groups represent and for the millions of Americans who look to this Congress for help and support. The Senior Citizen Housing Safety and Economic Relief Act of 1995 is a good bill and I urge all of my colleagues 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 elderly-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 noboby 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 elderly and the frail.

We have tried several times over the past several years in the Congress to make it possible for public housing authorities to set up elderly-only public housing, and to kick out trouble makers who are threatening the elderly for any reason. In fact, later this year I expect the committee to consider whether or not former drug or alcohol abusers 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 forward on a bipartisan basis to try to address this terrible problem and I want to commend Chairman LAZIO for bringing this bill to the floor.

This bill will give housing authorities the power to screen out people with histories of drug and alcohol abuse if they have reasonable grounds for expecting that the applicants will cause problems.

It requires housing authorities to get rid of nonelderly tenants who have current alcohol or drug abuse problems.

It enables 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 assisted housing.

Just a few short weeks ago, the Republicans voted to kill all new rental assistance that the Secretary was using largely to move the disabled out of senior-only housing.

Just a few short weeks ago, the Republicans voted to raise rents on senior citizens living in public and assisted housing, and the Republicans defeated amendments offered by me and my colleague 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 more 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, frankly, 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, not just to pay lip service to the needs of the elderly and disabled, but to cast the tough votes and fight the tough battles for increased housing for the elderly, the disabled, and the poor.

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

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to my friend, the distinguished gentleman from Massachusetts [Mr. BLUTE].

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

Mr. Speaker, just over a year ago, this House passed on a voice vote an amendment to the Housing and Community Development Act that would have prevented drug addicts and alcoholics from residing in elderly public housing.

However, the Senate did not act on this legislation, and, therefore, I reintroduced it this year. Since then I have worked with Chairman LEACH and Chairman LAZIO on perfecting this bill and I believe that with their leadership and with the leadership of many members of the committee on both sides of the aisle that we have brought 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 then that senior citizens are living in fear because of a law which Congress passed back in 1988. That law allows young drug and alcohol abusers 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 secure housing.

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

Let me just state some of the horrible 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 emotional testimony from a senior citizen from Worcester, MA, Anneliesse Belculfino, who spoke about 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 testimony from Jack Mather of the Brockton, Massachusetts Housing Authority 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 Federal code than this policy. I urge this House to adopt this bill.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. GONZALEZ], 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. GONZALEZ. Mr. Speaker, I appreciate 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 clarifies 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 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 in 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 gossip 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 reasonable process.

Every tenant of a public housing unit, just like any 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.

☐ 1445

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

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

Mr. NUSSLE. 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. Federally funded housing should be 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 came to see me on this issue going back almost 6 years ago. He has been working tirelessly to try 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 provision that relates to the screening and eviction of drug and 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, it was really over subsidized housing. By the time I was mayor of Alexandria across the river, one out of every seven homes in Alexandria were subsidized.

But increasingly they become characterized by drug dealing and crime and violence. It was not working. Elderly residents were scared for their lives to live in publicly assisted housing. Single mothers had to come to the conclusion really that their children were going to get involved in drug dealing before they became adults. It was almost inevitable. It came to a climax when I lost a very good friend who was a police officer in a highly publicized shootout over a drug transaction. I will not go 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, this bill builds on 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 right to peaceful enjoyment of the premises by the other residents and by public housing employees.

This measure includes language that I offered last year to remove the geographic limitation that current law places to 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 do 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 a real easy way our for the tenant of record. 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 2.1 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.

So 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 of New York. 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 first of all for his tireless work in this area and for his very valuable input and his strong personal understanding of the issue in working with our staff and particularly with me.

The intent of this bill is to apply stronger eviction standards as broadly as possible to all forms of section 8 housing as well as public housing. Regarding other forms of assisted housing, we are urging the Secretary of Housing and Urban Development to apply stricter standards, stricter eviction standards to all activity, whether criminal, drug related or otherwise in all types of assisted housing.

I would also like to assure my colleague from Virginia that I will continue to work in this area with him to ensure that all multifamily assisted housing meets the stricter eviction standard that the gentleman speaks so eloquently about. I am prepared to include provisions in H.R. 2406, the United States Housing Act of 1995, that would cover all forms of assisted housing and pledge to work with my distinguished colleague from Virginia and other interested colleagues who share these concerns.

I would turn to my distinguished colleague, the gentlewoman from New Jersey [Mrs. ROUKEMA], the former ranking member of the Subcommittee on Housing and Community Opportunity whose experience in this field who will no doubt play an important part in this process, with the gentleman's indulgence.

Mrs. ROUKEMA. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Speaker, I thank the gentleman from New York [Mr. LAZIO] and our colleague, the gentleman from Virginia [Mr. MORAN].

I have worked on this issue as the ranking member of the subcommittee for a number of years. Clearly section 202 housing projects are by their very design for elderly only; at least they should be. These projects are almost universally well run, well maintained and relatively free from crime. But it is precisely this type of environment that we should be able to provide for all seniors in all federally assisted housing.

I am really pleased that the gentleman from Virginia [Mr. MORAN] has brought this subject up. We must work very diligently to close any existing loopholes that there may be and to be sure that that kind of protection is afforded for all seniors and disabled. I thank the gentleman.

Mr. MORAN. Mr. Speaker, I thank the gentlewoman for her leadership and for that clarification, as well as the gentleman from New York [Mr. LAZIO], the gentleman from Texas [Mr. GONZALEZ], the former chairman, and the gentleman from Massachusetts [Mr. KENNEDY], the former chairman, as well.

I thank 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 chairperson of the Subcommittee on Financial Institutions and Consumer Credit and a great friend of seniors throughout America.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

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 one filled with drug abusers, dealers, and alcoholics. It should never have happened.

I want to commend the gentleman from Massachusetts [Mr. BLUTE]. I worked with him since 1992. We thought we had the problem resolved. As has already been stated, the problem goes back to the 1988 act.

At the time of that 1988 legislation, I opposed the change in the law. In 1992, we thought we had 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 fix the problem and provide 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 gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Speaker, I really thank the gentleman for his work and the work of the gentleman from Massachusetts [Mr. BLUTE] on this bill. This is a long time coming.

It is great work, and I am proud to be associated with it and to support 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 overlooks the river. 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. 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 asked and was given permission to revise and extend his remarks.)

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 on 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 were 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. The picture 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 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 reduce the threat to seniors.

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 Opportunities. 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.

The blute bill, the Senior Citizens Housing Safety Act of 1995 (H.R. 117) is the appropriate step in that it allows for proper pre-screening of potential tenants. We owe it to our seniors to fight for their safe housing. I urge my colleagues to support this legislation.

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Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Pennsylvania [Mr. KLINK].

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 we 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 1988 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 know what 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 force them into giving them loans, and it is really a shakedown, 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 Pebanic, 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 bloodied 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 hers, 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. It was really something because 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 people need to have. They need to know that they are not going to be attacked, and, unlike this 90-year-old woman, they will not have to fight themselves off. I think that if Congress enacts this bill today, it will have done something good.

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 law which mandated that disabled 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 in America 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.

Such 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.

This is true because a 1988 Federal law mandates that such mentally disabled persons are eligible to live in the same public housing with our senior citizens.

Physically disabled persons are eligible for public housing, too, but the physically disabled reportedly pose little or no threat to others.

The reign of terror 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 intermingled, 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 and whether they are capable of independent living.

Our housing managers should not be required to minister to a population of disabled persons.

They have no trained staff for the disabled. They are not nurses. They have no medical or other special qualifications for coping with those who refuse to take their prescribed medications.

They are not skilled in criminal investigation often essential to preventing or eradicating drug-dealing rings who seek out elderly-only projects as ideal bases for drug selling.

I commend the gentleman from Massachusetts [Mr. BLUTE] for his crusade to keep this issue before the Congress.

The gentleman brought the committee one of its most eloquent witnesses, Anneliese J. Belculfino of Worcester, MA.

She is the tenant leader in her building. I will never forget her testimony:

> We have 199 apartments . . . . When I first moved in about eight years ago, it was beautiful. Most tenants were senior citizens.
>
> Now we have almost more young people in here than seniors.
>
> Most of the younger tenants are drug addicts or alcoholics or both.
>
> Old ladies are afraid to ride with those people in the same elevator. . . . A few times human waste was found in the elevator. . . .
>
> Late at night prostitutes are being let into the building. I have also seen drugs being dealt here outside near my porch.
>
> A lady went to the laundry room to wash her clothes. She places them in the dryer and goes to her apartment to do a little housework while the dryer takes about one hour. When she gets back to the laundry room her dryer is empty. That happens quite a few times.
>
> I would like for the younger people to have their own building and let the seniors live in peace and without fear for the time they have left.

And the problem seems to be getting worse. Actually, the magnitude makes no difference. None of this should ever happen at all.

This bill would provide three approaches: Managers could keep seniors and addicted persons separated if the managers submit and win HUD approval of operational plans to do so under streamlined procedures.

Such plans would be effective for 5 years under my amendment adopted by the committee, instead of for only 2 years as originally proposed.

Public housing managers could refuse to mix senior citizens and persons with a history of drug and alcohol abuse.

And druggies and alcoholics could be evicted for disruptive behavior under an expedited procedure.

As far as our senior citizens are concerned the subject before us amounts to fear and powerlessness inflicted on them by the Federal Government in public housing.

I urge my colleagues to vote for this bill.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Alabama [Mr. BACHUS].

Mr. BACHUS. Mr. Speaker, in July 1994 I received a letter from a 90-year-old woman in my district, and she said:

> I live in a senior citizens' apartment building which now accepts tenants with drug, alcohol, and emotional problems. There have been several threatening instances caused by these problem people. I no longer feel safe in this building.

She signed the letter:

> Please help us.

As a result of that letter, I made some inquiries and found that the gentleman from Massachusetts [Mr. BLUTE] was to offer H.R. 117, and I became an original cosponsor. Since that time I have heard testimony which basically tells us of the terror of these senior citizens. The gentleman from Wisconsin [Mr. ROTH] spoke of a lady who saw her public housing building turned from a wonderful place to live to a nightmare. I heard testimony from a similar woman on our committee who said, and I am going to read her description:

> When I first moved in about 8 years ago, it was beautiful. Most tenants were senior citizens. Now we have almost more young people than seniors. Most of the young tenants are drug addicts, or alcoholics, or both. Old ladies are afraid to ride with these people in the same elevator. At night prostitutes are being led into the building. I've seen drugs dealt outside my porch. A lady went to the laundry room to wash her clothes. She placed them in the dryer, goes back to her apartment. When she returns, her dryer is empty. This happens quite a few times. A few times human waste was found in the elevator. I would like for the young people to have their own building. Let the seniors live in peace and without fear for the time they have left.

I call on all of us in the time that these seniors have left, let them live in peace. Vote ''yes'' on this legislation.

Mr. LAZIO of New York. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Delaware [Mr. CASTLE], chairman of the Subcommittee on Domestic and International Military Policy, a great Member of this body.

Mr. CASTLE. Mr. Speaker, Mr. Chairman, I would like to commend Chairman LAZIO and Congressman 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 and a cosponsor of this bill, 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 so-called 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 complex, 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 which they face.

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 our country's seniors endure incidences 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, and I 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. However, 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 or 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.

□ 1515

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, confusion, 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 Sylvan Nesbitt. This bill will assist in achieving 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, CT. Five years ago 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 applaud 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 cosponsor 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 senior housing. Today HUD 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 daytime 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 highrises 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 weights 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 lawyer says.

The lawsuit accuses the BHA and its officials with ''deliberate indifference to a known danger . . . the dangerous activities and proclivities of Eric 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 asked and was given permission to revise and extend his remarks.)

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, problems still persist 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 free 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 agencies to establish occupancy standards. This would allow public housing agencies to screen potential tenant 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 residents 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 evicted. I support this commonsense 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, we 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 everybody is marching 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 that will never get access to any housing because of the housing cuts that have taken place under the leadership of the Republicans that are now sanctimoniously 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 go about absolutely decimating the public housing budget, absolutely decimating the assisted housing budget, and we go back in and try to pretend to 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 absolutely leveling the housing 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 an 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 1994.

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, the 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; No. 3, 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. GONZALEZ].

Mr. GONZALEZ. 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 that this is making things 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. LAZIO of New York. 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 refocus 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 we want to make the existing housing that exists in this country safe for senior citizens, and we 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 efforts of your colleague, 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 having the foresight to bring this bill to the House 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 just 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 Members on the other side to bring this bill forward and to 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 rise today in complete support of this important piece of legislation, not only for the country, but 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 to live 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 to me throughout my district. This must stop.

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 day goes by in 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 placement of current or former drug and alcohol abusers in public housing that is specifically designated [section 202] for elderly, or elderly and disabled families. Mr. Speaker, I commend our colleague and friend, the gentleman from Massachusetts [Mr. BLUTE]. He has worked tirelessly, since 1992, on this issue. I wholeheartedly support the bill and urge its adoption by the House.

Mr. Speaker, before closing, I would also like to thank my colleagues on the Banking Committee for their leadership in this issue. Senior citizens in central Illinois are truly grateful.

☐ 1530

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. WAMP], a great Member of the new class.

Mr. WAMP. Mr. Speaker, compassion should not be measured by how many people are in government housing, or by how much money we spend on government programs. Compassion should be measured by how few people are in government housing, and how efficient we use the limited resources we have in the Federal Government.

Mr. Speaker, I am proud that we have been to this floor and this House many times this year benefiting senior citizens. As a matter of fact, I believe that last Thursday when we passed the Medicare Preservation Act it was the most courageous vote that we will cast the whole time I am here, and I just got here, for senior citizens.

This bill cures two problems that have been identified with senior citizens. Those who have equity that they can use to generate income on a monthly basis for themselves, and those who do not have home equity that are living in government housing to make that a safer place. For 4 years my grandmother, at 85 years old and on a $450 a month income, campaigned to send me to Congress, and she died 10 months ago. Today she would be pleased.

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GOSS], a member of the Committee on Rules and a great Member of this body.

Mr. GOSS. Mr. Speaker, I thank the gentleman from Long Island, NY [Mr. LAZIO] for yielding time to me, and I congratulate him and the gentleman from Iowa [Mr. LEACH].

Mr. Speaker, this bill fixes precisely the type of senseless, really I should say dumb, regulation that the Corrections Day process was created to address. Placing 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.

There have been numerous reports of seniors being harassed, abused, and even to the point of rape, because of this ill-conceived mandate that needs to be fixed. This is wrong, and like so many big government regulations, it is hurting real people across America.

Mr. Speaker, obviously seniors should not have to live in fear of their neighbors. They should not have to endure criminal activity in their homes,

and they should not have to endure anxiety-causing rhetoric by architects of failed social experiments either. They should be allowed to enjoy their retirement peacefully, comfortably, and with dignity.

Mr. Speaker, I 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 1 minute to the gentleman from Connecticut [Mr. SHAYS], a distinguished member of the Committee on the Budget.

Mr. Speaker, this legislation is long overdue. I have always been puzzled why alcoholics and drug abusers are considered disabled with all the government rights and privileges that go with being disabled.

Young alcoholics, young drug abusers should not be in senior citizen housing. They should not be in federally subsidized homes, and I am grateful we are finally coming to grips with this terrible problem.

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

Mr. KENNEDY of Massachusetts. 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 been begun by Secretary Cisneros to get these drug abusers and alcoholics out of public housing, that was voted against by my Republican colleagues.

The truth of the matter is, while people want to say well, there is some negativism with regard to the general attitude of the Democrats toward what is going on in the housing bill of this country, that is absolutely right. We are very negative about the fact that you can cut 26 percent of an agency's budget without a single hearing and come back and then have a bill on the House floor that makes a small appeal to a particular group of people, and then try to pretend that that is representative of all of the things that you are trying to do in terms of senior citizens' housing.

Mr. Speaker, we ought to be getting rid of this policy that is patently ludicrous policy, that we consider people disabled for the purposes of gaining access to public housing because they have drug abuse or alcoholic abuse in their histories. That is patently ludicrous. The Democratic Congress knew that, and passed a bill to fix it last year.

The Republicans are now piling on, giving credit where it is not really due, but giving credit for passing this bill on the House floor today. I give them credit for having passed this bill in the committee; it is something we ought to do. But we ought not to lose sight of the fact that while we are doing this we are also gutting and decimating senior citizens' housing all across this country. We have cut a quarter of the Nation's housing budget and we are absolutely gutting the very homeless programs that are needed to back up the cuts in the programs that are providing public and assisted housing.

So while I want to give credit, and I have given credit, to the gentleman from New York [Mr. LAZIO], and the gentleman from Massachusetts [Mr. BLUTE] and others for their steadfast work, and it has been steadfast on this issue, we ought not to lose sight of the fact that at a time when we are taking a small step in moving senior citizens' housing forward, we are taking a large step backward in terms of all of the effects that the Republican policies will have on our Nation's seniors.

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

Mr. LAZIO of New York. Mr. Speaker, I yield myself 45 seconds.

Mr. Speaker, one of the great responsibilities of this body is to care for those who cannot care for themselves, and it was with this in mind that an amendment had been offered earlier in the year to restore money for the section 202 program, which is the program for new construction for senior housing and for the disabled, and also for housing for people with AIDS. In the end, because of the changes that have been made as a result of that amendment, and because of the support in this body on a bipartisan basis, there will be more units available to the disabled and more units available to seniors than have been in the past, and that is a very positive thing.

Mr. Speaker, I also wanted to mention the fact that in this program we are working hard to give seniors the ability to take equity out of their own homes. This is not a handout. Back on Long Island, Betsy, 83, and Estelle, 90 years old, who live in Amityville, were able to use the reverse equity program to get a new heating system, to get a new roof on their home where there had been none before.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], a great proponent of this legislation.

Mr. BLUTE. Mr. Speaker, I want to commend the chairman of the full committee, Mr. LEACH, and the chairman of the subcommittee, Mr. LAZIO, and all of the Members of Congress on both sides of the aisle who have worked to bring us to this point where we are dealing with this very important piece of legislation.

Mr. Speaker, today we Members of Congress have a unique opportunity to right a historic wrong, a wrong-headed Federal policy that has allowed drug and alcohol abusers into senior housing which has caused the ruination of the lives of senior citizens from Los Angeles to Boston, from Chicago to Miami, and all over our great country. This is a policy that needs to change, and it needs to change today.

The fact is that this situation violates the American people's sense of reasonableness, and it is having an impact out there among senior citizens.

We now have a phenomena called Gray Flight in which senior citizens no longer even want to apply for senior housing because they know what is going on in those buildings.

So, Mr. Speaker, this bill makes sense. It will right a historic wrong. I think we should stand up for common sense, for reasonableness, for sanity, and for senior citizens' protection, and I ask that the Members of this House on both sides of the aisle strike a blow for seniors living in senior housing and vote for this piece of legislation.

Mr. MFUME. Mr. Speaker, I rise today in support of H.R. 117 and I urge all of my colleagues to support it. While H.R. 117 does not break any new ground in terms of what a public housing authority can do to ensure the security and happiness of its senior residents, it does clarify the intent of Congress in this area. Furthermore, H.R. 117 is a good example of Members from both sides of the aisle working together to produce solid, fair legislation.

It is clear that the law allowing disabled people into senior-only public housing, while extremely well intentioned, has led to problems. And, while we do not want to say that all handicapped people should be excluded from senior-only housing, it is clear that we should enable public housing authorities [PHA's] to make and enforce policies that ensure the rights of all senior citizens to pursue a safe and peaceful existence.

H.R. 117 does, I believe, a good job of clarifying that the PHA's do have the power they need while at the same time ensuring that they cannot and should not use this law to act in a capricious or arbitrary manner. As originally brought before the full Banking Committee, H.R. 117 contained some language that concerned me. Amendments which were adopted by Mr. LAZIO and Mr. GONZALEZ, Mr. FLAKE and Ms. WATERS, Mr. NEY and Mr. WELLER, and Mrs. ROUKEMA and myself, however, improved the bill considerably and eased many of my concerns.

In the case of my amendment, I had concerns that by explicitly stating that PHA's could evict a person for disruptive or illegal behavior by others in their household or guests ''regardless of whether the resident had actual knowledge of such activity'' would provide disingenuous PHA's with too much authority to follow their own agendas. It would be wrong, for example, for a grandmother to be put out into the street because a grandson sold drugs from the apartment once, if it was done without her knowledge.

At the same time, I do not believe that a claim of ignorance, especially when it is false, should absolve a person of all responsibility. For this reason, I feel comfortable that the language which is contained in the amendment offered today by Chairman LEACH, which reflects the agreement between myself and Chairman LAZIO, will allow a PHA to evict problem tenants while at the same time protecting the rights of the truly innocent.

I believe that the legislation before us, which reflects the changes adopted in committee, is a good bill which will, hopefully, provide PHA's

with more clarity as to what they can do to cope with the problems facing their senior populations. The amendments accepted in committee were not compromises; rather I would view them as improvements. All of them addressed issues that we all felt were important, regardless of our party affiliation.

In this vein, Mr. Speaker, I would like to thank the members of the Banking Committee, especially Chairman LAZIO, and their staff for their cooperation on this matter. While, as I said earlier, I had some concerns that in a few isolated cases the original text gave the PHA's too much discretion, Chairman LAZIO and his staff worked hard to address my concerns and in the end I feel that we arrived at a product that is satisfactory to all involved.

I am especially pleased to see this situation addressed by this Congress as it is a problem in Baltimore City. Since the 1988 change in regulations there have been several—too many, in fact—incidents in which the peace or safety of seniors living in public housing has been threatened. While Baltimore's PHA has taken steps to alleviate the problem, I understand that there are concerns as to whether or not such actions are legal. I hope that this bill will alleviate the city's concerns.

As I said earlier, Mr. Speaker, I rise in support of this legislation and I urge my colleagues to support it. Our seniors deserve to live in peace and safety.

Mr. CUNNINGHAM. 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 within their homes. I do not want any elderly public housing resident within my district, or any other district throughout the United States, to continue living in fear because their neighbor is abusing drugs or alcohol.

Under the Americans With Disabilities Act [ADA], people of any age with mental or physical disabilities can reside in any federally assisted housing program that is designated to house elderly families. This is good and fine. However, when current and former drug abusers fall under this disabled category, senior citizens do not receive the quiet, safe living conditions they deserve and expect. Instead, they are plagued by the threat of guns and violence. Such elderly residents of public housing are horrified to leave their houses in fear of falling victim to crime.

As you can see, this effect of ADA is ridiculous and must be changed. On this corrections day, we must right a wrong and prevent drug abusers from disrupting the lives of seniors. H.R. 117 will allow public housing authorities to evict drug abusing tenants living in elderly family housing. I urge each of you to join me in voting in favor of this bill to protect our nation's seniors. The elderly population must be afforded the right to live the duration of their lives with peace of mind in safe surroundings.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise in support of this bill. This measure addresses the fundamental concerns of seniors—fear for their economic and physical safety.

The right of seniors to continue to live in their own neighborhoods, and their right to live in peace, will be enhanced by this legislation.

That is why I was working on a legislative response to the problem of ensuring safety in senior housing and I welcome today's response to this thorny issue.

That is why I became the first original cosponsor of my colleague from New York's renewal and expansion of 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. Three-hundred 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 $13,000.

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 later 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 heating bills.

More seniors will need to mortgage their homes to pay basic daily expenses.

This bill will provide comfort to some, but nothing compared to the harm caused by the cuts to Medicare, Medicaid, and housing programs.

It will provide little comfort to seniors who know that promises made to them are being broken.

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 rent will go up at the same time the quality of that housing will decline.

It will provide little comfort to a senior who will have to say goodbye to 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.

But 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, an important option for seniors that want to stay in their own homes and need a financial fix to do so. H.R. 117 also clarifies the abilities that public housing authorities [PHA's] have to protect seniors in public housing.

Congress has moved several times in the past few years to address the controversial issue of mixed populations in public housing that had been designated as senior buildings. In 1992, the Banking Committee worked very diligently to set up a fair residency procedure for PHA's to set up elderly-only buildings, disabled-only buildings, and mixed buildings. Last year, the House passed an amendment to clarify the screening capabilities of PHA's with regard to nonelderly substance abusers and this bill today is a continuation of that process. I am pleased that we are moving today to clarify the role of the PHA's screening so that our seniors do not have to pay the price because of the bad behavior of some tenants.

The bill reauthorizes the HECM program. The success of the HECM or reverse mortgage program in Minnesota has been outstanding, and the program has had a positive impact across the Nation. In Minnesota, through September of this year, some 298 reverse mortgage loans have been closed, with 25 or so pending or planned to go to closing in October. These 300-plus loans are the result of 853 formal counseling interactions that were the result or roughly 5,000 calls of inquiry within Minnesota.

In 1992, Congress reauthorized this demonstration program and extended its authority to 25,000 loans. Although under 10,000 reverse mortgages have been issued, the authority has expired and we need to reauthorize it quickly today.

This reverse mortgage program, with this important extension of authorization, will serve many more senior homeowners, improving their quality of life. Reverse mortgages enable people to remain in their homes and permit the use of their own equity to enhance their lives. The reverse mortgage authority has a minimal impact on the Federal budget—through the Federal Housing Administration—and, in fact, reduces the demand on subsidized housing and some nursing home placements because of home health care payments facilitated by such a choice. The reverse mortgage program targets lower income seniors and today has afforded close to 10,000 people the opportunity to maintain ownership while meeting important personal and health needs. In fact, reverse mortgages have been used to prevent foreclosures because of back taxes or ill-advised home equity loans as well as for other needs.

I am pleased we are seeing rapid action on at least this measure and hope that we will continue to work positive on housing policies. To date as this Congress has moved, it unfortunately is making disastrous cuts in the overall housing budget that I cannot and do not support.

Mr. HEINEMAN. Mr. Speaker, I rise today to join in supporting H.R. 117, the Senior Citizen Housing Safety and Economic Relief Act of 1995. I was pleased to cosponsor this legislation for our vulnerable senior citizens who live in public housing and who have a right to feel safe in their homes. There is a crisis across this country, brought about because of misguided housing policies that have allowed drug and alcohol abusers to live side by side with vulnerable senior citizens. The law was intended to provide housing for seniors and the disabled. Drug abusers have figured out that if they tell public housing officials that their drug addictions make them disabled, they too can claim public housing rights—next door to our most vulnerable elderly Americans.

The Senior Citizens Housing Safety Act prohibits current or former drug and alcohol abusers from being placed in public housing which was specifically set aside for the elderly, disabled, and their families.

Mr. Speaker, as a senior citizen and a veteran, I think it is a disgrace to treat our seniors this way. During a recent hearing on this legislation, the House Banking committee heard shocking testimony from seniors terrified to go outside their homes, and seniors who told us they were repeatedly preyed upon by their drug addict neighbors. The Senior Citizens Housing Safety and Economic Relief Act takes care of this problem.

If a public housing project was built for senior citizens, then senior citizens shouldn't have to fear for their lives if they live there. Public housing bureaucrats have used a loophole in the law to let dangerous drug addicts move next door to elderly men and women who never hurt anyone. It is a disgrace that we have allowed this to happen to the same generation that protected this country in World War II.

Mixing drug addicts with senior citizens was never a good idea. It's not what the law was intended to do. As a former chief of police, I know the elderly are particularly vulnerable to crime. I'm delighted to help protect them.

Mr. STOKES. Mr. Speaker I rise in strong support of H.R. 117, the Senior Citizens Housing Safety Act of 1995. I commend the committee for its leadership in recognizing the urgent need to address this serious and distinct issue affecting elderly persons living in public housing.

Nationwide, housing authorities have been struggling with problems arising from mixed populations residing in housing originally established for the elderly. These problems present serious challenges for our Nation's public and assisted housing authorities who have to balance the needs of our senior citizens, while at the same time, provide housing and other specialized services for the nonelderly, in particular the physically and mentally disabled.

Mr. Speaker, in my capacity as a member of the VA/HUD and Independent Agencies Appropriations Subcommittee, I was able—a few years ago—with the support of my colleagues to include provisions in the appropriations bill that would allow the establishment of projects in which only elderly residents would be permitted to live. In addition, reasonable efforts were taken to provide alternative housing to handicapped and disabled persons, and to set aside certain other housing assistance for such persons.

Unfortunately, Mr. Speaker, the definition of eligible disabled populations includes certain substance abusers who tyrannize other residents. This is often the case in those units were mixed populations reside together. It is unconscionable that we place our Nation's elderly in such unsafe and fearful environments.

H.R. 117 gives housing authorities the ability to rid their developments of unsavory individuals who have overwhelmed housing authorities across this Nation. Our support of this measure sends a strong message of support not only to our seniors but to public housing authority directors who are forced to operate under increasing deficits and declining Federal support.

Mr. Speaker, I hope that my colleagues will support 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 so disruptive that 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 believe that this legislation is an important step toward resolving this issue. For many, public or subsidized housing is the only opportunity for decent, affordable housing. We must continue to expand the supply of such housing for all Americans. Indeed, the root of the mixed-population issue is really the lack of affordable housing options in many of our communities. The final solution to this problem will come when we are able to provide adequate, decent, safe, and affordable housing for Americans of all ages.

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

The SPEAKER pro tempore (Mr. FOLEY). 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.

Mr. BLUTE. 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, further proceedings on this question are postponed until 5 p.m. this evening.

FAIR LABOR STANDARDS ACT REVISIONS REGARDING PAPER BALERS

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 compacters that meet appropriate American National Standards Institute design safety standards.

The Clerk read the bill, as follows:

H.R. 1114

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

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

In the administration of the child labor provisions of the Fair Labor Standards Act of 1938, individuals who are 16 and 17 years of age shall be permitted to load materials into cardboard balers and compactors that are safe for the 16 and 17 year olds loading the equipment and which cannot operate while being loaded. for purposes of this section, such balers and compactors shall be considered safe for 16 and 17 year olds loading such equipment if they are in compliance with the most current safety standard established by the American National Standards Institute.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Speaker, I offer an amendment in the nature of a substitute.

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 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 loading the scrap paper balers or paper box compactors, 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 to load only if—

(1) such scrap paper balers and paper box compactors are in compliance with the current safety standard established by the American National Standards Institute;

(2) such scrap paper balers and paper box compactors include an on-off switch incorporating a keylock or other system and the control of such system is maintained in the custody of employees who are 18 years of age or older;

(3) the on-off switch of such scrap paper balers and paper box compactors is maintained in an off condition when such scrap paper balers and paper box compactors are not in operation; and

(4) the employer of 16 and 17 year old employees provides notice, and posts a notice, on such scrap paper balers and paper box compactors stating that—

(A) such scrap paper balers and paper box compactors meet the current safety standard established by the American National Standards Institute;

(B) 16 and 17 year old employees may only load such scrap paper balers and paper box compactors; and

(C) any employee under the age of 18 may not operate or unload such scrap paper balers and paper box compactors.

SEC. 2. CONSTRUCTION.

Section 1 is not to be construed as affecting the exemption for apprentices and student learners published at 29 Code of Federal Regulations 570.63.

Mr. GOODLING (during the reading). Mr. Speaker, I ask unanimous consent that the 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 Pennsylvania?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 30 minutes, and the gentleman from New York [Mr. OWENS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

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

Mr. Speaker, H.R. 1114 partially reverses Hazardous Occupation Order 12 [HO 12]. Hazardous occupational orders have been issued by the Department of Labor under the authority of the Fair Labor Standards Act. HO 12 was issued by the Department of Labor in 1954. Under HO 12, minors under the age of 18 may not load or operate any paper baler or compactor.

Again, I want to emphasize to my colleagues that HO 12 was issued in 1954, when paper balers and compactors were significantly more hazardous machines than the state of the art machines being built today.

H.R. 1114 would create an exception to HO 12 by allowing 16 and 17 year olds to load, but not operate or unload, paper balers and compactors that meet certain safety standards. As passed by the Opportunities Committee on July 20, 1995, H.R. 1114 specified that 16 and 17 year olds would be permitted to load only those paper balers that meet the current standards for such equipment issued by the American National Standards Institute [ANSI], a private standards-setting organization. It also specified that such machines must be designed and maintained so as to prevent their operation while they are being loaded. In other words, when the loading door is open, the machine cannot operate. The exception to HO 12 applies only to those machines.

Subsequent to the committee's markup several additional protections were agreed to, and are included in the 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 all of the following are met:

First, the equipment meets the current ANSI standard;

Second, the equipment includes an on-off switch with some type of locking system, control of which is kept in the custody of a person over the age of 18;

Third the on-off switch is maintained in an off position when the machine is not being operated; and

Fourth, the employer provides notice and posts notice on the machine that the machine meets the ANSI standard, that 16 and 17 year olds may only load the equipment, and that no employee under age 18 may operate or unload the equipment.

Mr. Speaker, the bill before us is a reasonable resolution and correction for the current overly rigid regulation that flatly prohibits 16 or 17 year olds from loading boxes into paper balers, no matter how safe those balers or compactors are. Unlike that current rigid regulation, the legislation takes into account the advances in technology that have made these machines safe, specifically provides that the machine cannot be operated while being loaded, and it will encourage more employers to put the newer and safe technology into their workplaces. The opponents of the legislation say that people are still being injured by paper balers, but there is no evidence that those injuries and accidents are occurring on machines that meet the standards specified this legislation.

I urge my colleagues to support the substitute and that I am offering today.

□ 1545

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

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

Mr. Speaker, I rise in opposition to H.R. 1114. While the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING] is an improvement upon the bill as reported by committee, there are still reasons to be concerned about this legislation.

First, this legislation may not adequately protect the safety of minors. Current regulations applicable to balers and compactors, commonly referred to as H.O. 12, prohibit minors from being employed to load, operate, or unload balers or compactors. The effect of H.O. 12 is to eliminate any occupational justification for a minor to otherwise be in the vicinity of a baler or compactor when it is operating. The amendment before us permits 16 and 17-year-olds to load balers and compactors in certain circumstances. As a consequence, a 16 and 17-year-old is now likely to be the closest person to the machine when it is operating. If the machine malfunctions, it is the minor who is likely to be at greatest risk.

The corrections calendar is a wholly inappropriate forum in which to consider this legislation. The purpose of corrections day is supposed to be to repeal senseless or silly regulations. The contention that hazardous occupation order number 12, which is intended to protect the safety of minors, is either senseless or silly is both inappropriate and false. There were six fatalities involving paper baling machines between 1993 and 1995. Further, while I firmly believe H.O. 12 has saved lives, minors have been seriously injured and killed by these machines.

Typically, a stock clerk will take shopping carts full of boxes back to the baler or compactor to be crushed. The clerk will load the boxes into the baler or compactor. At the point that the loading bin of the baler or compactor is full, an adult operator will cause the door to the loading bin to be closed, unlock the ignition, and engage the ram or plunger to crush the boxes in the loading bin.

A machine in compliance with current American National Standards Institute [ANSI] standards and this legislation must have an interlock device, a mechanical device intended to prevent the ram from functioning unless the loading bin door is completely closed. However, interlock devices are not failsafe and, as OSHA citations have demonstrated, are known to malfunction. Most injuries associated with these machines occur when the loading bin door fails to close completely, the ram or plunger operates anyway, and an employee gets caught by the ram because the employee reached into the machine to clear a jam or ensure a box is fully inside the loading bin. As a result of this legislation, the individual most likely to reach into the machine in the event the interlock device malfunctions may be the 16- or 17-year-old stock clerk.

I had sought a provision in the legislation requiring employers to take reasonable steps to ensure that 16- and 17-year-olds remain at an arm's length distance, 3 feet, from the machine when it is in operation. Such a requirement would have addressed the most serious safety concern raised by this legislation. The failure of this legislation to include a requirement to remain 3 feet from the machine when it is in operation needlessly increases the risk of minors being grievously injured or killed.

While my most serious concern about the legislation is the potential risk of serious injury or death to minors, I have additional reservations regarding the legislation. The amendment appears to unconstitutionally delegate governmental authority to a private organization, the American National Standards Institute, or ANSI. Under this legislation, a machine is deemed safe so long as it is in compliance with whatever the then current ANSI standards applicable to balers and compactors happen to be. In other words, this legislation delegates to ANSI, a private organization, sole regulatory authority to determine what is a safe baler or compactor for 16- and 17-year-olds to load. The provisions of the Administrative Procedures Act and other laws intended to ensure that regulations are developed fairly and openly are effectively circumvented.

In addition, whereas current regulations provide clear and easily understood obligations on employers, this new legislation does not. H.R. 1114 purports to permit employers to allow 16- and 17-year-olds to load balers and compactors, but only if the machine is

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 upon 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, and the 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 contended 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 colleagues LARRY COMBEST, 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 when it is 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 what has become a hated symbol of excessive and needless government regulation. 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 that figure, 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 it is extremely reasonable. We allow 16- and 17-year-olds to load machines meeting the modern safety features, but not to operate or unload 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 enhance 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 employers to provide notice to 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 why people are so frustrated. 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.

Mr. Speaker, with all 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 risks of safety hazards to younger workers. I believe it does not for the following reasons:

First of all, it is very important to note that this statute, this bill, does not permit minors to engage in operating or unloading a paper baler or compactor, a cardboard compactor. It only permits the minor, 16 or 17-year-old, to engage in the practice of loading the cardboard baler or cardboard compactor.

Second, it is important to note that any compactor or baler, to be in compliance with this law, must meet these standards that are set forth by the national organization. I believe that national organization has every vested and appropriate interest in making sure that the standards are very high and the standards will, in fact, protect people using the machine.

Finally, it is very important to note that each of these balers and compactors, to be in compliance with this bill, must have a locking device. The locking device must be in the locked position before the minor may load the baler or compactor, and the key that

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 young workers 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 or promote 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 northern Baltimore County 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 just toss cardboard 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 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 that—this 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 yeas 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.

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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 employers in the 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 getting 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 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 in the 1950's and foreseen that in the 1990'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 in these machines to examine 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 are having 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 a thing 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 nationwide. Although 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.

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

Mr. OWENS. I yield to the gentleman from Illinois.

Mr. EWING. 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 new balers to operate when this 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 my friend, the distinguished ranking member of the committee, the gentleman from New York. I want to say to the gentleman from New York [Mr. OWENS] is one of the real fighters in this Congress in behalf of working men and women, the safety and welfare of our people, and I am privileged to be speaking with him. I think his point is well taken as well that the safety of young people and all workers is of paramount importance, I think, on both sides of the aisle.

Mr. Speaker, I rise today in support of H.R. 1114, a bill to reform the Department of Labor's hazardous occupation order No. 12 and allow workers, age 16 and 17, to load paper balers and compactors.

This bill is a good compromise between both sides of the aisle, the grocers and the unions.

Several months ago, Mr. Speaker, I met with the grocers from Maryland and then visited a grocery store in my district to see a baler, first hand.

While I understood the inconvenience of minors being prohibited from loading the balers, I was very concerned about the union's objections and the safety of our Nation's young workers.

I was pleased to work with Members on both sides of the aisle to ensure that the final product that the House will vote on today embodied this approach.

The manager's amendment, offered by Mr. GOODLING, will guarantee that every baler and compactor loaded by minors meets the most current ANSI standards.

Further, to ensure that minors will only be loading the balers, the machines must include an on-off switch with a key-lock system which will be maintained by employees over 18.

Mr. Speaker, I am pleased that we can offer commonsense reform today to the grocers of America, while protecting the health and safety of our young workers. This is a good compromise which brought the grocers and the unions together to help craft a bill which protects everyone's interests and makes sense for America's businesses.

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.

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 corrections day procedure it is meant to bring up noncontroversial 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. Protecting the lives and limbs of the countless number of teenagers working in grocery stores or other retails 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 balers limits the participation of young people in a fluid, mechanized process that has proven to be dangerous and life-threatening.

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.

And the 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, with a standard that will be difficult to enforce and that is based on engineering design rather than health and safety standards.

H.R. 1114 as amended by the manager's amendment will allow 16- and 17-year-olds to load paper balers as long as the machine meets current 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, this Nation'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 any 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. STENHOLM. 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 should 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 that this Congress is about to take this dangerous and ill-conceived step. This legislation will unfortunately result in more tragic deaths and injuries involving our Nation's teenagers.

In 1989, 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 baling machines between 1993 and 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 and 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 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 Michigan was loading cardboard boxes into a paper baler and started the machine. When she reached down to pick up a loose piece of cardboard, her smock became entangled in the machine. The baler dragged her right arm in and tore muscle and tendon.

A 16-year-old material handler in Yadkinville, NC, got his hand caught in a baler while loading it and suffered a crushing injury to his hand.

A 16-year-old lost the tip of his index finger while operating a box compactor at Gordy's IGA in Chippewa Falls, WI.

These accidents occurred despite a regulation that prohibits minors from loading or operating paper balers.

It is our duty to ensure that our youth are employed in occupations which do not expose them to unnecessary safety risks. The Congress can do much more to provide our young people with opportunities which provide safe and sound work experience which contribute to their development into responsible, confident, and able-bodied adults. I will not support legislation which will expose our children to needless risk or put them in harm's way. I urge my colleagues to oppose this legislation.

Mr. MARTINI. Mr. Speaker, I rise today in support of H.R. 1114. This bill is a bipartisan bill 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.

At the base of this bill is the 104th Congress' firm commitment to reform outdated Federal regulations. A commitment that is reiterated every day by the electorate who have sent us here to Washington. They do not merely ask for reform, rather they demand reform, and they deserve reform. They deserve reform from a Congress which has pledged to act in a different manner from the Congresses of the past.

We can no longer sit by the wayside and suffer the consequences that are inherent in out-of-date legislation. Too often technological reforms outpace legislative reforms; it is time for us to take a step and catch up. Clearly, we can no longer afford to be shackled to the past by antiquated laws that preclude technological innovations. 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 officer of Nicholas 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 employers. 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.

This legislation currently has over 140 cosponsors; it indisputably serves to maintain a balance of fairness in the increasingly competitive global marketplace. The penalties of the past that have been imposed on industries for allowing teenagers to toss boxes into balers are not only astronomical for the company, but also detrimental to the teenagers of today. There is no incentive to employ our youth and instill a work ethic that they will carry with them from job to job if companies are constantly wary of prosecution. H.R. 1114 allows companies to employ our youth and it gives teenagers additional employment opportunities. Without it our youth will lose.

Mr. Speaker, I ask my fellow colleagues to support H.R. 1114.

Mr. KOLBE. Mr. Speaker, I rise today in support of H.R. 1114 and the managers amendment, a bill to reform Hazardous Occupation Order No. 12.

I first heard about this issue in the late 1980's, when food stores in my own district were being punished based on a simple statement by a former teenage employee who would truthfully tell a Department of Labor investigator: ''Yeah, I tossed a box into a baler once.'' Huge fines were being levied against supermarket companies—large chains as well as independent operators. Efforts to reform Hazardous Occupation Order 12 through the regulatory process were unsuccessful. The Labor Department showed an amazing—though not surprising—lack of common sense. So, I am pleased to vote today for legislation which will correct this longstanding problem for Arizona grocers.

In 1992, I saw this problem first hand. I toured a supermarket's back room and looked at a cardboard baler with members of the Arizona Food Marketing Alliance. These balers operate much like your home dishwasher. If the door is open you can't run the machine, even if you press the ''on'' button. The cardboard baler operates under the same principle. When the gate is open it can be filled with cardboard boxes. When it is time to run the machine, an authorized adult can close the gate and turn the key to operate the equipment. Only an adult has the operating key. The gate has a lock-out device which prevents it from operating when the gate is opened, even if the machine is in the operating position. This is much the way a microwave oven works. If you open it while it's on, the machine stops. It is beyond comprehension why able 16- and 17-year-olds must stack cardboard by the baler—possibly causing a greater hazard and encumbrance to workers moving around in the area, not to mention health hazards as they attract rats and roaches—and wait for someone 18-years-old or older to place the boxes in the baler.

The owners and store managers of the Nation's supermarkets who don't want to harm these young people entering the work world or working their way through school. They have a good financial incentive to look after the safety anyhow—their insurance costs. But, as it stands now, if minors are stocking shelves, they cannot toss empty, cardboard boxes into an open and locked baler. This is absurd.

I urge my colleagues to support this bill which includes a compromise worked out to address safety concerns. It is a perfect Corrections Day item to fix an outdated 41-year-old regulation while keeping young people safe.

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

Mr. BALLENGER. 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. GOODLING].

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 administration 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);

''(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 205 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.—Subseciton (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 administration 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 Untied 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);

''(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 205 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 no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. HOKE] will be recognized for 30 minutes, and the gentleman from

Massachusetts [Mr. FRANK] will be recognized for 30 minutes.

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

□ 1615

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 Walter Dellinger in 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 an employee organization is a criminal 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 communications should be fostered, not discouraged.

H.R. 782, introduced by the gentleman from Virginia, Mr. WOLF, will correct this situation and protect the right of Federal employees as representatives of their employee organizations to communicate with Federal agencies in appropriate circumstances.

The Subcommittee on the Constitution reported an amendment in the nature of a substitute to H.R. 782. The substitute differs from the introduced bill by providing certain specific limitations on when an employee can represent an employee organization. The substitute will continue to prohibit employees from representing organizations or groups in formal adversarial matters or in competition with the private sector for the assistance the Government provides through actual cash disbursements, as opposed to services, equipment and facilities.

Therefore, under the language of the substitute, a Federal employee may not represent an organization or group in a claim against the Government, in a judicial or administrative proceeding where the organization or group is a party, or 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 removed 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 both the history that led up to 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 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 others, 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 include the letter referred to for the RECORD.

FEDERAL GLOBE,
Washington, DC, October 20, 1995.

Hon. BARNEY FRANK,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN FRANK: 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 base ideals of this country, undergird the need for this small but important piece of legislation. Federal agencies must be 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 advise, 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 work with the department and agency administration in developing workable and useful procedures and programs. This bill will enable such cooperation to continue without fear.

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.

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

Mr. Speaker, we are very proud to be here on the floor today to actually get this on Corrections Day corrected. I also think that the gentleman from Massachusetts [Mr. FRANK] was quite correct in saying that the Justice Department's interpretation of this particular portion of the code is, in my opinion, completely incorrect. But in any event, we have now dealt with that in a way that will not be confused in the future.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF]. The gentleman from Virginia carried the water on this and did a good job with it.

Mr. WOLF. Mr. Speaker, I rise in support of the bill. It is the Federal Employee Representation Improvement Act. It is bipartisan. It has been supported by the chairman of the Subcommittee on the Constitution of the Committee on Justice, the gentleman from Florida [Mr. CANADY] and the ranking member, the gentleman from Massachusetts [Mr. FRANK]. It will help Federal employees. Whereby up until this time they were able to negotiate and talk about day-care and different

things like that. When the Department of Justice 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 employee groups. It will protect the rights of Federal employees that they have enjoyed until the Department of Justice 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 Representation 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 to their agencies the interests of their employee organization has peacefully coexisted with 18 U.S.C. section 205, which prohibits 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, application, 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 cutbacks, we should 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 to the 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 to or before 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 Law 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 Agents 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.
NIST, 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 sheparding 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 corrections 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 the open exchange of views in the Federal workplace on administrative and quality of life issues. 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 revise 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 express the view 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 conferees.

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,
Washington, DC, October 18, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

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

Such rollcall votes, if postponed, will be taken 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:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fisheries Act of 1995''.

SEC. 2. TABLE OF CONTENTS.

The Table of contents for this Act is as follows:

TITLE I—HIGH SEAS FISHING COMPLIANCE

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—

(1) The term ''Agreement'' means 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.

(2) The term ''FAO'' 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 from 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 keel 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), and any Federal, State, local, or foreign 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, 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; or

(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 a claim of 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.

(10) The terms ''vessel 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 the high seas unless the vessel has on board a valid permit issued under this section.

(b) ELIGIBILITY.—

(1) 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.

(2) 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, and the new owner has provided sufficient evidence to the Secretary demonstrating that the previous owner or operator has no further legal, beneficial or financial interest in, or control of, the vessel.

(3) The restriction in paragraph (1) does not apply if the Secretary makes a determination that issuing a permit would not subvert the purposes of the Agreement.

(4) The Secretary may not issue a permit to a vessel unless the Secretary is satisfied that the United States will be able to exercise effectively its responsibilities under the Agreement with respect to that vessel.

(c) APPLICATION.—

(1) The owner or operator of a high seas fishing vessel may apply for a permit under this section by completing an application form prescribed by the Secretary.

(2) The application form shall contain—

(A) the vessel's name, previous names (if known), official numbers, and port of record;

(B) the vessel's previous flags (if any);

(C) the vessel's International Radio Call Sign (if any);

(D) the names and addresses of the vessel's owners and operators;

(E) where and when the vessel was built;

(F) the type of vessel;

(G) the vessel's length; and

(H) any other information the Secretary requires for the purposes of implementing the Agreement.

(d) CONDITIONS.—The Secretary shall establish such conditions and restrictions on each permit issued under this section as are necessary and appropriate to carry out the obligations of the United States under the Agreement, including but not limited to the following:

(1) The vessel shall be marked in accordance with the FAO Standard Specifications for the Marking and Identification of Fishing Vessels, or with regulations issued under section 305 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1855); and

(2) The permit holder shall report such information as the Secretary by regulation requires, including area of fishing operations and catch statistics. The Secretary shall promulgate regulations concerning conditions under which information submitted under this paragraph may be released.

(e) FEES.—

(1) The Secretary shall by regulation establish the level of fees to be charged for permits issued under this section. The amount of any fee charged for 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.

(2) The fees authorized by paragraph (1) shall be collected and credited to the Operations, Research and Facilities account of the National Oceanic and Atmospheric Administration. Fees collected under this subsection shall be available for the necessary expenses of the National Oceanic and Atmospheric Administration in implementing this Act, and shall remain available until expended.

(f) DURATION.—A permit issued under this section is valid for 5 years. A permit issued under this section is void in the event the vessel is no longer eligible for United States documentation, such documentation is revoked or denied, or the vessel is deleted from such documentation.

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 FAO.—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 FAO information contained in the record maintained under subsection (a);

(2) promptly notify FAO of changes in such information;

(3) promptly notify FAO of additions to or deletions from the record, and the reason for any deletion;

(4) convey to FAO information relating to any permit granted under section 104(b)(3), including the vessel's identity, owner or operator, and

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 that undermine the effectiveness of international conservation and management measures, including the identity of the vessels and any sanctions imposed; and

(6) provide the FAO a summary of evidence regarding any activities of foreign vessels that undermine the effectiveness of international conservation and management measures.

(c) INFORMATION TO FLAG NATIONS.—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, the Secretary shall—

(1) provide to the flag nation information, including appropriate evidentiary material, relating to those activities; and

(2) when such foreign vessel is voluntarily in a United States port, promptly notify the flag nation and, if requested by the flag nation, make arrangements to undertake such lawful investigatory measures as may be considered necessary to establish whether the vessel has been used contrary to the provisions of the Agreement.

(d) REGULATIONS.—The Secretary, after consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, may promulgate such regulations, in accordance with section 553 of title 5, United States Code, as may be necessary to carry out the purposes of the Agreement and this title. The Secretary shall coordinate such regulations with any other entities regulating high seas fishing vessels, in order to minimize duplication of permit application and reporting requirements. To the extent practicable, such regulations shall also be consistent with regulations implementing fishery management plans under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

(e) NOTICE OF INTERNATIONAL CONSERVATION AND MANAGEMENT MEASURES.—The Secretary, in consultation with the Secretary of State, shall publish in the Federal Register, from time to time, a notice listing international conservation and management measures recognized by the United States.

SEC. 106. UNLAWFUL ACTIVITIES.

It is unlawful for any person subject to the jurisdiction of the United States—

(1) to use a high seas fishing vessel on the high seas in contravention of international conservation and management measures described in section 105(e);

(2) to use a high seas fishing vessel on the high seas, unless the vessel has on board a valid permit issued under section 104;

(3) to use a high seas fishing vessel in violation of the conditions or restrictions of a permit issued under section 104;

(4) to falsify any information required to be reported, communicated, or recorded pursuant to this title or any regulation issued under this title, or to fail to submit in a timely fashion any required information, or to fail to report to the Secretary immediately any change in circumstances that has the effect of rendering any such information false, incomplete, or misleading;

(5) to refuse to permit an authorized officer to board a high seas fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of this title or any regulation issued under this title;

(6) to forcibly assault, resist, oppose, impede, intimidate, or interfere with an 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;

(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 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. 107. ENFORCEMENT PROVISIONS.

(a) DUTIES OF SECRETARIES.—This title shall be enforced by the Secretary of Commerce and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may by agreement utilize, on a reimbursable basis or otherwise, the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, or of any State agency, 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 any case or controversy arising under the provisions of this title. In the case of Guam, and any Commonwealth, territory, or possession of the United States in the Pacific Ocean, the appropriate court is the United States District Court for the District of Guam, except that in the case of American Samoa, the appropriate court is 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 paragraph (6), (7), (8), or (9) of section 106;

(ii) board, and search or inspect, any high seas fishing vessel;

(iii) seize any high seas fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used 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;

(B) execute any warrant or other process issued by any court of competent jurisdiction; and

(C) exercise any other lawful authority.

(2) Subject to the direction of the Secretary, a person charged with law 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 for an offense against the United States committed in his presence, or for a felony cognizable under the laws of the United States, if he has reasonable grounds to believe that the person to be arrested has committed or is committing a felony.

(d) ISSUANCE OF CITATIONS.—If any authorized officer finds that a high seas fishing vessel is operating or has been operated in violation of any provision of this title, such officer may issue a citation to the owner or operator of such vessel in lieu of proceeding under subsection (c). If a permit has been issued pursuant to this title for such vessel, such officer shall note the issuance of any citation under this subsection, including the date thereof and the reason therefor, on the permit. The Secretary shall maintain a record of all citations issued pursuant to this subsection.

(e) LIABILITY FOR COSTS.—Any person assessed a civil penalty for, or convicted of, any violation of this Act shall be liable for the cost incurred in storage, care, and maintenance of any living marine resource or other property seized in connection with the violation.

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. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(2) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that is subject to imposition or that has been imposed under this section.

(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 section 106; or

(C) any amount in settlement of a civil forfeiture imposed on a high seas fishing vessel or other property, or any civil penalty or criminal fine 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) revoke any permit issued to or applied for by such vessel or person under this title, with or without prejudice to the issuance of subsequent permits;

(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

(iii) deny such permit; or

(iv) impose additional conditions and 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, by 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 in effect or pending with respect to the vessel at the time of the transfer. The Secretary may waive or compromise a sanction in the case of a transfer pursuant to court order.

(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 reinstate the permit upon payment of the penalty or fine and 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 conjunction with a civil penalty proceeding under this section or otherwise.

(c) HEARING.—For the purposes of conducting any hearing under this section, the Secretary may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contempt or refusal to obey a subpoena served upon any person pursuant to this subsection, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before 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) JUDICIAL 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 penalty or fine) may obtain review thereof in the United States district court for the appropriate district by filing a complaint against the Secretary in such court within 30 days from the date of such penalty or sanction. 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 2112 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 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 Secretary, the matter shall be referred to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(2) A high seas fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used in the commission of an act prohibited by section 106 shall be liable in rem for any civil penalty assessed for such violation under subsection (a) and may be proceeded against in any district court of the United States having jurisdiction thereof. Such penalty shall constitute a maritime lien on such vessel that may be recovered in an action in rem in the district court of the United States having jurisdiction over the vessel.

SEC. 109. CRIMINAL OFFENSES.

(a) OFFENSES.—A person is guilty of an offense if the person commits any act prohibited by paragraph (6), (7), (8), or (9) of section 106.

(b) PUNISHMENT.—Any offense described in subsection (a) is a class A misdemeanor punishable by a fine under title 18, United States Code, or imprisonment for not more than one year, or both; except that if in the commission of any offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any authorized officer, or places any such officer in fear of imminent bodily injury, the offense is a felony punishable by a fine under title 18, United States Code, or imprisonment for not more than 10 years, or both.

SEC. 110. FORFEITURES.

(a) IN GENERAL.—Any high seas fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any living marine resources (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 prohibited by section 106 (other than an act for which the issuance of a citation under section 107 is a sufficient sanction) shall be subject to forfeiture to the United States. All or part of such vessel may, and all such living marine resources (or the fair market value thereof) shall, be forfeited to the United States pursuant to a civil proceeding under this section.

(b) JURISDICTION OF DISTRICT COURTS.—Any district court of the United States shall have jurisdiction, upon application of the Attorney General on behalf of the United States, to order any forfeiture authorized under subsection (a) and any action provided for under subsection (d).

(c) JUDGMENT.—If a judgment is entered for the United States in a civil forfeiture 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—

(1) the seizure, forfeiture, and condemnation of property for violation of the customs law;

(2) the disposition of such property or the proceeds from the sale thereof; and

(3) the remission 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.

(d) PROCEDURE.—

(1) Any officer authorized to serve any process in rem that is issued by a court under section 107(b) shall—

(A) stay the execution of such process; or

(B) discharge any living marine resources seized pursuant to such process;

upon receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person delivering such property to the appropriate court upon order thereof, without any impairment of its value, or paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

(2) Any living marine resources seized pursuant to this title may be sold, subject to the approval of the appropriate court, for not less than the fair market value thereof. The proceeds of any such sale shall be deposited with such court pending the disposition of the matter involved.

(e) REBUTTABLE PRESUMPTION.—For purposes of this section, all living marine resources found on board a high seas fishing vessel and which are seized in connection with 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 an appropriate showing of evidence to the contrary.

SEC. 111. EFFECTIVE DATE.

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

TITLE II—IMPLEMENTATION OF CONVENTION ON FUTURE 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.—

(1) APPOINTMENTS, GENERALLY.—The Secretary shall appoint not more than 3 individuals to serve as the representatives of the United States on the General Council and the Fisheries Commission, who shall each—

(A) be known as a ''United States Commissioner to the Northwest Atlantic Fisheries Organization''; and

(B) serve at the pleasure of the Secretary.

(2) REQUIREMENTS FOR APPOINTMENTS.—

(A) The Secretary shall ensure that of the individuals serving as Commissioners—

(i) at least 1 is appointed from among representatives of the commercial fishing industry;

(ii) 1 (but no more than 1) is an official of the Government; and

(iii) 1, other than the individual appointed under clause (ii), is a voting member of the New England Fishery Management Council.

(B) The Secretary may not appoint as a Commissioner an individual unless the individual is knowledgeable and experienced concerning the fishery resources to which the Convention applies.

(3) TERMS.—

(A) The term of an individual appointed as a Commissioner—

(i) shall be specified by the Secretary at the time of appointment; and

(ii) may not exceed 4 years.

(B) An individual who is not a Government official may not serve more than 2 consecutive terms as a Commissioner.

(b) ALTERNATE COMMISSIONERS.—

(1) APPOINTMENT.—The Secretary may, for any anticipated absence of a duly appointed Commissioner at a meeting of the General Council or the Fisheries Commission, designate an individual to serve as an Alternate Commissioner.

(2) FUNCTIONS.—An Alternate Commissioner may exercise all powers and perform all duties of the Commissioner for whom the Alternate Commissioner is designated, at any meeting of the General Council or the Fisheries Commission for which the Alternate Commissioner is designated.

(c) REPRESENTATIVES.—

(1) APPOINTMENT.—The Secretary shall appoint not more than 3 individuals to serve as the representatives of the United States on the Scientific Council, who shall each be known as a ''United States Representative to the Northwest Atlantic Fisheries Organization Scientific Council''.

(2) ELIGIBILITY FOR APPOINTMENT.—

(A) The Secretary may not appoint an individual as a Representative unless the individual is knowledgeable and experienced concerning the scientific issues dealt with by the Scientific Council.

(B) The Secretary shall appoint as a Representative at least 1 individual who is an official of the Government.

(3) TERM.—An individual appointed as a Representative—

(A) shall serve for a term of not to exceed 4 years, as specified by the Secretary at the time of appointment;

(B) may be reappointed; and

(C) shall serve at the pleasure of the Secretary.

(d) ALTERNATE REPRESENTATIVES.—

(1) APPOINTMENT.—The Secretary may, for any anticipated absence of a duly appointed Representative at a meeting of the Scientific Council, designate an individual to serve as an Alternate Representative.

(2) FUNCTIONS.—An Alternate Representative may exercise all powers and perform all duties of the Representative for whom the Alternate Representative is designated, at any meeting of the Scientific Council for which the Alternate Representative is designated.

(e) 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) RESTRICTION.—The Representatives may 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) any request, under Article VII(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, of the terms of reference for the consideration of a question referred to the Scientific Council pursuant to Article VII(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) receive and transmit reports, 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, any other communication referred to in paragraph (1).

SEC. 205. INTERAGENCY COOPERATION.

(a) AUTHORITIES OF SECRETARY.—In carrying out the provisions of the Convention and 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 regulation may be made applicable, as necessary, to all persons and all vessels subject to the jurisdiction of the United States, wherever located.

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 refuse to permit any authorized enforcement officer to board a fishing 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 any act that is unlawful under subsection (a) shall be liable to the United States for a civil penalty, or may be subject to a permit sanction, 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 309(b) of the Magnuson Act (16 U.S.C. 1859(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), 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 may be disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed by regulations issued by the Secretary.

(e) ENFORCEMENT.—The Secretary and the Secretary of the department in which the Coast Guard is operating shall enforce the provisions of this title and shall have the authority specified in sections 311 (a), (b)(1), and (c) of the Magnuson Act (16 U.S.C. 1861 (a), (b)(1), and (c)) for that purpose.

(f) JURISDICTION OF COURTS.—The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under this section and may, at any time—

(1) enter restraining orders or prohibitions;

(2) issue warrants, process in rem, or other process;

(3) prescribe and accept satisfactory bonds or other security; and

(4) take such other actions as are in the interests of justice.

SEC. 208. CONSULTATIVE COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of State and the Secretary, shall jointly establish a consultative committee to advise the Secretaries on issues related to the Convention.

(b) MEMBERSHIP.—

(1) The membership of the Committee shall include representatives from the New England and Mid-Atlantic Fishery Management Councils, the States represented on those Councils, the Atlantic States Marine Fisheries Commission, the fishing industry, the seafood processing industry, and others knowledgeable and experienced in the conservation and management of fisheries in the Northwest Atlantic Ocean.

(2) TERMS AND REAPPOINTMENT.—Each member of the consultative committee shall serve for a term of two years and shall be eligible for reappointment.

(c) DUTIES OF THE COMMITTEE.—Members of the consultative committee may attend—

(1) all public meetings of the General Council or the Fisheries Commission;

(2) any other meetings to which they are invited by the General Council or the Fisheries Commission; and

(3) all nonexecutive meetings of the United States Commissioners.

(d) RELATIONSHIP TO OTHER LAW.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the consultative committee established under this section.

SEC. 209. ADMINISTRATIVE MATTERS.

(a) PROHIBITION ON COMPENSATION.—A person shall not receive any compensation from the Government by reason of any service of the person as—

(1) a Commissioner, Alternate Commissioner, Representative, or Alternative Representative;

(2) an expert or adviser authorized under section 202(e); or

(3) a member of the consultative committee established by section 208.

(b) TRAVEL AND EXPENSES.—The Secretary of State shall, subject to the availability of appropriations, pay all necessary travel and other expenses of persons described in subsection (a)(1) and of not more than six experts and advisers authorized under section 202(e) with respect to their actual performance of their official 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.

(c) STATUS AS FEDERAL EMPLOYEES.—A person shall not be considered to be a Federal employee by reason of any service of the person in a capacity 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 a 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 a United States Commissioner to the Northwest Atlantic Fisheries Organization appointed under section 202(a).

(3) CONVENTION.—The term ''Convention'' means the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries, done at Ottawa on October 24, 1978.

(4) FISHERIES COMMISSION.—The term ''Fisheries Commission'' means the Fisheries Commission 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), and 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).

(10) SCIENTIFIC COUNCIL.—The term ''Scientific Council'' means the Scientific Council provided for by Articles II, VI, VII, VIII, IX, and X of the Convention.

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

SEC. 211. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title, including use for payment as the United States contribution to the Organization as provided in Article XVI of the Convention, $500,000 for each of the fiscal years 1995, 1996, 1997, and 1998.

TITLE III—ATLANTIC TUNAS CONVENTION ACT

SEC. 301. SHORT TITLE.

This title may be cited as the ''Atlantic Tunas Convention Authorization Act of 1995''.

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 nongovernmental research and monitoring activities on Atlantic bluefin tuna and other highly migratory species;

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

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

(b) RESEARCH AND MONITORING PROGRAM.—Section 3 of the Act of September 4, 1980 (16 U.S.C. 971i) is amended—

(1) by amending 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.

''(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) studies of the life history parameters 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 developing a program under this section, the Secretary shall—

''(A) ensure that personnel and resources of each regional research center shall have substantial participation in the 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 effort and species composition of catch and discards;

''(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. 303. DEFINITIONS.

Section 2 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971) 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 VIII of the Convention and acted upon favorably by the Secretary of State under section 5(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).''; and

(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)(1) 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 to provide for public participation and to discuss measures relating to the United States implementation of Commission recommendations.

''(2) 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 upon the request of the majority of its voting members, the United States Commissioners, the Secretary, or the Secretary of State. Meetings of the advisory committee, except when in executive session, 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 groups concerned 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 OF CONVENTION.

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

(1) by inserting ''AND OTHER MEASURES'' after ''REGULATIONS'' in the section caption;

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

(3) by inserting the following after paragraph (5):

''(6) 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 which is conducted in a manner or under circumstances that diminish the effectiveness of the conservation recommendation;

''(B) when practicable, require actions by that Nation, or vessels of 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 of 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. 971(e)) is amended to read as follows:

''(e) The civil penalty and permit sanctions of section 308 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1858) are hereby made applicable to violations of this section as if they were violations of section 307 of that Act.''.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 10. There are authorized to be appropriated to carry out this Act, including use for payment of the United States share of the joint expenses of the Commission as provided in article X of the Convention, the following sums:

''(1) For fiscal year 1995, $4,103,000, of which $50,000 are authorized in the aggregate for the

advisory committee established under section 4 and the species working groups established under section 4A, and $2,890,000 are authorized for research activities under this Act and the Act of September 4, 1980 (16 U.S.C. 971i).

''(2) For fiscal year 1996, $5,453,000, of which $50,000 are authorized in the aggregate for such advisory committee and such working groups, and $4,240,000 are authorized for such research activities.

''(3) For fiscal year 1997, $5,465,000 of which $62,000 are authorized in the aggregate for such advisory committee and such working groups, and $4,240,000 are authorized for such research activities.

''(4) For fiscal year 1998, $5,465,000 of which $75,000 are authorized in the aggregate for such advisory committee and such working groups, and $4,240,000 are authorized for such research activities.''.

SEC. 308. REPORT AND SAVINGS CLAUSE.

The Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971 et seq.) is amended by adding at the end thereof the following:

''§ 11. Annual report

''Not later than April 1, 1996, and annually thereafter, the Secretary shall prepare and transmit to the Committee on Resources of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report, that—

''(1) details for the previous 10-year period the catches and exports to the United States of highly migratory species (including tunas, swordfish, marlin and sharks) from nations fishing on Atlantic stocks of such species that are subject to management by the Commission;

''(2) identifies those fishing nations whose harvests are inconsistent with conservation and management recommendations of the Commission;

''(3) describes reporting requirements established by the Secretary to ensure that imported fish products are in compliance with all international management measures, including minimum size requirements, established by the Commission and other international fishery organizations to which the United States is a party; and

''(4) describes actions taken by the Secretary under section 6.

''§ 12. Savings clause

''Nothing in this Act shall have the effect of diminishing the rights and obligations of any Nation under Article VIII(3) of the Convention.''.

SEC. 309. MANAGEMENT OF ATLANTIC YELLOWFIN TUNA.

(a) Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce in accordance with this section shall publish a preliminary determination of the level of the United States recreational and commercial catch of Atlantic yellowfin tuna on an annual basis since 1980. The Secretary shall publish a preliminary determination in the Federal Register for comment for a period not to exceed 60 days. The Secretary shall publish a final determination not later than 140 days from the date of the enactment of this section.

(b) Not later than July 1, 1996, the Secretary of Commerce shall implement the recommendations of International Commission for the Conservation of Atlantic Tunas regarding yellowfin tuna made pursuant to article VIII of the International Convention for the Conservation of Atlantic Tunas and acted upon favorably by the Secretary of State under section 5(a) of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971c(a)).

SEC. 310. STUDY OF BLUEFIN TUNA REGULATIONS.

Not later than 270 days after the date of enactment of this Act, the Secretary of Commerce shall submit to the Committee on Commerce, Science and Transportation of the Senate and to the Committee on Resources of the House of Representatives a report on the historic rationale, effectiveness, and biological and economic efficiency of existing bluefin tuna regulations for United States Atlantic fisheries. Specifically, the biological rationale for each regional and category allocation, including directed and incidental categories, should be described in light of the average size, age, and maturity of bluefin tuna caught in each fishery and the effect of this harvest on stock rebuilding and sustainable yield. The report should examine the history and evaluate the level of wasteful discarding, and evaluate the effectiveness of non-quota regulations at constraining harvests within regions. Further, comments should be provided on levels of participation in specific fisheries in terms of vessels and trips, enforcement implications, and the importance of monitoring information provided by these allocations on the precision of the stock assessment estimates.

SEC. 311. SENSE OF THE CONGRESS WITH RESPECT TO ICCAT NEGOTIATIONS.

(a) SHARING OF CONSERVATION BURDEN.—It is the sense of the Congress that in future negotiations of the International Commission for the Conservation of Atlantic Tunas (hereafter in this section referred to as ''ICCAT''), the Secretary of Commerce shall ensure that the conservation actions recommended by international commissions and implemented by the Secretary for United States commercial and recreational fishermen provide fair and equitable sharing of the conservation burden among all contracting harvesters in negotiations with those commissions.

(b) ENFORCEMENT PROVISIONS.—It is further the sense of the Congress that, during 1995 ICCAT negotiations on swordfish and other Highly Migratory Species managed by ICCAT, the Congress encourages the United States Commissioners to add enforcement provisions similar to those applicable to bluefin tuna.

(c) ENHANCED MONITORING.—It is further the sense of the Congress that the National Oceanic and Atmospheric Administration and the United States Customs Service should enhance monitoring activities to ascertain what specific stocks are being imported into the United States and the country of origin.

(d) MULTILATERAL ENFORCEMENT PROCESS.—It is further the sense of the Congress that the United States Commissioners should pursue as a priority the establishment and implementation prior to December 31, 1996, an effective multilateral process that will enable ICCAT nations to enforce the conservation recommendations of the Commission.

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 1,500 Canadian dollars to obtain a ''license which authorizes transit'' through the Inside Passage;

(3) this action was inconsistent with international law, including the United Nations Convention on the Law of the Sea, and, in particular, Article 26 of that Convention, which specifically prohibits such fees, and threatened the safety of United States commercial fishermen who sought to avoid the fee by traveling in less protected waters;

(4) the Fishermen's Protective Act of 1967 provides for the reimbursement of vessel owners who are forced to pay a license fee to secure the release of a vessel which has been seized, but does not permit reimbursement of a fee paid by the owner in advance in order to prevent a seizure;

(5) Canada required that the license fee be paid in person in 2 ports on the Pacific Coast of Canada, or in advance by mail;

(6) significant expense and delay was incurred by commercial fishing vessels of the United States that had to travel from the point of seizure back to one of those ports in order to pay the license fee required by Canada, and the costs of that travel and delay cannot be reimbursed under the Fishermen's Protective Act;

(7) the Fishermen's Protective Act of 1967 should be amended to permit vessel owners to be reimbursed for fees required by a foreign government to be paid in advance in order to navigate in the waters of that foreign country if the United States considers that fee to be inconsistent with international law;

(8) the Secretary of State should seek to recover from Canada any amounts paid by the United States to reimburse vessel owners who paid the transit license fee;

(9) the United States should review its current policy with respect to anchorage by commercial fishing vessels of Canada in waters of the United States off Alaska, including waters in and near the Dixon Entrance, and should accord such vessels the same treatment that commercial fishing vessels of the United States are accorded for anchorage in the waters of Canada off British Columbia;

(10) the President should ensure that, consistent with international law, the United States Coast Guard has available adequate resources in the Pacific Northwest and Alaska to provide for the safety of United States citizens, the enforcement of United States law, and to protect the rights of the United States and keep the peace among vessels operating in disputed waters;

(11) the President should continue to review all agreements between the United States and Canada to identify other actions 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 implement any actions which the President deems appropriate if Canada reinstates the fee;

(12) the President should continue to convey to Canada in the strongest terms that the United States will not now, nor at any time in the future, tolerate any action by Canada which would impede or otherwise restrict the right of passage of vessels of the United States in a manner inconsistent with international law; and

(13) the United States should continue its efforts to seek expeditious agreement with Canada 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, 1994, 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.

''(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.

''(d) Such funds as may be necessary to meet the requirements of this section may be made available from the unobligated balance of previously appropriated funds remaining in the Fishermen's Protective Fund established under section 9. To the extent that requests for reimbursement under this section 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.

''(f) 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. 12. (a) If the Secretary of State finds that the government of any nation imposes conditions on the operation or transit of United States fishing vessels which the United States regards as being inconsistent with international law or an international agreement, the Secretary of State shall certify that fact to the President.

''(b) Upon receipt of a certification under subsection (a), the President shall direct the heads of Federal agencies to impose similar conditions on the operation or transit of fishing vessels registered under the laws of the nation which has imposed conditions on United States fishing vessels.

''(c) For the purposes of this section, the term 'fishing vessel' has the meaning given that term in section 2101(11a) of title 46, United States Code.

''(d) It is the sense of the Congress that any action taken by any Federal agency under subsection (b) should be commensurate with any conditions certified by the Secretary of State under subsection (a).''.

(c) Notwithstanding any other provision of law, the Secretary of State shall reimburse the owner of any vessel of the United States for costs incurred due to the seizure of such vessel in 1994 by Canada on the basis of a claim to jurisdiction over sedentary species which was not recognized by the United States at the time of such seizure. Any such reimbursement shall cover, in addition to amounts reimbursable under section 3 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1973), legal fees and travel costs incurred by the owner of any such vessel that were necessary to secure the prompt release of the vessel and crew. Total reimbursements under this subsection may not exceed $25,000 and may be made available from the unobligated balances of previously appropriated funds remaining in the Fishermen's Protective Fund established under section 9 of the Fishermen's Protective Act (22 U.S.C. 1979).

SEC. 403. REAUTHORIZATION.

(a) Section 7(c) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(c)) is amended by striking the third sentence.

(b) Section 7(e) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(e)) is amended by striking ''October 1, 1993'' and inserting ''October 1, 2000''.

SEC. 404. TECHNICAL CORRECTIONS.

(a)(1) Section 15(a) of Public Law 103–238 is amended by striking ''April 1, 1994,'' and inserting ''May 1, 1994.''.

(2) The amendment made by paragraph (1) shall be effective on and after April 30, 1994.

(b) Section 803(13)(C) of Public Law 102–567 (16 U.S.C. 5002(13)(C)) is amended to read as follows:

''(C) any vessel supporting a vessel described in subparagraph (A) or (B).''.

TITLE V—FISHERIES ENFORCEMENT IN CENTRAL SEA OF OKHOTSK

SEC. 501. SHORT TITLE.

This title may be cited as the ''Sea of Okhotsk Fisheries Enforcement Act of 1995''.

SEC. 502. FISHING PROHIBITION.

(a) ADDITION OF CENTRAL SEA OF OKHOTSK.—Section 302 of the Central Bering Sea Fisheries Enforcement Act of 1992 (16 U.S.C. 1823 note) is amended by inserting ''and the Central Sea of Okhotsk'' after ''Central Bering Sea''.

(b) DEFINITION.—Section 306 of such Act is amended—

(1) by redesignating paragraphs (2), (3), (4), (5), and (6) as paragraphs (3), (4), (5), (6), and (7), respectively; and

(2) by inserting after paragraph (1) the following:

''(2) CENTRAL SEA OF OKHOTSK.—The term 'Central Sea of Okhotsk' means the central Sea of Okhotsk area which is more than two hundred nautical miles seaward of the baseline from which the breadth of the territorial sea of the Russian Federation is measured.''.

TITLE VI—DRIFTNET MORATORIUM

SEC. 601. SHORT TITLE.

This title may be cited as the ''High Seas Driftnet Fishing Moratorium Protection Act''.

SEC. 602. FINDINGS.

The Congress finds that—

(1) Congress has enacted and the President has signed into law numerous Acts to control or prohibit large-scale driftnet fishing both within the jurisdiction of the United States and beyond the exclusive economic zone of any nation, including the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (title IV, P.L. 100–220), the Driftnet Act Amendments of 1990 (P.L. 101–627), and the High Seas Driftnet Fisheries Enforcement Act (title I, P.L. 102–582);

(2) the United States is a party to the Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific, also known as the Wellington Convention;

(3) the General Assembly of the United Nations has adopted three resolutions and three decisions which established and reaffirm a global moratorium on large-scale driftnet fishing on the high seas, beginning with Resolution 44/225 in 1989 and most recently in Decision 48/445 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 driftnet fishing on living marine resources and seabirds; and

(6) Resolution 46/215 of the United Nations General Assembly calls on all nations, both individually and collectively, to prevent large-scale driftnet 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 driftnet fishing on the high seas, as such moratorium is expressed in Resolution 46/215 of the United Nations General Assembly.

SEC. 604. NEGOTIATIONS.

The Secretary of State, on behalf of the United States, shall seek to enhance the implementation and effectiveness of the United Nations General Assembly resolutions and decisions regarding the moratorium on large-scale driftnet 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 by the United States of 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 prohibition contained in section 603 will not be violated if such agreement is signed or provisionally applied.

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 driftnet fishing on the high seas for all fisheries under the jurisdiction of the United States and, in the case of fisheries 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. 702. 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 by 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;

(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 suggestions 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, at least one 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 Alaska Native.

(c) ALTERNATES.—The Secretary of State may designate an alternate Panel member for each Panel member the Secretary appoints under subsections (b) (1) and (3), who meets the same qualifications, to serve in the absence of the Panel member. The Governor of the State of Alaska may designate an alternative Panel member for the Panel member appointed under subsection (b)(2), who meets the same qualifications, to serve in the absence of that Panel member.

(d) TERM LENGTH.—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 (2) and (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 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 on any matter under 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.

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.

SEC. 707. AUTHORITY AND RESPONSIBILITY.

(a) RESPONSIBLE MANAGEMENT ENTITY.—The State of Alaska Department of Fish and Game shall be the responsible management entity for the United States for the purposes of the Agreement.

(b) EFFECT OF DESIGNATION.—The designation under subsection (a) shall not be considered to expand, diminish, or change the management authority of the State of Alaska or the Federal government with respect to fishery resources.

(c) RECOMMENDATIONS OF PANEL.—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, Department of State, North Pacific Fishery Management Council, and other Federal or State entities as appropriate. Recommendations by the Panel shall be advisory in nature.

SEC. 708. CONTINUATION OF AGREEMENT.

In the event that the Treaty between Canada and the United States of America concerning Pacific Salmon, signed at Ottawa, January 28, 1985, terminates prior to the termination of the Agreement, and the functions of the Panel are assumed by the ''Yukon River Salmon Commission'' referenced in the Agreement, the provisions of this title which apply to the Panel shall thereafter apply to the Yukon River Salmon Commission, and the other provisions of this title shall remain in effect.

SEC. 709. 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 for all Panel members, alternate 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 while engaged in the actual performance of 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(b) of title 22, United States Code, insofar as it limits the authority of United States representatives to international 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 requirements 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 Tunaboat Association under section 104(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 1416(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, including those waters 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 such vessel fishing in the Treaty Area intentionally deploys a purse seine net to encircle any dolphin or other marine mammal in 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 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 unless—

(A) the appropriate regional fishery management council recommends under section 204(b)(5) of that Act 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.

The 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 bills; the distinguished gentleman from 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, during 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 reported to 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.

I will now briefly summarize the provisions of H.R. 716, now titled the Fisheries 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 1993.

Title II implements the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries. While the Senate ratified this convention in 1983, 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 [ICCAT], 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 transit fee 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 by U.S. vessels permitted 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 Chairmen 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 developed.

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 encourage noncompliance 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.

□ 1630

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 various fishery laws. These include 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 an annual report on noncomplying nations. The annual report will list those nations that are not in compliance with the International Convention on the Conservation of Atlantic

Tunas and recommend actions the President could take against such a nation.

This is a very important component of H.R. 716. U.S. fishermen have been doing an outstanding job when it comes to conserving the highly migratory species under the jurisdiction of the Convention. I believe every nation, which is a member of the Convention, should share in the burden of conservation and, if they choose not to, should be held accountable to the other member nations.

Mr. Speaker, I support H.R. 716 and urge my colleagues to vote aye on this important conservation bill, which makes a number of positive contributions to the health of various fish stocks around the world.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume to being note to what the gentleman from New Jersey has just said, this is truly a sound piece of conservation legislation. This makes sense. Unfortunately, many of the groups that support the conservation movements bring forth to this floor and talk about topics that are not true scientific conservation, and this is one. It is bipartisan supported and I urge my colleagues to support this legislation.

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

Mr. SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Alaska [Mr. YOUNG] that the House suspend the rules and concur in the Senate amendment to H.R. 716.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Alaska. 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 H.R. 716, the bill just considered.

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

There was no objection.

JERUSALEM EMBASSY ACT OF 1995

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1322) to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

The Clerk read as follows:

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 ''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 1950, the city of Jerusalem has been the capital of the State of Israel.

(3) The city of Jerusalem is the seat of Israel's President, Parliament, and Supreme Court, and the site of numerous government ministries and social and cultural institutions.

(4) The city of Jerusalem is the spiritual center of Judaism, 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 reunited 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 religious faiths 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 have been respected and protected.

(9) In 1990, the Congress unanimously adopted Senate Concurrent Resolution 106, which declares that the Congress ''strongly believes 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, and reaffirming congressional sentiment that Jerusalem must remain an undivided city.

(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 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 ''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 their 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; and

(3) the United States Embassy in Israel 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 Israel in the capital of 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 Israel in the capital of 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 a report 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 Israel 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 six month period 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 of the additional suspension that the additional suspension is necessary to protect the national security interests of the United States.

(3) A 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 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.

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 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

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 this one issue.

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'S 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 it is the policy of the United States 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 Israel should be established in Jerusalem 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 based on national security interests. I question this inclusion, since the waiver authority does not end on a date certain, and the standard being employed is inappropriate.

Congress does not intend for the President to utilize this waiver indefinitely, nor should the employment of such a waiver, on national security grounds, be invoked lightly. Frankly, it is preposterous that a national security waiver is being employed. The national security interests of the United States are not threatened because our Embassy is located 40 miles from where Congress and the American people believe it ought to be. The legislation is clear that congressional intent is for our Embassy in Jerusalem to be established no later than May 31, 1999.

This bill is important because it rectifies an imbalance in our relationship with Israel—a nation that has shown itself to be, time and time 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—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 is 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 1969, 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 that the U.S. 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 ago, did not prevent 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 904, considered in the aftermath of the Hebron massacre.

On language pertaining to Jerusalem, the United States abstained. United States Ambassador to the United Nations Madeleine Albright explained that Jerusalem was improperly included in the resolution as occupied territory and that the United States would continue to oppose including Jerusalem in this category.

It 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, Jordan, and the PLO have all 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. Two Hundred fifty-seven Members of the House signed that letter, another resounding measure of support from Congress to move the embassy.

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.

I do so reluctantly also because the bill before us is a vast improvement over the bill introduced by the Speaker and the Senate majority leader a few months ago. It now contains a Presidential waiver, which allows the President to delay relocating the embassy if he decides it is in the national security interest of the United States to do so.

I. PROBLEMS WITH PROCESS

I am deeply disturbed about the manner in which the bill comes to the floor today.

The House cannot be proud of the process we are following: No hearings were held; no committee consideration occurred; the administration was not

given a chance to state its case before the Members; few Members will be allowed to speak today; no amendments are in order; the bill was placed on the suspension calendar without consulting the minority; and no opportunity has been given to assess the impact of this bill on the fragile peace process.

In the past, decisions about whether bills would be considered under suspension of the rules were a matter of comity. The majority's conference rules specifically require that the minority agree before bills are placed on the suspension calendar.

Those rules were violated here.

We demean the role of the House in the making of American foreign policy by the quick and cursory handling of this sensitive and difficult issue.

The politics of this bill. This bill is being rushed through the House today. We should understand why.

The President has not requested it. No emergency requires immediate legislative action. A decision about where to locate U.S. diplomatic missions is inherently an executive branch decision—it goes to the President's constitutional responsibilities for the conduct of diplomacy.

The Government of Israel has not requested it. There is no urgency about this issue for Israel, either. Jerusalem is and has been Israel's capital since the founding of the State, regardless of where the U.S. Embassy is located.

This bill is being rushed through the Congress today for reasons of domestic politics, not foreign policy. The chief sponsors of this bill simply want to present this bill to the Prime Minister of Israel and the Mayor of Jerusalem when they arrive for a ceremony in the Capitol rotunda tomorrow.

This bill is a classic congressional foreign policy maneuver. We pass this bill to win political and financial support.

Yet we in Congress are unwilling to act decisively. This bill sets a date for the transfer of the Embassy. Then, a few sentences later, it steps back and hands the problem to the President by giving him a waiver.

We have it both ways. We pretend that we are acting, but we are really tossing the problem into the President's lap with a waiver. We get the domestic political advantage, but the President must take the responsibility.

II. PROBLEMS WITH SUBSTANCE

The final status of Jerusalem is not an isolated problem. It is part of the entire web of issues in the Middle East conflict. Those issues must be resolved in the context of a just and lasting settlement of the conflict. It must be resolved by the parties themselves.

I quote from Secretary Christopher:

> 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.

The issue of Jerusalem has been left for the final status negotiations, which start in May 1996. The Congress should not jeopardize negotiations on this key issue, which we may do by this bill. Jerusalem has been left until last: Because of the strong emotions it engenders; because of the controversy it promotes; and because of the necessity to build confidence among the parties in any proposed solution of the Jerusalem issue.

Unilateral efforts to predetermine a particular outcome for Jerusalem has the potential to damage the peace process. That is precisely the risk we run today.

A few examples are worth noting:

In 1978, the Camp David negotiations nearly came unglued when the parties—the United States, Israel, and Egypt—tried to hammer out a simple joint statement on Jerusalem;

In 1980, Israel proclaimed the Jerusalem law which made Jerusalem Israel's eternal and undivided capital. It was, from Israel's viewpoint, a natural and right step. But what happened? Thirteen of the fifteen embassies then in Jerusalem moved out;

In 1984, Congress considered several resolutions to relocate the U.S. Embassy to Jerusalem. According to the Israeli press, Prime Ministers Begin and Shamir, successively, asked key Senators involved to desist, lest the ensuing political storm work to Israel's detriment;

More recently, the Israeli Government attempted to confiscate land in the Jerusalem area. Once confronted with the damage this move did to the credibility of the peace process, the Israeli Government backtracked. The Israelis simply misjudged the Jordanian reaction and the fragility of the peace process when the issue of Jerusalem was pushed to center stage.

The point of reciting these examples is to show that unilateral and provocative actions on Jerusalem can hurt the peace process and Israel's interests.

At this critical juncture in the peace process, when progress is being made, all sides should seek to avoid provocative acts: The Government of Israel has now resolved to avoid confiscation of Arab land in Jerusalem for housing purposes; the Palestinian Authority, too, should avoid provocation involving, for example, trying to use buildings in Jerusalem for its own activities; and the United States should step back from this resolution and other acts which can disrupt the peace talks.

The peace process represents the best chance for a comprehensive peace in the Middle East. I want it to go forward. I do not want to put obstacles in the way, or to make the tasks of the negotiators more difficult.

I am sometimes frustrated by the slow pace of the peace process. But I believe, there is no substitute for the fragile—and so far successful—process we now are trying to promote.

The daily interaction of Jews and Arabs in Jerusalem—and the acknowledged religious rights of Jews, Muslims, and Christians in the heart of the city—require a solution based on mutual trust. Confidence between Israelis and Palestinians is building slowly. Let's not risk tearing it apart with ill-timed action on this bill.

Mr. Speaker, Jerusalem is the proper location for the U.S. Embassy. It is not a question of whether: it is a question of when. I share the goal of this resolution. But I also feel strongly that setting a rigid timetable for moving the Embassy ignores the realities of the peace process. Timetables are markers the parties set to try to move the peace process forward.

Furthermore, we should be careful about where we put an embassy. This bill is silent on this key point. There could well be serious repercussions throughout the Islamic world from building an embassy on land claimed as Islamic Trust, or Waqf land, considered sacred by Muslims. This issue will have to be addressed.

We should declare our intention, which has been the clear policy of eight successive Presidents, to move the embassy to Jerusalem as soon as its status as Israel's capital is confirmed by a peace agreement—and to reserve our right to recognize that status if the peace process collapses.

For now, our policy should remain unchanged. Our policy has made an extraordinary contribution to the peace process. The labors of many Presidents are now bearing fruit. Our policy should continue to be based on strong support for Israel's security, coupled with our role as a credible mediator.

Let's not make a difficult peace process even more difficult.

I urge a ''no'' vote on S. 1322.

☐ 1645

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] for yielding and for his lifetime commitment to the state of Israel and to peace in the Middle East.

Mr. Speaker, with due respect to the gentleman from Indiana [Mr. HAMILTON], 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 Israel's strongest supporter to finally acknowledge that Jerusalem is 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. 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 the only 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 reunification of Jerusalem under Israeli sovereignty 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 even Israel's closest allies might be open to the idea of redividing the city or challenging Israel's sovereignty there.

Again, as a world leader, the United States must act now and move the United States Embassy to Jerusalem—the capital of Israel.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. SCHUMER].

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

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Indiana [Mr. HAMILTON], ranking member, my friend, and someone whom I admire, for this time, but I must disagree with the gentleman and rise in support of this important resolution.

Mr. Speaker, let us not forget something: For any of the time that Israel has had control of any 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 religion, 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 other body, moving forward to embrace the relocation of the United States Embassy to 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 prompt 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 desire of Israel and the Palestinians, to begin the process of moving 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 stress that an undivided 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 and support it on a bipartisan basis.

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 in any way.

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 now. 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 of 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 practical. 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 imperative that we allow the peace process to go forward and do nothing to undermine it.

For all of these reasons, Mr. Speaker, I strongly support the resolution and urge all our 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 this year 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 reaffirms 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 was 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.

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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 all those who still have hostile intent 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 rights 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 the future of 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 House 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 with 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 restraint during recent conflicts, not that long ago 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. GEPHARDT].

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

Mr. GEPHARDT. 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 take the view as to where our Embassy in Israel should be located. Perhaps we should decide that it should be located in Jerusalem, but only if we are satisfied such action is fully consonent with our national interests, and in the interest of peace in the area.

The peace process is ongoing. This Nation is subsidizing the Israeli economy to the amount of more than $3 billion per year, and have been doing so for years. We are subsidizing other countries with billions more of our tax payers dollars.

A peace process, pedaled, pushed, and driven by our efforts goes on. What happens to that process if this legislation is passed.

Secretary Christopher warns of the peril of this legislation.

The U.S. Ambassador to Israel, Martin Ludyk warns, ''Any move now, (on the location of our Embassy) I believe strongly, would explode the peace process.''

The Foreward a major Jewish newspaper in New York says ''Efforts (by Presidential Candidate Dole and others) to emerge as the greater champion of Israel would be laughable, were it not so blatant a play for positioning in the coming primaries.''

The 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.''

Shimon Peres, Israeli Foreign Minister said, ''There is no need for our involvement at this point.''

And a spokesman for Yitzhak Rabin, the Israeli Prime Minister had this to say, ''The rightist Likud opposition is behind the effort in the hope of torpedoing the peace negotiations.''

Why then are we considering this legislation? The Israeli government does not want the legislation and it will be offensive to other parties to the negotiations. It will severely threaten the peace process, and it will hurt our efforts to bring peace to the Middle East.

The United States has major interest in returning a just peace to the Middle East. We are spending billions of dollars of American taxpayers money there to promote peace and restore stability as well as to sustain governments of Israel and other countries in the area.

This legislation can be passed enthusiastically when the time is right. I will happily support it then. Now is not the time for this action. It is not in the interest of our country. Nor is it in the interest of peace in the Middle East, or of the people there.

I urge a ''no'' vote.

Mr. GEPHARDT. Mr. Speaker, I rise today to urge my colleagues to support this bill—to move the American Embassy in Israel to Jerusalem, which is the real and proper 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 unforseen 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 know 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 would just like to say today that I rise in very strong support of the measure presented by the gentleman from New York. It was, after all, 45 years ago, 45 years ago that the state of Israel established Jerusalem as its capital. Since and during those 45 years, the Knesset and the prime minister's office have been in continuous operation in the city chosen by the people of the country to be their capital.

During that time, it goes, I think, without saying that every American, virtually every American that visits Israel visits the city of Jerusalem and considers it, because the people of Israel have chosen it, as their capital. And we consider it the same. Yet our embassy remains in Tel Aviv.

It seems to me that we all know what the right thing to do is. As a matter of fact, in the last presidential campaign, candidate Clinton, now of course the President of our country, said, and I will quote this as closely as I can remember it, he said a very few words to express his feelings on the matter. He said Jerusalem is the eternal and undivided capital of Israel.

So this bill essentially does two things: It moves toward the positive aspects of a decision which would move our embassy to Jerusalem. And it recognizes that there is a tenuous peace process which is currently under way. Therefore, it says to the President, if you need a temporary delay, we grant a waiver in order that you make take advantage of some time, some time sensitivities, if you believe they exist.

So I believe we should move forward today with this. I think it is a very important matter. I conclude by saying that I support it very, very strongly.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Speaker, I thank the distinguished gentleman from Indiana 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, and has always been, 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, Yasir 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 capitol 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 of 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 keep the peace, comply with the accords, and 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 this legislation with a veto 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. 1595 of which I am a proud original cosponsor.

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 recognized it as such. All across the world we 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.

Congress has already 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. 1595, 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 has continued. I really congratulate 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 their 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 really sending 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.

□ 1715

So I really urge my colleagues, hopefully as close to unanimous as we can be in support of this process, 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 Christopher, 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

most important ally in the turbulent Middle East.

Because the U.S. Embassy in Israel is based in Tel Aviv, not Jerusalem—Israel's declared capital—the United States has managed to reject a general principle of international practice: The placement of a state's embassy in the location of a foreign nation's capital. I, therefore, rise in strong support of S. 1322, the Jerusalem Embassy Relocation Act, which states that an undivided Jerusalem should be recognized as the capital of Israel and that our Embassy should be moved to that city. As the sponsor of the resolution declaring Jerusalem to be the united capital of Israel, which overwhelmingly passed the House in 1990, I strongly support this resolution and urge the House to pass it.

Some have raised concerns with the impact of S. 1322 on the ongoing peace process in the Middle East. According to those opposed to the bill, any decision to move the Embassy before the conclusion of final status talks on Jerusalem would damage the process and set back chances for peace in the Mid East. I would like to take this opportunity to allay those concerns. According to the Oslo agreement signed by Israel and the PLO in 1993, the issue of Jerusalem will be discussed during final status negotiations beginning of 1996. Moving the Embassy by 1999 is not only the principled thing to do, it is fully compatible with the time table of the peace process. Final status negotiations are to be complete by May 1999.

While I strongly support this bill, I would like to express my opposition to the procedure under which it has been brought to the floor. S. 1322 is authorizing legislation and should rightfully have been referred to the International Relations Committee, of which I am a member, for hearings and a markup. Similar to the procedure—or lack thereof—on the Middle East Peace Facilitation Act, the International Relations Committee has not seen fit to exercise its jurisdiction on this critical issue.

On this 3,000th anniversary of the establishment of Jerusalem, the city of David, however, I am proud to announce my support for this legislation. As Israel's closest ally, the United States must take the lead in supporting the unity of Jerusalem and its permanent status as capital of Israel by moving our Embassy to the holy city.

Mr. HEINEMAN. Mr. Speaker, I rise in strong support of S. 1322, the Jerusalem Embassy Relocation Implementation 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 House cosponsored this legislation, 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 cosponsors at that time, in part because 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 Government of Israel has taken bold steps in a courageous effort to resolve the conflict with 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 Embassies located in Riyadh, 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, Secretaries of State, United States Ambassadors, 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 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 in both 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 and will forever 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, Israel 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 ahead 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 forecer be the capital of the Jewish people, under Isreali 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 overt, 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 of Jerusalem has never been in doubt to the Government of Israel, nor to the millions of Jews still living in the Diaspora. It has been clearly stated time and again that Jerusalem is the eternal capital of the State of Israel, and to a larger extent, the Jewish people.

This issue goes to the heart of relations between the United States and Israel. What we are accomplishing with this bill is something that should have been accomplished 47 years ago—when the United States became one of the first countries to recognize and support the State of Israel, after its declaration of independence in May 1948. What we are finally doing here today is setting right a wrong of the largest magnitude.

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 prohibited access to its half of the city to Jews and other religious pilgrims. However, in 1967 Israel united the city during the Six Day War, the second of three wars it would fight against its primary adversaries of the time: Egypt, Syria, and Jordan. During the 28 years following the reunification of Jerusalem, Israel has allowed full access to all holy sites in the city for persons of all faiths. It is a unique and treasured city to persons around the world.

Although the United States recognizes Israel 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 always 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 am proud to rise today in support of S. 1322, the Jerusalem Embassy Relocation Implementation Act of 1995. S. 1322 declares that it is official policy that Jerusalem be recognized as the capital of Israel. I am proud to be an original cosponsor of this bill and rise today to urge my colleagues to vote for S. 1322.

For centuries the City of Jerusalem has been a religious and cultural beacon for people of all faiths. Our Nation's embassy in Israel should be located in Jerusalem—the holiest of cities, which has always been the capital of Israel.

It is fitting that Congress pass this bill today on the eve of Israeli Prime Minister Yitzhak Rabin's visit to the U.S. Capitol to commemorate the 3,000th anniversary of the founding of Jerusalem.

It is time to recognize that Jerusalem is Israel's capital by moving our Embassy there. I am pleased to support this bill today and urge my colleagues to do the same.

Ms. PRYCE. 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 Moslems. 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 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, Parliament, 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've assumed, 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 religion 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 the 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 Executives'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 that 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 that of any other country in the world to its capital. 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 of the 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 her opening 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, House Information Resources, at the request of the subcommittee staff, prepared the forged document;

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 graphics, unfortunately, appeared to simulate the Alliance's letterhead'';

Whereas, the September 29, 1995, issue of the National Journal's Congress Daily reported that Representative McIntosh's communications director said that the ''the letterhead was taken from a faxed document, scanned into their computer system and altered''; and

Whereas, questions continue to arise regarding the responsibility for preparation of the forged document: the chairman of the subcommittee stated during the hearing that he had no prior knowledge of the document's preparation; the chairman later stated that the subcommittee staff prepared the document; and other published reports suggested that Chairman McIntosh's personal office prepared the document;

Whereas, on September 27, 1995, the Speaker expressed concern over the distribution of unattributed documents and announced a policy 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 in 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 distorts the public record 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, and shall report his actions and recommendations to the House.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Speaker in the legislative schedule within two legislative days its being properly noticed. The Chair will announce the Speaker's designation as tomorrow. In the meantime, the form of the resolution proffered by the gentlewoman from New York will appear in the RECORD at this point.

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 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, TAUZIN, FIELDS of Texas, COX of California, WHITE, DINGELL, MARKEY, BRYANT of Texas, and Ms. ESHOO.

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 CONYERS.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, 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 I, the pending business is the question of the Speaker's approval of the Journal of the last day's proceeding.

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. HOBSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 48, answered ''present'' 1, not voting 20, as follows:

[Roll No. 732]

YEAS—363

Ackerman	Bilirakis	Cardin
Allard	Bishop	Castle
Andrews	Bliley	Chabot
Archer	Blute	Chambliss
Armey	Boehlert	Chenoweth
Bachus	Boehner	Christensen
Baesler	Bonilla	Chrysler
Baker (CA)	Bonior	Clayton
Baker (LA)	Bono	Clement
Baldacci	Boucher	Clinger
Ballenger	Brewster	Coble
Barcia	Browder	Coleman
Barr	Brown (FL)	Collins (GA)
Barrett (NE)	Brownback	Collins (IL)
Barrett (WI)	Bryant (TN)	Collins (MI)
Bartlett	Bryant (TX)	Combest
Barton	Bunn	Condit
Bass	Bunning	Cooley
Bateman	Burr	Costello
Beilenson	Burton	Cox
Bentsen	Buyer	Coyne
Bereuter	Callahan	Cramer
Berman	Calvert	Crapo
Bevill	Camp	Cremeans
Bilbray	Canady	Cubin
Cunningham	Johnson (CT)	Peterson (FL)
Danner	Johnson (SD)	Peterson (MN)
Davis	Johnson, Sam	Petri
de la Garza	Johnston	Pomeroy
Deal	Jones	Porter
DeLauro	Kanjorski	Portman
DeLay	Kaptur	Poshard
Dellums	Kasich	Pryce
Deutsch	Kelly	Quillen
Diaz-Balart	Kennedy (MA)	Quinn
Dickey	Kennedy (RI)	Radanovich
Dicks	Kennelly	Rahall
Dingell	Kildee	Ramstad
Dixon	Kim	Reed
Doggett	King	Regula
Dooley	Kingston	Richardson
Doolittle	Kleczka	Riggs
Dornan	Klink	Rivers
Doyle	Klug	Roberts
Dreier	Knollenberg	Roemer
Duncan	Kolbe	Rogers
Dunn	LaHood	Rohrabacher
Edwards	Lantos	Ros-Lehtinen
Ehlers	Largent	Rose
Ehrlich	Latham	Roth
Emerson	LaTourette	Roukema
English	Laughlin	Roybal-Allard
Eshoo	Lazio	Royce
Ewing	Leach	Sabo
Farr	Lewis (CA)	Salmon
Fattah	Lewis (KY)	Sanders
Fawell	Lightfoot	Sawyer
Fields (TX)	Lincoln	Saxton
Flake	Linder	Schaefer
Flanagan	Lipinski	Schiff
Foglietta	Livingston	Schumer
Foley	LoBiondo	Seastrand
Forbes	Lofgren	Sensenbrenner
Ford	Lowey	Shadegg
Fowler	Lucas	Shaw
Fox	Luther	Shays
Frank (MA)	Maloney	Shuster
Franks (CT)	Manton	Skaggs
Franks (NJ)	Manzullo	Skeen
Frelinghuysen	Markey	Skelton
Frisa	Martini	Slaughter
Frost	Mascara	Smith (MI)
Funderburk	Matsui	Smith (NJ)
Furse	McCarthy	Smith (TX)
Gallegly	McCollum	Smith (WA)
Ganske	McCrery	Solomon
Gejdenson	McDade	Souder
Gekas	McDermott	Spence
Geren	McHale	Spratt
Gilchrest	McHugh	Stark
Gillmor	McInnis	Stearns
Gilman	McIntosh	Stenholm
Gonzalez	McKinney	Stokes
Goodlatte	Meehan	Studds
Goodling	Meek	Stupak
Gordon	Menendez	Talent
Goss	Metcalf	Tanner
Graham	Meyers	Tate
Green	Mfume	Tauzin
Greenwood	Mica	Tejeda
Gunderson	Miller (CA)	Thomas
Gutierrez	Miller (FL)	Thornberry
Hall (OH)	Minge	Thornton
Hall (TX)	Mink	Tiahrt
Hamilton	Molinari	Torres
Hancock	Montgomery	Torricelli
Hansen	Moorhead	Traficant
Hastert	Moran	Upton
Hastings (WA)	Morella	Waldholtz
Hayes	Murtha	Walker
Hayworth	Myers	Walsh
Hefner	Myrick	Wamp
Herger	Nadler	Ward
Hilleary	Nethercutt	Watt (NC)
Hilliard	Neumann	Watts (OK)
Hinchey	Norwood	Waxman
Hobson	Nussle	Weldon (FL)
Hoekstra	Oberstar	Weller
Hoke	Obey	White
Holden	Olver	Whitfield
Horn	Ortiz	Williams
Hostettler	Owens	Wilson
Houghton	Oxley	Wise
Hoyer	Packard	Woolsey
Hunter	Pallone	Wyden
Hutchinson	Parker	Wynn
Hyde	Pastor	Yates
Inglis	Paxon	Young (AK)
Istook	Payne (NJ)	Young (FL)
Jackson-Lee	Payne (VA)	Zeliff
Jefferson	Pelosi	Zimmer

NAYS—48

Abercrombie	Gibbons	Pombo
Becerra	Gutknecht	Sanford
Brown (CA)	Hastings (FL)	Schroeder
Clay	Hefley	Scott
Clyburn	Heineman	Stockman
Coburn	Jacobs	Stump
Conyers	Johnson, E. B.	Taylor (MS)
Crane	LaFalce	Thompson
DeFazio	Levin	Thurman
Durbin	Lewis (GA)	Torkildsen
Ensign	Longley	Towns
Evans	McNulty	Vento
Everett	Neal	Visclosky
Fazio	Ney	Waters
Filner	Orton	Wicker
Gephardt	Pickett	Wolf

ANSWERED ''PRESENT''—1

Harman

NOT VOTING—20

Borski	Moakley	Taylor (NC)
Brown (OH)	Mollohan	Tucker
Chapman	Rangel	Velazquez
Engel	Rush	Volkmer
Fields (LA)	Scarborough	Vucanovich
Martinez	Serrano	Weldon (PA)
McKeon	Sisisky	

☐ 1746

Mr. HILLEARY and Mr. SHADEGG changed their vote from ''nay'' to ''yea.''

So the journal was approved.

The result of the vote was announced as above recorded.

☐ 1745

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. (Mr. GUTKNECHT). Pursuant to the provisions of clause 5, rule I, 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 each additional question on which the Chair has postponed further proceedings.

SENIOR CITIZENS HOUSING SAFETY 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 read 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:

[Roll No. 733]

YEAS—415

Abercrombie	Barrett (WI)	Blute
Ackerman	Bartlett	Boehlert
Allard	Barton	Boehner
Andrews	Bass	Bonilla
Archer	Bateman	Bonior
Armey	Becerra	Bono
Bachus	Beilenson	Boucher
Baesler	Bentsen	Brewster
Baker (CA)	Bereuter	Browder
Baker (LA)	Berman	Brown (CA)
Baldacci	Bevill	Brown (FL)
Ballenger	Bilbray	Brownback
Barcia	Bilirakis	Bryant (TN)
Barr	Bishop	Bunn
Barrett (NE)	Bliley	Bunning
Burr	Geren	Markey
Burton	Gibbons	Martini
Buyer	Gilchrest	Mascara
Callahan	Gillmor	Matsui
Calvert	Gilman	McCarthy
Camp	Gonzalez	McCollum
Canady	Goodlatte	McCrery
Cardin	Goodling	McDade
Castle	Gordon	McDermott
Chabot	Goss	McHale
Chambliss	Graham	McHugh
Chenoweth	Green	McInnis
Christensen	Greenwood	McIntosh
Chrysler	Gunderson	McKeon
Clay	Gutierrez	McKinney
Clayton	Gutknecht	McNulty
Clement	Hall (OH)	Meehan
Clinger	Hall (TX)	Meek
Clyburn	Hamilton	Menendez
Coble	Hancock	Metcalf
Coburn	Hansen	Meyers
Coleman	Harman	Mfume
Collins (GA)	Hastert	Mica
Collins (IL)	Hastings (FL)	Miller (CA)
Collins (MI)	Hastings (WA)	Miller (FL)
Combest	Hayes	Minge
Condit	Hayworth	Mink
Conyers	Hefley	Molinari
Cooley	Hefner	Mollohan
Costello	Heineman	Montgomery
Cox	Herger	Moorhead
Coyne	Hilleary	Moran
Cramer	Hilliard	Morella
Crane	Hinchey	Murtha
Crapo	Hobson	Myers
Cremeans	Hoekstra	Myrick
Cubin	Hoke	Nadler
Cunningham	Holden	Neal
Danner	Horn	Nethercutt
Davis	Hostettler	Neumann
de la Garza	Houghton	Ney
Deal	Hoyer	Norwood
DeFazio	Hunter	Nussle
DeLauro	Hutchinson	Oberstar
DeLay	Hyde	Obey
Dellums	Inglis	Olver
Deutsch	Istook	Ortiz
Diaz-Balart	Jackson-Lee	Orton
Dickey	Jacobs	Owens
Dicks	Jefferson	Oxley
Dingell	Johnson (CT)	Packard
Dixon	Johnson (SD)	Pallone
Doggett	Johnson, E. B.	Parker
Dooley	Johnson, Sam	Pastor
Doolittle	Johnston	Paxon
Dornan	Jones	Payne (NJ)
Doyle	Kanjorski	Payne (VA)
Dreier	Kaptur	Pelosi
Duncan	Kasich	Peterson (FL)
Dunn	Kelly	Peterson (MN)
Durbin	Kennedy (MA)	Petri
Edwards	Kennedy (RI)	Pickett
Ehlers	Kennelly	Pombo
Ehrlich	Kildee	Pomeroy
Emerson	Kim	Porter
Engel	King	Portman
English	Kingston	Poshard
Ensign	Kleczka	Pryce
Eshoo	Klink	Quillen
Evans	Klug	Quinn
Everett	Knollenberg	Radanovich
Ewing	Kolbe	Rahall
Farr	LaFalce	Ramstad
Fattah	LaHood	Reed
Fawell	Lantos	Regula
Fazio	Largent	Richardson
Fields (TX)	Latham	Riggs
Filner	LaTourette	Rivers
Flake	Laughlin	Roberts
Flanagan	Lazio	Roemer
Foglietta	Leach	Rogers
Foley	Levin	Rohrabacher
Forbes	Lewis (CA)	Ros-Lehtinen
Ford	Lewis (GA)	Rose
Fowler	Lewis (KY)	Roth
Fox	Lightfoot	Roukema
Frank (MA)	Lincoln	Roybal-Allard
Franks (CT)	Linder	Royce
Franks (NJ)	Lipinski	Sabo
Frelinghuysen	Livingston	Salmon
Frisa	LoBiondo	Sanders
Frost	Lofgren	Sanford
Funderburk	Longley	Sawyer
Furse	Lowey	Saxton
Gallegly	Lucas	Scarborough
Ganske	Luther	Schaefer
Gejdenson	Maloney	Schiff
Gekas	Manton	Schroeder
Gephardt	Manzullo	Schumer
Scott	Stump	Wamp
Seastrand	Stupak	Ward
Sensenbrenner	Talent	Waters
Shadegg	Tanner	Watt (NC)
Shaw	Tate	Watts (OK)
Shays	Tauzin	Waxman
Shuster	Taylor (MS)	Weldon (FL)
Skaggs	Tejeda	Weller
Skeen	Thomas	White
Skelton	Thompson	Whitfield
Slaughter	Thornberry	Wicker
Smith (MI)	Thornton	Williams
Smith (NJ)	Thurman	Wilson
Smith (TX)	Tiahrt	Wise
Smith (WA)	Torkildsen	Wolf
Solomon	Torres	Woolsey
Souder	Torricelli	Wyden
Spence	Towns	Wynn
Spratt	Traficant	Yates
Stark	Upton	Young (AK)
Stearns	Vento	Young (FL)
Stenholm	Visclosky	Zeliff
Stockman	Waldholtz	Zimmer
Stokes	Walker	
Studds	Walsh	

NOT VOTING—17

Borski	Moakley	Tucker
Brown (OH)	Rangel	Velazquez
Bryant (TX)	Rush	Volkmer
Chapman	Serrano	Vucanovich
Fields (LA)	Sisisky	Weldon (PA)
Martinez	Taylor (NC)	

☐ 1757

So (three-fifths having voted in favor thereof) the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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. 1322.

The Clerk read the title of the Senate bill.

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, 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, answered ''present'' 5, not voting 17, as follows:

[Roll No. 734]

YEAS—374

Ackerman	Blute	Christensen
Allard	Boehlert	Chrysler
Andrews	Boehner	Clay
Archer	Bonilla	Clement
Armey	Bono	Clyburn
Bachus	Brewster	Coble
Baesler	Browder	Coburn
Baker (CA)	Brown (CA)	Coleman
Baker (LA)	Brown (FL)	Collins (GA)
Baldacci	Brownback	Collins (IL)
Ballenger	Bryant (TN)	Combest
Barcia	Bunn	Condit
Barr	Bunning	Cooley
Barrett (NE)	Burr	Costello
Barrett (WI)	Burton	Cox
Bartlett	Buyer	Coyne
Barton	Callahan	Cramer
Bass	Calvert	Crane
Bentsen	Camp	Crapo
Berman	Canady	Cremeans
Bevill	Cardin	Cubin
Bilbray	Castle	Cunningham
Bilirakis	Chabot	Davis
Bishop	Chambliss	de la Garza
Bliley	Chenoweth	Deal

DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klug
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Upton
Vento
Visclosky
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—37

Abercrombie
Becerra
Beilenson
Bereuter
Bonior
Boucher
Bryant (TX)
Clayton
Clinger
Collins (MI)
Conyers
Danner
Dellums
Dingell
Ganske
Goodling
Hamilton
Klink
Knollenberg
Lipinski
Miller (CA)
Minge
Mink
Moran
Murtha
Obey
Payne (NJ)
Petri
Rahall
Sanders
Sawyer
Skaggs
Studds
Taylor (MS)
Thompson
Traficant
Waters

ANSWERED ''PRESENT''—5

Bateman
Frank (MA)
Hoke
Schroeder
Watt (NC)

NOT VOTING—17

Borski
Brown (OH)
Chapman
Fields (LA)
Martinez
Moakley
Rangel
Rush
Serrano
Sisisky
Taylor (NC)
Tucker
Velazquez
Volkmer
Vucanovich
Weldon (PA)
Young (FL)

□ 1807

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 when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore (Mr. GUTKNECHT). 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 permit 3 hours of general debate tomorrow on the reconciliation bill.

Mr. SOLOMON. If the gentleman will yield, the gentleman is exactly correct. I will be making a unanimous-consent request for that purpose in a few minutes.

Mr. DOGGETT. Fine.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

HOUR OF MEETING ON THURSDAY OCTOBER 26, 1995

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, Wednesday, October 25, 1995, it adjourn to meet at 9 a.m. on Thursday, October 26, 1995.

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, let me just be sure I am clear about this.

Under the series of unanimous-consent requests, there will be 3 hours of general debate tomorrow, and then in addition to that, as the rule provides, there will be 3 hours of general debate on Thursday, plus an hour on the substitute.

Mr. SOLOMON. If the gentleman will yield, I would just say to the gentleman, we have not held the hearing nor have we issued the rule, but we intend to follow through with the gentleman's assumptions.

Mr. DOGGETT. Is it also your understanding, we have in addition to what will amount to 6 hours of debate, then, on reconciliation; that by coming in early at 9 a.m. on Thursday, following more or less the timetable we had last week, that we would also at 9 a.m. Thursday have fifteen 1-minutes per side?

Mr. SOLOMON. That is what we intend to do with one slight exception. We do intend 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. BLUTE). 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 GEPHARDT, 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 SUBCOMMITTEES 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 New York?

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, GUNDERSON, CUNNINGHAM, MCKEON, 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 offer a motion 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 provisions of any revenue 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:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 24, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

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 White House 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 Columbia.

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. 1631, I hereby report that I have exercised my statutory authority to declare a national emergency in response to the unusual and extraordinary threat posed to the national security, foreign policy, and economy of the United States by the actions of significant foreign narcotics traffickers centered in Colombia and to issue an Executive order that:

—blocks all property and interests in property in the United States or within the possession or control of United States persons of significant foreign narcotics traffickers centered in Colombia designated in the Executive order or other persons designated pursuant thereto; and

—prohibits any transaction or dealing by United States persons or within the United States in property of the persons designated in the Executive order or other persons designated pursuant thereto.

In the Executive order (copy attached) I have designated four significant foreign narcotics traffickers who are principals in the so-called Cali cartel in Colombia. I have also authorized the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to designate additional foreign persons who play a significant role in international narcotics trafficking centered in Colombia or who materially support such trafficking, and other persons determined to be owned or controlled by or to act for or on behalf of designated persons, whose property or transactions or dealings in property in the United States or with United States persons shall be subject to the prohibitions contained in the order.

I have authorized these measures 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 80 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.

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 and beyond. 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 in the United States and abroad, 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 this threat.

The measures I am taking are designed to deny these traffickers the benefit of any assets subject to the jurisdiction of the United States and to

prevent United States persons from engaging in any commercial dealings with them, their front companies, and their agents. These measures demonstrate firmly and decisively the commitment of the United States to end the scourge that such traffickers have wrought upon society in the United States and beyond. The magnitude and dimension of the current problem warrant utilizing all available tools to wrest the destructive hold that these traffickers have on society and governments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 21, 1995.*

□ 1815

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 390

Mr. ABERCROMBIE. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 390.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

THE BUDGET DEBATE: REMEMBER THE ELDERLY, POOR, AND DISABLED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Mrs. THURMAN] is recognized for 5 minutes.

Mrs. THURMAN. Mr. Speaker, I rise today to express my outrage at the Republican tactics in this so-called budget debate. This week we will vote on the Republican proposal to cut Medicaid funds by $182 billion and block grant the Program.

The elderly, the disabled, and the poor children of America have had no voice in this debate. They have been lost in the rhetoric of the majority party.

The Republicans talk about choice and freedom for the States. However, the only choice the States will have is either to raise State taxes to remedy the cuts or kick people off Medicaid.

The Republicans do not want to talk about the people who need Medicaid.

They do not want to talk about the grandmother in a nursing home, or the disabled child in your neighborhood, or the pregnant woman in need of prenatal care.

The Republicans do not want you to know that they are removing Federal standards for nursing homes or that they are not requiring States to cover Medicare premiums for the poorest seniors.

The truth is, when we move from a shared system based on individual needs to a capped system that shifts the problem to the States, States will have to deny maternity services, early childhood care, assisted living benefits, and long-term care to some of our most vulnerable citizens. More than 2½ million people in Florida depend on Medicaid for basic health care, and because our population is growing so quickly, this number is increasing every day. In Florida, over 110,000 seniors rely on the Medicaid payments for their Medicare premiums repealed by the Republican plan. Almost 400,000 children depend on Medicaid coverage for check-ups, immunizations, and emergencies. By the year 2000, Florida is expected to provide long-term care to as many as 380,000 seniors.

Yet one-half of the total Medicaid cut of $182 billion will come from my State of Florida and seven other States.

Under the Republican capped block grant, the reality is that Florida will have to either kick people off Medicaid, or make up the shortfall with State tax money.

Basing the 1996 Medicaid funding formula on 1994 statistics ignores the growth in Florida during the last year. It puts us in a huge financial hole from the start by simply ignoring our $2 billion in new expenses this year. As a result, Florida will lose more than $10.5 billion in Medicaid funds over the next 7 years, a 26-percent reduction. Quite frankly, it is not fair.

The inequality of the funding formula is blatantly apparent. If you abused the system in the past, you get rewarded under the Republican formula. The more money a State was able to pilfer from the system under the current rules, the higher the baseline for its block grant. How can you possibly call that reform?

Of course, there are penalties in the plan. The penalties are for playing fair, working hard to contain costs, and obeying the rules. The poor, the elderly, and the disabled will be the ones paying these penalties.

We have tried to reason with our colleagues on the other side of the aisle, especially those from Florida who know our situation. We have tried to appeal to their sense of compassion and encouraged them to consider what will happen to Florida under this formula.

In 2 days, when I come to this House to vote against these cuts, I will remember the faces of those elderly, poor, and disabled in my district who will be denied health services and long-term care under this plan. Since my Republican colleagues are so anxious to secure tax cuts for the wealthy, I wonder whom they will be thinking of.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

[Mr. SCARBOROUGH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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 off 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 6th, 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 26th, 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 insure 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 imminently better than the Republicans', it is not a good 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 must 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 to get its priorities in order. Before we worry about expanding a trade agreement that has done nothing yet but consume American jobs, I would suggest that we first attempt to both offer better help to those Americans who have already lost their jobs and stop further hemorrhaging.

For the immediate future this means ensuring that fast track will indeed, as reports now indicate, be kept out of the reconciliation bill, killing the Caribbean Basin Initiative, which proposes to grant one-way NAFTA privileges to 23 Latin American countries without any reciprocal benefits for the U.S., and opposing the inclusion of Chile in NAFTA. For the long term this means working to implement policies that have the effect of actually creating jobs in a fair and equitable manner.

☐ 1830

Mr. Speaker, I feel very strongly about this. I think that NAFTA has hurt the United States, hurt our economy, and I do not want to see it expanded.

KEEP UNITED STATES TROOPS OUT OF BOSNIA

The SPEAKER pro tempore (Mr. BLUTE). Under a previous order of the House, the gentleman from Colorado [Mr. MCINNIS] is recognized for 5 minutes.

Mr. MCINNIS. Mr. Speaker, under the cover of a peace agreement in a country that has never known peace, Bill Clinton is about to commit 25,000 of our sons and daughters into Bosnia. Now, that is not just 25,000 troops into Bosnia. That really equates to a number much larger than that, because you have to have the support troops to support those 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. We need 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 easy; 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 some pretty tough questions: One, what are the rules of engagement, Mr. Clinton? Number two, for what purposes and what reasons and where will our troops be assigned? Three, how do we get out of there? Four, how long are we going to be in there? 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?

I would venture to say that we are woefully short of the kind of answers we need before we even consider supporting this President sending American ground 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 American 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 came across to me when I sat at 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 we lose this young man in Bosnia? Could I look at his parents eye-to-eye and tell them that the loss of their son was necessary for the national security of the United States of America? Could I look them in the eye and tell them that it was necessary to send their son over to Bosnia? Were we able to look them in the eye when we were 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, let me begin 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 the gentleman ask 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 California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, today on behalf of myself, Mr. CLINGER, Mr. PETRI, Mrs. JOHNSON, Mr. CHRYSLER, Mr. DAVIS, Mr. EHLERS, Mr. FALEOMAVAEGA, Mr. HOBSON, Mr. KNOLLENBERG, Mr. LEACH, and Mr. ROGERS, I introduced the Statistical Consolidation Act of 1995. It would create a Federal Statistical Service which would combine the functions of the Bureaus of the Census and Labor Statistics, one in Commerce, one in Labor, and the Bureau of Economic Analysis.

A core principle of the Republican majority is that government is too big and costs too much, and that we should seek economies wherever we might. The new Federal Statistical Service would streamline and improve the quality and efficiency of key data production, which affects not only the apportionment of Congress, the State legislatures, the boards of supervisors and city councils, but also business, the allocation of Federal and State programs, and many industry functions across the country.

Duplication of effort hampers the collection of statistical data. Both the Bureau of Labor Statistics and the Bureau of the Census collect data on the Nation's small businesses. The results are not only a wasted effort, but inconsistent and even contradictory findings. Public and private sector planning relies heavily on the accuracy of these statistics, which are collected through an assortment of sources.

The Nation needs better coordination and planning among its statistical agencies, to make Federal programs more responsive to the needs of our citizens. Lack of coordination has limited the usefulness of the data.

Senator Abraham Ribicoff, Democrat of Connecticut, a number of years ago saw the same need for change. He introduced the Statistical Policy Act of 1980. This Statistical Consolidation Act of 1995 takes many provisions from Senator Ribicoff's very far-reaching legislation. It is designed to remove duplication, harness information and technology, and streamline the collection and utilization of statistical data.

Some of you may ask, why not consolidate all statistical agencies, as Canada did with its Statistics Canada. After all, if Canada can do it, so can the United States. Canada, however, is not an example of complete consolidation. In fact, many of Canada's statistics come from sources other than Statistics Canada. In addition, the United States has nine times as many people and more complex statistical tasks than does the Government of Canada.

The new Federal Statistical Service would be headed by an Administrator nominated by the President and confirmed by the Senate. Other officials to be nominated by the President with the advice and consent of the Senate are the Deputy Administrator, general counsel, and inspector general.

Also established is a Federal Council on Statistical Policy to advise the Administrator and the President. On the Council would be statistics and survey professional experts from outside the Government, who would make policy recommendations to both the President and the Administrator.

The bill, when enacted, would trigger several events. Not later than 12 months after enactment, the new Federal Council would report to Congress on the consolidation of Census and Bureau of Labor Statistics field offices and on the savings possible from the merger. At the same time, the Council would provide a report on the feasibility of separating the decennial census mission from the rest of the Census Bureau. That action is in the bill to help Congress and the Nation grasp the cost of the decennial census.

Finally, within 18 months after enactment, the Council would recommend to Congress any changes in the procedure for releasing major social and economic indicators.

A well-informed electorate with access to knowledge of the state of the society is the cornerstone of a proper working democracy. Decisions based on the output of the Federal statistical system affects every citizen. That system is called upon to serve the voters of today and tomorrow. It is on their intelligent choices that the success of our democracy ultimately depends.

There must be better coordination and planning among these statistical agencies so that programs are more responsive to the needs of the Federal Government. It is my hope this bill will be passed as a bipartisan effort. The passage of this measure will not only mean better coordination, but it will also ensure independence from partisan influences, which are more probable when these functions are located in a Cabinet department.

Mr. Speaker, I urge my colleagues to carefully consider this proposal and hopefully adopt it during this session.

MAKE NEEDED CHANGES IN MEDICARE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DEUTSCH] is recognized for 5 minutes.

Mr. DEUTSCH. 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 this, 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, because this is a case that the more that the American people know about what the Republican majority is doing to Medicare, the more disturbing, the more distressing that it is.

It is truly as bad as people's worst nightmare in this country. The first thing is this whole debate has started because my Republican colleagues say Medicare is going bankrupt in 7 years. We have to do something to save Medicare. It is going bankrupt in 7 years.

Well, one of the things that this chart points out, and this I think really says it in black and white, is if you look at the 30 years that Medicare has existed, 12 of those 30 years Medicare had an actuarial life less than what it has today. In fact, in several years it had only a 2-year actuarial life. What Congress has done is made adjustments to the Medicare system like any health care insurance program, which is what Medicare is, and has made adjustments to correct those actuarial deficiencies.

So the first big flat out lie that my Republican colleagues have made in this legislation is this is unprecedented. That is just not the case.

The second flat out lie that they have made is that it requires $270 billion to 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. And the only place that they went to, 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. But they are also including 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 if this legislation passes and is not vetoed, would in fact occur.

So that is the second big lie, which is a $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.

□ 1845

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 minimum wage increase, and later this evening the gentleman from New York, MAJOR OWENS, has organized a special order in support of the minimum wage. I join my colleagues from the Committee on Economic and Educational Opportunities in my support for an increase in the minimum wage. Fifty seven years ago today the Congress first approved a minimum wage of 25 cents.

This anniversary finds us with mixed emotions. On the one hand, we are thankful that the Congress recognized the need to guarantee a livable wage. On the other hand, we recognize that millions of people earn at or below the minimum wage and that the last increase in the minimum wage occurred on April 1, 1991. As if this was not enough, the real value of the minimum wage has been on a fairly steady decline for the past 15 years. Today, the minimum wage has fallen 45 cents in real value since its 1991 increase. I am afraid that if the majority party has its way, we may never see an increase in the minimum wage.

Many people, writing or speaking on either side of this issue, quote from 57 years of studies on how the increase of the minimum wage affects employment, wages and the economy. There are studies on both sides.

My contention is we should base the argument on the facts and not theory. Based on my experience, real life is never constant nor completely equal.

First, the idea that an increase in the minimum wage could lead to increased numbers of welfare recipients is simply not correct. In fact, the opposite is true. Today, a full-time minimum wage worker is paid $8,800 a year.

The U.S. Census reports that the average family in my Houston district is 3.2 people. According to the census guidelines published in the Federal Register [February 9, 1995], the 1995 Federal poverty level for a family of three is $12,590. Using these facts, the math is simple. A full-time minimum wage worker supporting a family of three will make almost $4,000 less than the Federal poverty level.

However, with an increase in the minimum wage to $5.15, and figuring in their maximum earned income tax credit, which was passed by the Democratic Congress, this same family would be $1,500 above the poverty rate and off welfare. Let me repeat that. Off welfare.

It is also argued that the minimum wage is a wage for lower- to middle-class teenagers and is, therefore, an entry level wage. While this may have been so in years past, the Federal Bureau of Labor Statistics estimates that more than 4 million Americans earn at or below the minimum wage. According to the Bureau of Labor Statistics, current minimum-wage earners are two-thirds adult, with over 50 percent being 26 or older, while 62 percent are women. The minimum wage is no longer just for teenagers.

Finally, the argument is made that raising the minimum wage would lead many employers to use more efficient machines, to relocate their factories, or to use part-time and temporary workers. Statistics show that minimum-wage earners, due to their lack of skills, work harder and longer hours to compensate for that shortcoming. I am not advocating the position that employers are unfeeling, but we must all face the fact that most employers, with some exceptions, are driven by the bottom line and not the betterment of society.

One recent study between New Jersey, which raised their minimum wage, and Pennsylvania, which did not, showed no job loss and only a very slight increase in the cost of a fast food meal. I find it very confusing when the majority argues the minimum wage increase will cause job loss by increasing or continuing farm subsidies is never given to the same rhetoric. Both the farm subsidies and the minimum wage provide a level at which the producer, either farm produce or labor, can earn a profit.

Americans need an increase in the minimum wage, because it will lift them out of poverty, it will give them a living wage, but more importantly, it will get them off of welfare. Instead of concentrating all of their efforts on tax-cuts for the wealthy. the majority should act to provide a minimum wage that will lift workers out of poverty and off the welfare rolls.

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 focus 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, long-range strategic planning, 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 economy toward world markets 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 citizens 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 proposed 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 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 1 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 $45 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; we 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.

MEDICARE 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 dollar figures 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.

☐ 1900

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. DELAURO. 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; and those who are in the shadows 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 interest 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—I repeat, the repeal of the vaccines 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 under the GOP budget. Medicaid pays for immunizations, regular checkups, and intensive care in case of emergencies for about 18 million children in America. In fact, one half of Medicaid beneficiaries are children.

The Republican budget would eliminate this health care coverage for as many as 4.4 million children nationwide. Let me repeat that. Mr. Speaker, 4.4 million children nationwide would have their health care coverage eliminated.

Among the children who could be denied coverage, many are disabled. This budget would deny as many as 755,000 disabled children cash benefits in the year 2002. For disabled children, Medicaid helps to pay for wheelchairs, for communication devices for therapy, for respite care for families, and for home modifications. Without this help, patients may be forced to seek 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 the White House was releasing its findings yesterday, I was visiting with administrators and the staff in New Haven, CT at the Children's Hospital, Yale University's Children's Hospital. I was there to brief them on the budget process and to better understand how Medicaid cuts would impact their young patients. The health care professionals that I visited with told me that they do not know how they are going to provide the same level of care for our children if Medicaid is cut back by 20 to 30 percent, as the Republican budget proposes.

Let me talk a little bit about Connecticut. Connecticut health care providers have every single right to be concerned about children in our State, because 14 percent of them, of our children, rely on Medicaid for their basic health needs. And according to the study that was released yesterday, the Republican budget cuts will hit Connecticut children hard.

Let me repeat some of those cuts for Connecticut children, the cuts that I talked to the Yale Children's Hospital about yesterday.

Medicaid pays for basic health services for 166,000 children in the State of Connecticut. The budget would eliminate Medicaid coverage for as many as 57,983 children in the State of Connecticut. It will deny as many as 4,000 disabled children in Connecticut cash benefits in the year 2002.

Mr. Speaker, the dean of the Yale School of Medicine, Dr. Joseph Warshaw, was at this meeting yesterday; and I would like to quote Dr. Warshaw. And the quote is, ''If we abandon this safety net, the kids are really going to suffer.'' I am not making that up. You can see that quote in the New Haven Register today.

The vice president for administration spoke up and talked about how the hospital would certainly accept all those children who were faced with a health care problem and would not want to deny them any health care, but they were going to be faced with how they were going to try to have to deal with the level of services they may have to and how they would probably have to cut back on services.

Kids are really going to suffer. That is a pretty strong statement. And let me be very honest with you. That statement does not come from a Democratic Member of the House of Representatives, and I am a Democratic Member of the House of Representatives. It does not come from someone with any kind of a partisan interest in this debate. It comes from a health care provider who understands what these cuts in Medicaid will mean in real terms to the children that he sees every single day at this hospital.

Our debate on the magnitude of these Medicaid cuts is about more than ideology. It is about more than a political philosophy. It is more than an intellectual or an academic exercise. That is not what this is all about. It is about reality and real people. It is about the reality that these deep Medicaid cuts are going to hit kids, kids in this country, kids in the State of Connecticut, very, very hard. And that is why tonight some of us are here as we stand with these photographs of American families that rely on Medicaid for their basic health care needs.

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 these are Kathy Davis' children. Kathy Davis does not want a handout. She wants a helping hand. Here is a woman who is doing all the right things trying to provide for her family, build a better future for these two youngsters in this photograph.

The Government should not be in the business of punishing people who are working hard, and working hard to improve their own standard of living. We should be in the business of helping them to raise that standard of living. That is what our job is all about here. That is what the mission of government is.

Mr. Speaker, Medicaid is a safety net for millions of American families just like Kathy Davis and her family and her two young children here. This budget cuts that safety net away, and it is our Nation's children who are going to take the fall.

I urge my colleagues to look at these faces. I urge them to think about these kids on Thursday, this week, when the budget comes to the floor for a vote; and I 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 same subjects, 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 voting on 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, as they did last week on the Medicare bill, to stay firm and vote again to oppose this terrible Medicare legislation. The majority of New Jersey Members in the House of Representatives, both Democrat and Republican, ended up voting against the Medicare bill.

In addition to incorporating Medicare into this budget package, there are other cuts like the Medicare cuts in Medicaid, which is the health insurance program for poorer people, as well as cuts in nutrition assistance and the school lunch programs.

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So in a sense what we are seeing is both senior citizens with Medicare and now also children, with Medicaid, nutrition, and school lunches are being cut. Their programs are being cut or raided in order to provide tax cuts for the wealthy, for the wealthiest Americans.

Just to give you some statistics, according to the U.S. Treasury, Office of Tax Analysis, and this is with regard to the Senate version of budget reconciliation, income earners who make up to $30,000 per year can expect a $19 to $88 tax increase. In other words, not a tax cut but a tax increase if your income is up to $30,000 a year.

Meanwhile the average American who earns over $200,000 a year will receive a $3,416 tax cut. I would ask you, is that fair, particularly when we see who is impacted? Again, mostly senior citizens and children.

Now, while many of the Republicans are claiming to be balancing the budget for the future of our children and suggest that somehow this budget plan is actually going to benefit children, their plans actually hurt children. It is just the opposite of what they say.

I am sympathetic to this, Mr. Speaker. Right now I have two young children, one is about 8 months old and another is a little over 2 years old. And when I look at them and I think about how difficult it would be for someone earning a lot less than myself to be able to provide for them, particularly with regard to health care, it really makes me wonder where we are going in this Congress with this terrible budget bill.

I just wanted to quote from a recent New York Times article that was in the New York Times, Monday October 23. It says, and I quote,

The specific spending cuts in the Republican plans would fall very heavily on poor and lower middle income children today, leaving them less able to hold jobs in the years ahead.

I think what the New York Times is pointing out is that if we cut these programs for children, then in the long run we are not going to have adults who can really compete and do a good job as Americans in the marketplace. And ultimately we are essentially making it more difficult for these children when they become adults to contribute to society. So it really makes no sense.

Mr. Speaker, I think it is totally inappropriate to balance the budget and provide tax cuts for the wealthy on the backs of children. I just wanted to give an example, if I could. To my left here are two kids who really could be my own, in fact in some way they remind me of my own. This is used basically to illustrate the terrible impact of the cuts in Medicaid, which is the health income program for low-income Americans, which provides health care coverage now for one in four American children.

It is a statement basically from their mom whose name is Leslie. She is a 26-year-old mother of the two children, ages 6 and 2. And she says she is recently divorced and caring for her children as an at-home mother. Her income is substantially below the poverty line but with careful planning she manages to feed, clothe, and provide shelter for her children. And she says that her finances must be stretched out obviously to cover the budget, which is very strained. Without Medicaid, which again is the health insurance program for poorer children, even the best laid financial plans would surely collapse. The dilemma she would face without Medicaid in place would be basically to decide whether or not to feed her children or to provide shelter for her children. And she just goes on to point out how difficult it would be without Medicaid, again, the health care program for low-income Americans.

Childrens hospitals, as we know, receive about 40 to 70 percent of their revenue from Medicaid. So it is not only a question of when you cut Medicaid you hurt low-income children. But you also hurt all children in a way because, for example, the hospitals where oftentimes we go in order to deal with the problems that affect children would be significantly cut back in terms of the type of services that they could provide. Medicaid, as I said, provides health care to about 36 million low-income Americans. But two-thirds of the funding is utilized by the blind, disabled, and the elderly for acute and long-term care. What we are trying to point out here is that a lot of people, disabled people, elderly people, as well as children, are impacted by these cuts in Medicare.

And what I would like to ask, and I know the gentlewoman from Connecticut is here, it is incredible to me that we can cut $182 billion out of Medicaid when we spend more for defense in this budget bill. It actually is more money that goes for defense while we are making these cuts in Medicaid.

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 Medicaid, Medicare, 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 point out 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 his comments and say 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 180,000 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 1996.

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 children.

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 through a tax break so that they could 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 free or 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. DELAURO. I want to make one more comment and then 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 the possibility of some 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 what we are 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, ask to see that ugly and arcane 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 to, if I can, interrupt. 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 over the next few days going to emphasize 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 23.7 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 (Mr. 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.

MORE ON MEDICAID

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 who were lessening attention that we in this body sometimes tend to view incidences, votes, and occurrences like yesterday's news. We tend to think that it was last

Thursday's vote. It is over with and we go on to something else.

It is particularly important that we continue to address these issues because I believe that the American people will want us to do the right thing and then themselves will rise up and demand this body, this collective body of the U.S. Senate and of course the U.S. House of Representatives to do the right thing.

□ 1930

Might I say, 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,'' and 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 overwhelmed, 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 senior citizens, of course, with Medicare, 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 been hearing about, the one who gets accused of being on the dole. This is about children like this 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 $110 each month. 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 alive, not even healthy, but 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 interests in balancing the budget. I am a person that believes a balanced budget can occur, and, I think, can occur over a deliberative process, recognizing that health care in this country is an important aspect of the quality of life, and I want this country to live up to its traditions, its aspirations, and the image that it has around this world, and so I rise tonight particularly to attack the mean-spirited effort that is going on against the Nation's children, and I refer, of course, to the Republican budget cuts.

Mr. Speaker, the Republican plan to balance the budget would, among other things, eliminate Medicaid coverage for as many as 4.4 million children by 2002. It would deny Social Security benefits to some 755,000 disabled children, and eliminates summer job opportunities for 4 million young people, cut nutrition assistance to 14 million children, reduce child abuse protection by nearly 20 percent, and deny assistance to more than 16,000 homeless children.

Mr. Speaker, when I served as a member of the Houston City Council with citizens comprising of 1.4 million individuals, we faced the real burden and the real concern of seeing every day faces of homeless families, individuals who but for some undesirable occurrence in their life living not in cars, but under bridges with no protection whatsoever. It was certainly the extension of this Government, the McKinney Act, in fact, in provisions thereunder, that recognized that homeless children and families needed opportunities, too.

What do we do in 1995? We discard all of the progress that has been made in helping those families bridge themselves from homelessness to independence by this major budget reconciliation process that then cuts, and cuts, and cuts, and destroys, and destroys, and destroys. There is no doubt that many children will suffer if this effort is successful. That is why it is important that people who are on this side of the Mississippi River and beyond understand the very crux and crisis that we are facing.

My Republican colleagues argue that their progress would benefit children in the long run. Cutting the debt today they argue will save children from paying unbearable taxes in the future. Let me frankly say to you, Mr. Speaker, I wonder whether these children will even have an opportunity to be adults and certainly taxpaying adults for we diminish their opportunity with poor health care, Head Start being eliminated and simply not providing an opportunity for them to be educated and to bridge themselves out of poverty. These are innocent children, simply innocent victims, who will look to this country not for a handout, but for a hand up and a helping hand. Republican tax cuts would fall heavily on poor and lower-middle-income children.

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 credit. He will not get that anymore. 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. Maybe it has gotten too cold that year or too hot that year and utilities have gone up. This is the opportunity we provide hard-working Americans under Democrats.

What we provide now with the Republican leadership and the Budget Reconciliation Act is a cut totally of the earned income tax provision. This smacks in the light and the direction of which we would want this country to go, and that is to applaud those who are working and seeking to be independent and supporting their children. These cuts will now provide us with hungry, malnourished children who cannot be expected to concentrate and do well in school. These children will prove less able to compete for good jobs with children from more affluent families.

Mr. Speaker, all children ought to be loved and appreciated, and so this is not a fight between affluent children and poor children. This is a question of 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 Republicans. 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, so go out into the street? We cannot provide you with health care, so be part of the epidemics of measles and various other childhood diseases that will plague this Nation? There are families with average incomes of $13,325.

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 that 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? $200,000 a year? Some of the suggestions have been to cap it at $75,000 a year. The real issue is the families making $30,000 a year need it as well, and the earned income tax credit is now being eliminated, so that means that we are making less precious the children of those making less money.

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 they can do, 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 discussion and an appreciation 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, denied 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 by the 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 women pulled me and said, looking sad, ''Can you help me with my utility bill?'' This is not the senior citizen that we tend to think is going to be able to survive without Medicare or Medicaid. This is someone truly on the edge, possibly on the edge of living in decent home conditions or living out on the street. It seems, however, that the debate of the past few weeks has fallen on deaf ears.

Mr. Speaker, in my district of Houston, TX, too many children are in poverty too many times. As someone who has been an advocate for the homeless on city council and those children who need well care, health care, I find that we are not listening, and I find that we allow too many of our citizens to live in poverty for we say, if it is not in front of us, then it is not before us. I would simply say it is a play on words, just as I have done. It is before us, and it is in front of us, and we are going off the edge of a cliff. I find it hard to believe that this Congress would further cut the safety net for these children.

As one doctor of low-income children has said, I see kids literally every day with asthma that has not been treated, asthma so bad that they cannot function. Do you imagine, or can you imagine, what that is like, to see a child hardly able to breathe and getting no relief, to see a child unable to attend school, the same child that you cajole and encourage their parents to get a job, but yet you are creating a situation where this child will either not live to full adulthood or live a very short life. I see kids with ear infections that have led to hearing losses, the doctor says, to the extent they are not functioning in school. We can solve these problems, but we are not doing it.

In short, Mr. Speaker, these cuts are appalling. I am tired of Members of this body giving lip service to children's needs while voting against measures which will protect children's well-being and strengthen families. As it is now when we talk particularly about the city of Houston, I can tell you how hurting this will be for us. The Harris County Hospital District, again for a lack of a better term, will simply be devastated. Already they will be suffering under the Medicare plan which diminishes their opportunity for physicians to treat these citizens as well, but this program, as we look at it during the budget reconciliation effort this week, will find that Medicare coverage will be cut for as many as 206,641 children in Texas and 4.4 million children nationwide. Currently 20 percent of our children in Texas rely on Medicaid for their basic health needs. Medicaid pays for immunization, regular checkups, and intensive care in case of emergencies for about 1,407,000 children in Texas.

That is a particular concern of mine. I worked for many, many years in the city of Houston working with our city health department to move up the well-care checkups for our children, and all the time, as a city, we constantly face the problem no money, no money, no money.

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Obviously, an ounce of cure is worth a pound of prevention. I would simply say, we are being foolhardy, pound-foolish, pennywise, however it goes; we are being foolhardy. I believe that we have to be sensible and understand that our children are our future. The Republican budget cuts Federal Medicaid funding to Texas by $7 billion over 7 years and by 20 percent in 2002 alone. The sad part about it is that it gets a wide net of our children. It denies as many as 44,070 disabled children in Texas SSI cash benefits by the year 2002. The least of our little ones are left to the wind.

So I think it is time to give some substance to lip service, and as I stand here today, I fear for the future. What we do today will determine how bright or dismal the future will be for millions of children in this country. I urge my colleagues to ask themselves, what is the legacy that the 104th Congress will leave? Will it be one our grandchildren can be proud of, or will it be one of undereducated, underemployed, malnourished, nonimmunized young people?

There comes a time when we need to be able to stand up for things that are right. Over the past couple of weeks, we have simply seen a lockstep attitude. That frightens me, and it frightens me because it leaves little opportunity for any of us to engage in real debate.

Just this past week we saw a headline in the newspaper that talked about the punitive measures that were being brought against Republicans who voted against the Republican Medicare plan. My hat is off to them. They voted for their constituents, not for their political aggrandizement. They were not worried about the last campaign or the last headline.

My call today, as we begin this process of budget reconciliation, is who will you stand for? I am going to stand for the children, working families, senior citizens, Americans. I am going to stand for those who can do better if we help them to do better. I am going to stand for these very children who are here and who would want to be saved and to be contributing Americans.

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. Stand up again this week and join those of us who believe in our country and our children, and make sure that as you do that, you stand up and vote for our children and for our children's children, and all of Americans who are simply trying to grab hold onto the quality of life that we would pretend to have in this Nation.

Mr. Speaker, it gives me great pleasure that, as I close to yield to the gentleman from Maine [Mr. BALDACCI] who has been a great leader on many issues dealing with our children and dealing with hunger, and for his constituents in the State of Maine.

Mr. BALDACCI. Mr. Speaker, I thank the gentlewoman from Texas for yielding to me. I appreciate her very eloquent statements here today. It gives us food for thought.

Mr. Speaker, I am here today to add my voice to those of my colleagues in recognition of Domestic Violence Awareness Month. Every year domestic violence tops the chart as the leading cause of death among women. Every year more women are at risk of being

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 10,626 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 the victim of domestic violence, 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 break the silence 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. JON FOX], to talk a little bit about this reconciliation bill that 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 which 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 my little card 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 in truth, they are 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.

I would like to, before we really get 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 from 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 represent 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 what 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, is 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 about that. 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 waste in the Federal 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 almost 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 spending over the life of the loan over $2,200 less, just because we balance 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 will also be able, for the first time under this legislation, Mr. Speaker, 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 $11,200. 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 the managed care option, the 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 improvements in the health care system, 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?

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, yet 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, Democrat, whether 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 providers, 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 that is 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 trying to use 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 about 1.1 percent. That is what it is running in the State of Minnesota, about 1.1 percent in the private sector, but then on the government-run side of the health care expenditures, 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 some of the things that are working so well in the private sector, if we give them those choices, we can dramatically reduce the overall cost of health care, give people more options, give people more choices, and I think in the long run give them more services than they currently get, and control the cost so we eliminate some of the waste, fraud, and abuse that is currently 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 participate if you have in fact violated the fraud and abuse statutes that 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 President'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, when I explain what 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 grousing about? This is a great deal. This is what you should be doing. We are delighted 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 Congresses have said ''We know Medicare is in trouble, but we will get around to it sometime.'' But frankly, there is not anyone who wants to make sure 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 the bill now 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 litany 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 existing laws, or have sufficient penalties to discourage the waste and abuse in Medicare. $30 billion a year. It is a remarkable, unbelievable item.

Frankly, if we had run this system of Medicare in a private industry setting, we would have made the changes we are now doing 10 years ago so the system 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 held to the highest standard possible, or else they will not participate in the system any longer.

Mr. GUTKNECHT. Well, the whole key of service networks, provider service 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 we have a system, and I think most people who participate 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 providers 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, I did not get this particular 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 those 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 estimates, we can save 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 it is important 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 fraudulent or over-charged items 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 cataract 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, and the gentleman from 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 very first bill that 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 had 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 wish were not in the bill, 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 gentlewoman 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 money, and they 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.

That 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, I would have to 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 to grow, produce and hire, 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 got to reduce our cost to capital.

You can argue, that, yes, the rich will benefit because they pay lower capital gains tax; but the real benefactors are those people out there looking for jobs. Because we hope, as people invest more, we 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 and, 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 turning around.

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 it.

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 people happy through the 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 individuals than it is just 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 ideas 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 dependency on more 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, now, probably 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.

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Mr. GUTKNECHT. The people who care about this, I think it is important in the next week or two that they contact 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, let's keep your promises.''

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 way Congress has 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 4 basic goals with 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 37,000 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.

I 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 not living at 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, he is 20 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 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 socioeconomic 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 to get these folks independent

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 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 Washington, DC, Oversight Subcommittee. Eighty 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 about changing the system to help save people. 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 now.

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. Absolutely no one comes 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 colleague, the gentleman from California [Mr. RIGGS]. I am delighted to have him join us tonight for this special order.

We are talking a little bit about reconciliation, balancing the budget, some of the things that it is going to take, some of the tough votes it is going to take in the next several days if we are really serious about balancing the budget.

I yield to the gentleman from California [Mr. RIGGS].

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, because I have had 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 gentlewoman 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 and this notion that you can 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, I 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 fearmongering campaign that panders really to the 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. KINGSTON. I want the gentleman to do one thing, define earned income tax credit, because I know there are a lot of people like myself unfamiliar with this.

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 intend to enter into a colloguy 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

House Committee on Ways and Means, who will be managing that very important bill out here on the floor.

The purpose of the colloquy is going to be to ensure that we get language in the CONGRESSIONAL RECORD that will protect every American family. That is to say, we have worked long and hard and both chairmen, I believe, have agreed to engage in a colloquy that will assure the American people that no family will be worse off as a result of our efforts to reconcile and balance the Federal budget and almost all American families will be far better off as a result of our reducing taxes on American families through the $500 per child tax credit.

Remember, this is a tax credit that comes right off your bottom line in terms of your tax liability on your Federal tax return. For a family of four, the tax credit works out to a $1,000 per year tax break.

In fact, a couple of months ago, I was doing an editorial board back in my district, meeting with the editors of one of the daily newspapers in my district and this rather liberal assistant editor asked me, ''Well, what's in it for me, this $500 per child Republican tax credit?'' I said, ''Do you have any small children?'' And he said, ''Well, as a matter of fact I have two very young children.'' I said, ''I'll tell you what's in it for you, a $1,000 tax break for those two children each and every year until they reach the age of 18.''

Mr. GUTKNECHT. It is $1,000 to them. It is not a $1,000 deduction. This is a credit.

Mr. RIGGS. That is right. It is more of their hard-earned money that they keep, that they decide how to spend.

Mr. KINGSTON. Did you tell him he did not have to take the $1,000 and buy more food and clothing? He could send it to the ACLU, the American Civil Liberties Union.

Mr. RIGGS. I did not, but I could see his eyes widen as he realized what we were talking about. I daresay that gentleman would probably object to being described or depicted as a wealthy or rich individual.

The fact of the matter, and I want to get to the earned income tax credit in just a minute, but I want to explain that most of our tax cuts or tax relief go to middle- and lower-income families. If anyone on this side of the aisle takes issue with that, I defy them, come over now and we will debate this particular issue. Because the facts bear us up.

Let me stress again that the $500 per child tax credit will eliminate Federal income taxes for those families making less than $25,000 per year in adjusted gross income. You might call those families working poor or very low-income families, and the $500 per child tax credit will completely eliminate the Federal tax liability for those families, which are roughly estimated at 4.7 million American families.

So we talk about being heartless. We are accused of being heartless on this side of the aisle. Is anyone on that side of the aisle so heartless that they will come over here now and tell the American people and tell those 4.7 million working poor, very low-income American families, that they are not entitled to the $500 per child tax credit for their dependent children? I do not think that will be the case.

Furthermore, our $500 per child tax credit means those making between $25,000 a year and $30,000 a year in adjusted gross income will have their Federal taxes cut in half. So the majority of our tax cuts go to families that, by anyone's definition, even I daresay the objective, honest definition of those on the other side of the aisle who desperately want to demagog this issue, desperately demagoguing Democrats I guess you would have to call them, they would have to acknowledge this: The great majority of our tax breaks go to low- and middle-income families.

The gentleman asked an important and pertinent question about the earned income tax credit.

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Let me just point out to him that spending on the earned income tax credit has increased 1,000 percent. You heard me right: 1,000 percent over the last 10 years, making it the single fastest-growing entitlement in the Federal Government.

When Ronald Reagan described the earned income tax credit as ''the best antipoverty program ever devised,'' it cost $2 billion a year and gave a modest tax rebate to low-income working families with children. Sounds very much like our $500-per-child tax credit, does it not? Except, again, ours is a tax credit. You can actually keep that money. You do not have to wait for a rebate from the Federal Government.

Mr. KINGSTON. Let me speak to that for a second. Is the gentleman aware on the earned income tax credit you can prefile before you have actually earned the money?

Mr. RIGGS. Yes. That is my understanding.

Mr. KINGSTON. In January you can get the tax credit on work you have not done. Then if you do not do the work, as I understand it, there is no mechanism for collecting that money.

Mr. RIGGS. That is exactly right.

The point I wanted to make, this program has actually exploded in cost and growth. I mentioned it has grown a thousand percent over the last 10 years in real dollars. That means it has grown from $2 billion a year in spending to offset the earned income tax credit to $20 billion a year. It gives a large cash rebate to people who do not even have kids.

So we want to target our tax relief to families. We want to strengthen the American family. The question is not about, you know, it is not the good old class warfare politics, the politics of envy. It is not about where we establish that income threshold, although that is, you know, as to where to cap the $500-per-child tax credit, even though that is a matter of ongoing discussions between the House and the Senate. The real issue is kids and families, and that is where we want to emphasize our efforts at tax relief, and as the gentleman from Georgia points out, the earned income tax credit is a 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. Come get your check now.''

I looked it over. I mean it really looked like a Readers' Digest sweepstake. What the Member of Congress, with taxpayers' dollars, was sending out was a franked piece saying, ''Come get your earned income tax credit. Come get it right now. It is free money''. And it was franked to every single person in his district.

Mr. RIGGS. If the gentleman would yield again, I happened to see that. I believe actually that was a recommended ploy in the last Congress, let us be honest about it.

Mr. KINGSTON. So why would you want to give away that? You know, hey, you see me; you are giving out 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 dependency, but the fact of the matter is we are increasing spending. I 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 votes 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 meeting or, 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 $6 trillion 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 I think are so critically important that do not get asked very much in this town. The first question is: Whose money is it in the first place? The second question, more importantly: Who can spend it more efficiently? I think the average American family knows the greatest health and welfare system ever created is the American family, and what we are really trying to do is strengthen families, improve the economy, create more jobs, so more people can be self-reliant. The real answer is not more welfare checks. The real answer is more payroll checks. That is what we want.

I am delighted to have the gentleman from Arizona [Mr. SHADEGG], a fellow freshman of mine, to join us, and I yield to the gentleman. We are talking about budget reconciliation, balancing the budget and related matters.

Mr. SHADEGG. I am thrilled to be with you tonight. I appreciate this opportunity.

First let me commend you and your colleagues here on the floor for carrying on this debate, talking out in front of the American people about this issue, particularly about the issue of tax cuts.

I have got to tell you I am here tonight to discuss that issue. I am here because I think it is a critical part of reconciliation. It is a hot debate before the American people.

I want to begin by imploring our colleagues to just stop in their tracks for a minute and consider a few of the facts that are before us, and then I want to urge them to do what I did, which is to quit accepting kind of the public view that they have in their own mind without checking it out and go out and ask people.

Let me explain what I mean by that. First of all, I heard here on the floor of this House and in the halls of Congress over and over again this rhetoric, ''Well, we have to focus on deficit reduction. We should not be cutting taxes right now.'' You hear it clearly from the other side. You hear it occasionally from our side, Members genuinely concerned about should we be cutting taxes right now.

I have had a theory about that. I went home recently and went to an event in my district, an evening event. After the event was over, two different people came up to me, one a woman in probably her late seventies, the other a man in is sixties, and both of them came up to me and implored me not to cut taxes. They said, ''You should not be cutting taxes. What you ought to be doing is focusing on deficit reduction.''

I looked them right in the eye. I said, ''You know what, I really appreciate that. I appreciate that because what you are saying is what you honestly believe. But let me tell you, you are dead, absolutely, 100 percent wrong.''

When you say that to constituents, you get a little shocked reaction. They said, ''Well, why?'' I said, ''Well, let me tell you why you are saying that and where we are in America. Let us start with the fact we have all heard 100 times,'' and I said probably a thousand times in my campaign, I was born in 1949. The year after I was born, in 1950, the average American family with children paid $1 to the Federal Government in taxes out of every 50 it earned. You earn a hundred-dollar bill, you send $2 to the Federal Government.

You know and I know, but I wonder how many people out there know and how many of our colleagues even think about the fact that in 1993, the figure is not 1 out of 50, it is 1 out of 4. Earn $4 and send 1 of those 4 to the Federal Government in taxes. We are not talking State Government. We are not talking local government. We are not talking fees to get into a park. We are talking taxes to the Federal Government. 1 out of 4; 1 out of 50 in 1950, 1 out of 4 in 1993. I tell audiences, ''Have you gotten that much more out of the Federal Government for this mega tax increase we have had over the years?'' And they are suddenly stunned, as these two constituents were.

Then I have this theory, and I have been telling it to our colleagues around here time and time again, and they kind of do not buy it. So I decided to prove it. My theory was we are hearing from people who come to our town halls, and we are hearing from people at Kiwanis Clubs and Rotary Clubs, where we go give speeches. Let me tell you, I love this Nation, and I admire the people that come to my town halls, and I respect the people who join a Kiwanis Club and care to go and make their part of making America better by being a member of a Kiwanis Club. But real America does not have time to come to my town hall. They do not. Real America does not even have time or the money to join a Kiwanis Club or a Rotary Club. It is a financial burden.

It costs my friends who are Kiwanis Club members $20 or $30 a week to go be part of that club, pay for lunch, take time out of work and support charitable things that club does. That is not America.

Mr. RIGGS. And be fined.

Mr. SHADEGG. And be fined. They get fined for whatever they do because that supports the club and they are helping society and they are helping charities in their community. You know what, that is not America.

Real America struggles to get their kids out of bed in the morning and get them dressed and get some Cheerios in them and get them off to school. Then they rush out the door to get to work. They struggle through their 8 hours of work or maybe 9 or 10 and maybe a second part-time job, then back home, pick up the kids from school or day care. You know what they have got to do, get the kids back home, take care of Little League, a couple different things. They have got to do their homework, get them back to bed and do it again.

They are not at JOHN SHADEGG's town halls. They are not at the townhalls of the gentleman from Minnesota [Mr. GUTKNECHT]. They are struggling to get by. Those people are not saying, ''I am undertaxed.'' You said it right.

But you know what, we do not hear from them. We all go out and say, ''Well, my constituents say, 'Don't cut my taxes, take care of the deficit. I am a big charitable person.'''' They are right, we do have to take care of the deficit. That is for our children and our grandchildren.

But you know what we have to do today, we have to cut taxes because the burden is oppressive. I have been saying that whole thing about the people at town halls and Kiwanis Clubs are not real America around here for 3 months or maybe more. I finally said, you know what, with my colleagues saying, ''You are wrong, SHADEGG. They are real people.'' I said I am going to test this. You know where I was at 2 o'clock yesterday afternoon? I grabbed one of my staffers. I said, ''We are going out.'' I called last Friday, told my scheduler to put time on my calendar. We went last Friday. We went to an ABCO, a grocery store in my district, we went to a Walgreen's, a drug store in my district on the east side of my district. The east side of my district is a pretty good side of the district. They have some money. They are

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 would talk to us. We asked, ''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 act, I did some verbatims 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 you know what we did after 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.''

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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 MegaFoods, 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 under.''

Let me read you one of those quotes. ''I pay taxes on everything. I just barely scrape by as it is. I need a tax break.''

The bottom line, the number was out of 55 respondents, 45, or 82 percent, said they needed a tax cut, either as part of deficit reduction or as a part of just lowering the burden on them. Why? Because they cannot bear the burden any longer. They are not undertaxed.

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 hate the way we 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 tax cuts, 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, they ain't raising it.

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, more revenue goes in. So, frankly, if I was a dictator and did not care about the people, I would have a low tax rate just to keep the economy going.

Mr. SHADEGG. Mr. Speaker, I implore my colleagues, if you are in doubt about this vote two days from now, do what I did: Call a staffer back in your district, if you cannot get home, and do what I did. Go stand in front of a grocery store, go stand in front of a K-mart, or have a staffer do it, and ask them. And they will tell you, if you let them open up to you, they are overtaxed and they need a break. This is the right thing to do for America and for the American people and the American taxpayer.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for organizing this special order and look forward to joining him again on the floor over the next couple days. I would just point out, our budget reconciliation balanced budget plan clearly shows we are going to keep our promise to the American people to balance the Federal budget for the first time in 25 years, without touching Social Security and while providing the American people with much needed tax relief.

Mr. GUTKNECHT. I would just close with a quote from Governors Weld, Engler, Thompson and Christine Todd Wittman, a letter they sent to Speaker GINGRICH on March 31 of this year. ''As governor, we have all cut taxes. At the same time we have balanced our budget. We have not accepted the false dichotomy that claims governments at the State or Federal level can only balance their budgets or cut taxes but not both. There is no reason Washington cannot walk and chew gum at the same time, too.''

We can balance the budget, if we are willing to limit the growth in entitlements, if we are willing cut discretionary domestic spending, as we have, by $44 billion this year. We eliminate over 300 departments and programs. And if we are willing to have a flexible freeze in the Defense Department, we can give tax relief to families and we can balance the budget, and the real winners will not be the rich. The real winners will be those blue collar folks out there, who get up every day, who do the work, who pay the bills. They are the glue, they are the mortar that hold the bricks of this society together. And they are going to be the big winners, because there will be more jobs, more income, lower interest rates and less debt only to them and their kids.

I think we can all be winners. I do agree, I hope more Members on the other side will join us in this historic vote for the first time where Congress is going to balance its budget and we are going to give tax relief to families and make it easier for businesses to grow and invest and create more jobs.

I want to thank you all for joining me tonight. This has been a great special order. I think this is going to be a very historic week for the American people.

ANNIVERSARY OF THE MINIMUM WAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr.OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, I would like to begin on a note of agreement tonight. The previous speakers have talked about the great need for the

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 not increase the deficit and 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 red is 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 exclaiming that we need a tax cut, I agree, we need a tax cut for families and for individuals. You can have that tax cut 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 that families and individuals are due for a tax cut. They should have it, and they can have it, and you can have it without increasing the deficit and you can have it even with a balanced budget. We do not have to rush the balanced budget in 7 years; we can do it in 10 years and not make devastating draconian cuts. Just balance the tax burden and you can balanced the budget and do it without a deficit.

I agree with my colleagues, every American family ought to be angry at this kind of ratio, where the swindle has taken place, corporations have gone down, down, down in their portion of the tax burden, while individuals have gone up.

It is appropriate that we begin this discussion, I think, on the day where we are, I hope, celebrating, a will use the word celebrating, the anniversary of the institution of the first minimum wage law. Today, 57 years ago, the first minimum wage law was passed. Twenty-five cents per hour was set as the minimum wage, the first passed in this Nation. Today we have gone from 25 cents an hour to $4.25 an hour, and according to leading economists, including Nobel Prize winning economists, we are in worse shape in terms of the relative value, the purchasing power of that $4.25 an hour. It is down almost as low as it was, or lower, than it was in 1955. The purchasing power is at an all-time low. It is time to increase the minimum wage.

If you want to help working class families, then one of the first things we should do is increase the minimum wage, because even under the minimum wage, a family wage earner, working full-time, a 40-hour week, will earn less than $9,000. A family of four needs about $14,000 in this Nation not to plunge into poverty. But if you earn every working day of the year, earn the minimum wage, you will be way below that $14,000. So there are a number of problems that would be solved if we were just to move forward with an increase in the minimum wage.

There are reasons why that is not a bipartisan policy anymore, and we are going to talk about that.

I will be joined today by a number of my colleagues. We are going to talk about the anniversary of the minimum wage and the implications of it, where does it fit into the whole scheme of the budget reconciliation, into the whole insistence we must have a tax cut at the same time. Are we going to make draconian cuts in Medicare and Medicaid and cut school lunches? Where does it all fit in here? Where does it fit with welfare reform where they say people should go to work?

One Governor was recently quoted and saying people do not need job training, they need alarm clocks. Get them up and there is work out there. There is very little work out there in some places. An article in the New York Times today on the front page talks about the great Michigan experiment where the Governor of Michigan proclaimed he solved the welfare problem and put people to work. What they found is people have been put to work and remained on welfare because they are going to work making minimum wage and not making enough to live on. They still need help from the government. So you are going to replace a long cycle of people being on welfare who were not working with a new kind of person who is working and also on welfare, because the minimum wage is not high enough to allow them to take care of a family and meet basic needs.

Joining me immediately is my colleague on the Committee on Economic and Educational Opportunities. She knows quite a bit about all this. She has been on welfare and knows all about the minimum wage, and I am proud to have here join me today, the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend here remarks.)

Ms. WOOLSEY. Mr. Speaker, I would like to compliment my colleague from New York for having this special order tonight on the anniversary of the minimum wage.

Mr. Speaker, 28 years ago I was a single, working mother with three small children receiving no child support and earning minimum wage. Even though I was working, I was earning so little, I was forced to go on welfare to provide my children with the child care; health care; and food they needed. Even though I was educated and had good job skills, I still wasn't making enough to fully support my kids.

My story bears repeating tonight, because too many families today are in the same predicament I was in 28 years ago. If this Congress is truly serious about reducing dependence on welfare, then let's increase the minimum wage and pay working parents enough to support their families and take care of their kids.

The minimum wage has not kept up with increases in the cost-of-living. Workers these days can put in a full day of work, 40 hours a week, at minimum wage and still live below the poverty line. The new majority in Congress wants to cut the earned income tax credit; kick single moms and their children off welfare; and reduce health benefits for low-income families, but they won't even hold a hearing on increasing the minimum wage.

If we want to reduce reliance on public assistance, doesn't it make sense to make work pay? Shouldn't entry level jobs pay more than public subsidies? Doesn't that make sense?

In addition to making good sense, a minimum wage increase is also a matter of basic fairness for millions of working Americans. In 1960, the average pay for CEO's of the largest U.S. corporations was 12 times greater than the average wage of a factory worker. Today, those CEO's receive salaries and compensation worth more than 135 times those, wages and benefits, of the average employee at the same corporation. That's not fair.

And it's not fair that 80 percent of minimum wage employees are women. It's not fair that from 1973 to 1993, real income for working men with high school diplomas dropped by 30 percent.

It's not as if businesses aren't doing well. Private business productivity has been increasing and profits are up. But wages are stagnant—there's something unfair and wrong with this picture.

Isn't it time to let American workers share the fruits of their labor?

Speaker GINGRICH and his allies say they support traditional American values. Well, let's return to the traditional American value of paying an honest wage for an honest day's work. Let's raise the minimum wage.

□ 2100

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from California [Mrs. WOOLSEY], and reclaiming my time, I would like to note at this point that another of my colleagues intended to be here but could not make it. The gentleman from Puerto Rico CARLOS ROMERO-BARCELÓ, another Member of the

Committee on Economic and Educational Opportunities, also would like to submit his statement for the RECORD.

Mr. Speaker, I think we should understand the difficulty with the minimum wage and the ability to achieve a bipartisan consensus on taking this very simple step that has been proposed. We are proposing we increase the minimum wage by a mere 90 cents over a 2-year period in a two-step operation. 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 greater 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. This 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 manipulate 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 6.2 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 corporate power, the Republican majority in this House, 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 moneys 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 prisoners 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 order in Mexico. And right away, every time we talk about wage increases, they say, well, we are getting further and further away from being able to be competitive with 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. I was only 2 years old. 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 382 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 1950's. 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 has jurisdiction over the bill, will not hold a hearing on the issue. How times have changed. How times have changed from the date when only 37 Members of the House of Representatives voted against an increase in the minimum wage to a time now where only a little more than half the Democrats in the House of Representatives are cosponsors of the minimum wage increase bill.

There is a bill, Mr. Speaker, and the primary sponsor is the Minority Leader, Mr. GEPHARDT. The President has endorsed the bill, yet only a little more than half the Democrats in the House of Representatives have signed onto that bill as cosponsors. Is it any wonder that the Republicans who are in the majority treat the effort with contempt if we cannot get most of the Democrats in the House to get on board.

If ever there was a clear issue which defined the differences between the two parties it ought to be an increase in the minimum wage. What is wrong with the Democrats who propose to represent the working people? Why can we not unite and fight for an increase in the minimum wage?

A chief argument against raising the minimum wage among both economists and some politicians, Democrats as well as Republicans, is the fear of job losses. The threat is that employers will dismiss thousands of workers on the grounds they lack the skills to be worth more than the minimum wage. Nearly all of these estimates of job losses have shrunk as the research has taken place.

Every time we have increased the minimum wage this argument has been made that we are going to decrease the number of jobs available because the employers will choose to employ fewer people. Every time that argument is made there have been studies done, and studies on top of studies, and they all conclude that it does not happen. There is 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 whose lives it is to study the 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 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 level is quite low, 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. This is an act which very much 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, also must be paid prevailing wages. Efforts are still underway to destroy the wages that are undergirded and supported by the Service Contract Act. Janitors and other service employees of that kind are involved here. Janitors at Federal facilities, who are working full time, are often paid wages which are below the poverty level. Working for Federal facilities they are paid wages below the poverty level. Yet the Republican leadership in this Congress believes that janitors are making too much money as a result of the Service Contract Act.

Who cares about working people? Who cares about families? They talk about $500 per child tax credit. Are they really sincere if they will not provide a decent wage for the average working person out there and allow them to earn enough money to be able to qualify for that tax credit? Most of them will file taxes but will not be able to get a tax credit because they are making such small amounts of money on minimum wage, less than $9,000 for a family of four. They will not have to pay any taxes. They will not be able to take advantage of a tax credit.

Mr. Speaker, let us bring all the people up as far as possible through the long-term, time honored device of paying a decent wage.

□ 2115

Let us make work pay. We have just destroyed much of the welfare program. We have just taken away the entitlement for young children. Poor children, since the beginning of the New Deal, have been guaranteed that if their family qualifies, if they are really poor, if they are means tested and found to be really poor, they qualify for Aid to Families with Dependent Children.

That is an entitlement. It is a right. Everybody who meets it is supposed to get it. They get it at different levels in different States, but the States do it and the Federal Government stands behind them. No matter how much money is needed in a given year, the Federal Government will make certain that the money is available, because it is an entitlement.

That entitlement for poor children has been taken away. There is still an entitlement, by the way. Social Security 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.

Fortunately, the Social Security Act does provide a more humane face and it provides it even without a means test. Let us not let them destroy the Social Security provision which takes care of orphans; yet, it is gone for 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 obliterate, 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 given some benefits and some incentives 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 to 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 refuse to provide help 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 being 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 those 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 on the table, we are rewarding 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, rich or 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 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 48.1 percent in 1983, at the same time that the corporations reached their lowest point of 6.2 percent.

This is where the deficit started too. A combination of the 6.2 percent and the 48.1 percent was not great 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 problem we are trying to correct with the deficit-reduction policies now took off with a vengeance following this kind of situation where corporations were allowed to swindle 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. Technology, science, the peace of the world that all of us helped to make. The peace of the world that young men went off and died for in Vietnam and Korea, on the Normandy beaches. Everybody contributed to what is happening in the world today.

The technology 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 are really driving 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 grew up in 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, where the X's and the 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, my mother knew the price 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 atmosphere, the corporate greed era that we are in now, 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 extreme measures 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 politicians are always 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. We 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 your district 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, Members of Congress 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 is some notion of: Who works 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 wages 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 way short of 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.

□ 2130

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 we not 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 of the chief 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 if 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 income inequality.

In this atmosphere of corporate greed, after-tax profits are the highest that they have been in 25 years. But corporate America is not sharing the bounty with the average workers who help to produce it. 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 claim that higher profits always lead to reinvestment. They have not been reinvested in the economy. Investment as a share of 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 work force have either remained stagnant or declined. The hourly wage of the median male worker has declined 1 percent per year since 1989.

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 of families has risen 16 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 perpetuated 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 economy. They do not just go off and 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 it comes to sharing the results 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 laid off 122,000 workers since 1992. The CEO of AT&T earned $3.5 million last year. He has laid off 83,000 workers since 1992. The CEO of General Motors earned $3.4 million last year. He has laid off 74,000 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 the people who need the minimum wage increase. 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 Nobel Prize 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 enter into the RECORD the statement of 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 dependent 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 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s.

Since the early 1970s, the benefits of economic growth have been unevenly 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. 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 two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

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.

Applebaum, Eileen—Economic Policy Institute.

Arrow, Kenneth J.—Stanford University.
Bartik, Timothy J.—Upjohn Intitute.
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.
Briggs, Vernon M.—Cornell University.
Brown, Clair—University of California at Berkeley.
Browne, Robert S.—Howard University.
Burtless, Gary—Brookings Institution.
Burton, John—Rutgers University.
Chimerine, Lawrence—Economic Strategy Institute.
Danziger, Sheldon—University of Michigan.
Darity, William Jr.—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.
Eisner, Robert—Northwestern University.
Ferguson, Ronald F.—Harvard University.
Faux, Jeff—Economic Policy Institute.
Galbraith, James K.—University of Texas at Austin.
Galbraith, John Kenneth—Harvard University.
Garfinkel, Irv—Columbia University.
Gibbons, Robert—Stanford University.
Glickman, Norman—Rutgers University.
Gordon, David M.—New School for Social Research.
Gordon, Robert J.—Northwestern University.
Gramlich, 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.
Heibroner, Robert—New School for Social Research.
Hirsch, Barry T.—Florida State University.
Hirschman, Albert O.—Princeton University.
Hollister, Robinson G.—Swarthmore College.
Holzer, Harry J.—Michigan State University.
Howell, David R.—New School for Social Research.
Hurley, John—Jackson State University.
Jacoby, Sanford M.—University of California at Los Angeles.
Kahn, Alfred E.—Cornell University.
Kamerman, 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.
Lester, Richard A.—Princeton University.
Levy, Frank—Massachusetts Institute of Technology.
Lindbloom, Charles E.—Yale University.
Madden, 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.
Mishel, 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 Cruz.
Nichols, Donald—University of Wisconsin.
Ooms, Van Doorn—Committee for Economic Development.
Osterman, Paul—Massachusetts Institute of Technology.
Packer, Arnold—Johns Hopkins University.
Papadimitriou, Dimitri B.—Jerome Levy Economics Institute.
Perry, George L.—Brookings Institution.
Peterson, Wallace C.—University of Nebraska at Lincoln.
Pfeifer, Karen—Smith College.
Piore, Michael—Massachusetts Institute of Technology.
Polenske, Karen—Massachusetts Institute of Technology.
Quinn, Joseph—Boston College.
Reich, Michael—University of California at Berkeley.
Reynolds, Lloyd G.—Yale University.
Scherer, F.M.—Harvard University.
Schor, Juliet B.—Harvard University.
Shaikh, Anwar—Jerome Levy Economics Institute.
Smeeding, Tim—Center for Advanced Study in the Behavioral Sciences.
Smolensky, 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, Paula B.—University of Wisconsin.
Vroman, Wayne—Urban Institute.
Watts, Harold—Columbia University.
Whalen, Charles J.—Jerome Levy Economics Institute.
Wolff, Edward—New York University.

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].

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 this country are earning. The minimum wage in my 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.

Also, I would 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 areas, it indeed will be very harmful. This budget will cause pain to many Americans, in inner cities as well, but it will cause particular pain to rural America.

Rural North Carolina, including my congressional district, where we have a poverty rate about 25 percent, if you combine that with the low minimum wage and the poverty rate and understand what the budget reconciliation act will do, you begin to understand the devastation that will happen to rural America. The very basic essentials like shelter, clothing, housing provisions as well as food, as well as health care will greatly suffer in terms of that. Most rural hospitals and other rural facilities will suffer as a result of us not having an opportunity.

I know that the gentleman has shared his time. I am going to ask to enter the remainder of my remarks into the RECORD, as follows:

Mr. Speaker, how a nation spends its resources says volumes about who is important, who is not, which regions of our Nation are favored and which are ignored.

When we vote on budget reconciliation this week, this Nation will know the winners and losers.

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 utility services, especially water and sewer, is compounded by limited access to quality health care and a shortage of health professional, especially primary and family physicians. 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 my State is experiencing progress due to many of the very programs this Congress now seeks 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, $199.5 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 milion 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, agribusiness 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 late, or if it rains at all, Government can have great influence over the resources that we make available to the farmer.

We can remove 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 and decaying.

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 economics 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.

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, will we say to the small, family farmers, 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 a situation 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 is being said. 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 1995, the tax 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 before us sponsored by minority leader GEPHARDT. 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 allow a single, 1-cent increase, in 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 now.

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. 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 a time when the majority in this Congress is 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 complained and objected 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 3.7 million American citizens of Puerto Rico. It raised the standard of living of thousands of working families and brought added dignity to their daily endeavors at their job sites.

Let this experience serve as an illustration of the benefits of 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 will appreciate our leadership.

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 1980s, that was not the case. Actually, until the early 1980s, 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. Those most likely to be helped are women, because disproportionate shares of women are harmed by the low value of the minimum wage. I think that is important 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 all minimum wage workers. The only debate is whether and how many teenagers would lose jobs if the minimum wage is hidden. 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. No one argued 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 net employment 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 them 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 gap 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 contour 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 worth almost $6 an hour in today's terms, 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 undermines 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 these 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 memorializes 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.

Jose Salavarria, 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 expanding 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 that 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 1977, 54 percent of female murder victims were killed by husbands or boyfriends; by 1992, the percentage had soared to 77 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 a 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, provides 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 victims 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 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 stiff 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 family 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 58 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, domestic 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.

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Mr. Speaker, it now gives me pleasure to yield time to a very special Member of Congress, the gentlewoman from New York, Mrs. NITA LOWEY, who is the cochair with me of the Congressional Caucus for Women's Issues.

Mrs. LOWEY. Mr. Speaker, I want to thank the gentlewoman from Maryland [Mrs. MORELLA], who is not only my cochair of the Congressional Caucus on Women's Issues, but has truly been a leader and a fighter for domestic violence issues. Let us hope we can together reach that day when all this work will not be necessary. I am particularly pleased to be here with the gentlewoman from California, Ms. LUCILLE ROYBAL-ALLARD, who has been the chair of the Domestic Violence Tax Force. I thank the gentlewoman for leading us in this special order this evening.

Mr. Speaker, 1995 has been a landmark year in raising this Nation's consciousness about domestic violence.

Together, we listened in horror to the 911 tapes on which Nicole Brown Simpson pleaded for her life with a radio dispatcher while her husband raged in the background.

We were shocked to discover that a judge in Maryland sentenced a man to only 18 months after he had been convicted of murdering his wife, explaining the sentence by stating that murder was a reasonable response to finding one's wife in bed with another man.

We watched as the first criminal was convicted under the Violence Against Women Act, a man who beat his wife senseless, put her in the trunk of his car and drove around for 6 days before taking her to a hospital.

And for the first time we have a President who is dedicated to eradicating domestic violence from this Nation, a President who was raised in a home violated by abuse, a President who remembers seeing his own mother struck by her husband.

At this moment in the Nation's history, one would expect that Congress would be leading the fight to combat domestic violence. And yet, at the very time that we should be attacking violence against women, the programs that protect women are under attack.

This summer, the House leadership attempted to gut the funding for the Violence Against Women Act programs. The Violence Against Women Act was passed just last year by a bipartisan, unanimous vote. And yet, the House leadership tried to cut over $169 million of funding to the programs authorized under the act.

Fortunately, a bipartisan group of women Members stood up for these programs. Together, we ensured that Congress would not break its promise to the American people to protect victims of domestic violence. Working together, we restored $90 million of funding for these programs.

Currently, the Senate proposes to fully fund these vitally important programs. I can think of no better recognition of domestic violence awareness month than an agreement by the House to fully fund the Violence Against Women Act programs.

Domestic violence is an epidemic that is sweeping this Nation. The Violence Against Women Act programs are necessary to roll back this tide of violence. Just listen to these statistics:

The FBI estimates that a woman is battered every 5 to 15 seconds in America;

28 percent of women who were murdered in 1992 were killed by husbands or boyfriends;

Domestic violence will occur in at least 50 percent of all marriages;

Estimates show that one in six women in this country is, or has been, a victim of domestic violence;

The cost of domestic violence to U.S. health care is estimated between $5 to $10 billion a year;

The American Medical Association estimates that anywhere from 22 to 35 percent of women seeking emergency medical care are there due to injuries incurred by domestic violence.

These statistics are horrifying. The Violence Against Women Act was the Congress' way of signaling that this epidemic of violence must end. The failure to fully fund the programs makes the Violence Against Women Act meaningless. And it signals to the American people that this House is turning its back on America's families by cutting funding that protect its mothers, sisters, and children.

What will it take for the House leadership to realize the importance of funding these programs? How many women must be terrorized in their own homes? How many women must die?

as Domestic Violence Awareness Month comes to a close, I urge all of my colleagues to remember that focusing on this issues just once a year is not enough. In the months that come, we must all work together to ensure that women are safe from domestic violence. We must come together to demand that the Violence Against Women Act programs are fully funded. It is literally a matter of life and death.

Mr. Speaker, I again thank my colleagues, the gentlewoman from California [Ms. ROYBAL-ALLARD], the chair of this task force, and the gentlewoman from Maryland [Mrs. MORELLA], with whom I have worked very closely in fighting for the full funding of these programs. I thank the gentlewoman very much for this special order this evening.

Mrs. MORELLA. Mr. Speaker, I want to commend the gentlewoman publicly and for the RECORD for the very hard work that went into being able to obtain significant funding for the Violence Against Women Act. All America thanks her for doing that.

Mr. Speaker, I would like to now yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. MORELLA]. I also want to thank my colleagues who have been so active in this effort for a long time and have made great strides and great accomplishments, the gentlewoman from New York [Mrs. LOWEY] and the

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 just have to look 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 awareness, 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 have, 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 physician's office, but they 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 frontlines of this fight.

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 abuse suffered by 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 [Mrs. 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. MORAN. I thank the gentleman 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 do 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 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 is one that would require that medical schools include within their medical training information abut 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 gentleman 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 clergy, 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.

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Mrs. MORELLA. Mr. Speaker, in recognizing the fact that O.J. Simpson was, in fact, a batterer, we know that case really was sort of a wake-up call in a way. It told women throughout our country that such a thing as domestic violence is prevalent and that it is time for them to no longer put up with it, but to turn for help to the courts, to law enforcement, to the medical community, to their neighbors and organizations.

I am very pleased now to be able to yield time to our distinguished friend, the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Maryland, and I congratulate her on this very important special order.

Mr. Speaker, as the chairman of the House subcommittee committee on select education and civil rights, and I served in that capacity for 6 years, I was proud to introduce the Domestic Violence and Family Services Act in both 1988 and 1992. We reauthorized this Domestic Violence and Family Services Act. This act funds a variety of prevention programs which are designed to promote the swift identification of domestic violence. It also provides critical operating support needed to sustain a national network of temporary shelters for the victims of domestic violence.

Mr. Speaker, these programs need greater Federal support. Family violence shelters must turn away three out of every four women who seek assistance due to insufficient space. The

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 Federal assistance.

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 in this critical area, 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 $3 billion. The safety net 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, human rights 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. 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 must stop.

This crime crosses racial, social, and economic lines. It affects poor, rich, and minority women alike. Last year alone, 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. Some 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 parents.

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 the shelters' residents are the children 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 heinous crime.

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 death, they do 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 go 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 criminal justice system domestic violence is dismissed as a ''private or family matter'', rather than a criminal offense. In some cases women who 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 family violence police do not make arrests, 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 who witness 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.

Too often, wife-beating continues to be regarded as a private, not police 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 will resume living with their abusers. And most often, 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 cases, tracks a couple from a 911 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. Judges 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 we must all 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 witnesses violence at home. Pastors and clergy cannot tell a battered spouse 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.

Ms. HARMAN. Mr. Speaker, it is ironic that this month is Domestic Violence Awareness Month. It's 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 will 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-State-Justice 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 level of funding to fully fund the Violence Against Women Act at $175 million.

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, beds, 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 for their emergency response program, 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 until women 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 health 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. BLUTE). 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. ARMEY), for today, on account of a family medical emergency.

Mr. WELDON of Pennsylvania (at the request of Mr. ARMEY), 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.

Mrs. CLAYTON, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.
Ms. BROWN of Florida, for 5 minutes, today.
Mr. DEUTSCH, for 5 minutes, today.
Mr. GENE GREEN of Texas, for 5 minutes, today.
(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)
Mr. SCARBOROUGH, for 5 minutes, today.
Mr. BILIRAKIS, for 5 minutes each day, today and October 25.
Mr. MCINNIS, for 5 minutes, today.
Mr. HORN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:
(Mr. ROBERTS, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $4,577.00.)
(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)
Mr. STARK.
Mr. GEJDENSON.
Mr. MURTHA.
Mr. VENTO.
Mr. VISCLOSKY, in two instances.
Mr. HAMILTON.
Mr. LAFALCE.
Mr. FRANK of Massachusetts
Mr. KENNEDY of Massachusetts.
Mr. NADLER.
Mr. SCOTT.
Mr. CLYBURN.
Mr. MATSUI.
Mr. LEVIN.
Mr. LANTOS.
Mr. MANTON.
(The following Members (at the request of Mr. MCINNIS) and to include extraneous matter:)
Mr. COMBEST.
Mr. DAVIS.
Mr. CUNNINGHAM.
Mr. HYDE.
Ms. ROS-LEHTINEN.
Mr. FIELDS of Texas.
Mr. BAKER of California.
Mr. WOLF.
Mr. SMITH of New Jersey.
Mr. ROTH.
Mr. ALLARD.
Mr. HORN.
(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)
Ms. DUNN of Washington.
Mr. HILLIARD.
Mr. BARTON of Texas.
Mr. DORNAN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table, and, under the rule, referred as follows:

S. 868. An act to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes; to the Committee on Government Reform and Oversight.

S. 1309. An act to reauthorize the tied aid credit program of the Export-Import Bank of the United States, and to allow the Export-Import Bank to conduct a demonstration project; to the Committee on Banking and Financial Services.

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 for 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; accordingly (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 budgetary 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 U.S. 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. 7307(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 overcharge funds as of June 30, 1995; 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, 1995. 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 36(b)(1) AECA 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 manufacturing 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. 112b(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.

1554. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the 1994 annual report of the Director of the Administrative Office of the U.S. Courts containing reports of the proceedings of the Judicial Conference of the United States, activities of the Administrative Office of the United States, and judicial business of the U.S. courts for the fiscal year ending September 30, 1994, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

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. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal

year ending September 30, 1996, and for other purposes (Rept. 104–289). 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. 104–290). Referred to the House Calendar.

DISCHARGE OF COMMITTEES

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 1020. The Committees on Resources and the Budget discharged from further consideration. Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FIELDS of Texas (for himself, Mr. BLILEY, Mr. BURR, Mr. DINGELL, Mr. EDWARDS, Mr. FRISA, and Mr. MARKEY):

H.R. 2519. A bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, and for other purposes; to the Committee on Commerce.

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. HOBSON, Mr. KNOLLENBERG, 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. 2522. 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 Committees 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. 2523. A bill to terminate the authority of the Secretary of Agriculture and the Commodity Credit Corporation to support the price of agricultural commodities and to terminate related acreage allotment and marketing quota programs for such commodities; 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. SENSENBRENNER, Mr. MCCOLLUM, Mr. GEKAS, Mr. SMITH of Texas. Mr. SCHIFF, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BONO, 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 Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS:

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 reports, and for other purposes; to the Committee on House Oversight.

By Mr. BRYANT of Texas:

H. 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. BECERRA, Mr. RUSH, Ms. VELAZQUEZ, Mr. PAYNE of New Jersey, Mr. BISHOP, Mr. FORD, Mrs. MEEK of Florida, Mr. LEWIS of Georgia, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT of North Carolina, Mr. HILLIARD, Mr. THOMPSON, Mr. CLYBURN, Mr. FIELDS of Louisiana, Ms. JACKSON-LEE, Mr. MFUME, Mrs. COLLINS of Illinois, Mrs. CLAYTON, Mr. FRAZER, Mr. JEFFERSON, Mr. HASTINGS of Florida, Ms. BROWN of Florida, Miss COLLINS of Michigan, Mr. FATTAH, Mrs. MINK of Hawaii, Ms. WOOLSEY, Mr. HINCHEY, Ms. ROYBAL-ALLARD, Mr. MILLER of California, Mr. STARK, Mr. SCOTT, Mr. MARTINEZ, Mr. KENNEDY of Massachusetts, Ms. MCKINNEY, Mr. TORRES, Mr. OWENS, Mr. SANDERS, Mr. FARR, Ms. FURSE, and Mr. EVANS):

H. Res. 243. Resolution urging the prosecution of ex-Los Angeles 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 Michigan, relative to funding for the Great Lakes Science Center; to the Committee on Appropriations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 43: Mr. VENTO.
H.R. 218: Mr. KINGSTON.
H.R. 350: Mr. MCHUGH.
H.R. 353: Mr. BOEHLERT.
H.R. 359: Mr. OLVER and Mr. NORWOOD.
H.R. 394: Mr. ROSE, Mr. BUNNING of Kentucky, and Mr. SALMON.
H.R. 528: Mr. SAWYER, Ms. PELOSI, Mr. LEWIS of Georgia, Mr. OLVER, Mr. WYNN, Mr. LEWIS of California, Mr. BAKER of Louisiana, Mr. CUNNINGHAM, Mr. GUNDERSON, Mr. SOUDER, and Mr. HANCOCK.
H.R. 580: Mr. NEAL of Massachusetts and Mr. HOYER.
H.R. 713: Mr. ROMERO-BARCELO.
H.R. 820: Mr. LAFALCE, Mr. TORRES, 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. 852: 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. MEYERS of Kansas.
H.R. 1203: Mr. DOOLEY and Mr. CHRISTENSEN.
H.R. 1552: Mr. EVANS.
H.R. 1595: Mr. SMITH of Texas and Mr. LOBIONDO.
H.R. 1625: Mr. FUNDERBURK.
H.R. 1684: Mr. HALL of Texas, Mr. DICKS, and Mr. SKEEN.
H.R. 1691: Mrs. LINCOLN, Mr. EHLERS, Mr. OLVER, Mr. FOLEY, Mr. BARTLETT of Maryland, Mr. CLYBURN, Mr. HORN, Mr. WOLF, Mr. BOEHNER, Mr. PAYNE of Virginia, and Mr. MORAN.
H.R. 1707: Mr. MATSUI.
H.R. 1733: Mr. MCHALE and Mr. BONO.
H.R. 1893: Mr. GILMAN.
H.R. 1920: Mr. QUINN, Mr. VENTO, Ms. JACKSON-LEE, Mrs. MEYERS of Kansas, and Mr. MATSUI.
H.R. 2008: Mr. MCHALE.
H.R. 2024: Mr. LUTHER.
H.R. 2029: Mr. KINGSTON.
H.R. 2180: Mr. FUNDERBURK.
H.R. 2192: Mr. LEVIN.
H.R. 2216: Mr. FIELDS of Texas and Mr. MILLER of Florida.
H.R. 2240: Mrs. LOWEY, Mr. BOEHLERT, Mr. MANTON, Miss COLLINS of Michigan, and Mr. TRAFICANT.
H.R. 2245: Mr. FALEOMAVAEGA and Mr. FRAZIER.
H.R. 2357: Mr. CHRISTENSEN.
H.R. 2441: Mr. BONO.
H.R. 2468: Mr. RIGGS and Mr. CONDIT.
H.R. 2472: Mr. KING.
H.R. 2508: Mr. BURR, Mrs. CLAYTON, Mr. GILMOR, Mr. ROTH, Mr. GUTKNECHT, and Mr. JACOBS.

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. 390: Mr. ABERCROMBIE.
H.R. 500: Mr. SAXTON.

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:

TITLE XIV—BUDGET PROCESS PROVISIONS

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. 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;

that shall be used for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, chapter 11 of title 31, United States Code, and section 403 of the Congressional Budget Act of 1974. In making its choice, the Board shall choose the report that, in its opinion, is the more accurate.

(2) At any time the Board may change the list of major estimating assumptions to be used by OMB and CBO in preparing their sequestration preview reports.

(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.

No member appointed by the President may be an officer or employee of any government. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(2) CONTINUATION OF MEMBERSHIP.—If any member of the Board appointed by the President becomes an officer or employee of a government, he may continue as a member of the Board for not longer than the 30-day period beginning on the date he becomes such an officer or employee.

(3) TERMS.—(A) Members shall be appointed for terms of 4 years.

(B) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(4) BASIC PAY.—Members of the Board shall serve without pay.

(5) QUORUM.—Three members of the Board shall constitute a quorum but a lesser number may hold hearings.

(6) CHAIRMAN.—The Chairman of the Board shall be chosen annually by its members.

(7) MEETINGS.—The Board shall meet at the call of the Chairman or a majority of its members.

(d) DIRECTOR AND STAFF.—

(1) APPOINTMENT.—The Board shall have a Director who shall be appointed by the members of the Board. Subject to such rules as may be prescribed by the Board, the Director may appoint and fix the pay of such personnel as the Director considers appropriate.

(2) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(3) STAFF OF FEDERAL AGENCIES.—Upon request of the Board, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its duties, notwithstanding section 202(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(a)).

(e) POWERS.—

(1) HEARINGS AND SESSIONS.—The Board may, for the purpose of carrying out its duties, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as it considers appropriate.

(2) OBTAINING OFFICIAL DATA.—The Board may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties. Upon request of the Chairman of the Board, the head of such department or agency shall furnish such information to the Board.

(3) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request.

(f) DEFINITIONS.—As used in this section:

(1) The term ''Board'' refers to the Board of Estimates established by subsection (a).

(2) The term ''CBO'' refers to the Director of the Congressional Budget Office.

(3) The term ''OMB'' refers to the Director of the Office of Management and Budget.

Subtitle B—Discretionary Spending Limits

SEC. 14101. DISCRETIONARY SPENDING LIMITS.

(a) LIMITS.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (A), (B), (C), (D), and (F), by redesignating subparagraph (E) as subparagraph (A) and by striking ''and'' at the end of that subparagraph, and by inserting after subparagraph (A) the following new subparagraphs:

''(B) with respect to fiscal year 1996, $498,113,000,000 in new budget authority and $536,610,000,000 in outlays;

''(C) with respect to fiscal year 1997, $497,200,000,000 in new budget authority and $530,736,000,000 in outlays;

''(D) with respect to fiscal year 1998, $496,700,000,000 in new budget authority and $526,627,000,000 in outlays;

''(E) with respect to fiscal year 1999, $495,700,000,000 in new budget authority and $524,722,000,000 in outlays;

''(F) with respect to fiscal year 2000, $497,700,000,000 in new budget authority and $523,798,000,000 in outlays;

''(G) with respect to fiscal year 2001, $506,700,000,000 in new budget authority and $530,023,000,000 in outlays; and

''(H) with respect to fiscal year 2002, $509,700,000,000 in new budget authority and $530,023,000,000 in outlays.''.

(b) COMMITTEE ALLOCATIONS AND ENFORCEMENT.—Section 602 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (c), by striking ''1995'' and inserting ''2002'' and by striking its last sentence; and

(2) in subsection (d), by striking ''1992 TO 1995'' in the side heading and inserting ''1995 TO 2002'' and by striking ''1992 through 1995'' and inserting ''1995 through 2002''.

(c) FIVE-YEAR BUDGET RESOLUTIONS.—Section 606 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (a), by striking ''for fiscal year 1992, 1993, 1994, or 1995''; and

(2) in subsection (d)(1), by striking ''for fiscal years 1992, 1993, 1994, and 1995'' and by striking ''(i) and (ii)''.

(d) EFFECTIVE DATE REPEALER.—(1) Section 607 of the Congressional Budget Act of 1974 is repealed.

(2) The item relating to section 607 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is repealed.

(e) SEQUESTRATION REGARDING CRIME TRUST FUND.—(1) Section 251A(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking subparagraphs (B), (C), and (D) and its last sentence and inserting the following:

''(B) For fiscal year 1996, $2,227,000,000.

''(C) For fiscal year 1997, $3,846,000,000.

''(D) For fiscal year 1998, $4,901,000,000.

''(E) For fiscal year 1999, $5,639,000,000.

''(F) For fiscal year 2000, $6,225,000,000.

''The appropriate levels of new budget authority are as follows: for fiscal year 1996, $4,087,000,000; for fiscal year 1997, $5,000,000,000; for fiscal year 1998, $5,500,000,000; for fiscal year 1999, $6,500,000,000; for fiscal year 2000, $6,500,000,000.''.

(2) The last two sentences of section 310002 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14212) are repealed.

SEC. 14102. TECHNICAL AND CONFORMING CHANGES.

(a) GENERAL STATEMENT.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the first sentence and inserting the following: ''This part provides for the enforcement of deficit reduction through discretionary spending limits and pay-as-you-go requirements for fiscal years 1995 through 2002.''.

(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking paragraph (6) and inserting the following:

''(6) The term 'budgetary resources' means new budget authority, unobligated balances, direct spending authority, and obligation limitations.'';

(2) in paragraph (9), by striking ''1992'' and inserting ''1996''; and

(3) in paragraph (14), by striking ''1995'' and inserting ''2002''.

SEC. 14103. ELIMINATION OF CERTAIN ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''1991–1998'' and inserting ''1995–2002'';

(2) in the first sentence of subsection (b)(1), by striking ''1992, 1993, 1994, 1995, 1996, 1997 or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999,

2000, 2001, or 2002'' and by striking ''through 1998'' and inserting ''through 2002'';

(3) in subsection (b)(1), by striking subparagraphs (B) and (C) and by striking ''the following:'' and all that follows through ''The adjustments'' and inserting ''the following: the adjustments'';

(4) in subsection (b)(2), by striking ''1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002'' and by striking ''through 1998'' and inserting ''through 2002''; and

(5) by repealing subsection (b)(2).

Subtitle C—Pay-As-You-Go Procedures

SEC. 14201. PERMANENT EXTENSION OF PAY-AS-YOU-GO PROCEDURES; TEN-YEAR SCOREKEEPING.

(a) TEN-YEAR SCOREKEEPING.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''FISCAL YEARS1992–1998''; 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(e) 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 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(d) PAY-AS-YOU-GO POINT OF ORDER.—It shall not be in order in the Houe of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would increase the deficit above the maximum deficit amount set forth in section 253 for the budget year or any of the 9 succeeding fiscal years after the budget year, as measured by the sum of all applicable estimates of direct spending and receipts legislation applicable to that fiscal year.''.

SEC. 14202. ELIMINATION OF EMERGENCY EXCEPTION.

(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) EXPIRATION.—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:

''Fiscal year	Deficit (in billions of dollars)
1996	179.853
1997	164.640
1998	133.279
1999	111.062
2000	86.221
2001	41.626
2002	0

The deficit target for each fiscal year after 2002 shall be zero.

''SEC. 262. SPECIAL DEFICIT MESSAGE BY PRESIDENT.

''(a) SPECIAL MESSAGE.—If the OMB sequestration preview report submitted under section 254(d) indicates that deficit for the budget year or any outyear will exceed the applicable deficit target, or that the actual deficit target in the most recently completed fiscal year exceeded the applicable 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 preview 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) INTRODUCTION OF PRESIDENT'S PACKAGE.—Within 10 days after the President submitted a special deficit message, the text referred to in subsection (a) shall be introduced as a joint resolution in the House of Representatives by the chairman of its Committee on the Budget and in the Senate by the chairman of its Committee on the Budget. If the chairman fails to do so, after the 10th day the resolution may be introduced by any Member of the House of Representatives or the Senate, as the case may be. A joint resolution introduced under this subsection shall be referred to the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

''SEC. 263. CONGRESSIONAL ACTION REQUIRED.

''(a) IN GENERAL.—The requirements of this section shall be in effect for any year in which the OMB sequestration preview report submitted under section 254(d) indicates that the deficit for the budget year or any outyear 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 not later than March 15 a joint resolution, either as a separate section of the joint resolution on the budget reported pursuant to section 301 of the Congressional Budget Act of 1974 or as a separate resolution, that includes reconciliation instructions instructing the appropriate committees of the House and Senate to report changes in laws within their jurisdiction to offset any excess in the deficit identified in the OMB sequestration preview report submitted under section 254(d) as follows:

''(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.

''(c) PROCEDURE IF HOUSE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

''(1) AUTOMATIC DISCHARGE OF HOUSE BUDGET COMMITTEE.—In the event that the House Committee on the Budget fails to report a resolution meeting the requirements of subsection (b), 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 HOUSE OF DISCHARGED RESOLUTION.—Ten days after the House Committee on the Budget has been discharged under paragraph (1), any member may move that the House proceed to consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution. Consideration of such resolution shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

''(d) CONSIDERATION BY THE HOUSE OF REPRESENTATIVES.—(1) It shall not be in order in the House of Representatives 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 preview report submitted under section 254(d) through reconciliation instructions requiring spending reductions, or changes in the deficit targets.

''(2) If the joint resolution on the budget proposes to eliminate or offset less than the entire excess for budget year and any subsequent fiscal years, then the Committee on the Budget shall report a separate resolution increasing the deficit targets for each applicable year by the full amount of the excess not offset or eliminated. It shall not be in order to consider any joint resolution on the budget that does not offset the full amount of the excess until the House of Representatives has agreed to the resolution directing the increase in the deficit targets.

''(e) TRANSMITTAL TO SENATE.—If a joint resolution passes the House pursuant to subsection (d), the Clerk of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the resolution is passed. The resolution shall be referred to the Senate Committee on the Budget.

''(f) REQUIREMENTS FOR SPECIAL BUDGET RESOLUTION IN THE SENATE.—The Committee on the Budget in the Senate shall report not later than April 1 a joint resolution, either as a separate section of a budget resolution reported pursuant to section 301 of the Congressional Budget Act of 1974 or as a separate resolution, that shall include reconciliation instructions instructing the appropriate committees of the House and Senate to report changes in laws within their jurisdiction to offset any excess through any combination of:

''(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.—In 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 debatable. 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, then the 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 to consider a conference report on a joint resolution on the budget unless that conference report fully addresses the entirety of any excess identified by the OMB sequestration preview report submitted pursuant to section 254(d) through reconciliation instructions requiring deficit reductions, or changes in the deficit targets.

''SEC. 264. COMPREHENSIVE SEQUESTRATION.

''(a) SEQUESTRATION BASED ON BUDGET-YEAR SHORTFALL.—The amount to be sequestered for the budget year is the amount (if any) by which deficit exceeds the cap for that year under section 261 or the amount that the actual deficit in the preceding fiscal year exceeded the applicable deficit target.

''(b) 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 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.''.

(c) CONFORMING CHANGES.—(1) The table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended 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''.

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:

''SEC. 254. ESTIMATING ASSUMPTIONS, REPORTS, AND ORDERS.

''(a) TIMETABLE.—The timetable with respect to this part for any budget year is as follows:

Date:	Action to be completed:
Dec. 31	OMB and CBO sequestration preview reports submitted to Board.
Jan. 15	Board selects sequestration preview report.
The President's budget submission.	OMB publishes sequestration preview report.
May 1	OMB and CBO sequestration reports submitted to Board.
5 days later:	Board selected midsession sequestration report.
May 15	President issues sequestration order.
August 29	President's midsession review; notification regarding military personnel.
Within 10 days after end of session.	OMB and CBO final budget year sequestration reports submitted to Board.
5 days later	Board selects final sequestration report; President issues sequestration order.

''(b) 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.

''(c) 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.

''(d) 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 the differences between OMB and CBO for each item set forth in the report.

''(C) DEFICITS.—Estimates for the most recently completed fiscal year, the budget year, and each subsequent year through fiscal year 2002 of the deficits or surpluses in the current policy baseline.

''(D) DISCRETIONARY SPENDING LIMITS.—Estimates for the current year and each subsequent year through 2002 of the applicable discretionary spending limits for each category and an explanation of any adjustments in such limits under section 251.

''(E) SEQUESTRATION OF DISCRETIONARY ACCOUNTS.—Estimates of the uniform percentage and the amount of budgetary resources to be sequestered from discretionary programs given the baseline level of appropriations, and if the President chooses to exempt some or all military personnel from sequestration, the effect of that decision on the percentage and amounts.

''(F) PAY-AS-YOU-GO SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

''(i) The amount of net deficit increase or decrease, if any, calculated under section 252(b).

''(ii) A list identifying each law enacted and sequestration implemented after the date of enactment of this section included in the calculation of the amount of deficit increase or decrease and specifying the budgetary effect of each such law.

''(iii) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit increase under section 252(c).

''(G) REQUIREMENTS FOR THE DEFICIT.—An estimate of the amount of deficit reduction, if any, to be achieved for the budget year and the current year necessary to comply with the deficit targets or to repay any deficit excess in the preceding fiscal year.

''(H) DEFICIT SEQUESTRATION.—Estimates of the uniform percentage and the amount of comprehensive sequestration of spending programs that will be necessary under section 264.

''(I) 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.

''(e) 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 choose either the OMB or CBO sequestration preview report as the official report for purposes of this Act. The Board 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 1105(a) of title 31, United States Code, for the budget year.

''(f) AGREEING ON EARLIER DATES.—The Chairman of the Board may set earlier dates for subsections (c), (d), and (e) if OMB and CBO concur.

''(g) NOTIFICATION REGARDING MILITARY PERSONNEL.—On or before August 29, the President shall notify the Congress of the manner in which he intends to exercise flexibility with respect to military personnel accounts under section 251(a)(3).

''(h) FINAL SEQUESTRATION REPORTS.—

''(1) REPORTING REQUIREMENT.—Not later than 10 days following the end of a budget-year session, OMB and CBO shall each submit a final sequestration report. On May 1 of each year, OMB and CBO shall each submit a midyear sequestration report for the current year.

''(2) CONTENTS.—Each such report shall be based upon laws enacted through the date of

the report and shall set forth all the information and estimates required of a sequestration preview report required by subsections (d)(2)(D) through (H). In addition, that report shall include—

''(A) for each account to be sequestered, the baseline level of sequestrable budgetary resources and the resulting reductions in new budget authority and outlays; and

''(B) the effects of sequestration on the level of outlays for each fiscal year through 2002.

''(i) SELECTION OF OFFICIAL FINAL SEQUESTRATION REPORT.—Not later than 5 days after receiving the final OMB and CBO sequestration reports, the Board shall choose either the OMB or CBO final sequestration report as the official report for purposes of this Act, and shall issue a report stating that decision and making any comments that the Board chooses.

''(j) PRESIDENTIAL ORDER.—(1) On the day that the Board chooses a final sequestration report, the President shall issue an order fully implementing without change all sequestrations required by—

''(A) the final sequestration report that requires the lesser amount of discretionary sequestration under section 250; and

''(B) the final sequestration report that requires the lesser total amount of deficit sequestration under section 264.

The order shall be effective on issuance and shall be issued only if sequestration is required.

''(2)(A) If both the CBO and OMB final sequestration reports require a sequestration of discretionary programs, and the Board chooses the report requiring the greater sequestration, then a positive amount equal to the difference between the CBO and OMB estimates of discretionary new budget authority for the budget year shall be subtracted from the budget-year column and added to the column for the first outyear of the discretionary scorecard under section 107 as though that amount had been enacted in the next session of Congress.

''(B) If one final sequestration report requires a sequestration of discretionary programs and the Board chooses that report, then an amount equal to the difference between that report's estimate of discretionary new budget authority for the budget year and the discretionary funding limit for that year shall be subtracted from the budget-year column and added to column for the first outyear of the discretionary scorecard under section 107 as though that amount had been enacted in the next session of Congress.

''(k) USE OF MAJOR ESTIMATING ASSUMPTIONS AND SCOREKEEPING CONVENTIONS.—In the estimates, projections, and reports under subsections (c) and (d), CBO and OMB shall use the best and most recent estimating assumptions available. In all other reports required by this section and in all estimates or calculations required by this Act, CBO and OMB shall use—

''(1) current-year and budget-year discretionary funding limits chosen by the Board and the estimates chosen by the Board of the deficit reduction necessary to comply with the deficit targets in the budget year;

''(2) in estimating the effects of bills and discretionary regulations, the major estimating assumptions most recently chosen by the Board, except to the extent that they must be altered to reflect actual results occurring or measured after the Board's choice; and

''(3) scorekeeping conventions determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.

In applying the two previous sentences, the major estimating assumptions and other calculations required by this Act that are included in the statement of managers accompanying the conference report on this Act shall be considered, for all purposes of this Act, to be the report of the Board chosen under subsection (e) for fiscal year 1993.

''(l) BILL COST ESTIMATES.—Within 10 days after the enactment of any discretionary appropriations, direct spending, or receipts legislation, CBO and OMB shall transmit to each other, the Board, and to the Congress an estimate of the budgetary effects of that law, following the estimating requirements of this section. Those estimates may not change after the 10-day period except—

''(1) to the extent those estimates are subsumed within (and implicitly changed by) the estimates made in preparation of a new baseline under subsections (c), (d), and (h);

''(2) to reflect a choice of the Board regarding an official set of estimates under subsections (l) and (n); and

''(3) to correct clerical errors or errors in the application of this Act.

"SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.

''The following budget accounts, activities within accounts, or income shall be exempt from sequestration—

''(1) net interest;

''(2) deposit insurance and pension benefit guarantees;

''(3) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(4) offsetting receipts and collections;

''(5) all payments from one Federal direct spending budget account to another Federal budget account; all intragovernmental funds including those from which funding is derived primarily from other Government accounts;

''(6) expenses to the extent they result from private donations, bequests, or voluntary contributions to the Government;

''(7) nonbudgetary activities, including but not limited to—

''(A) credit liquidating and financing accounts;

''(B) the Pension Benefit Guarantee Corporation Trust Funds;

''(C) the Thrift Savings Fund;

''(D) the Federal Reserve System; and

''(E) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(8) payments resulting from Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(9) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed—

Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

Bureau of Indian Affairs, miscellaneous payments to Indians (14–2303–0–1–452);

Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

Claims, defense;

Claims, judgments, and relief act (20–1895–0–1–806);

Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);

Compensation of the President (11–0001–0–1–802);

Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

Eastern Indian land claims settlement fund (14–2202–0–1–806)

Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

Payments to copyright owners (03–5175–0–2–376);

Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

Salaries of Article III judges;

Soldier's and Airmen's Home, payment of claims (84–8930–0–7–705);

Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401).

''(10) the following noncredit special, revolving, or trust-revolving funds—

Coinage profit fund (20–5811–0–2–803);

Exchange Stabilization Fund (20–4444–0–3–155);

Foreign Military Sales trust fund (11–82232–0–7–155);

''(11)(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act;

''(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account;

''(12) the earned income tax credit (payments to individuals pursuant to section 32 of the Internal Revenue Code of 1986);

''(13) the uranium enrichment program; and

''(14) benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

"SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES.

''(a) PERMANENT SEQUESTRATION OF DEFICIT.—

''(1) The purpose of any sequestration under this Act is to ensure deficit reduction in the budget year and all subsequent fiscal years, so that the budget-year cap in section 262 is not exceeded.

''(2) Obligations in sequestered spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notwithstanding any other provision of this section, after the first deficit sequestration, any later sequestration shall reduce spending outlays by an amount in addition to, rather than in lieu of, the reduction in spending outlays in place under the existing sequestration or sequestrations.

''(b) UNIFORM PERCENTAGES.—

''(1) In calculating the uniform percentage applicable to the sequestration of all spending programs or activities under section 266 the sequestrable base for spending programs and activities is the total budget-year level of outlays for those programs or activities in the current policy baseline minus—

''(A) those budget-year outlays resulting from obligations incurred in the current or prior fiscal years, and

''(B) those budget-year outlays resulting from exemptions under section 253.

''(2) For any direct spending program in which—

''(A) outlays pay for entitlement benefits,

''(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 budget 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 or activity is increased under paragraph (2), then it shall revert to the uniform percentage calculated under paragraph (1) when the budget year is completed.

''(c) GENERAL RULES FOR SEQUESTRATION.—

''(1) INDEFINITE AUTHORITY.—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.

''(2) CANCELLATION OF BUDGETARY RESOURCES.—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 or repealed.

''(3) 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 changes in a price 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.

''(4) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act 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).

''(5) 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.

''(6) DISTRIBUTION FORMULAS.—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.

''(7) CONTINGENT FEES.—In any account for which fees charged to the public are legally determined by the level of appropriations, fees shall be charged on the basis of the presequestration level of appropriations.

''(d) NON-JOBS PORTION OF AFDC.—Any sequestration order shall accomplish the full 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 reimbursement percentage, on a State-by-State basis, by the uniform percentage applicable to the sequestration of nonexempt direct spending programs or activities.

''(e) JOBS PORTION OF AFDC.—

''(1) FULL AMOUNT OF SEQUESTRATION REQUIRED.—Any sequestration order shall accomplish the full amount of any required reduction of the job opportunities and basic skills training program under section 402(a)(19), and part F of title VI, of the Social Security Act, in the manner specified in this subsection. Such an order may not reduce any Federal matching rate pursuant to section 403(l) of the Social Security Act.

''(2) NEW ALLOTMENT FORMULA.—

''(A) GENERAL RULE.—Notwithstanding section 403(k) of the Social Security Act, each State's percentage share of the amount available after sequestration for direct spending pursuant to section 403(l) of such Act shall be equal to that percentage of the total amount paid to the States pursuant to such section 403(l) for the prior fiscal year that is represented by the amount paid to such State pursuant to such section 403(l) for the prior fiscal year, except that a State may not be allotted an amount under this subparagraph that exceeds the amount that would have been allotted to such State pursuant to such section 403(k) had the sequestration not been in effect.

''(B) REALLOTMENT OF AMOUNTS REMAINING UNALLOTTED AFTER APPLICATION OF GENERAL RULE.—Any amount made available after sequestration for direct spending pursuant to section 403(l) of the Social Security Act that remains unallotted as a result of subparagraph (A) of this paragraph shall be allotted among the States in proportion to the absolute difference between the amount allotted, respectively, to each State as a result of such subparagraph and the amount that would have been allotted to such State pursuant to section 403(k) of such Act had the sequestration not been in effect, except that a State may not be allotted an amount under this subparagraph that results in a total allotment to the State under this paragraph of more than the amount that would have been allotted to such State pursuant to such section 403(k) had the sequestration not been in effect.

''(f) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in payments under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under the program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

''(g) COMMODITY CREDIT CORPORATION.—

''(1) EFFECTIVE DATE.—For the Commodity Credit Corporation, the date on which a sequestration order takes effect in a fiscal year shall vary for each crop of a commodity. In general, the sequestration order shall take effect when issued, but for each crop of a commodity for which 1-year contracts are issued as an entitlement, the sequestration order shall take effect with the start of the sign-up period for that crop that begins after the sequestration order is issued. Payments for each contract in such a crop shall be reduced under the same terms and conditions.

''(2) DAIRY PROGRAM.—(A) As the sole means of achieving any reduction in outlays under the milk price-support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use. That price reduction (measured in cents per hundredweight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued, and shall not exceed the aggregate amount of the reduction in outlays under the milk price-support program, that otherwise would have been achieved by reducing payments made for the purchase of milk or the products of milk under this subsection during that fiscal year.

''(3) EFFECT OF DELAY.—For purposes of subsection (b)(1), the sequestrable base for the Commodity Credit Corporation is the budget-year level of gross outlays resulting from new budget authority that is subject to reduction under paragraphs (1) and (2), and subsection (b)(2) shall not apply.

''(4) 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.

''(h) EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly benefit payment made under the Federal-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.

''(2) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1986.

''(i) 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 sequestrable base for the Fund is the budget-year level of gross outlays resulting from claims paid after the sequestration order takes effect, and subsection (b)(2) shall not apply.

''(j) 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 sequestration percentage for that year times the gross obligations of the Board in that year.

''(k) FEDERAL PAY.—

''(1) IN GENERAL.—Except as provided in section 10(b)(3), new budget authority to pay Federal personnel from direct spending accounts shall be reduced by the uniform percentage calculated under section 264, as applicable, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military 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.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'statutory pay system' shall have the meaning given that term in section 5302(1) of title 5, United States Code.

''(B) The term 'elements of military pay' means—

''(i) the 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 403a and 405 of such title, and

''(iii) cadet pay and midshipman pay under section 203(c) of such title.

''(C) The term 'uniformed services' shall have the meaning given that term in section 101(3) of title 37, United States Code.

''(l) 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 sufficient to produce the dollar savings in student loan programs for the fiscal year of the sequestration required by section 264, and all subsequent origination fees shall be increased by the same percentage, notwithstanding any other provision of law.

''(B) The origination fees to which paragraph (A) applies are those specified in sections 428H(f)(1) and 438(c) of that Act.

''(m) INSURANCE PROGRAMS.—Any sequestration in a Federal program that sells insurance contracts to the public (including the Federal Crop Insurance Fund, the National Insurance Development Fund, the National Flood Insurance Fund, insurance activities of the Overseas Private Insurance Corporation, 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 received 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.

''(n) MEDICAID.—The November 15th estimate of medicaid spending by States shall be the base estimate from which the uniform percentage reduction under any sequestration, 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 each fiscal year with the base estimate as reduced by the uniform percentage, and adjust each State's grants as soon as practicable, but no later than 100 days after the end of the fiscal year to which the base estimate applied, to comply with the sequestration order.

''(o) MEDICARE.—

''(1) TIMING OF APPLICATION OF REDUCTIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual's discharge from the inpatient facility.

''(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS.—In the case in which payment for services of a provider of services is made under title XVIII of the Social Security Act on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services incurred at any time during each cost reporting period of the provider any part of which occurs after the effective date of the order, but only (for each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs after the effective date of the order.

''(2) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made pursuant to a sequestration order for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

''(p) POSTAL SERVICE FUND.—Any sequestration of the Postal Service Fund shall be accomplished by annual payments from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment shall be—

''(1) the uniform sequestration percentage, times

''(2) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appropriation for revenue foregone for 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 installments 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 efficiencies in the operation of the Postal Service, reductions in capital expenditures, increases in the prices of services, or any combination, but may not assume a lower Fund surplus or higher Fund deficit and must follow the requirements of existing law governing the Postal Service in all other respects. Within 30 days of the receipt of that plan, the Postal Rate Commission shall approve the plan or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not respond to the plan within 30 days, the plan submitted by the Postmaster General shall go into effect. Any plan may be later revised by the submission of a new plan to the Postal Rate Commission, which may approve or modify it.

''(q) POWER MARKETING ADMINISTRATIONS AND T.V.A.—Any sequestration of the Department of Energy power marketing administration funds or the Tennessee Valley Authority fund shall be accomplished by annual payments from those funds to the General Fund of the Treasury, and the administrators of those funds shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment by a fund shall be—

''(1) the uniform sequestration percentage, times

''(2) the estimated gross obligations of the fund 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 installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the presequester amount of power (but those reductions shall not include reductions in the amount of power supplied by the fund), by reductions in capital expenditures, by increases in rates, or by any combination, but may not be financed by a lower fund surplus or a higher fund deficit and must follow the requirements of existing law governing the fund in all other respects. The administrator of a fund or the TVA Board is authorized to take the actions specified above in order to make the annual payments to the Treasury.

''(r) VETERANS' HOUSING LOANS.—(1) For all housing loans guaranteed, insured, or made under chapter 37 of title 38, United States Code, on or after the date of a sequestration, the origination fees shall be increased by a uniform percentage sufficient to produce the dollar savings in veterans' housing programs for the fiscal year of the sequestration required by section 264, and all subsequent origination fees shall be increased by the same percentage, notwithstanding any other provision of law.

''(2) The origination fees to which paragraph (1) applies are those referred to in section 3729 of title 38, United States Code.''.

(b) CONFORMING CHANGES.—(1) The item relating to section 254 in the table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''Sec. 254. Estimating assumptions, reports, and orders.''.

(2) The item relating to section 256 in the table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''Sec. 256. General and special sequestration rules.''.

(c) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each issue a report that includes projections of Federal spending, revenues, and deficits as a result of enactment of this Act and setting forth the economic and technical assumptions used to make those projections.

Subtitle F—Line Item Veto

SEC. 14501. LINE ITEM VETO AUTHORITY.

(a) IN GENERAL.—Notwithstanding the provisions of part B of title X of the Congressional Budget and Impoundment Control Act of 1974, and subject to the provisions of this section, the President may rescind all or part of the dollar amount of any discretionary budget authority specified in an appropriation Act for fiscal year 1996 or conference report or joint explanatory statement accompanying a conference report on the Act, or veto any targeted tax benefit provision in this reconciliation Act, if the President—

(1) determines that—

(A) such rescission or veto would help reduce the Federal budget deficit;

(B) such rescission or veto will not impair any essential Government functions; and

(C) such rescission or veto will not harm the national interest; and

(2) notifies the Congress of such rescission or veto by a special message not later than 10 calendar days (not including Sundays) after the date of the enactment of an appropriation Act providing such budget authority, or of this reconciliation Act in the case of a targeted tax benefit.

(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 Congressional Budget Act of 1974 by an amount that does not exceed the total amount of discretionary budget authority rescinded by that message.

(c) SEPARATE MESSAGES.—The President shall submit a separate special message under this section for each appropriation Act and for this reconciliation Act.

(d) LIMITATION.—No 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. LINE ITEM 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 rescission/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 rescission/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 sine die 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 been retransmitted on the first Monday in February of the succeeding Congress and the review period referred to in subsection (b) (with respect to such message) shall run beginning after such first day.

SEC. 14503. DEFINITIONS.

As used in this subtitle:

(1) The term ''rescission/receipts disapproval bill'' means a bill which only disapproves, in whole, rescissions of discretionary budget authority or only disapproves 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 enacting clause of which is as follows: ''That Congress disapproves each rescission of discretionary budget authority of the President as submitted by the President in a special message on _____.'', the blank space being 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 vetoes of targeted tax benefits, the matter after the enacting clause of which is as follows: ''That Congress disapproves each veto of targeted tax benefits of the President as submitted by the President in a special message on _____.'', 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 date of submission of the relevant special message and the public law to which the message relates.

(2) The term ''calendar days of session'' shall mean 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 beneficiaries. Any partnership, limited partnership, trust, or S corporation, 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 the provision vetoed;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(3) the reasons and justifications for the determination to rescind budget authority or veto any provision pursuant to this subtitle;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission or veto; and

(5) all actions, circumstances, and considerations relating to or bearing upon the rescission or veto and the decision to effect the rescission or veto, and 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 of Representatives and 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 shall be printed in 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 beginning 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 Representatives 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 individual favoring the bill (but only after the legislative day on which a Member announces to the House the Member's intention to do so). The motion is highly 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 that 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. During consideration of the bill in the Committee of the Whole, the first reading of the bill shall be dispensed with. General debate shall proceed without intervening motion, shall be confined to the bill, and shall not exceed two hours equally divided and controlled by a proponent and an opponent of the bill. No amendment to the bill is in order, except any Member may move to strike the disapproval of any rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 49 other Members. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion. A motion to reconsider the vote on passage of the bill 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 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 more than one motion to discharge 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 the provisions of this subtitle.

(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 subtitle.

(2) Debate in the Senate on any rescission/receipts disapproval bill and debatable motions and 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, allot additional time to 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 instructions to report back within a specified number of days not to exceed one, not counting any day on which the Senate is not in session) is not in order.

(f) POINTS OF ORDER.—

(1) It shall not be in order in the Senate to consider any rescission/receipts disapproval bill that relates to any matter other than the rescission of budget authority or veto of the provision of law transmitted by the President under this subtitle.

(2) It shall not be in order in the Senate to consider any amendment to a rescission/receipts disapproval bill.

(3) Paragraphs (1) and (2) may be waived or suspended in the Senate only by a vote of three-fifths 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 veto of a targeted tax benefit 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 vetoes of a targeted tax benefit submitted through special messages for fiscal year 1996, together with their total dollar value.

(3) The total number of Presidential rescissions of discretionary budget authority or vetoes of a targeted tax benefit submitted through special messages for fiscal year 1996 and approved by Congress, 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.

(a) EXPEDITED REVIEW.—

(1) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that any provision of this subtitle violates the Constitution.

(2) A copy of any complaint in an action brought under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congress shall have the right to intervene in such action.

(3) Any action brought under paragraph (1) shall be heard and determined by a three-judge court in accordance with section 2284 of title 28, United States Code.

(4) Nothing in this section or in any other law shall infringe upon the right of the House of Representatives to intervene in an action brought under paragraph (1) without the necessity of adopting a resolution to authorize such intervention.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under paragraph (1) of subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1) of subsection (a) shall be issued by a single Justice of the Supreme Court.

(c) EXPEDITED CONSIDERATION.—It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

Subtitle G—Enforcing Points of Order

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 ''303(a),'' after ''302(f),'', by inserting ''311(c),'' after ''311(a),'', by inserting ''606(b),'' after ''601(b),'', and by inserting ''253(d), 253(h), 253(i),'' before ''258(a)(4)(C)''.

(b) APPEALS.—The third sentence of section 904(c) of the Congressional Budget Act of 1974 is amended by inserting ''303(a),'' after ''302(f),'', by inserting ''311(c),'' after ''311(a),'', by inserting ''606(b),'' after ''601(b),'', and by inserting ''253(d), 253(h), 253(i),'' before ''258(a)(4)(C)''.

SEC. 14602. POINTS OF ORDER IN THE HOUSE OF REPRESENTATIVES.

Section 904 of the Congressional Budget Act of 1974 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

''(d) In the House of Representatives, a separate vote shall be required on that part of any resolution or order that makes in order the waiver of any points of order referred to in subsection (c).''.

Subtitle H—Deficit Reduction Lock-box

SEC. 14701. DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION MEASURES.

(a) DEFICIT REDUCTION LOCK-BOX PROVISIONS.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION BILLS

''SEC. 314. (a) Any appropriation bill that is being marked up by the Committee on Appropriations (or a subcommittee thereof) of either House shall contain a line item entitled 'Deficit Reduction Lock-box'.

''(b) Whenever the Committee on Appropriations of either House reports an appropriation bill, that bill shall contain a line item entitled 'Deficit Reduction Account' comprised of the following:

''(1) Only in the case of any general appropriation bill containing the appropriations for Treasury and Postal Service (or resolution 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 not to exceed the amount by which the appropriate section 602(b) allocation of new budget authority exceeds the amount of new budget authority provided by that bill (as reported by that committee), but not less than the sum of reductions in budget authority resulting from adoption of amendments in the committee which were designated for deficit reduction.

''(3) Only in the case of any bill making supplemental appropriations following enactment of all general appropriation bills for the same 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.

''(d) Whenever a Member of either House of Congress offers an amendment (whether in subcommittee, committee, or on the floor) to an appropriation bill to reduce spending, that reduction shall be placed in the deficit reduction lock-box unless that Member indicates that it is to be utilized for another program, project, or activity covered by that bill. If the amendment is agreed to and the reduction was placed in the deficit reduction lock-box, then the line item entitled 'Deficit Reduction Lock-box' shall be increased by the amount of that reduction. Any amendment pursuant to this subsection shall be in order even if amendment portions of the bill are not read for amendment with respect to the Deficit Reduction Lock-box.

''(e) It shall not be in order in the House of Representatives or the Senate to consider a conference report or amendment of the Senate that modifies any Deficit Reduction Lock-box provision that is beyond the scope of that provision as so committed to the conference committee.

''(f) It shall not be in order to offer an amendment increasing the Deficit Reduction Lock-box Account unless the amendment increases rescissions or reduces appropriations by an equivalent or larger amount, except that it shall be in order to offer an amendment increasing the amount in the Deficit Reduction Lock-box by the amount that the appropriate 602(b) allocation of 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) CONFORMING AMENDMENT.—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 under section 314 of the Budget Control and Impoundment Act of 1974. The adjusted discretionary spending limit for outlays for that fiscal year and each outyear as set forth in such section 601(a)(2) shall be reduced as a result of the reduction of such budget authority, as calculated by the Director of the Office of Management and Budget based upon such programmatic and other assumptions set forth in the joint explanatory statement of managers accompanying the conference report on that bill. All such reductions shall occur within ten days of enactment of any appropriations bill.

(b) DEFINITION.—As used in this section, the term ''appropriation bill'' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations.

(c) RESCISSION.—Funds in the Deficit Reduction Lockbox shall be rescinded upon reductions in discretionary limits pursuant to subsection (a).

SEC. 14703. CBO TRACKING.

Section 202 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(i) SCOREKEEPING.—To facilitate compliance by the Committee on Appropriations with section 314, the Office shall score all general appropriation measures (including conference reports) as passed by the House of Representatives, as passed the Senate and as enacted into law. The scorecard shall include amounts contained in the Deficit Reduction Lock-Box. The chairman of the Committee on Appropriations of the House of Representatives or the Senate, as the case may be, shall have such scorecard published in the Congressional Record.''.

Subtitle I—Emergency Spending; Baseline Reform; Continuing Resolutions Reform

CHAPTER 1—EMERGENCY SPENDING

SEC. 14801. ESTABLISHMENT OF BUDGET RESERVE ACCOUNT.

(a) ESTABLISHMENT.—A budget reserve account (hereinafter in this section referred to as the ''account'') shall be established for the purpose of setting aside adequate funding for natural disasters and national security emergencies.

(b) PRIOR APPROPRIATION REQUIRED.—The account shall consist of such sums as may be provided in advance in appropriation Acts for a particular fiscal year.

(c) RESTRICTION ON USE OF FUNDS.—(1) Notwithstanding any other provision of law, the amounts in the account shall not be available for other than emergency funding requirements for particular natural disasters or national security emergencies so designated by Acts of Congress.

(2) Funds in the account that are not obligated during the fiscal year for which they are appropriated may only be used for deficit reduction purposes.

(d) NEW POINT OF ORDER.—(1) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''POINT OF ORDER REGARDING EMERGENCIES

''SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides an appropriation or direct spending 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 407 the following new item:

''Sec. 408. Point of order regarding emergencies.''.

SEC. 14802. CONGRESSIONAL BUDGET PROCESS CHANGES.

(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 (7) and (8), respectively, 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 602 ALLOCATIONS.—(1) Section 602 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 accompanying a conference report on a budget resolution shall include allocations, consistent with the resolution recommended in the conference report, of the appropriate levels (for each fiscal year covered by that resolution) of total new budget authority and outlays to the Committee on Appropriations of each House for emergency funding requirements 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 (after consulting with the Committee on Appropriations of the other House) shall suballocate each amount allocated to it for the budget year under paragraph (1) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this paragraph.''.

(2) Section 602(c) of the Congressional Budget Act of 1974 is amended by inserting ''or subsection (f)(1)'' after ''subsection (a)'' and by inserting ''or subsection (f)(2)'' after ''subsection (b)''.

SEC. 14803. REPORTING.

Not later than November 30, 1996, and at annual intervals thereafter, the Director of the Office of Management and Budget shall submit a report to each House of Congress listing the amounts of money expended from the budget reserve account established under section 1 for the fiscal year ending during that calendar year for each natural disaster and national security emergency.

CHAPTER 2—BASELINE REFORM

SEC. 14851. THE BASELINE.

(a) The second sentence of section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by inserting ''but only for the purpose of adjusting the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974'' after ''for inflation as specified in paragraph (5); and

(2) by inserting ''but only for the purpose of adjusting the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974'' after ''to offset pay absorption and for pay annualization as specified in paragraph (4)''.

(b) Section 1109(a) of title 31, United States Code, is amended by adding after the first sentence the following new sentence: ''These estimates shall not include an adjustment for inflation for programs and activities subject to discretionary appropriations.''.

SEC. 14852. THE PRESIDENT'S BUDGET.

(a) Paragraph (5) of section 1105(a) of title 31, United States Code, is amended to read as follows:

''(5) except as provided in subsection (b) of this section, estimated expenditures and appropriations for the current year and estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years following that year;''.

(b) Section 1105(a)(6) of title 31, United States Code, is amended by inserting ''current fiscal year and the'' before ''fiscal year''.

(c) Section 1105(a)(12) of title 31, United States Code, is amended by striking ''and'' at the end of subparagraph (A), by striking the period and inserting ''; and'' at the end of subparagraph (B), and by adding at the end the following new subparagraph:

''(C) the estimated amount for the same activity (if any) in the current fiscal year.''.

(d) Section 1105(a)(18) of title 31, United States Code, is amended by inserting ''new budget authority and'' before ''budget outlays''.

(e) Section 1105(a) 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 each function and subfunction in 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.''.

SEC. 14853. THE CONGRESSIONAL BUDGET.

Section 301(e) of the Congressional Budget Act of 1974 is amended by—

(1) inserting after the second sentence the following: ''The starting point for any deliberations in the Committee on the Budget of each House on the joint resolution on the budget for the next fiscal year shall be the estimated level of outlays for the current year in each function and subfunction. Any increases or decreases in the Congressional budget for the next fiscal year shall be from such estimated levels.''; and

(2) striking paragraph (8) and redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively, and by inserting after paragraph (7) the following new paragraphs:

''(8) a comparison of levels for the current fiscal year with proposed spending and revenue levels for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function and subfunction; and

''(9) information, data, and comparisons indicating the manner in which and the basis

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 for the budget year and the ensuing 4 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; 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 shall include a comparison of those levels to comparable levels for the current fiscal year'' before ''if timely submitted''; and

(2) by striking ''and'' at the end of subparagraph (C), by striking the period and inserting ''; and'' at the end of subparagraph (D), 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. 408. 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 Congress a report listing all programs, projects, and activities that fall within the definition of direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(b) CONFORMING AMENDMENT.—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 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. (a) 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 continuation of current law.

''(b) It shall not be in order in the House to consider any joint resolution continuing appropriations, or amendment thereto, which changes existing law.''.

(b) The amendment made by subsection (a) shall only apply to joint resolutions continuing appropriations for fiscal year 1996 or any subsequent fiscal year.

Subtitle J—Technical and Conforming Amendments

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 ''in any form'' after ''promissory notes'', by inserting at the end of subparagraph (A) the following new sentence: ''Such term excludes transactions classified as means of financing.'', and by striking ''With respect to'' and all that follows through ''retirement account, any'' and inserting ''Any'', by inserting after subparagraph (B) the following:

''(C) RELATIONSHIP TO ENTITLEMENT AUTHORITY.—For purposes of titles III and IV, all references to budget authority shall be considered to include 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 level 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.

(b) DEFINITION OF ENTITLEMENT AUTHORITY.—Paragraph (9) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''spending authority described by section 401(c)(2)(C)'' and inserting the following: '', and the term 'entitlement program' refers to, any provision of law that has the effect of requiring the Government to make net payments (including intragovernmental payments) regardless of the amount of budget authority that may be available to make those payments. Those terms shall include amounts estimated to be required under provisions of law that depend on the fulfillment of nonlegislative conditions or are indefinite as to amount or timing. Except as provided in the next sentence, if a provision of law that otherwise requires the Government to make net payments is directly or indirectly limited by any other provision of law to an amount of available budget authority, then entitlement authority does not exist. Subchapter II of chapter 13 of title 31, United States Code, and the sequestration provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 shall not be considered provisions of law that limit entitlement authority to the amount of available budget authority.''

(c) DEFINITION OF MEANS OF FINANCING.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11) The term 'means of financing' means the financial transactions of the Government that consist of exchanges of money or monetary proxies of equal value and therefore are not counted as obligations, outlays, or revenues, such as net Federal borrowing from the public in any form, debt redemption, seignorage on coins and profits from the sale of gold, and changes in outstanding check or other monetary credits, including write-offs.''.

(d) CBO STUDIES.—Section 202(h) of the Congressional Budget Act of 1974 is amended by striking ''outlays, credit authority,'' and inserting ''outlays''.

(e) REQUIRED CONTENTS OF BUDGET RESOLUTION.—Section 301(a) of the Congressional Budget Act of 1974 is amended by striking ''planning levels'', by striking ''two'' and inserting ''four'', by striking '', budget outlays, direct loan obligations, and primary loan guarantee commitments'' both places it appears and inserting ''and outlays'', by striking paragraphs (5), (6) and (7), by striking the semicolon at the end of paragraph (4) and inserting a period, by inserting ''and'' after the semicolon at the end of paragraph (3), and by striking the last sentence.

(f) TECHNICAL CORRECTION TO SECTION 301(e).—Section 301(e) of the Congressional Budget Act of 1974 is amended by inserting ''new'' before ''budget authority'' in the second sentence.

(g) COMMITTEE ALLOCATIONS AND SUBALLOCATIONS.—Section 602(a)(1)(B) of the Congressional Budget Act of 1974 is amended by striking ''committee.'' and inserting ''committee, except that new budget authority and outlays for entitlement programs funded through annual appropriations shall be allocated and scored both to the Committee on Appropriations and to the committee that authorized such programs.''.

(h) COMMITTEE ALLOCATIONS.—Section 302 of the Congressional Budget Act of 1974 is amended to read as follows:

''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—

''(A) subdivide among its subcommittees the allocation of budget outlays, new budget authority, and new credit authority allocated to it in the joint budget resolution;

''(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) subdivide such allocation among its subcommittees or among 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;

''(2) new spending authority as described in section 401(c)(2) for a fiscal year; or

''(3) new credit authority for a fiscal year;

within the jurisdiction of any committee which has received an appropriate allocation of such authority pursuant to section 301(a)(6) 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.

''(c) SUBSEQUENT JOINT RESOLUTIONS.—In the case of a joint resolution on the budget referred to in section 304, the subdivisions under subsection (a) shall be required only to the extent necessary to take into account revisions made in the most recently enacted joint resolution on the budget.

''(d) ALTERATION OF 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 the budget for a fiscal year, it shall not be in order in the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority for such fiscal year, new entitlement authority effective during such fiscal year, or new credit authority for such fiscal year, or any conference report on any such bill or resolution, if—

''(1) the enactment of such bill or resolution as reported;

''(2) the adoption and enactment of such amendment; or

''(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate allocation made pursuant to section 301(a)(6) or subdivision made under subsection (a) of this section for such fiscal year of new discretionary budget authority, new entitlement authority, or new credit authority, to be exceeded.

''(f) DETERMINATIONS BY BUDGET COMMITTEES.—For purposes of this section, the levels of new budget authority, spending authority as described in section 401(c)(2), outlays and new credit authority for a fiscal year, shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.''.

(i) COST ESTIMATES AND SCOREKEEPING REPORTS.—Section 308 of the Congressional Budget Act of 1974 is amended—

(1) in its title, by striking '', NEW SPENDING AUTHORITY, OR NEW CREDIT AUTHORITY,'';

(2) by striking '', new spending authority described in section 401(c)(2), or new credit authority,'' the 3 times it appears;

(3) in subsection (a), by striking ''in the reports submitted'', by inserting ''302(a) or'' before ''302(b)'', in paragraph (1)(B) by striking ''spending authority'' and everything that follows through ''401(c)(2) which is'' and inserting ''budget authority'' and by striking ''annual appropriations'' and inserting ''annual discretionary appropriations'', and in paragraph (1)(C) by striking ''such budget authority'' and all that follows through ''loan guarantee commitments'' and inserting ''new budget authority, outlays, or revenues''; and

(4) in subsection (c), by adding ''and'' at the end of paragraph (1), by striking ''period;'' and inserting ''period.'' at the end of paragraph (2), and by striking paragraphs (3), (4), and (5).

(j) TECHNICAL CORRECTION TO SECTION 312.—Section 312 of the Congressional Budget Act of 1974 is amended by inserting ''(a)'' after ''312.''.

(k) CONSIDERATION OF LEGISLATION THAT HAS NOT BEEN REPORTED.—Section 312 of the Congressional Budget Act of 1974 is amended by inserting at the end the following:

''(c) CONSIDERATION OF LEGISLATION THAT HAS NOT BEEN REPORTED.—In the House of Representatives, any point of order under title III or IV that would lie against consideration of a bill or joint resolution as reported by a committee shall also lie against a motion to consider legislation respecting which no report has been filed.''

(l) CONFORMING AMENDMENTS TO SECTION 313.—Section 313 of the Congressional Budget Act of 1974 is amended by striking ''or section 258C'' and everything that follows through ''Deficit Control Act of 1985'', by striking ''; and (F)'' and everything that follows through ''310(g)'', by redesignating the second subsection (c) and subsection (d) as subsections (d) and (e), respectively, and by striking ''or (b)(1)(F),''.

(m) BORROWING AND CONTRACT AUTHORITY.—Section 401 of the Congressional Budget Act of 1974 is amended

(1) in subsection (a), by striking ''new spending authority described in subsection (c)(2)(A) or (B)'' both times it appears and inserting ''borrowing authority or contract authority'';

(2) by repealing subsections (b) and (c) and by redesignating subsection (d) as subsection (b); and

(3) in subsection (b) (as redesignated), by striking ''Subsections (a) and (b)'' and inserting ''Subsection (a)'', by inserting ''noninterest'' before ''receipts'' in paragraph (1)(B), by repealing paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(n) CREDIT AUTHORITY.—Section 402(a) of the Congressional Budget Act of 1974 is amended by inserting before the period the following: '', except that this provision shall not apply with respect to programs that, as of August 15, 1992, provide credit authority as an entitlement''.

SEC. 14902. TECHNICAL AND CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.

(a) MISCELLANEOUS CONFORMING AMENDMENT.—Clause 4(h) of rule X of the Rules of the House of Representatives is amended by striking ''or section 602 (in the case of fiscal years 1991 through 1995)''.

(b) REPEALER.—Rule XLIX of the Rules of the House of Representatives is repealed.

SEC. 14903. PRESIDENT'S BUDGET.

(a) DEFINITIONS.—Section 1101 of title 31, United States Code, is amended by adding at the end the following:

''(3) 'Expenditures' has 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.''.

(b) BYRD AMENDMENT.—Section 1103 of title 31, United States Code, is amended by striking ''commitment that budget'' and inserting ''commitment that, starting with fiscal year 2002,''.

(c) PRESIDENT'S BUDGET SUBMISSION.—Section 1105(a) of title 31, United States Code, is amended—

(1) in the first sentence by striking ''On or after the first Monday in January but not later than the first Monday in February of each year'' and inserting ''On or before the first Monday in February or the 21st calendar day beginning after the date the Board of Estimates issues a report to the President under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985'';

(2) in paragraph (15) by striking ''section 301(a)(1)–(5)'' and inserting ''section 301(a)(1)–(4);

(3) in paragraph (16) by striking ''section 3(a)(3)'' and inserting ''section 3(3)''; and

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

''(32) an analysis of the financial condition of Government-sponsored enterprises and the financial exposure of the Government, if any, posed by them.''.

(d) USE OF OFFICIAL ESTIMATES.—Section 1105(f) of title 31, United States Code, is amended by inserting at the end the following new sentence: ''That budget shall be consistent with the discretionary funding limit and the direct spending and receipts deficit reduction requirement for that year chosen by the Board of Estimates and shall be based upon the major estimating assumptions chosen by that Board.''.

Subtitle K—Truth in Legislating

SEC. 14951. IDENTITY, SPONSOR, AND COST OF CERTAIN PROVISIONS REQUIRED TO BE REPORTED.

(a) IDENTITY, SPONSOR, AND COST.—Clause 4 of rule X of the Rules of the House of Representatives is amended by adding at the end thereof the following:

''(j)(1) Except as provided by subparagraph (2), the report or joint explanatory statement accompanying each bill or joint resolution of a public character reported by a committee or committee of conference shall contain, in plain and understandable language—

''(A) an identification of each provision (if any) of the bill or joint resolution which benefits only 10 or fewer beneficiaries in any one of the following categories: persons, corporations, partnerships, institutions, organizations, transactions, events, items of property, projects, civil subdivisions within one or more States, or issuances of bonds;

''(B) the name of each beneficiary of such provision;

''(C) the name of any Member or Members who sponsored the inclusion of each such provision and an indication of each such provision requested by any agency, instrumentality, or officer of the United States; and

''(D) an estimate by the Congressional Budget Office or the Joint Committee on Taxation, whichever is appropriate, of the costs which would be incurred in carrying out such provision or any loss in revenues resulting from such provision for the fiscal year for which costs or loss in revenues, as the case may be, first occurs and each of the next 5 fiscal years.

''(2)(A) Subparagraph (1) shall not apply with respect to any provision of a bill or joint resolution or of a conference report on a bill or joint resolution if the beneficiary of such provision is the United States or any agency or instrumentality thereof.

''(B) Subparagraph (1)(D) shall not apply with respect to any provision of a bill or joint resolution or of a conference report on a bill or joint resolution if the costs which would be incurred in carrying out such provision or any loss in revenues resulting from such provision are identified clearly in the report or joint explanatory statement accompanying such bill or joint resolution.

''(3) It shall not be in order to consider any such bill or joint resolution in the House if the report or joint explanatory statement of the committee or committee of conference which reported that bill or joint resolution does not comply with subparagraph (1). The requirements of subparagraph (1) may be waived only upon a separate vote directed solely to that subject.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bills and joint resolutions reported by a committee of the House of Representatives after the date of enactment of this Act.

H.R. 2517

OFFERED BY: MR. DAVIS

AMENDMENT NO. 1: Page 1588, lines 3 through 7, amend subsection (c) to read as follows:

(c) NATIONAL TECHNICAL INFORMATION SERVICE.—

(1) GOVERNMENT CORPORATION.—All functions of the National Technical Information Service are transferred to the Director of the Office of Management and Budget who shall within 6 months after the effective date specified in section 17101 submit to Congress a proposal for legislation to establish the National Technical Information Service as a wholly owned Government corporation. The proposal should provide for the corporation to perform substantially the same functions that, as of the date of enactment of this act, are performed by the National Technical Information Service.

(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 section 17207.

(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 A—Federal Employee and Congressional Benefits; Availability of Surplus Property for Homeless Assistance

Page 333, after line 15, insert the following new subtitle:

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. 5203. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the provisions of this subtitle and the amendments made by this subtitle shall become effective October 1, 1995.

SEC. 5204. PURPOSES.

The purposes of this subtitle are the following:

(1) To maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools.

(2) To minimize the costs of debt collection by consolidating related functions and activities and utilizing interagency teams.

(3) To reduce losses arising from debt management activities by requiring proper screening of potential borrowers, aggressive monitoring of all accounts, and sharing of information within and among Federal agencies.

(4) To ensure that the public is fully informed of the Federal Government's debt collection policies and that debtors are cognizant of their financial obligations to repay amounts owed to the Federal Government.

(5) To ensure that debtors have all appropriate due process rights, including the ability to verify, challenge, and compromise claims, and access to administrative appeals procedures which are both reasonable and protect the interests of the United States.

(6) To encourage agencies, when appropriate, to sell delinquent debt, particularly debts with underlying collateral.

(7) To rely on the experience and expertise of private sector professionals to provide debt collection services to Federal agencies.

PART I—GENERAL DEBT COLLECTION INITIATIVES

Subpart A—General Offset Authority

SEC. 5211. EXPANSION OF ADMINISTRATIVE OFFSET AUTHORITY.

Chapter 37 of title 31, United States Code, is amended—

(1) in each of sections 3711, 3716, 3717, and 3718, by striking ''the head of an executive or legislative agency'' each place it appears and inserting ''the head of an executive, judicial, or legislative agency''; and

(2) by amending section 3701(a)(4) to read as follows:

''(4) 'executive, judicial, or legislative agency' means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of government, including government corporations.''.

SEC. 5212. ENHANCEMENT OF ADMINISTRATIVE OFFSET AUTHORITY.

(a) PERSONS SUBJECT TO ADMINISTRATIVE OFFSET.—Section 3701(c) of title 31, United States Code, is amended to read as follows:

''(c) In sections 3716 and 3717 of this title, the term 'person' does not include an agency of the United States Government.''.

(b) REQUIREMENTS AND PROCEDURES.—Section 3716 of title 31, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

''(b) Before collecting a claim by administrative offset, the head of an executive, judicial, or legislative agency must either—

''(1) adopt, without change, regulations on collecting by administrative offset promulgated by the Department of Justice, the General Accounting Office, or the Department of the Treasury; or

''(2) prescribe regulations on collecting by administrative offset consistent with the regulations referred to in paragraph (1).'';

(2) by amending subsection (c)(2) to read as follows:

''(2) when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.'';

(3) by redesignating subsection (c) as subsection (e); and

(4) by inserting after subsection (b) the following new subsections:

''(c)(1)(A) Except as otherwise provided in this subsection, a disbursing official of the Department of the Treasury, the Department of Defense, the United States Postal Service, or any other government corporation, or any disbursing official of the United States designated by the Secretary of the Treasury, shall offset at least annually the amount of a payment which a payment certifying agency has certified to the disbursing official for disbursement, by an amount equal to the amount of a claim which a creditor agency has certified to the Secretary of the Treasury pursuant to this subsection.

''(B) An agency that designates disbursing officials pursuant to section 3321(c) of this title is not required to certify claims arising out of its operations to the Secretary of the Treasury before such agency's disbursing officials offset such claims.

''(C) Payments certified by the Department of Education under a program administered by the Secretary of Education under title IV of the Higher Education Act of 1965 shall not be subject to administrative offset under this subsection.

''(2) Neither the disbursing official nor the payment certifying agency shall be liable—

''(A) for the amount of the administrative offset on the basis that the underlying obligation, represented by the payment before the administrative offset was taken, was not satisfied; or

''(B) for failure to provide timely notice under paragraph (8).

''(3)(A) Notwithstanding any other provision of law (including sections 207 and 1631(d)(1) of the Act of August 14, 1935 (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public Law 91–173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m)), 15 percent of payments due to an individual under the Social Security Act, under part B of the Black Lung Benefits Act, under any law administered by the Railroad Retirement Board, or as compensation or benefits arising from service of an individual with the United States Government, shall be subject to offset under this section except that a greater percentage may be deducted by offset with the written consent of the individual.

''(B) The Secretary of the Treasury shall exempt from administrative offset under this subsection payments under means-tested programs when requested by the head of the respective agency. The Secretary may exempt other payments from administrative offset under this subsection upon the written request of the head of a payment certifying

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 whether administrative offset would tend to interfere substantially with or defeat the purposes of the payment certifying agency's program. The Secretary shall report to the Congress annually on exemptions granted under this section.

''(C) The provisions of sections 205(b)(1) and 1631(c)(1) of the Social Security Act shall not apply to any administrative offset executed pursuant to this section against benefits authorized by either title II or title XVI of the Social Security Act, respectively.

''(D)(i) Payments to any qualified individual shall not be subject to administrative offset under this subsection. Prior to offset of any debtor's Federal benefit payment under this subsection, the debtor shall be provided a written notice of the exemption described in this paragraph and an opportunity to provide data to qualify for the exemption.

''(ii) In this subparagraph, the term 'qualified individual' means an individual whose income in the year preceding application of 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 may charge a fee sufficient to cover the full cost of implementing this subsection. The fee may be collected either by the retention of a portion of amounts collected pursuant to this subsection, or by billing the agency referring or transferring a claim for those amounts. Fees charged to the agencies shall be based on actual administrative offsets completed. Amounts received by the United States as fees under this subsection shall be deposited into the account of the Department of the Treasury under section 3711(g)(4) of this title, and shall be collected and accounted for in accordance with the provisions of that section.

''(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 exempt from administrative offset. If a payment is made electronically, the Secretary may obtain the current address of the payee to the Secretary.

''(6) The Secretary of the Treasury may prescribe such rules, 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) Any Federal agency that is owed by a person a past due legally enforceable nontax debt that is over 180 days delinquent, including nontax debt administered by a third party acting as an agent for the Federal government, shall notify the Secretary of the Treasury of all such nontax debts for purposes of administrative offset under this subsection.

''(8)(A) The disbursing official conducting an administrative offset with respect to a payment to a payee shall notify the payee in writing of—

''(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) a contact point within the creditor agency that will handle concerns regarding the offset.

''(B) If the payment to be offset is a periodic benefit payment, the disbursing official shall take reasonable steps, as determined by the Secretary of the Treasury, to provide the notice to the payee not later than 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. Notwithstanding the preceding sentence, the failure of the debtor to receive such notice shall not impair the legality of such administrative offset.

''(9) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over requests for administrative offset pursuant to other laws.

''(d) Nothing in this section is intended to prohibit the use of any other administrative offset authority existing under statute or common law.''.

(c) NONTAX CLAIM DEFINED.—Section 3701 of title 31, United States Code, is amended—

(1) in subsection (b) by inserting ''and subsection (a)(8) of this section'' after ''of this chapter''; and

(2) in subsection (a) by adding at the end the following new paragraph:

''(8) 'nontax claim' means any claim, other than a claim of the Internal Revenue Service under the Internal Revenue Code of 1986.''.

SEC. 5213. EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS UNDER THE PRIVACY ACT OF 1974.

Section 3716 of title 31, United States Code, as amended by section 5212(b) of this subtitle, is further amended by adding at the end the following new subsections:

''(f) The Secretary may waive the requirements of sections 552(o) and (p) of title 5 for administrative offset or claims collection upon written certification by the head of the executive, judicial, or legislative agency seeking to collect the claim that the requirements of subsection (a) of this section have been met.

''(g) The Data Integrity Board of the Department of the Treasury established under 552a(u) of title 5 shall review and include in reports under paragraph (3)(D) of that section a description of any matching activities conducted under this section. If the Secretary has granted a waiver under subsection (f) of this section, no other Data Integrity Board is required to take any action under section 552a(u) of title 5.''.

SEC. 5214. USE OF ADMINISTRATIVE OFFSET AUTHORITY FOR DEBTS TO STATES.

Section 3716 of title 31, United States Code, as amended by sections 5212 and 5213 of this subtitle, is further amended by adding at the end the following new subsection:

''(h)(1) The Secretary may, in the discretion of the Secretary, apply subsection (a) with respect to any past-due, legally-enforceable debt owed to a State if—

''(A) the appropriate State disbursing official requests that an offset be performed; and

''(B) a reciprocal agreement with the State is in effect which contains, at a minimum—

''(i) requirements substantially equivalent to subsection (b) of this section; and

''(ii) any other requirements which the Secretary considers appropriate to facilitate the offset and prevent duplicative efforts.

''(2) This subsection does not apply to—

''(A) the collection of a debt or claim on which the administrative costs associated with the collection of the debt or claim exceed the amount of the debt or claim;

''(B) any collection of any other type, class, or amount of claim, as the Secretary considers necessary to protect the interest of the United States; or

''(C) the disbursement of any class or type of payment exempted by the Secretary of the Treasury at the request of a Federal agency.''.

SEC. 5215. TECHNICAL AND CONFORMING AMENDMENTS.

(a) TITLE 31.—Title 31, United States Code, is amended—

(1) in section 3322(a), by inserting ''section 3716 and section 3720A of this title, section 6331 of the Internal Revenue Code of 1986 (26 U.S.C. 6331), and'' after ''Except as provided in'';

(2) in section 3325(a)(3), by inserting ''or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A of this title, or pursuant to levies executed under section 6331 of the Internal Revenue Code of 1986 (26 U.S.C. 6331),'' after ''voucher''; and

(3) in each of section 3711(e)(2) and 3717(h) by inserting '', the Secretary of the Treasury,'' after ''Attorney General''.

(b) INTERNAL REVENUE CODE OF 1986.—Subsection 6103(1)(10)(A) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(1)(10)(A)) is amended—

(1) in subparagraph (A), by inserting ''and to officers and employees of the Department of the Treasury in connection with such reduction'' after ''6402''; and

(2) in subparagraph (B), by inserting ''and officers and employees of the Department of the Treasury'' after ''agency'' the first place it appears.

Subpart B—Salary Offset Authority

SEC. 5221. ENHANCEMENT OF SALARY OFFSET AUTHORITY.

Section 5514 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by adding at the end of paragraph (1) the following: ''All Federal agencies to which debts are owned and which have outstanding delinquent debts shall participate in a computer match at least annually of their delinquent debt records with records of Federal employees to identify those employees who are delinquent in repayment of those debts. Matched Federal employee records shall include, but shall not be limited to, records of active Civil Service employees governmentwide, military active duty personnel, military reservists, United States Postal Service employees, employees of other government corporations, and seasonal and temporary employees. The Secretary of the Treasury shall establish and maintain an interagency consortium to implement centralized salary offset computer matching, and promulgate regulations for this program. Agencies that perform centralized salary offset computer matching services under this subsection are authorized to charge a fee sufficient to cover the full costs for such services.'';

(B) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(C) by inserting after paragraph (2) the following new paragraph:

''(3) Paragraph (2) shall not apply to routine intraagency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the adjustment and to any adjustment that amounts to $50 or less, if at the time of such adjustment, or as soon thereafter as practical, the individual is provided written notice of the nature and the amount of the adjustment and a point of contact for contesting such adjustment.''; and

(D) by amending paragraph (5)(B) (as redesignated by subparagraph (b) of this paragraph) to read as follows:

''(B) 'agency' includes executives departments and agencies, the United States Postal Service, the Postal Rate Commission, the Senate, the House of Representatives, and any court, court administrative office, or instrumentality in the judicial or legislative branches of the Government, and government corporation.'';

(2) by adding after subsection (c) the following new subsection:

''(d) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over deductions under this section.''.

Subpart C—Taxpayer Identifying Numbers

SEC. 5231. ACCESS TO TAXPAYER IDENTIFYING NUMBERS; BARRING DELINQUENT DEBTORS FROM CREDIT ASSISTANCE.

Section 4 of the Debt Collection Act of 1982 (Public Law 97–365, 96 Stat. 1749, 26 U.S.C. 6103 note) is amended—

(1) in subsection (b), by striking ''For purposes of this section'' and inserting ''For purposes of subsection (a)''; and

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

''(c) FEDERAL AGENCIES.—

''(1) IN GENERAL.—Each Federal agency shall require each person doing business with that agency to furnish to that agency such person's taxpayer identifying number.

''(2) DOING BUSINESS.—For purposes of this subsection, a person shall be considered to be doing business with a Federal agency if the person is—

''(A) a lender or servicer in a Federal guaranteed or insured loan program administered by the agency;

''(B) an applicant for, or recipient of—

''(i) a Federal guaranteed, insured, or 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;

''(C) a contractor of the agency;

''(D) assessed a fine, fee, royalty or penalty by the agency; and

''(E) 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.

''(3) DISCLOSURE.—Each agency shall disclose to a person required to furnish a taxpayer identifying number under this subsection its intent to use such number for purposes of collecting and reporting on any delinquent amounts arising out of such person's relationship with the Government.

''(4) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'taxpayer identifying number' has the meaning given such term in section 6109 of the Internal Revenue Code of 1986 (26 U.S.C. 6109); and

''(B) the term 'person'—

''(i) subject to clause (ii), means an individual, sole proprietorship, partnership, corporation, or nonprofit organization, or any other form of business association; and

''(ii) does not include debtors under third party claims of the United States, other than debtors owing claims resulting from petroleum pricing violations.

''(d) ACCESS TO SOCIAL SECURITY NUMBERS AND OTHER INFORMATION.—Notwithstanding section 552a(b) of title 5, United States Code, creditor agencies to which a delinquent claim is owed, and their agents, may match their debtor records with Department of Health and Human Services, Department of Labor, and Social Security Administration records to obtain names (including names of employees), name controls, names of employers, Social Security numbers, addresses (including addresses of employers), and dates of birth. The Department of Health and Human Services, the Department of Labor, and the Social Security Administration shall release that information to creditor agencies and may charge reasonable fees sufficient to pay the costs associated with that release.

''(e) ELECTRONIC PAYMENTS.—If a payment is made electronically by any executive, judicial, or legislative agency, the Secretary of the Treasury may obtain from the institution receiving the payment the taxpayer identification number of any joint holder of the account to which the payment is made. Upon request of the Secretary, the institution receiving the payment shall report the taxpayer identification number of the joint holder to the Secretary.''.

SEC. 5232. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL LOANS OR LOAN GUARANTEES.

(a) IN GENERAL.—Title 31, United States Code, is amended by inserting after 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 a 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 claims.

''(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.

''(c) For purposes of this section, the term 'person' means—

''(1) an individual; or

''(2) any sole proprietorship, partnership, corportation, nonprofit organization, or other form of business association.''.

(b) CLERICAL AMENDMENTS.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720A the following new item:

''3720B. Barring 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.

(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 3701(d) of title 31, United States Code, is amended to read as follows:

''(d) Sections 3711(f) and 3716 through 3719 of this title do not apply to a claim or debt under, or to amounts payable under, the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) unless the Internal Revenue Service has ceased active collection efforts and the claim or debt is considered by the Secretary of the Treasury to be currently not collectible.''.

(b) SOCIAL SECURITY DOMESTIC EMPLOYMENT REFORM ACT OF 1994.—Section 5 of the Social Security Domestic Employment Reform Act of 1994 (Public Law 103–387) is repealed.

SEC. 5242. DISCLOSURE TO CONSUMER REPORTING AGENCIES AND COMMERCIAL REPORTING AGENCIES.

Section 3711(f) of title 31, United States Code, is amended—

(1) by striking ''may'' the first place it appears and inserting ''shall'';

(2) by striking ''an individual'' each place it appears and inserting ''a covered person'';

(3) by striking ''the individual'' each place it appears and inserting ''the covered person''; and

(4) by adding at the end the following new paragraphs:

''(4) The head of each executive agency shall require, as a condition for guaranteeing any loan, financing, or other extension of credit under any law to a covered person, that the lender provide information relating to the extension of credit to consumer reporting agencies or commercial reporting agencies, as appropriate.

''(5) The head of each executive agency may provide to a consumer reporting agency or commercial reporting agency information from a system of records that a covered person is responsible for a claim which is current, if notice required by section 552a(e)(4) of title 5 indicates that information in the system may be disclosed to a consumer reporting agency or commercial reporting agency, respectively.

''(6) In this subsection, the term 'covered person' means an individual, a sole proprietorship, a corporation (including a nonprofit corporation), or any other form of business association.''.

SEC. 5243. CONTRACTS FOR COLLECTION SERVICES.

Section 3718 of title 31, United States Code, is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: ''Under conditions the head of an executive, judicial, or legislative agency considers appropriate, the head of the agency may enter into a contract with a person for collection service to recover indebtedness owed, or to locate or recover assets of, the United States Government. The head of an agency may not enter into a contract under the preceding sentence to locate or recover assets of the United States held by a State government or financial institution unless that agency has established procedures approved by the Secretary of the Treasury to identify and recover such assets.'';

(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 persons for the collection of any such debt that is past-due and legally enforceable and on which the agency has ceased active collection efforts. Contracts under this subsection shall be awarded on a competitive basis.

''(2) The performance of contractors in carrying out such contracts shall be evaluated upon, and incentives shall be provided and sanctions imposed under such contracts, as appropriate, based upon—

''(A) collection success;

''(B) compliance with all applicable laws, including the Fair Debt Collection Practices Act (16 U.S.C. 1692 et seq.), the Omnibus Taxpayer Bill of Rights (102 Stat. 3720), and section 6103 of the Internal Revenue code of 1986 (26 U.S.C. 6103); and

''(C) incidence of valid debtor complaints.

''(3) 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 require that collection efforts pursuant to such a referral begin by 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) For purposes of this subsection, an agency shall be considered to have ceased active collection efforts if—

''(A) the debt is not the subject of litigation and has not in the preceding 90 days been the subject of a payment, an execution of a written 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, such as 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 debtor obtained as a result of a contract under this subsection to any third person without the debtor's written consent;

''(D) limit the contractor's activities to—

''(i) contacting debtors by mail;

''(ii) contacting debtors by phone to remind taxpayers of a delinquency, provide information on payment options, and secure taxpayer intentions of repayment;

''(iii) providing skiptracing services and asset and employment 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) preclude the contractor from determining the amount of a debt, compromising a debt, receiving or processing collection proceeds, or mailing standard collection notices and billing statements; and

''(F) require the contractor to comply with section 552a of title 5 (popularly known as the 'Privacy Act'), the Fair Debt Collection Practices Act, and the Taxpayers Bill of Rights.

''(6) 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 of debts and recovery of assets 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 (f), the head of a Federal agency shall be deemed to be in compliance with subsection (f).''.

SEC. 5244. CROSS-SERVICING PARTNERSHIPS AND CENTRALIZATION OF DEBT COLLECTION ACTIVITIES IN THE DEPARTMENT OF THE TREASURY.

Section 3711 of title 31, United States Code, is amended by adding at the end the following new subsections:

''(g)(1) If a nontax debt or claim owed to the United States has been delinquent for a period of 180 days—

''(A) the head of the executive, judicial, or legislative agency that administers the program that gave rise to the debt or claim shall transfer the debt or claim to the Secretary of the Treasury; and

''(B) upon such transfer the Secretary of the Treasury shall take appropriate action to collect or terminate collection actions on the debt or claim.

''(2) Paragraph (1) shall not apply—

''(A) to any debt or claim that—

''(i) is in litigation or foreclosure;

''(ii) will be disposed of under an asset sales program within 1 year after the date the debt or claim is first delinquent, or a greater period of time if a delay would be in the best interests of the United States, as determined by the Secretary of the Treasury;

''(iii) has been referred to a private collection contractor for collection for a period of time determined by the Secretary of the Treasury;

''(iv) has been referred by, or with the consent of, the Secretary of the Treasury to a debt collection center for a period of time determined by the Secretary of the Treasury; or

''(v) will be collected under internal offset, if such offset is sufficient to collect the claim within 3 years after the date the debt or claim is first delinquent; and

''(B) to any other specific class of debt or claim, as determined by the Secretary of the Treasury at the request of the head of an executive, judicial, or legislative agency or otherwise.

''(3) For purposes of this section, the Secretary of the Treasury may designate, and withdraw such designation of debt collection centers operated by other Federal agencies. The Secretary of the Treasury shall designate such centers on the basis of their performance in collecting delinquent claims owed to the Government.

''(4) At the discretion of the Secretary of the Treasury, referral of a nontax claim may be made to—

''(A) any executive department or agency operating a debt collection center for servicing, collection, compromise, or suspension or termination of collection action;

''(B) a contractor operating under a contract for servicing or collection action; or

''(C) the Department of Justice for litigation.

''(5) nontax claims referred or transferred under this section shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities. Executive departments and agencies operating debt collection centers may enter into agreements with the Secretary of the Treasury to carry out the purposes of this subsection. The Secretary of the Treasury shall—

''(A) maintain competition in carrying out this subsection;

''(B) maximize collections of delinquent debts by placing delinquent debts quickly;

''(C) maintain a schedule of contractors and debt collection centers eligible for referral of claims; and

''(D) refer delinquent debts to the person most appropriate to collect the type or amount of claim involved.

''(6) Any agency operating a debt collection center to which nontax claims are referred or transferred under this subsection may charge a fee sufficient to cover the full cost of implementing this subsection. The agency transferring or referring the nontax claim shall be charged the fee, and the agency charging the fee shall collect such fee by retaining the amount of the fee from amounts collected pursuant to this subsection. Agencies may agree to pay through a different method, or to fund an activity from another account or from revenue received from the procedure described under section 3720C of this title. Amounts charged under this subsection concerning delinquent claims may be considered as costs pursuant to section 3717(e) of this title.

''(7) Notwithstanding any other law concerning the depositing and collection of Federal payments, including section 3302(b) of this title, agencies collecting fees may retain the fees from amounts collected. Any fee charged pursuant to this subsection shall be deposited into an account to be determined by the executive department or agency operating the debt collection center charging the fee (in this subsection referred to in this section as the 'Account'). Amounts deposited in the Account shall be available until expended to cover costs associated with the implementation and operation of Governmentwide debt collection activities. Costs properly chargeable to the Account include—

''(A) the costs of computer hardware and software, word processing and telecommunications equipment, and other equipment, supplies, and furniture;

''(B) personnel training and travel costs;

''(C) other personnel and administrative costs;

''(D) the costs of any contract for identification, billing, or collection services; and

''(E) reasonable costs incurred by the Secretary of the Treasury, including services and utilities provided by the Secretary, and administration of the Account.

''(8) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of unobligated balances remaining in the Account at the close of business on September 30 of the preceding year, minus any part of such balance that the executive department or agency operating the debt collection center determines is necessary to cover or defray the costs under this subsection for the fiscal year in which the deposit is made.

''(9) At the end of each calendar year, the head of an executive, judicial, or legislative agency which, regarding a claim owed to the agency, is required to report a discharge of indebtedness as income under the 6050P of the Internal Revenue Code of 1984 (26 U.S.C. 6050P) shall either complete the appropriate form 1099 or submit to the Secretary of the Treasury such information as is necessary for the Secretary of the Treasury to complete the appropriate form 1099. The Secretary may exempt specific classes of claims from this requirement, at the request of the head of an agency. The Secretary of the Treasury shall incorporate this information into the appropriate form and submit the information to the taxpayer and the Internal Revenue Service. Before completing a discharge of indebtedness, the head of an executive, judicial, or legislative agency shall certify that all appropriate steps have been taken with respect to a delinquent debt, including (as applicable)—

''(A) administrative offset,

''(B) tax refund offset,

''(C) Federal salary offset,

''(D) referral to private debt collection agencies,

''(E) referral to agencies operating a debt collection center,

''(F) reporting delinquencies to credit reporting bureaus,

''(G) garnishing the wages of delinquent debtors, and

''(H) litigation or foreclosure.

''(10) To carry out the purpose of this subsection, the Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary considers necessary.

''(h)(1) The head of an executive, judicial, or legislative agency acting under subsection (a) (1), (2), or (3) of this section to collect a claim, compromise a claim, or terminate collection action on a claim may obtain a consumer report (as that term is defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)) or comparable credit information on any person who is liable for the claim.

''(2) The obtaining of a consumer report under this subsection is deemed to be a circumstance or purpose authorized or listed under section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b).''.

SEC. 5245. COMPROMISE OF CLAIMS.

Section 11 of the Administrative Dispute Resolution Act (Public Law 101–552, 104 Stat. 2736, 5 U.S.C. 571 note) is amended by adding at the end the following sentence: ''This section shall not apply to section 8(b) of this Act.''.

SEC. 5246. WAGE GARNISHMENT REQUIREMENT.

(a) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720C, as added by section 5261 of this subtitle, the following new section:

''§ 3720D. Garnishment

''(a) Notwithstanding any provision of State law, the head of an executive, judicial, or legislative agency that administers a program that gives rise to a delinquent nontax debt owed to the United States by an individual may in accordance with this section garnish the disposable pay of the individual to collect the amount owed, if the individual is not currently making required repayment in accordance with any agreement between the agency head and the individual.

''(b) In carrying out any garnishment of disposable pay of an individual under subsection (a), the head of an executive, judicial, or legislative agency shall comply with the following requirements:

''(1) The amount deducted under this section for any pay period may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual.

''(2) The individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the head of the executive, judicial, or legislative agency, informing the individual of—

''(A) the nature and amount of the debt to be collected;

''(B) the intention of the agency to initiate proceedings to collect the debt through deductions from pay; and

''(C) an explanation of the rights of the individual under this section.

''(3) The individual shall provide an opportunity to inspect and copy records relating to the debt.

''(4) The individual shall be provided an opportunity to enter into a written agreement with the executive, judicial, or legislative agency, under terms agreeable to the head of the agency, to establish a schedule for repayment of the debt.

''(5) The individual shall be provided an opportunity for a hearing in accordance with subsection (c) on the determination of the head of the executive, judicial, or legislative agency concerning—

''(A) the existence or the amount of the debt, and

''(B) in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), the terms of the repayment schedule.

''(6) If the individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of the individual until the individual has been reemployed continuously for at least 12 months.

''(c)(1) A hearing under subsection (b)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (b)(2), and in accordance with such procedures as the head of the executive, judicial, or legislative agency may prescribe, files a petition requesting such a hearing.

''(2) If the individual does not file a petition requesting a hearing prior to such date, the head of the agency shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order.

''(3) The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

''(d) The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

''(e)(1) An employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action.

''(2) The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

''(f)(1) The employer of an individual—

''(A) shall pay to the head of an executive, judicial, or legislative agency as directed in a withholding order issued in an action under this section with respect to the individual, and

''(B) shall be liable for any amount that the employer fails to withhold from wages due an employee following receipt by such employer of notice of the withholding order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages.

''(2)(A) The head of an executive, judicial, or legislative agency may sue an employer in a State or Federal court of competent jurisdiction to recover amounts for which the employer is liable under paragraph (1)(B).

''(B) 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.

''(3) Notwithstanding paragraphs (1) and (2), an employer shall not be required to vary its normal pay and disbursement cycles in order to comply with this subsection.

''(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 law to be withheld.

''(h) The Secretary of the Treasury shall issue regulations to implement this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States code, is amended by inserting after the item relating to section 3720C (as added by section 5261 of this subtitle) the following new item:

''3720D. Garnishment.''.

SEC. 5247. DEBT SALES BY AGENCIES.

Section 3711 of title 31, United States Code, is further amended by adding at the end the following new subsection:

''(h)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 and using competitive procedures, any nontax debt owed to the United States that is delinquent for more than 90 days. Appropriate fees charged by a contractor to assist in the conduct of a sale under this subsection may be payable from the proceeds of the sale.

''(2) After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States, if the Secretary of the Treasury determines the sale is in the best interests of the United States.

''(3) Sales of nontax debt under this subsection—

''(A) shall be for—

''(i) cash, or

''(ii) cash and a residuary equity or profit participation, if the head of the agency reasonably determines that the proceeds will be greater than sale solely for cash,

''(B) shall be without recourse, but may include the use of guarantees if otherwise authorized, and

''(C) shall transfer to the purchaser all rights of the Government to demand payment of the nontax debt, other than with respect to a residuary equity or profit participation under subparagraph (A)(ii).

''(4)(A) Within one year after the date of enactment of the Debt Collection Improvement Act of 1995, and every year thereafter, each executive agency with current and delinquent collateralized debts shall report to the Congress on the valuation of its existing portfolio of loans, notes and guarantees, and 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). At a minimum, for each financing account and for each liquidating account (as those terms are defined in sections 502(7) and 502(8), respectively, of the Federal Credit Reform Act of 1990) the following information shall be reported:

''(i) The cumulative balance of current 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.

''(ii) 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.

''(iii) The cumulative balance of guaranteed loans outstanding, the estimated net present value of such guarantees, the annual administrative expenses of such guarantees (including the portion of salaries and expenses that are directly related to such guaranteed loans), and the estimated net proceeds that would be received by the Government if such loan guarantees were sold.

''(iv) The cumulative balance of defaulted loans that were previously guaranteed and have resulted in loans receivables, the estimated net present value of such loan assets, the annual administrative expenses of such loan assets (including the portion of salaries

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.

''(v) The marketability of all debts.

''(5) This subsection is not intended to limit existing statutory authority of agencies to sell loans, debts, or other assets.''.

SEC. 5248. ADJUSTMENTS OF ADMINISTRATIVE DEBT.

Section 3717 of title 31, United States Code, is amended by adding 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 claim by the cost of living adjustment in lieu of charging interest and penalties under this section. Adjustments under this subsection will be computed annually.

''(2) For the purpose 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 government credit through direct loans, loan guarantees, or insurance, including fines, penalties, and overpayments.''.

SEC. 5249. DISSEMINATION OF INFORMATION REGARDING IDENTITY OF DELINQUENT DEBTORS.

(a) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720D, as added by section 5246 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 nontax debt owed by any person, publish or otherwise publicly disseminate information regarding the identity of the person and the existence of the nontax debt.

''(b)(1) 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 nontax debts, by directing actions under this section toward delinquent debtors that have assets or income sufficient to pay their delinquent nontax 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 nontax 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 subchapter II of chapter 37 of title 31, United States Code, is amended by adding after the item relating to section 3720D (as added by section 5246 of this subtitle) the following new item:

''3720E. Dissemination of information regarding identity of delinquent debtors.''.

Subpart E—Federal Civil Monetary Penalties

SEC. 5251. ADJUSTING FEDERAL CIVIL MONETARY PENALTIES FOR INFLATION.

(a) IN GENERAL.—the Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101–410, 104 Stat. 890; 28 U.S.C. 2461 note) is amended—

(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 the Debt Collection Improvement Act of 1995, and at least once every 4 years thereafter—

''(1) by regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty under the Internal Revenue Code of 1986, by the inflation adjustment described under section 5 of this Act; and

''(2) publish each such regulation in the Federal Register.'';

(2) in section 5(a), by striking ''The adjustment described under paragraphs (4) and (5)(A) of section 4'' and inserting ''The inflation adjustment under section 4''; and

(3) 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.''.

(b) LIMITATION ON INITIAL ADJUSTMENT.—The first adjustment of a civil monetary penalty made pursuant to the amendment made by to subsection (a) may not exceed 10 percent of such penalty.

Subpart F—Gain Sharing

SEC. 5261. 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)(1) 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 greater 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 debt became delinquent 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)(1) 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.

''(2) For purposes of this section, the term 'qualified expenses' means expenditures for the improvement of tax administration, credit management, debt collection, and debt recovery activities, including—

''(A) account servicing (including cross-servicing under section 3711(g) of this title),

''(B) automatic data processing equipment acquisitions,

''(C) delinquent debt collection,

''(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, any unappropriated balance in the Account shall be transferred to the general fund of the Treasury as miscellaneous receipts.

''(d) For direct loans and loan guarantee programs subject to title V of the Congressional Budget Act of 1974, amounts credited in accordance with subsection (c) shall be considered administrative costs.

''(e) 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 3720B (as added by section 5232 of this subtitle) the following new item:

''3720C. Debt Collection Improvement Account.''.

Subpart G—Tax Refund Offset Authority

SEC. 5271. 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 nontax 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 nontax 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 adding after subsection (h) (as amended by section 5271 of this subtitle) the following new subsection:

''(i) An agency subject to section 9 of the Act of May 18, 1933, (16 U.S.C. 831h), 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:

''(f) FEDERAL AGENCY.—For purposes of this section, the term '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 3720A(a) of title 31, United States Code, is amended to read as follows:

''(a) 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) shall, and any agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h), owed such a debt may, in accordance with regulations issued pursuant to subsections (b) and (d), notify the Secretary of the Treasury at least once each year of the amount of such debt.''.

(b) IMPLEMENTATION OF SUPPORT COLLECTION BY SECRETARY OF THE TREASURY.—Section 464(a) of the Act of August 14, 1935 (42 U.S.C. 664(a)) is amended—

(1) in paragraph (1), by adding at the end the following: ''This subsection may be executed by the disbursing official of the Department of the Treasury.''; and

(2) in paragraph (2)(A), by adding at the end the following: ''This subsection may be executed by the disbursing official of the Department of the Treasury.''.

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 subsections (e) through (l) as subsections (f) through (j), respectively, and by inserting after subsection (d) of the following new subsection:

''(e) COLLECTION OF PAST-DUE, LEGALLY ENFORCEABLE STATE DEBTS.—

''(1) IN GENERAL.—Upon receiving notice from any State that a named person owes a past-due, legally enforceable State debt to such State or a legally constituted subdivision of the State, the Secretary shall apply this subsection with respect to the past-due, legally enforceable State debt if—

''(A) the appropriate State official requests that an offset be performed; and

''(B) a reciprocal agreement between the Secretary and the State is in effect to offset Federal and State debts.

''(2) ACTIONS TO BE TAKEN.—Under such conditions as may be 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) pay the amount by which such overpayment is reduced under subparagraph (A) to such State and notify such State of such person's name, taxpayer identification number, address, and the amount collected; and

''(C) notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a past-due, legally enforceable State debt.

If an offset is made pursuant to a joint return, the notice under subparagraph (B) shall include the names, taxpayer identification numbers, and addresses of each person filing such return.

''(3) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to this subsection—

''(A) after such overpayment is reduced pursuant to—

''(i) subsection (a) with respect to any liability for any internal revenue tax on the part of the person who made the overpayment,

''(ii) subsection (c) with respect to past-due support, and

''(iii) subsection (d) with respect to any past-due, legally enforceable debt owed to a Federal agency, and

''(B) before such overpayment is credited to the future liability for any Federal internal revenue tax of such person pursuant to subsection (b).

If the Secretary receives notice from 1 or more State agencies of more than 1 debt subject to paragraph (1) that is owed by such person to such an agency, an overpayment by such person shall be applied against such debts in the order in which such debts accrued.

''(4) NOTICE; CONSIDERATION OF EVIDENCE.—No State may take action under this subsection until such State—

''(A) notifies the person owing the past-due State debt that the State proposes to take action pursuant to this section,

''(B) gives such person at least 60 days to present evidence that all or part of such liability is not past-due or not legally enforceable,

''(C) considers any evidence presented by such person and determines that an amount of such debt is past-due and legally enforceable, and

''(D) 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.

''(5) PAST-DUE, LEGALLY ENFORCEABLE STATE DEBT.—For purposes of this subsection, the term 'past-due, legally enforceable State debt' means a debt—

''(A)(i) which resulted from—

''(I) a judgment rendered by a court of competent jurisdiction which has determined an amount of debt to be due, or

''(II) a determination after an administrative hearing which has determined an amount of debt to be due, and

''(ii) which is no longer subject to judicial review, or

''(B) which resulted from a State tax which has not been collected, the time for redetermination of which has expired, and which has not been delinquent for more than 10 years.

For purposes of this paragraph, the term 'State tax' includes any local tax administered by the chief tax administration agency of the State.

''(6) REGULATIONS.—The Secretary shall 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;

''(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 the Secretary to reimburse appropriations which bore all or part of the cost of applying such procedure.

''(7) ERRONEOUS PAYMENT TO STATE.—Any State receiving notice from the Secretary that an erroneous payment has been made to such State under paragraph (1) shall pay promptly to the Secretary, in accordance with such regulations as the Secretary may prescribe, an amount equal to the amount of such erroneous payment (without regard to whether any other amounts payable to such State under such paragraph have been paid to such State).''

(b) DISCLOSURE OF CERTAIN INFORMATION TO STATES REQUESTING REFUND OFFSETS FOR PAST-DUE, LEGALLY ENFORCEABLE STATE DEBTS.—(1) Paragraph (10) of section 6103(l) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(l)(10)) is amended by striking ''(c) or (d)'' and inserting ''(c), (d), and (e)''.

(2) The paragraph heading for such paragraph (10) is amended by striking ''SECTION 6402(c) OR 6402(d)'' and inserting ''SUBSECTION (c), (d), OR (e) OF SECTION 6402''.

(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)''.

(2) Paragraph (2) of section 6402(d) of the Internal Revenue Code of 1986 (26 U.S.C. 6402(d)(2)) is amended by striking ''and before such overpayment'' and inserting ''and before such overpayment is reduced pursuant to subsection (e) and before such overpayment''.

(3) Subsection (f) of section 6402 of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended—

(A) by striking ''(c) or (d)'' and inserting ''(c), (d), or (e)'', and

(B) by striking ''Federal agency'' and inserting ''Federal agency or State''.

(4) Subsection (h) of section 6402 of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended by striking ''subsection (c)'' and inserting ''subsection (c) or (e)''.

(d) 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.

Subpart H—Disbursements

SEC. 5281. ELECTRONIC FUNDS TRANSFER.

Section 3332 of title 31, United States Code, popularly known as the Federal Financial Management Act of 1994, is amended—

(1) by redesignating subsection (e) as subsection (h), and inserting after subsection (d) the following new subsections:

''(e)(1) Notwithstanding subsections (a) through (d) 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.

''(2) The head of a Federal agency shall, with respect to Federal payments made or authorized by the agency, waive the application of paragraph (1) to a recipient of those payments upon receipt of written certification from the recipient that the recipient does not have an account with a financial institution or an authorized payment agent.

''(f)(1) Notwithstanding any other provision of law (including subsections (a) through (e) of this section and sections 5120(a) and (d) of title 38), except as provided in paragraph (2) all Federal payments made after January 1, 1999, shall be made by electronic funds transfer.

''(2)(A) The Secretary of the Treasury may waive application of this subsection to payments—

''(i) for individuals or classes of individuals for whom compliance imposes a hardship;

''(ii) for classification or types of checks; or

''(iii) in other circumstances as may be necessary.

''(B) The Secretary of the Treasury shall make determinations under subparagraph (A) based on standards developed by the Secretary.

''(g) Each recipient of Federal payments required to be made by electronic funds tranfer shall—

''(1) designate 1 or more financial institutions or other authorized agents to which such payments shall be made; and

''(2) provide to the Federal agency that makes or authorizes the payments information necessary for the recipient to receive electronic funds transfer payments through each institution or agent designated under paragraph (1).''; and

(2) by adding after subsection (h) (as so redesignated) the following new subsections:

''(i)(1) The Secretary of the Treasury may prescribe regulations that the Secretary considers necessary to carry out this section.

''(2) Regulations under this subsection shall ensure that individuals required under subsection (g) to have an account at a financial institution because of the application of subsection (f)(1)—

''(A) will have access to such an account at a reasonable cost; and

''(B) are given the same consumer protections with respect to the account as other account holders at the same financial institution.

''(j) For purposes of this section—

''(1) The term 'electronic funds transfer' means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearing House transfers, Fed Wire transfers, transfers made at automatic teller machines, and point-of-sale terminals.

''(2) The term 'Federal agency' means—

''(A) an agency (as defined in section 101 of this title); and

''(B) a Government corporation (as defined in section 103 of title 5).

''(3) The term 'Federal payments' includes—

''(A) Federal wage, salary, and retirement payments;

''(B) vendor and expense reimbursement payments;

''(C) benefit payments; and

''(D) tax refund payments and other miscellaneous payments.''.

SEC. 5282. REQUIREMENT TO INCLUDE TAXPAYER IDENTIFYING NUMBER WITH PAYMENT VOUCHER.

Section 3325 of title 31, United States Code, is amended by adding at the end the following new subsection:

''(d) The head of an executive agency or an officer or employee of an executive agency referred to in subsection (a)(1)(B), as applicable, shall include with each certified voucher submitted to a disbursing official pursuant to this section the taxpayer identifying number of each person to whom payment may be made under the voucher.''.

Subpart I—Miscellaneous

SEC. 5291. MISCELLANEOUS AMENDMENTS TO DEFINITIONS.

Section 3701 of title 31, United States Code, is amended—

(1) by amending subsection (a)(1) to read as follows:

''(1) 'administrative offset' means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim.'';

(2) by amending subsection (b) to read as follows:

''(b)(1) In subchapter II of this chapter, The term 'claim' or 'debt' means any amount of funds or property that has been determined by an appropriate official of the Federal Government to be owed to the United States by a person, organization, or entity other than another Federal agency. A claim includes, without limitation—

''(A) funds owed on account of loans made, insured, or guaranteed by the Government, including any deficiency or any difference between the price obtained by the Government in the sale of a property and the amount owed to the Government on a mortgage on the property,

''(B) expenditures of nonappropriated funds,

''(C) over-payments, including payments disallowed by audits performed by the Inspector General of the agency administering the program,

''(D) any amount the United States is authorized by statute to collect for the benefit of any person,

''(E) the unpaid share of any non-Federal partner in a program involving a Federal payment and a matching, or cost-sharing, payment by the non-Federal partner,

''(F) any fines or penalties assessed by an agency; and

''(G) other amounts of money or property owed to the Government.

''(2) For purposes of sections 3716 of this title, each of the terms 'claim' and 'debt' includes an amount of funds or property owed by a person to a State (including any past-due support being enforced by the State), the District of Columbia, American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Commonwealth of Puerto Rico.''; and

(3) by adding after subsection (f) (as added by section 5242 of this subtitle) the following new subsection:

''(g) In section 3716 of this title—

''(1) 'creditor agency' means any agency owed a claim that seeks to collect that claim through administrative offset; and

''(2) 'payment certifying agency' means any agency that has transmitted a voucher to a disbursing official for disbursement.''.

SEC. 5292. MONITORING AND REPORTING.

(a) GUIDELINES.—The Secretary of the Treasury, in consultation with concerned Federal agencies, may establish guidelines, including information on outstanding debt, to assist agencies in the performance and monitoring of debt collection activities.

(b) REPORT.—Not later than 3 years after the date of enactment of this subtitle, the Secretary of the Treasury shall report to the Congress on collection services provided by Federal agencies or entities collecting debt on behalf of other Federal agencies under the authorities contained in section 3711(g) of title 31, United States Code, as added by section 5244 of this subtitle.

(c) AGENCY REPORTS.—Section 3719 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: ''In consultation with the Comptroller General of the United States, the Secretary of the Treasury shall prescribe regulations requiring the head of each agency with outstanding nontax claims to prepare and submit to the Secretary at least once each year a report summarizing the status of loans and accounts receivable that are managed by the head of the agency.''; and

(B) in paragraph (3), by striking ''Director'' and inserting ''Secretary''; and

(2) in subsection (b), by striking ''Director'' and inserting ''Secretary''.

(d) CONSOLIDATION OF REPORTS.—Notwithstanding any other provision of law, the Secretary of the Treasury may consolidate reports concerning debt collection otherwise required to be submitted by the Secretary into one annual report.

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. 3305) are hereby repealed.

SEC. 5302. NONJUDICIAL 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—NONJUDICIAL FORECLOSURE

''Sec.
''3401. Definitions.
''3402. Rules of construction.
''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 and 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;

''(B) an independent establishment, as defined in section 104 of title 5, United States Code (except that it shall not include the General Accounting Office);

''(C) a military department, as set forth in section 102 of title 5, United States Code; and

''(D) a wholly owned government corporation, as defined in section 9101(3) of title 31, United States Code;

''(2) 'agency head' means the head and any assistant head of an agency, and may upon

the designation by the head of an agency include the chief official of any principal division of an agency or any other employee of an agency;

''(3) 'bona fide 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) 'debt instrument' means a note, mortgage bond, guaranty, or other instrument creating a debt or other obligation, including any instrument incorporated by reference therein and any instrument or agreement amending or modifying a debt instrument;

''(5) 'file' or 'filing' means docketing, indexing, recording, or registering, or any other requirement for perfecting 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 deed 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 rendered subject to a lien, 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 effect of such records as notice 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) IN GENERAL.—If 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

''(2) The Multifamily Mortgage Foreclosure Act of 1981.

''(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, including any right to obtain a monetary judgment.

''(d) APPLICATION TO MORTGAGES.—The provisions of this subchapter may be used to foreclose any 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 for which acceleration or foreclosure is authorized. An agency head may not institute foreclosure proceedings on the mortgage under any other provision of law, or refer such mortgage for litigation, during the pendency of foreclosure proceedings pursuant to this subchapter.

''(b) EFFECT OF CANCELLATION OF 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 by law.

''§ 3404. Designation of foreclosure trustee

''(a) IN GENERAL.—An agency head shall designate a foreclosure trustee who shall supersede 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 as foreclosure trustee—

''(A) an officer or employee of the agency;

''(B) an individual who is a resident of the State in which the security property is located; or

''(C) a partnership, association, or corporation, if such entity is authorized to transact business under the laws of the State in which the security property is located.

''(2) The agency head is authorized to enter into personal services and other contracts not inconsistent with this subchapter.

''(c) METHOD OF DESIGNATION.—An agency head shall designate the foreclosure trustee in writing. The foreclosure trustee may be designated by name, title, or position. An agency head may designate one or more foreclosure trustees for the purpose of proceedings with multiple foreclosures or a class of foreclosures.

''(d) AVAILABILITY OF DESIGNATION.—An agency head may designate such foreclosure trustees as the agency head deems necessary to carry out the purposes of this subchapter.

''(e) MULTIPLE FORECLOSURE TRUSTEES AUTHORIZED.—An agency head may designate multiple foreclosure trustees for different tracts of a secured property.

''(f) REMOVAL OF FORECLOSURE TRUSTEES; SUCCESSOR FORECLOSURE TRUSTEES.—An agency head may, with or without cause or notice, remove a foreclosure trustee and designate a successor trustee as provided in this section. The foreclosure sale shall continue without prejudice notwithstanding the removal of the foreclosure trustee and designation of a successor foreclosure trustee. Nothing in this section shall be construed to prohibit a successor foreclosure trustee from postponing the foreclosure sale in accordance with this subchapter.

''§ 3405. Notice of foreclosure sale; statute of limitations

''(a) IN GENERAL.—

''(1) Not earlier than 21 days nor later than ten years after acceleration of a debt instrument or demand on a guaranty, the foreclosure trustee shall serve a notice of foreclosure sale in accordance with this subchapter.

''(2) For purposes of computing the time period under paragraph (1), there shall be excluded all periods during which there is in effect—

''(A) a judicially imposed stay of foreclosure; or

''(B) a stay imposed by section 362 of title 11, United States Code.

''(3) In the event of partial payment or written acknowledgement of the debt after acceleration of the debt instrument, the right to foreclose shall be deemed to accrue again at the time of each such payment or acknowledgement.

''(b) NOTICE OF FORECLOSURE SALE.—The notice of foreclosure sale shall include—

''(1) the name, title, and business address of the foreclosure trustee as of the date of the notice;

''(2) the names of the original parties to the debt instrument and the mortgage, and any assignees of the mortgagor of record;

''(3) the street address or location of the security property, and a generally accepted designation used to describe the security property, or so much thereof as is to be offered for sale, sufficient to identify the property to be sold;

''(4) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

''(5) the default or defaults upon which foreclosure is based, and the date of the acceleration of the debt instrument;

''(6) the date, time, and place of the foreclosure sale;

''(7) a statement that the foreclosure is being conducted in accordance with this subchapter;

''(8) the types of costs, if any, to be paid by the purchaser upon transfer of title; and

''(9) the terms and conditions of sale, including the method and time of payment of the foreclosure purchase price.

''§ 3406. Service of notice of foreclosure sale

''(a) RECORD NOTICE.—At least 21 days prior to the date of the foreclosure sale, the notice of foreclosure sale required by section 3405 shall be filed in the manner authorized for filing a notice of an action concerning real property according to the law of the State where the security property is located or, if none, in the manner authorized by section 3201 of this chapter.

''(b) NOTICE BY MAIL.—

''(1) At least 21 days prior to the date of the forecloure 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 that the notice of foreclosure sale is recorded pursuant to subsection (a);

''(B) to all debtors, including the mortgagor, assignees of the mortgagor and guarantors of the debt instrument;

''(C) to all persons having liens, interests or encumbrances of record upon the security property, as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subseciton (a); and

''(D) to any occupants of the security property.

If the names of the occupants of the security property are not known to the agency, or 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 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 each of three successive weeks prior to the sale in at least one newspaper of general circulation in any

county or counties in which the security property is located. If there is no newspaper published at least weekly that has a general circulation in at least one county in which the security property is located, copies of the notice of foreclosure sale shall instead be posted at least 21 days prior to the sale at the courthouse of any county or counties in which the property is located and the place where the sale is to be held.

"§ 3407. Cancellation of foreclosure sale

''(a) IN GENERAL.—At any time prior to the foreclosure sale, the foreclosure trustee shall cancel the sale—

''(1) if the debtor or the holder of any subordinate interest in the security property tenders the performance due under the debt instrument and mortgage, 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; or

''(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 due at the time of tender in the absence of any acceleration;

''(B) performs any other obligation which would have been required in the absence of any acceleration; and

''(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 the default under subsection (a)(2) if, within the preceding 12 months, the debtor has cured a default after being served with a notice of 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 bankruptcy, no person may thereafter cure the default under the provisions of section 3407(a)(2). If the default is not cured at the time a stay is terminated, 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 pursuant to this subchapter shall be at public auction and shall be scheduled to begin at a time between the hours of 9:00 a.m. and 4:00 p.m. local time. The foreclosure sale shall be held at the location specified in the notice of foreclosure sale, which shall be a location where real estate foreclosure auctions are customarily held in the county or one of the counties in which the property to be sold is located or at a courthouse therein, or upon the property to be sold. Sale of security property situated in two or more counties may be held in any one of the counties in which any part of the security property is situated. The foreclosure trustee may designate the order in which multiple tracts of security property are sold.

''(b) BIDDING REQUIREMENTS.—Written one-price sealed bids shall be accepted by the foreclosure trustee, if submitted by the agency head or other persons for entry by announcement by the foreclosure trustee at the sale. The sealed bids shall be submitted in accordance with the terms set forth in the notice of foreclosure sale. The agency head or any other person may bid at the foreclosure sale, even if the agency head or other person previously submitted a written one-price bid. The agency head may bid a credit against the debt due without the tender or payment of cash. The foreclosure trustee may serve as auctioneer, or may employ an auctioneer who may be paid from the sale proceeds. If an auctioneer is employed, the foreclosure trustee is not required to attend the sale. The foreclosure trustee or an auctioneer may bid as directed by the agency head.

''(c) POSTPONEMENT OF SALE.—The foreclosure trustee shall have discretion, prior to or at the time of sale, to postpone the foreclosure sale. The foreclosure trustee may postpone a sale to a later hour the same day by announcing or posting the new time and place of the foreclosure sale at the time and place originally scheduled for the foreclosure sale. The foreclosure trustee may instead postpone the foreclosure sale for not fewer than 9 nor more than 31 days, by serving notice that the foreclosure sale has been postponed to a specified date, and the notice may include any revisions the foreclosure trustee deems appropriate. The notice shall be served by publication, mailing, and posting in accordance with section 3406(b) and (c), except that publication may be made on any of three separate days prior to the new date of the foreclosure sale, and mailing may be made at any time at least 7 days prior to the new date of the foreclosure sale.

''(d) LIABILITY OF SUCCESSFUL BIDDER WHO FAILS TO COMPLY.—The foreclosure trustee may require a bidder to make a cash deposit before the bid is accepted. The amount or percentage of the cash deposit shall be stated by the foreclosure trustee in the notice of foreclosure sale. A successful bidder at the foreclosure sale who fails to comply with the terms of the sale shall forfeit the cash deposit or, at the election of the foreclosure trustee, shall be liable to the agency on a subsequent sale of the property for all net losses incurred by the agency as a result of such failure.

''(e) EFFECT OF SALE.—Any foreclosure sale held in accordance with this subchapter shall be conclusively presumed to have been conducted in a legal, fair, and commercially reasonable manner. The sale price shall be conclusively presumed to constitute the reasonably equivalent value of the security property.

"§ 3410. Transfer of title and possession

''(a) DEED.—After receipt of the purchase price in accordance with the terms of the sale as provided in the notice of foreclosure sale, the foreclosure trustee shall execute and deliver to the purchaser a deed conveying the security property to the purchaser that grants and conveys title to the security property without warranty or covenants to the purchaser. The execution of the foreclosure trustee's deed shall have the effect of conveying all of the right, title, and interest in the security property covered by the mortgage. Notwithstanding any other law to the contrary, the foreclosure trustee's deed shall be a conveyance of the security property and not a quitclaim. No judicial proceeding shall be required ancillary or supplementary to the procedures provided in this subchapter to establish the validity of the conveyance.

''(b) DEATH OF PURCHASER PRIOR TO CONSUMMATION OF SALE.—If a purchaser dies before execution and delivery of the deed conveying the security property to the purchaser, the foreclosure trustee shall execute and deliver the deed to the representative of the purchaser's estate upon payment of the purchase price in accordance with the terms of sale. Such delivery to the representative of the purchaser's estate shall have the same effect as if accomplished during the lifetime of the purchaser.

''(c) PURCHASER CONSIDERED BONA FIDE PURCHASER WITHOUT NOTICE.—The purchaser of property under this subchapter shall be presumed to be a bona fide purchaser without notice of defects, if any, in the title conveyed to the purchaser.

''(d) POSSESSION BY PURCHASER; CONTINUING INTERESTS.—A purchaser at a foreclosure sale conducted pursuant to this subchapter shall be entitled to possession upon passage of title to the security property, subject to any interest or interests senior to that of the mortgage. The right to possession of any person without an interest senior to the mortgage who is in possession of the property shall terminate immediately upon the passage of title to the security property, and the person shall vacate the security property immediately. The purchaser shall be entitled to take any steps available under Federal law or State law to obtain possession.

''(e) RIGHT OF REDEMPTION; RIGHT OF POSSESSION.—This subchapter shall preempt all Federal and State rights of redemption, statutory, or common law. Upon conclusion of the public auction of the security property, no person shall have a right of redemption.

''(f) PROHIBITION OF IMPOSITION OF TAX ON CONVEYANCE BY THE UNITED STATES OR AGENCY THEREOF.—No tax, or fee in the nature of a tax, for the transfer of title to the security property by the foreclosure trustee's deed shall be imposed upon or collected from the foreclosure trustee or the purchaser by any State or political subdivision thereof.

"§ 3411. Record of foreclosure and sale

''(a) RECITAL REQUIREMENTS.—The foreclosure trustee shall recite in the deed to the purchaser, or in an addendum to the foreclosure trustee's deed, or shall prepare an affidavit stating—

''(1) the date, time, and place of sale;

''(2) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

''(3) the persons served with the notice of foreclosure sale;

''(4) the date and place of filing of the notice of foreclosure sale under section 3406(a);

''(5) that the foreclosure was conducted in accordance with the provisions of this subchapter; and

''(6) the sale amount.

''(b) EFFECT OF RECITALS.—The recitals set forth in subsection (a) shall be prima facie evidence of the truth of such recitals. 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 official of the county or counties where 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 for filing 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 who claims an interest in the property subordinate to that of the mortgage, and their heir, devisee, executor, administrator, successor, or assignee claiming under any such person;

''(2) any person claiming any interest in the property subordinate to that of the mortgage, if such person had actual knowledge of the sale;

''(3) any person so claiming, whose assignment, mortgage, or other conveyance was

not filed in the proper place for filing, or whose judgment or decree was not filed in the proper place for filing, prior to the date of filing of the notice of foreclosure sale as required by section 3406(a), and the heir, devisee, executor, administrator, successor, or assignee of such a person; or

''(4) any other person claiming under a statutory lien or encumbrance not required to be filed and attaching to the title or interest of any person designated in any of the foregoing subsections of this section.

§ 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:

''(1)(A) First, to pay the commission of the foreclosure trustee, other than an agency employee, the greater of—

''(i) the sum of—

''(I) 3 percent of the first $1,000 collected, plus

''(I) 1.5 percent on the excess of any sum collected over $1,000; or

''(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.

''(2) 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.

''(3) Thereafter, to pay for the costs of foreclosure, 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 1921 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.

''(4) Thereafter, to pay valid real property tax liens or assessments, if required by the notice of foreclosure sale.

''(5) Thereafter, to pay any liens senior to the mortgage, if required by the notice of foreclosure sale.

''(6) Thereafter, to pay service charges and advancement for taxes, assessments, and property insurance premiums.

''(7) 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.

''(b) 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.

''(c) SURPLUS MONIES.—

''(1) After making the payments required by subsection (a), the foreclosure trustee shall—

''(A) 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

''(B) 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 (1).

''(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.''.

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, TUESDAY, OCTOBER 24, 1995 No. 165

Senate

The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Help us, O Lord, to have no other gods before You. We say we trust in You, but there are times when our worries and fears expose us to the idols in our hearts. Sometimes we are troubled about our success ratings, what people think of us, and maintaining popularity. Often we are better at reading the pulse of public opinion than honestly taking our own spiritual pulse. Help us to use the true measurement of humility; not to stoop until we are smaller than ourselves, but to stand at our real height and compare ourselves to the greatness You intend for us to achieve. Thus, seeing the real smallness of our supposed greatness, stretch our souls today until they are enlarged to contain the gift of Your spirit. Then sound in our souls Your renewed call to serve You with our eye on only one opinion poll: What You think of our performance. Free us from need of people's approval so that we may give ourselves away for the needs of people. In our Lord's name. Amen.

RESERVATION OF LEADERSHIP TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

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:

TAXATION, BUDGET, AND ACCOUNTING TEXT

[Letter from Congressional Budget Office Director, June O'Neill to Senate Budget Committee Chairman Pete Domenici (R–NM), projecting enactment of reconciliation legislation submitted to committee would produce budget surplus in 2002, issued Oct. 18, 1995 (Text)]

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 18, 1995.

Hon. PETE V. DOMENICI,
Committee on the Budget, U.S. Senate, Washington, DC.

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 Budget Committee 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 the 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 150 basic 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

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

based on a hypothetical deficit reduction path developed by CBO. The deficit reductions estimated to result from the reconciliation legislation submitted to the Budget Committee, together with the constraints on discretionary spending proposed in the budget resolution, would likely yield a fiscal dividend similar to that discussed in the August report.

If you wish further details on this projection, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

Mr. HOLLINGS. I thank the distinguished Chair.

Thereupon, Senators admonished the Director of the Congressional Budget Office that she was violating section 13301 of the Budget Act, which provides that Social Security trust funds shall not be used to hide the size of the deficit.

On October 19, 2 days later, the same June O'Neill, the Director of the Congressional Budget Office, sent a second letter in response to inquiries made by my colleagues from North Dakota, Senators CONRAD and DORGAN. In that response, Ms. O'Neill explained that if you follow the law, you will end up with a deficit of $98 billion in the year 2002.

I ask unanimous consent that the letter be printed in the RECORD at this point.

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

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 19, 1995.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget Office yesterday provided the Chairman of the Senate Budget Committee with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), CBO provided projections (using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution) of the deficit or surplus of the total budget—that is, the deficit or surplus resulting from all budgetary transactions of the federal government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of $10 billion in 2002. Excluding an estimated off-budget surplus of $108 billion in 2002 from the calculation, CBO would project an on-budget deficit of $98 billion in 2002.

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226–2880.

Sincerely,

JUNE E. O'NEILL.

Mr. HOLLINGS. I thank the distinguished Chair.

Again the following day, October 20, the same June O'Neill acknowledged an accounting mistake and corrected her October 19 letter by explaining that actually the deficit in the year 2002 would not be $98 billion, but $105 billion instead.

Now, calling this budget balanced is a mistake that is commonly made, Mr. President. Just two Sundays ago on ''Meet the Press,'' the best I have seen in the public media covering this budget, Mr. Tim Russert, asked Mr. Panetta, ''Will you withstand those political charges and go along with the reduction in cost-of-living increases in order to balance the budget?''

That question is based on a false premise, Mr. President. The reduction of the cost-of-living increase does not go to balance the budget, but, on the contrary, adds to the surpluses in the Social Security trust fund. We are getting all get boiled up around here, Mr. President, with respect to Medicare and Social Security, about things that are in the black and ignoring the part of Government that is not paid for.

Specifically, let me cite Social Security. At the end of this fiscal year, Social Security will have a $544 billion surplus. Has anybody in this body, Capitol, ever heard the word ''surplus''? I have. I worked with President Lyndon Johnson, in 1968 and 1969 with our good friend, Chairman George Mahon, of the Appropriations Committee.

In December 1968 we called the President and said, ''Mr. President, please allow us to cut another $5 billion.'' The outlays were for the entire Government in 1968–69, defense included were $178 billion. Today, just the interest cost on the national debt is projected to reach $348 billion, almost $1 billion a day.

We have been fiscally responsible at times. And perhaps before I start, I ought to qualify myself as a witness, like they do in court.

Mr. President, this particular Governor got the first triple-A credit rating, before Tennessee, before North Carolina, Georgia, before any Southern State. It was accomplished by hard work, but I, as a young Governor, knew I could not make any impression on investors by just talking about paving a road and serving barbecue. We needed a calling card of fiscal responsibility.

Even back then I was trying to get business sense in Government, I asked the management consultants, to look at higher education, elementary and secondary education, the tax commission, insurance department. We went through Government making it more efficient and earning a triple-A credit rating, which incidentally, was subsequently lost by our former Republican governor.

Then, as I previously stated, I worked in Washington with Chairman Mahon back in 1968. And we continued that work to try and cut spending without decimating the responsibilities of Government. When President Ford came in, we had an economic summit and we cut spending. When President Carter came in, I was the chairman of the Budget Committee. I went to the White House after President Carter had been defeated in November 1980 and said, ''Mr. President, you are going to leave a bigger deficit than you inherited from President Ford.'' He said, ''How much?'' I said, ''$66 billion.'' He said, ''Well, then, how much are we projecting?'' I said, ''We are projected to have a deficit of $75 billion. And if that occurs, no Democrat will ever get elected again.''

So we passed the first reconciliation bill, signed by President Carter on December 5, 1980, cutting spending. I went to my good friends, Senator Magnuson of Washington, Senator Church of Idaho, Senator Culver of Iowa, Senator Gaylord Nelson of Wisconsin, Senator George McGovern of South Dakota, Senator Birch Bayh of Indiana. I said, ''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 just exactly what Baker called it, ''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 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, ''Oops, this is way 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.

My Republican 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 denied Hollings' allegations. ''I don't know where he comes up with that,'' Archer says of 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. ''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 that 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

[Outlays in billions]

Year	Government budget	Trust funds	Unified deficit	Real deficit	Gross Federal debt	Gross interest
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	−0.3	+3.2	+2.9	365.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.6	−212.3	−252.9	1,817.6	178.9
1986	990.3	81.8	−221.2	−303.0	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
1989	1,143.2	114.2	−152.5	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−221.4	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−269.2	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
1993	1,408.2	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−203.2	−292.3	4,643.7	296.3
1995	1,530.0	121.9	−161.4	−283.3	4,927.0	336.0
1996 estimate	1,583.0	121.8	−189.3	−311.1	5,238.0	348.0

Source: CBO's January, April, and August 1995 Reports.

	Year 2002 (billion)
1996 Budget: Kasich Conf. Report, p. 3 (deficit)	−$108
1996 Budget Outlays (CBO est.)	1,583
1995 Budget Outlays	1,530
Increased spending	+53
CBO Baseline Assuming Budget Resolution:	
Outlays	1,874
Revenues	1,884
This Assumes:	
(1) Discretionary Freeze Plus Discretionary Cuts (in 2002)	−121
(2) Entitlement Cuts and Interest Savings (in 2002)	−226
(3) Using SS Trust Fund (in 2002)	−115
Total reduction (in 2002)	−462

Mr. HOLLINGS. Mr. President, these budget tables show the Government outlays from 1968 through 1995 and the CBO estimate for 1996. It shows the trust funds that we have borrowed from for a total of $1,255,000,000,000.

Then it shows the term they use—''Unified deficit''—that is borrowing from the public and then also borrowing from your own pocket.

I ask unanimous consent that I may continue for another 5 minutes to conclude.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished Chair.

So we have each figure in a separate column. Adding the unified deficit to the money we owe the trust funds gives us the real deficit which last year totaled $283.3 billion.

I ask unanimous consent to have printed in the RECORD another budget table.

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

MORE BUDGET TABLES: SENATOR ERNEST F. HOLLINGS

[In billions of dollars]

	National debt	Interest costs
1996	5,238	348
2002	6,728	436

	1996	2002
Debt includes:		
1. Owed to the trust funds	1,361.8	2,355.7
2. Owed to Government accounts	81.9	(1)
3. Owed to additional borrowing	3,794.3	4,372.7
Note: No ''unified'' debt; just total debt	5,238.0	6,728.4

[1] Included above.

Surplus in Social Security (CBO through 1996)—$544.0 billion.

Surplus in Medicare (CBO through 1996)—$145.0 billion.

''SOLID'' BUDGET PLAN

1995 real deficit (CBO), −$283.3 billion.

[In billions of dollars]

Year	CBO outlays	CBO revenues
1996	1,583	1,355
1997	1,624	1,419
1998	1,663	1,478
1999	1,718	1,549
2000	1,779	1,622
2001	1,819	1,701
2002	1,874	1,884
Total	12,060	11,008

$636 billion ''embezzlement'' of the Social Security Trust Fund.

[In billions of dollars]

	Outlays	Revenues
2002 CBO baseline budget	1,874	1,884
This assumes:		
1. Discretionary freeze plus discretionary cuts (in 2002)		−$121
2. Entitlement cuts and interest savings (in 2002)		−$226
[1996 cuts, $45 B] Spending reductions (in 2002)		−$347
Using SS Trust Fund		−$115
Total reductions (in 2002)		−$462

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—$12,080,000,000,000. Then if you look at total revenues over 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 $6.728 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:

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

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 hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Mr. HOLLINGS. Mr. President, the January table shows the deficit using trust fund and not using the trust fund.

I have been in this budget game now for over 20 years at the Federal level. If anyone can show me any kind of realistic cuts that will by themselves balance the budget, I will jump off the Capitol dome. It is very easy to make that pledge because you see exactly from the arithmetic.

The Republican budget can claim it balances the budget in 7 years only because they use $636 billion of Social Security between now and 2002. The other half of the trillion-dollar program comes from discretionary cuts, entitlement cuts, and interest savings of $347 billion in the year 2002. That should give us a dose of reality. At this very minute, we are struggling to find $45 billion in cuts for this fiscal year.

In addition, you can add on the tax cut, which adds $93 billion to the debt. I ask unanimous consent that a Wall Street Journal article outlining this fact be printed in the RECORD.

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

[From the Wall Street Journal]

GOP TAX CUTS WILL ADD $93 BILLION TO U.S. DEBT, BUDGET ANALYSTS SAY

(By Jackie Calmes)

WASHINGTON.—Despite Republicans' claims to the contrary, their tax cuts will add billions to the nation's nearly $5 trillion debt even as the GOP seeks to balance the budget by 2002.

An estimated $93 billion in extra debt will pile up as a result of the Republicans' proposed $245 billion in seven-year tax cuts, according to calculations from GOP congressional budget analysts. And that's assuming the economy gets a huge $170 billion fiscal stimulus that Republicans are counting on as a consequence of balancing the budget over seven years, thanks mostly to lower interest rates.

GOP leaders agreed last summer, as part of a House-Senate budget compromise, to apply that hypothetical $170 billion ''fiscal dividend'' toward their proposed $245 billion in tax cuts. That left $75 billion in revenue losses unaccounted for. Interest on that amount would add about $18 billion, for the total $93 billion in debt.

Meanwhile, the Republican architects of the plan boast that the tax cuts are all paid for with spending cuts. Senate Finance Committee Chairman William Roth, announcing his panel's draft $245 billion tax-cut package last Friday, said it would be completely financed with lower interest rates and smaller government. ''Other factors like that will add up to $245 billion,'' the Delaware-Republican said.

And Oklahoma Sen. Don Nickels, another Finance Committee panelist and a member of the Senate GOP leadership, added, ''We will not pass this tax cut until we have a letter'' from the Congressional Budget Office reporting that Republicans' proposed spending cuts through 2002 ''will give us a balanced budget and a surplus of at least $245 billion.'' He added, ''It's all paid for.''

The confusion has to do with the frequently misunderstood distinction between the nation's accumulated debt, now approaching $4.9 trillion, and its annual budget deficits, which have built up at roughly $200 billion a year.

Republicans' spending cuts, it's projected, generally will put the annual deficits on a downward path until the fiscal 2002 budget shows a minimal surplus. But the annual deficits until then, while declining, together with nearly $1 trillion more to the cumulative debt. Meanwhile, the GOP tax cuts add to those annual deficits in the early years—in fact, the fiscal 1997 deficit would show an increase from the previous year. Thus the debt, and the interest on the debt, would be that much higher.

Interviews in recent weeks indicate that many House and Senate GOP members are unaware of the calculus. And some are unfazed even when they hear of it. ''It would bother me if I thought we were adding to the debt,'' said Texas Sen. Phil Gramm, now seeking the presidency on his record as a fiscal conservative, ''but I don't think we are.''.

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 QUO

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 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 of someone 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, we 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 in a different way than has been addressed in times past.

We stand 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 debate for a different time.

The chairman of the 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 problem and where we are. That 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 about it.

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 powerful.

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 basically roll them over 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, as we heard so often quoted in the balanced budget debate back a few months ago, pointed out that we need to reexamine ourselves every once in a while. Even our form of government, in some basic ways, should be reexamined and challenged from time to time. Different way of doing business. Certainly these policies that are based on nothing more than a series of legislative enactments should undergo that kind of scrutiny. That is what we are doing now. That is what we are doing.

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 that, because 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 developed a 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 this 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 work force 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, long range, 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 even 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. So we have a slowing 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, ''Wait a minute, this is not the way it ought to be. 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 loving 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 together 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 not be with us. It had to do with 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 can be debated 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 so you will be subject to criticism. 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 estimates. Again, I suppose 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 and all that, and 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,'' which is progress right there. 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 for health care is devouring the Federal 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 committee by Guy King, former 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—he 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-boomer retirees really hits.

Everyone acknowledges further changes in Medicare will be needed by then. But, as Thomas points out, it is one thing 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, the plan that would say let us just have $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 month, and said that members of 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 politicizing the issues, Democrats are threatening the viability of the very program that they created.

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 representation of what we are doing, the rhetoric that we are hearing now.

The Washington Post, on September 25, 1995, pointed out that as far as saying 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 connection 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 Nation 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 Government. It simply does not work that way. In 1981, for example, when the rates were cut for capital gains, revenues went up. In 1996, when rates were increased, revenues went down.

So I believe, as Senator DOMENICI has pointed out, the chairman of the Budget Committee, this is a culmination of not only his last work but a lot of people's last work. It is an historic occasion. 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 Saturday New York Times over the weekend reported that a group of freshman Republicans in the House were threatening to basically bring the Federal Government to a halt unless a provision that they support is adopted in the conference report on the Treasury-Postal appropriations bill. The provision at issue is commonly referred to as the Istook amendment after its author, Congressman ERNEST ISTOOK of Oklahoma. It would put massive new restrictions on all Federal grant recipients with respect to their participation in matters of public policy. This is how the New York Times described it: ''As this week began, the freshmen were threatening an even wider uprising, with nearly half vowing to hold up all the upcoming spending bills and the reconciliation bill unless the leadership holds fast'' on the Istook amendment.

Congressman ROGER WICKER of Mississippi is quoted in the article as saying, ''It is something the conferees 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 repression 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 supposed 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 provides that any Federal grant recipient is not allowed to use more than a small percentage of their own money—non-Federal dollars—for political advocacy and still receive a Federal grant for totally unrelated activities.

There is already a longstanding law on the books that prohibits the use of appropriated funds for lobbying—no ifs, and, or buts. Appropriated funds under current law cannot be used for lobbying and there are provisions that ensure that even indirect costs of an organization cannot be used to subsidize lobbying activities. Current law applies to all appropriated funds regardless of who the recipient is—for profit contractors as well as nonprofit grant recipients. The penalties for violating this provision are severe, including debarment from all future Federal funding. So this is not restriction that is easily overlooked or dismissed.

The argument that current law allows welfare for lobbyists is factually incorrect. Under current law, no federally appropriated money, no Federal tax dollars can be spent by any recipient to lobby, period.

Well, then, what is the Istook amendment getting at? It is getting at the non-Federal money. It is trying to control what private organizations can do with the money they raise solely from private sources.

What does the amendment say? First, it applies to all grant recipients. Any entity that receives a Federal grant, either directly or indirectly would be subject to the provisions and requirements of the Istook amendment. So, yes it covers organizations like AARP which receives grants to conduct various programs for senior citizens, a favorite target of the Istook supporters. But it also covers grants to persons who do research in small laboratories for the NIH. It covers grants to major medical centers that may be studying the effects of chemotherapy for cancer treatment. It covers grants to religious organizations that may be conducting latchkey programs for the forgotten kids in neighborhoods across this country, and it covers groups like the Red Cross. It applies to any organization or entity that receives, directly or indirectly, Federal grant money or, indeed, that may apply for Federal grant money.

It does not apply to Federal contractors. Federal contractors receive hundreds of billions of Federal tax dollars, and they have a tremendous incentive to lobby. Continuation of the B–2 bomber readily comes to mind as a program that producers of the B–2 might have an interest in lobbying on, but the Istook amendment does not try to limit the amount of lobbying that contractors can conduct with their private money, even when they are lobbying for Federal funds. The amendment does 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 receive from the Federal Government and the Federal taxpayers. And if 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 no 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 cancer 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 university working on a cure for cancer cannot.

So the amendment at the outset targets only one type of recipient of Federal funds, and that is the grant recipients that are largely nonprofit organizations, 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 cannot get a Federal grant if it spent more than—and I am shorthanding the formula here—if it spent more than 5 percent of its total expenditures on political advocacy in any one of the preceding 5 years. So let me repeat that. An organization cannot get a Federal grant if it spent more than 5 percent of its total expenditures on political advocacy—that is the term the amendment uses—in any one of the preceding 5 years. And then, of course, once an organization is a grantee, it is held to that same 5-percent limit as a 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 wants to apply for a grant, 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 though it engaged in no 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 grantee 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 considering restricting the availability of cigarettes for 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, and you receive a large 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 forced to choose between 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 major 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 15-percent 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 that 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 which receives 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, we are 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 haywire. 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 that organization that encourages the member 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—incurred 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 issue the very proponents 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 have threatened to 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 making the Girl Scouts of America report each year how much they spend when they ask their members to write to the FCC on violence in television shows. 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 I believe deleterious position to take 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 conferees 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 lead to the perception 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 fearful, Mr. President, that we will forfeit that 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 the electoral 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 these sacrifices in the name of 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, dislocated worker training—and we did so, I believe, in a way that left intact the basic safety net that protects America's neediest and most disadvantaged—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 the current reconciliation bill may undercut 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 certain 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 elderly, the young, and the infirm 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 mother 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 disproportionate share 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 today as 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. A particular 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 the American people are 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 projects. 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.

In the wake of Congress' proposed tax cuts, the lead story in the Sunday Philadelphia Inquirer of October 15, 1995, headlined, in the upper right hand corner: ''Bearing the Brunt of GOP Cutbacks, Low-Income Families Would Lose Billions in Benefits. Tax Cuts Would Benefit the Affluent.''

That story then details 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 job creation 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 that we are adding tax breaks for those 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 more than 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 $324. 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 we are curtailing the earned income tax credit for people who earn $23,730?

There is no doubt about the justification for giving a tax credit for families in middle-income America, but should we be doing it at the same time 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. But is it 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 put 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 members 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 cutting Social Security benefits. Those benefits were cut. Later in 1986, Republicans lost control of the Senate. 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 we seek to pass 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. Then it is going to come back 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 an elimination of tax on 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 antigrowth, 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 millionaires, who often pay little or no tax because of the myriad loopholes and shelters in the Tax Code, 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 fair 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 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 do so in 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—an additional $7,000 for every man, woman, and child in America.

My tax proposal has been carefully calculated to be revenue neutral, so that it will not add one penny to the national debt. My flat tax is based on the analyses done over a period of years by highly respected economic professors, Robert Hall and Alvin Rabushka, of Stanford's Hoover Institute. Hall and Rabushka's calculations show a national flat tax with no deductions and a 19 percent rate matching current tax revenues. My bill deviates from the Hall-Rabushka model by its retention of limited deductions for home mortgage interest on up to $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 Americans 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 if 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 particular 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.

MEDICARE 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 why this commercial does 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 organization paying for this television commercial is called the Seniors Coalition. We might not have heard a great deal about the Seniors Coalition because it has not been around all that long. It is an operation founded by Mr. Richard Viguerie.

The star of this ad is our colleague and good friend from Tennessee, Senator BILL FRIST.

Let me make it clear at the start that I mean no disrespect to Senator FRIST. I talked to him this morning, stating I was going to make this statement, and that I was not questioning his integrity in any way.

In fact, I sincerely doubt our colleague, Senator FRIST, is aware of the information that I will share with my colleagues this morning.

The ad, Mr. President, which features Senator FRIST talking about the Republican plan to cut Medicare, is not paid for by the Republican Party but by the Seniors Coalition.

First, some background on the Seniors Coalition. The Seniors Coalition is one of three so-called seniors organizations that have been working exclusively with the GOP leadership. It is working with the GOP leadership to push and help organize and in some cases to fund activities that support the Republican plan to cut Medicare by $270 billion and to provide a $245 billion tax break—most of it or a lot of it, Mr. President, going to the wealthiest in our society.

Here we see a chart that includes the Seniors Coalition. We also see 60-Plus here. And, we see United Seniors, or USA, here. These are all founded by Mr. Viguerie, who has control of perhaps some of the most sophisticated mailing lists in America.

The Coalition to Save Medicare was founded to support the House Republican plan to cut Medicare. As one columnist has recently put it, the Coalition to Save Medicare is ''deliriously 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.

The other coalition, 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 of 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 Committee To Preserve Social Security and Medicare. They are listed along with the Seniors Coalition, United Seniors Association, and 60-Plus as seniors 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 I will read part of it now:

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.

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 of 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.

The letter is sent 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 one letter dated March 28, 1994 from the same organization, the Seniors Coalition, and it was sent out to thousands of seniors all over 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 their 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 his check in 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 sham.

And, after collecting savings from seniors, the groups spend a lot of it, up to 50 percent in the case of the United Seniors Organization, 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 exemptions—because it is a nonprofit organization—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 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, one of 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 call the 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 cutting it 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 these cuts in Medicare. These charts 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 the 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. PRYOR. Mr. President, I see no other Senator seeking recognition, and I ask unanimous consent that I may proceed for an additional 6 minutes.

Mr. WELLSTONE. Mr. President, will the Senator yield? Could I ask unanimous consent that it would be 10 minutes, and that I could have 4 minutes after the Senator?

Mr. PRYOR. I would have no objection to that. I see my colleague from Minnesota. I did not see him.

Mr. GRAMS. Mr. President, I have no objection. I had 10 minutes reserved 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. Mr. President, 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. GRAMS. No. I was going to go ahead with another statement. But I will yield to the Senator from Arizona.

Mr. KYL. 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 or Senator HELMS arrives, 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. WELLSTONE. Mr. President, will the Senator yield for a moment?

Mr. KYL. Sure.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. WELLSTONE. I might say to my colleague from Arkansas that I withdraw my request, and I think the only question is whether the courtesy 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 unanimous consent, under the previous order, the vote will not occur at 11:40 but at 11:45.

Mr. PRYOR. Mr. President, I want to sincerely thank my colleagues, and my colleague from Arizona, for allowing me to proceed.

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 seniors 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 $89 billion is actually 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 told this? Of course not. 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 $1 million and is running in 19 markets 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 Seniors Coalition was going to lobby the Congress to save their Medicare Program— not cut it.

That is why my advice to seniors who are thinking about sending their hard-earned savings to these three so-called seniors groups is that ''Contributions May Be Hazardous to Your Health.'' They should think twice before writing a check to a Viguerie-founded group.

As I said earlier, I am here today to sound the alarm and expose this scam. I am concerned not only because some seniors are being taken advantage of, but also because this scam is a cynical manipulation of our political process. It threatens the democratic principles under which we operate.

Americans who think they are getting involved with the political process are actually being financially exploited. Furthermore, they are not being represented the way they think they are. This is a perfect example of why so many people today have such little confidence in our political system.

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

Program. They can write a letter to us in the Senate. They can call. They can visit. They can fax. But, they do not need to send money to a direct-mail vendor in order to be heard in the Congress.

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 preprinted card from a group that distorts their views.

Mr. President, I ask unanimous consent to have printed in the RECORD certain material, editorials, and extraneous 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:

NATIONAL COMMITTEE TO PRESERVE
SOCIAL SECURITY AND MEDICARE,
Washington, DC, October 23, 1995.

Hon. DAVID PRYOR,
Ranking Minority Member, Senate Special Committee on Aging, U.S. Senate, Washington, DC.

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 individuals 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. MCSTEEN,
President.

[From the Washington Post, Oct. 2, 1995]

FUNDRAISER ALREADY A MEDICARE WINNER

(By Jack Anderson and Michael Binstein)

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 fund-raising prowess. United Seniors Association, 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 income for the life of the mailing lists. According to direct-mail experts, this means Viguerie ''owns'' 70 percent of the 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 reduce these programs that are so necessarily 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 get 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 being members of the association.

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 KOHL 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 MOYNIHAN, 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,

STEVE 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 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 like to offer my deepest respect and thanks for the process which I think worked very well, and I think we now have a bill which can bring about the broadest and I hope even unanimous consensus of this body.

Madam 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 down by 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 postpone establishing 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 imperiled 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 might 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. Never 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 California, 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 Mid-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 observed that moving 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 with 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 our 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, because our support for Israel must 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 actively to help her achieve and 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 twin goals.

I think 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 version of the 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. And I did ask earlier that my name be included as an original cosponsor.

I yield the floor.

Mr. SPECTER. Madam President, I support the pending legislation to move the United States Embassy from Tel Aviv to Jerusalem because I believe that our Embassy should be located in the capital of Israel, which is the custom for all our other Embassies.

I have long supported this proposition, Madam President. A bill was introduced back on October 1, 1983, Senate bill 2031, which I cosponsored. Back on March 26, 1990, Senate Concurrent Resolution 106 was submitted. Again, I was a cosponsor of that 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 Presidential discretionary period 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 a stand on this matter.

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 President of the United States 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 this.

On March 26, 1990, Senate Concurrent Resolution 106 was submitted 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 near future. 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 Chairman of the Palestine 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, we 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 at 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, in the city designated by the respective country as its capital. It is long overdue that this is our action in Israel. It is most appropriate that, as we move toward the period when both sides in the conflict are scheduled to move into negotiations over a permanent resolution, that the commitment to a date certain be made for the opening of our embassy.

We have been, and continue to be, the catalyst in bringing the parties to resolution; it is my hope that our action in the Senate today will be accepted and acted upon by President Clinton and that no further roadblocks will be put up which would impede the opening of the Embassy in Jerusalem on May 31, 1999, as provided for in this legislation.

I think it is very, very important that Jerusalem remain undivided, and I think the expression by the U.S. Congress putting into law the timetable for moving our Embassy from Tel Aviv to Jerusalem is entirely appropriate, and accordingly I support that legislation. I yield the floor.

PROTECT THE PEACE PROCESS

Mr. BYRD. Madam President, this bill, which would mandate a move of the U.S. Embassy from Tel Aviv to Jerusalem by May 31, 1999, may be popular with a very vocal segment of the United States population, but it represents precarious foreign policy for the United States as a whole. The United States has played a central role in carrying forward the very difficult and sensitive negotiations that will, hopefully, bring a lasting peace to Israel and the Middle East. 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 negotiate at all? Acting 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 at this time 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 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 be a visible sign of U.S. 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 in the world than religion and politics, 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 to acknowledge the ancient and competing claims to this most contested plot of land. No one, I believe, wants a city torn by terror and divisiveness, a Jerusalem that cannot stand as a beacon of tolerance 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, undivided, eternal, and sovereign 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 such a move, as envisioned by the Jerusalem Embassy Relocation Act, will not create a detour 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 collateral 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—whatever 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, while Palestinians will enjoy broader political and economic freedoms. There are no long-term guarantees for Israel. 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 this city. Such a move will not stand in the way of achieving a comprehensive peace. It will simply lay to rest doubts about the U.S. position on the status of our Embassy.

I also support the modified substitute offered by 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 the legislation if it would have dire consequences on the peace process.

Madam President, I joined as a cosponsor 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 Embassy to where it belongs—in the capital of Israel. Since then, as Senator MOYNIHAN has recited 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 clearly rejected the assertion of some 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 raising utterly unrealistic hopes about the future status of Jerusalem among the Palestinians and understandable fears among the Israeli population that their capital city may once again be divided by cinder block and barbed wire.

We also endorsed in that letter Prime Minister Rabin's declaration that ''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.''

The bill we have before us, of which I am proud to be an original cosponsor, brings this legislative process to fruition by establishing in law United States policy that Jerusalem should be recognized as the capital of Israel and that our Embassy should be relocated there no later than May 31, 1999, and by authorizing funding beginning this year for construction of a United States Embassy in Jerusalem.

To help that ensure the executive branch implements this policy faithfully, the bill requires semiannual reports from the Secretary of 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 Israel's capital. As a practical matter, this limitation would not actually take effect until the middle of the year 2000, given the historical spend-out rates for the State Department's construction budget. But 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 State Department 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 every ethnic and religion group 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 never 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 stated that ''I recognize 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 unwise 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 strategic ally and an island of stability and democracy in an important but troubled region, Israel steadfastly supported American interests during the cold war. During the gulf war, when Saddam Hussein sought to gain control over Middle Eastern energy resources, Israel stood 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. Nowhere 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 our diplomatic presence is outside of the capital city. It is time to pledge ourselves to moving our Embassy to Jerusalem, which is the legitimate capital of Israel. It is in our interest to

strongly support Israel and its continued administration of Jerusalem.

I am a cosponsor of this legislation, along with 63 other Senators. In a year some characterize as a very partisan year, you have a bipartisan consensus on this issue. Senators have come together for the national interest, something which is above politics.

This is what this bill is all about: The national interest. I have heard that this bill is solely about politics of the Presidential kind. That is not true—the proof is in the list of cosponsors: This list is bipartisan and balanced.

I have heard the argument against this bill, that moving our Embassy ahead of schedule would endanger the Middle East peace process. I am not persuaded by this argument. The United States has consistently recognized Jerusalem as Israel's capital. If we want to be an honest broker in peace talks between Israelis and Palestinians, we should be honest about our view of Israel's sovereignty over Jerusalem.

This bill would allow us to break ground in 1996 for the new Embassy. Next year will be the 3,000th anniversary year of Jerusalem. King David relocated his throne from Hebron to Jerusalem 3 millennia ago. Next year, America should move its Embassy to the city of David.

This bill is not a statement of animosity against any religion. Almost all Senators are on record supporting Israel's administration of Jerusalem as a unified and universal city, open to all followers of the three great world religions. This it has done for 28 years, and that will not be jeopardized.

This bill is not a statement against any country. This bill is for the official recognition on our part that our ally Israel has its governmental seat in Jerusalem. The peace negotiations can and should continue. We should facilitate such negotiations. Relocating our Embassy does not and should not have anything to do with ongoing peace talks.

So I think we should pass this bill, and I think the President should sign it. Jerusalem has always been at the crossroads of history and faith. We should begin next year to place our presence there.

I am reminded that people of the Jewish faith say at the end of the Passover and Yom Kippur services, ''Next year, in Jerusalem.'' This expresses their hope of return and the centrality of Jerusalem in the Jewish faith.

I say something similar, Madam President: That I hope this bill passes, and next year, we will be in Jerusalem breaking ground for a new Embassy in the Holy City.

Ms. MIKULSKI. Madam President, I rise as a cosponsor of the Israel Embassy Relocation Act. I thank the sponsors of this legislation for amending it to give Israel more flexibility on when construction on our new Embassy will begin.

Jerusalem is and always 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.

Even after Israeli 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 chose its own capital? The sight for the U.S. Embassy is in west Jerusalem, 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 politicize.

Madam President, this year we celebrate the 3,000 anniversary of Jerusalem. Let us mark this great event by reaffirming that Jerusalem is and always will be the capital of the State of Israel.

Mr. HATCH. Madam President, I stand here today to strongly support S. 1322, the Jerusalem Embassy Relocation Act of 1995.

I wish to commend the majority leader for his efforts in introducing this bill. I also wish to commend the efforts of Senator KYL and a number of my Democratic colleagues for ensuring that we possess a bill that will have, I hope, unanimous support here in the Senate.

The issue of Jerusalem has been debated on this floor for over a decade. I have always believed that Jerusalem is the capital of Israel, and I believe that now is the time for the United States Congress to recognize this reality. That is why I signed the letter to Secretary Christopher on March 20, 1995—along with 92 of our colleagues—that declared that ''we believe that the United States Embassy belongs 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 these modifications, I encourage 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 Israeli governments have not vacillated over this issue, and their position has always been clear: Jerusalem is the seat of the Israeli Government, and Jerusalem shall remain the united 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 firmly believe we should, 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.

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. MOSELEY-BRAUN. Madam President, I strongly support S. 1322, the Jerusalem Embassy Relocation Implementation Act, legislation which would locate the United States Embassy in Israel in Jerusalem, Israel's capital city.

It is customary, indeed, universal, that an embassy is located in the capital city of every sovereign nation in which a diplomatic presence is maintained; that is why I cosponsored S. 1322, along with 62 of my colleagues.

Madam President, Jerusalem is Israel's chosen seat of government. It is where the President, Prime Minister, Parliament, Supreme Court, central

bank, and all other authoritative institutions of state are headquartered. It has been the capital of Israel since 1950. Moving the American Embassy is nothing more than an acknowledgment of what is in fact the reality—Jerusalem is the capital of the State of Israel.

Presently, the United States maintains diplomatic relations with 184 countries around the world. Of these, Israel is the only nation in which our Embassy is located in a city not regarded by the host nation as its capital.

Imagine, Madam President, the huge outcry, within and outside of government, if any foreign nation refused to locate its embassy in our capital or insisted that it would maintain relations with us, but not in the location we designated as our capital city. That kind of refusal would create serious and unnecessary tensions between the United States and that country. After all, the question of where to locate the capital of the United States is for the United States to decide—and no one else.

That same logic applies in this case to the capital of Israel. The question of where to locate its capital is for Israel to decide and no other nation or power to frustrate. And Israel decided long ago that Jerusalem would be its capital.

If the argument is made that Middle East peace negotiations are at a delicate stage, and that this is not the time for this legislation, my response to that is: Peace negotiations are always at a delicate stage. The pendency of discussions should not force an untenable discrimination against one of the negotiators.

Jerusalem has been the capital of Israel since 1950. The time for waiting is over. Forty-five years is a long enough period for closure of what should be a matter of simple fairness.

Critics of this legislation also argue that the passage—even the discussion—of this legislation will undermine the peace process, thereby harming Israel's security and strategic interests. However, the Government of Israel and its citizens, the ultimate authorities on Israel's security and strategic interests, do not share that view. They enthusiastically support the relocation of the American Embassy to the capital city, Jerusalem.

Others argue that the relocation of the American Embassy to Jerusalem would prejudge and prejudice the final status of Jerusalem negotiations under the Oslo agreement. I do not agree. The site the United States is considering for a future Embassy is in an area that has been part of Israel since its founding in 1948. Moreover, Israel's right to this section of Jerusalem is uncontested, even by the Palestine Liberation Organization.

Madam President, I understand and appreciate the uniqueness of the city of Jerusalem. 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 government 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 Israel'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 Israel's capital, 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 ancient city is holy for 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 quarters.

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 desanctifying 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 own memory is seared 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.

Though the international community has tried 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 heavily invested in and fiercely 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—if not 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 religions who seek to honor their holy places as well. I believe that, save some very unfortunate incidents, Israel for the most part has protected 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 such a 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 since Israel's claim to Jerusalem 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 predetermine 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—wherever the U.S. Embassy is housed. Further, I believe that Prime Minister Rabin's own assertions that Israel will not cede Jerusalem are just as important to the process, and can guide United States actions on the issue.

The stationing of the United States Embassy in Jerusalem has been a widely supported proposal. The Democratic Party has included it as a plank in our platform since 1967. Sweeping majorities 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 and bipartisan support such as this that coherent 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 can 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 unclaimed 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 that the longstanding 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 agreement on the 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 1950. 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 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 Mideast peace process, a most sensitive diplomatic effort.

Although the administration is given a national security waiver in the compromise version of this 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 Mideast 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 protocol concerns of maintaining an embassy outside a state's declared capital city, the U.S. Government is ignoring the centrality of Jerusalem to the Jewish people by keeping its embassy in Tel Aviv. Jerusalem is more than 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 Israel'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 has not always been so accessible, 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. The administration has expressed reasonable concerns that this measure is ill-timed and that in its original form could have had an adverse effect on the peace process. I am pleased that Senators FEINSTEIN and LAUTENBERG were able to work with the original sponsors of this measure to achieve a compromise to address the administration's concerns.

With or without this legislation, I continue to urge the administration to move the U.S. Embassy to Jerusalem as soon as possible. I urge my colleagues to support this bill to send that message to the administration.

Mr. MACK. Madam President, I rise in support of S. 1332, a bill to relocate the U.S. Embassy to Jerusalem. I have long supported placing the U.S. Embassy in Jerusalem. It is time that the United States recognized Jerusalem as the capital of Israel by placing our Embassy there. Such recognition is long overdue—47 years overdue. Over time, the location of the Embassy in Tel Aviv has taken on a significance that is at odds with our strong and unwavering support for Israel and Jerusalem as its undivided capital.

The United States failure to recognize Jerusalem as the capital of Israel has only served to embolden the enemies of Israel, leading them to think perhaps the United States, Israel's closest ally, was ambivalent about the status of Jerusalem. We are not. And it is long past time for us to demonstrate our steadfast commitment to an undivided Jerusalem as the historic, governmental, and spiritual capital of Israel.

Much of the discussion on this bill has addressed concerns that relocation of the U.S. Embassy to Jerusalem would have a detrimental effect on the peace process. The opposite is true. An essential part of the peace process involves a clear understanding between the parties on a number of issues, an undivided Jerusalem as the capital of Israel is one. PLO compliance is another. On both counts, I want to be absolutely clear: both are essential to a lasting peace in the Middle East. Both are good for Israel and both are good for the Palestinian people. Both are fundamental prerequisites for moving forward into a phase of good relations between Israel and its neighbors. Both are necessary for stability, economic development, good government, and the rule of law for the Palestinian people.

Mr. PRESSLER. Madam President, I want to join the strong chorus of bipartisan support for S. 1322, the Jerusalem Embassy Relocation Act. As an original cosponsor of this bill, as well as the legislation introduced early this year, S. 770, I am pleased the Senate is taking 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 has been an important city to people of many faiths. It has been occupied by military governments, psuedo-states, and empires. However, for three centuries, only one State has called Jerusalem her 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 was pleased to join a vast majority 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 will pass today more than gets the process moving. Specifically, S. 1322 would set a definitive timeline for the construction and relocation of the

United States Embassy to Israel in Jerusalem. It would authorize funding over the next 2 years to ensure the timeline is met, including the opening of the U.S. Embassy in Jerusalem by May 31, 1999.

Madam President, I strongly disagree with those who claim that this legislation could threaten the Middle East peace process. There is no rational basis to question the Senate's commitment to achieving a lasting peace in the Middle East. All want to see the peace process succeed. The safety and security of all the people of Israel is critical to attaining a stable environment in the Middle East.

Clearly, a number of issues in the peace process remain to be worked out. However, there are a few facts that are not in dispute: Jerusalem is an undivided city. Jerusalem is a city open to all people of all nationalities and faiths. Jerusalem is the true capital of Israel. By relocating our Embassy in this historic city, we simply reinforce these facts—facts that reinforce U.S. policy. Nothing more. Nothing less.

Again, Madam President, I am proud to be an original cosponsor of this very important legislation. Throughout my career in the Senate, this body has passed a number of nonbinding resolutions recognizing Jerusalem as the capital of Israel. U.S. policy is clear. Congress has spoken many times. Now the time has come for action. I commend the majority leader, my friends and colleagues from New York—Senator D'AMATO and Senator MOYNIHAN—and my friend from Arizona, Senator KYL, for their tenacious leadership to see this bill through to final passage today. I can think of no action by the United States to be more appropriate on this extraordinary year—the 3,000th anniversary of King David's recognition of Jerusalem as the capital of Israel—than to place our Embassy in Israel's capital city, Jerusalem—a city forever free, forever undivided and forever the capital of the people of Israel.

Mr. DODD. Mr. President: I rise today to speak about S. 1322—Jerusalem Embassy Relocation Implementation Act of 1995. Let me say at the outset that I share the fundamental premise of the sponsors of this legislation, namely that Jerusalem is and should remain the undivided capital of the State of Israel. I also agree that the logical extension of that premise is that the U.S. Embassy should therefore appropriately be located in that city.

I have joined with my colleagues on numerous occasions expressing this view. Most recently, on March 20, I joined with 92 of my Senate colleagues on a letter to Secretary of State Warren Christopher stating our view that:

it would be appropriate for planning to begin now to ensure such a move no later than the agreements on permanent status take effect and the transition period has ended, which according to the Declaration of Principles is scheduled for May 1999.

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 of 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 for those of Moslem and Jewish 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 or Moslem and Christian 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 byproduct 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 could further 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 hold some allusion that our views 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 day 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 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 LAUTENBERG, and the Senator from Connecticut, Senator LIEBERMAN, time and time 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 prejudge the outcome of any future negotiations.

Years ago, I expressed some concern about the impact of Jerusalem 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 Declaration 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 talk, 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 substitute adopted 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 take care of any possibly unforseen 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 sense-of-the-Congress resolutions. 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 cosponsor 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:

SHAW, PITTMAN,
POTTS & TROWBRIDGE,
JUNE 27, 1995.

To: American Israel Public Affairs Committee
From: Gerald Charnoff, Charles J. Cooper, and Michael A. Carvin
Re S. 770; Bill to Relocate U.S. Embassy to Jerusalem

I. INTRODUCTION

This memorandum is in response to your request for an analysis of the constitutionality of the ''Jerusalem Embassy Relocation Implementation Act of 1995,'' hereinafter 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 on the U.S. embassy 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 prior to certification by the Secretary of State that the Jerusalem embassy has officially opened. Id., §3(c). Additional provisions, contained in sections four and five of the measure, earmark certain funds for the relocation effort.''[1]

The Office of Legal Counsel of the Department of Justice has taken the position that the funding mechanism 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 16, 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 foreign 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 as to 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 effort constitutes an impermissible restriction on the President's discretion in foreign affairs. Although OLC does not in any way dispute Congress' plenary power over the purse, it maintains that Congress may not ''attach conditions to Executive Branch appropriations requiring the President to relinquish his constitutional discretion in foreign affairs.'' Id. at 4, quoting Issues Raised by Section 129 of Pub. L. No. 102–138 and Section 503 of Pub. L. No. 102–140, 16 Op. Off. Legal Counsel at 30–31 (1992) (emphasis added.). In support of this assertion, OLC places exclusive reliance on prior Executive Branch opinions which criticize congressional appropriations riders that directly required the President to take (or refrain from) a particular action by stating that no appropriated funds could be used for the congressionally proscribed action. Id. at 3–4. See also Issues Raised by Section 129 of Pub. L. No. 102–138 & Section 503 of Pub. L. No. 102–140, 16 Op. Off. of Legal Counsel 18, 19 (1992), citing Section 503 of Pub. L. No. 102–140, 105 Stat. at 820 (1991) (''[N]one of the funds provided in this Act shall be used by the Department of State to issue more than one official or diplomatic passport to any United States government employee. . . .''); Appropriations Limitation for Rules Vetoed by Congress, 4B Op. Off. of Legal Counsel 731, 731–32 (1980), citing H.R. 7484, §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,[2] 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.[3] The issue has never been resolved judicially.[4] However, OLC's assertion that S. 770 ''requires'' or ''compels'' the President to move the Embassy to Jerusalem, and is thus subject to the same constitutional objections as appropriation riders containing such unconditional requirements, is belied 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 interfere with the President's authority to use appropriated monies in any manner he believes best serves the Nation's foreign policy 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, though leaving him capable of eschewing these incentives and acting in direct contravention of Congress' wishes. Thus, such a mechanism in no way restricts the ability of the President to use his foreign affairs power to employ appropriated money as he sees fit.

That being 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 uses of appropriated 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) (''[N]one of the funds provided in this Act shall be used by the Department of State to issue more than one official or diplomatic passport to any United States government employee. . . . ''); Appropriations Limitation for Rules Vetoed by Congress, supra, citing H.R. 7584, §608, 96th Cong., 2nd Sess. (1980) (''None of the funds appropriated or otherwise made available shall be available to implement . . . any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted. . . .'').

[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 matters not whether 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 & Proper Clause, 68 Wash. U. L. Q. 623, 30 (1990) (''[W]hen we hear discussions about Congress' weighty role in . . . the foreign relations power, and Congress adverts to 'the power of the purse,' it does not make sense. Congress still has to point to a substantive power. The power of the purse . . . is only procedural.'') (remarks by the Honorable William Barr).

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 condemnation of such appropriation riders is entirely misplaced. OLC Op., p. 4.

To be sure, if the President retains the status quo in Israel, the State Department will have less funds in two upcoming fiscal years than it would otherwise have, and so S. 770 is plainly designed to influence the President's decision on the Jerusalem Embassy. But this sort of ''horse trading'' is a basic staple of relations between the two political branches and hardly infringes the President's constitutional authority or powers. For example, the President has unfettered constitutional authority to nominate whomever he desires for, say, Surgeon General, and Congress does not unconstitutionally interfere with that presidential appointment authority by abolishing or reducing the funding for the Surgeon General's Office if certain nominees are proposed. Similarly, Congress may constitutionally pledge to reduce financial support for certain foreign interests or international organizations simply because it is displeased with the President's exercise of his responsibilities as foreign affairs spokesman or Commander-in-Chief. Since the use of these sorts of quid pro quos to influence the President's exercise of his constitutional duties does not unconstitutionally interfere with those duties, S. 770's establishment of such a device is similarly within Congress' constitutional authority.

By entrusting the President with the authority to definitively resolve certain questions, the Framers did not erect a prophylactic shield protecting the President against all attempts to influence the manner in which he resolves those issues. Accordingly, the Founders did not erect some special constitutional protection for the President which immunizes him from the give and take of inter-branch disagreements. Rather, they expected that a President of ''tolerable firmness'' would be able to resist congressional blandishments to pursue a course he deemed unwise, assuming such appropriations riders survived his veto in the first instance. Alexander Hamilton, ''The Federalist No. 73,'' at 445 (C. Rossiter ed. 1961).

For this reason, even those scholars who believe Congress ''ought not be able to regulate Presidential action by conditions on the appropriation of funds . . . if it could not regulate the action directly,'' Henkin, supra at 113, acknowledge that establishment of financial penalties or incentives to influence presidential action is permissible. Henkin, supra at 79. (''Since the President is always coming to Congress for money for innumerable purposes, domestic and foreign, Congress and Congressional committees can use appropriations and the appropriations process to bargain also about other elements of Presidential policy and foreign affairs.''). Indeed, the Attorney General has favorably opined on the constitutionality of an appropriation rider that imposed a markedly more onerous restriction on the President's exclusive Commander-in-Chief powers than S. 770 imposes on his foreign policy discretion. In 1909, Congress attached the following rider to the Navy's appropriation:

''[N]o part of the appropriations herein made for the Marine Corps shall be expended for the purpose for which said appropriations are made unless officers and enlisted men shall serve on board all battleships and armored cruisers, and also upon such other vessels of the navy as the President may direct, in detachments of not less than eight percentum of the strength of the enlisted men of the navy on said vessels.'' Naval Appropriations Act of 1909, 35 Stat. 753, 773, reprinted in Appropriations—Marine Corps—Service on Battleships, 27 Op. Att'y Gen. 259 (1909).

The Attorney General found this restriction constitutional because, ''Congress has power to create or not to create . . . a marine corps, make appropriation for its pay, [and] provide that such appropriation shall not be made available unless the marine corps be employed in some designated way . . .'' 27 Op. Att'y Gen. at 260.

So far as we can discern, neither OLC nor the Attorney General have subsequently disavowed or undermined the vitality of this Attorney General Opinion, although they opined at times that appropriation riders could not direct the President to take action within his constitutional sphere. Presumably, then, even Executive Branch officials have recognized a distinction between impermissible riders that mandate certain action or inaction and permissible ones which, like the Marine Corps appropriation, provide the President with at least a nominal choice between two courses of action, with financial ''penalties'' if he chooses the disfavored option. In the 1909 naval appropriation, the President's ''choice'' was between having marines constitute eight percent of battleship crews or having no funding for the Marine Corps at all. This complete defunding penalty for exercising the disfavored option is obviously far more draconian than the 50% reduction in construction funding occasioned by S. 770.

In short, there is an obvious and constitutionally significant difference between an appropriations law forbidding the President to take action which the Constitution leaves to his discretion and a law which merely sets out the negative financial consequences that will ensue if the President pursues a certain policy. This distinction between coercive laws and laws which offer financial incentives to exercise one's sovereign power in the preferred way has been well-recognized by the Supreme Court in directly analogous circumstances.

Most notably, in *South Dakota* v. *Dole*, 483 U.S. 203 (1987), the Supreme Court considered a congressional statute, known as Section 158, which directed the Secretary of Transportation to withold five percent of allocable highway funds from any state in which individuals under the age of 21 could legally purchase or possess alcohol. Like S. 770, the funding mechanism in *Dole* constituted a congressional attempt to provide indirect financial inducement to affect policy in an area presumably beyond Congress' power to legislate directly.

Despite earlier recognition that the ''Twenty-first Amendment grants States virtually complete control over whether to permit importation or sale of liquor and how to structure the liquor distribution system,''[5] the Court upheld this statutory incursion into state sovereignty, asserting that the ''encouragement to state action found in §158 is a valid use of the spending power.'' *Dole*, 483 U.S. at 212. Accordingly, even though the Constitution assigned to the states the responsibility for establishing drinking ages, and thus Congress presumably could not direct the states to set a minimum age, this funding restriction was permissible because ''Congress has acted indirectly under its spending power to encourage uniformity in the States' drinking ages.'' Id. at 206. Thus, such restrictions are permissible because the potential recipient of appropriated federal funds is free to reject Congress' financial inducement and exercise unfettered discretion in the relevant area, so long as the recipient is willing to endure the financial sacrifice that ensues. Id. at 211–212 (''Congress has offered . . . encouragement to the States to enact higher minimum drinking ages than they would otherwise choose. But the enactment of such laws remains the prerogative of the States not merely in theory but in fact.''). Similarly, in upholding federal appropriation riders requiring the regulation of State employees' political activities, the Supreme Court has ruled that even though Congress ''has no power to regulate local political activities as such of state officials,'' the federal government nevertheless ''does have power to fix the terms upon which its money allotments to states shall be disbursed.'' *Oklahoma* v. *Civil Service Comm'n*, 330 U.S. 127, 143 (1947). The Court found that the state's sovereignty remained intact because the state could adopt ''the 'simple expedient' of not yielding to what she urges is federal coercion.'' Id. at 143–144.

Thus, *Dole* would seem to directly establish that the sort of conditional funding provided by S. 770 is constitutionally permissible. In *Oklahoma* and *Dole*, the Tenth and Twenty-first Amendments provided the states with exclusive authority over their employees' political activities and citizens' legal drinking age, yet Congress did not unconstitutionally infringe these powers by offering financial incentives to adopt a particular policy. By the same token, the fact that the Constitution vests the President with exclusive recognition authority does not disable Congress from using its plenary spending power to seek to influence the exercise of that authority.

Like the drinking-age restriction in *Dole*, the funding mechanism in S. 770 merely attempts to induce recipients of federal funds to pursue policy ends advocated by Congress via clearly established conditions on future appropriations, while leaving that decisionmaker with the option of refusing such conditions. The President may exercise his discretion to retain the American embassy in Tel Aviv and accept the potential of reduced congressional funding in certain related discretionary accounts, or he can move the embassy. S. 770 does nothing to alter the fundamental fact that the decision as to where to locate the U.S. embassy in Israel ''remains the prerogative'' of the President ''not merely in theory but in fact.'' *Dole*, 483 U.S. at 211–12.[6]

To be sure, the President differs from state governments because, as noted, he cannot pursue any action requiring expenditures without congressional funding. Thus a blanket prohibition against using appropriated funds does not leave him with any option to pursue the proscribed activity. Because of this distinction, a straightforward restriction against using any funds for an action

otherwise within the President's constitutional power is an effective prohibition against taking such action and thus presents a different, and more difficult, constitutional question. As noted, however, that is not the situation here. The President has been offered a choice directly analogous to that offered the states in *Dole*—he may pursue the congressionally disfavored option and accept the financial consequences or acquiesce to the preferred option without any such sacrifice.

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.'' Issues Raised by 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 use its spending power to influence the sovereign power 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, *MWAA* never said *Dole*'s rationale was ''inapplicable'' to cases involving ''separation-of-powers principles,'' it simply stated that *Dole*'s rationale was ''inapplicable to the issue presented by this case.'' *MWAA,* 1111 S. Ct. at 2309 (emphasis added). *Dole*'s rationale was inapplicable not because the sovereign authority of the President is somehow different from that of the states, but because the infringement of executive powers in *MWAA* was obviously and significantly different from the funding appropriation conditions at issue in *Dole.*

The issue that divided the dissenting and majority opinions in *MWAA* was whether Congress was effectively responsible for creating the Board of Review, which was composed of Members of Congress and had veto power over the Airport Authority's important decisions. Id. at 2313 (White, J. dissenting). The dissent argued that no separation-of-powers issue was implicated by this Board of Review because the Commonwealth of Virginia (and the District of Columbia) had created that Board and no federalism principles prevented the states from so utilizing the talents of Members of Congress. Id. According to the dissent, the fact that Congress had coerced Virginia to make this decision was of no moment because this ''coercion'' was no different than Congress' use of the spending power to influence states in *Dole.* Id. at 2316–17.

In the section of the opinion relied upon by OLC, the majority refuted both prongs of the dissent's arguments:

''Here, unlike *Dole,* there is no question about federal power to operate the airports. The question is whether the maintenance of federal control over the airports by means of the Board of Review, which is allegedly a federal instrumentality, is invalid, not because it invades any state power, but because Congress' continued control violates the separation-of-powers principle, the aim of which is to protect not the States but ''the whole people from improvident laws.'' *Chadha,* at 951, 103 S. Ct. at 2784. Nothing in our opinion in *Dole* implied that a highway grant to a State could have been conditioned on the State's creating a ''Highway Board of Review'' composed of Members of Congress.''—*Id.* at 2309.

The first two sentences merely make the obvious point that since *MWAA* deals with a ''federal instrumentality'' and there was no question about the propriety of ''federal power to operate the airports,'' there is simply no issue of federal interference with state power.[7] Since there was no question of federal interference with, or bargaining for, state power, the only relevant question was who controlled the federal power—Congress or the Executive. In that regard, Congress had not ''bargained'' with the Executive by establishing financial conditions analogous to S. 770, but had directly commandeered control over the Airport Authority by establishing the Review Board.

The third sentence in the quoted passage simply says that *Dole* is inapplicable because the infringement in *MWAA* is different from the appropriation restriction in *Dole* and would be impermissible if applied to the states. This obviously belies the assertion that *Dole* was found inapplicable because different standards govern infringement on 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. As the opinion's derisive citation to a ''Highway Board of Review'' makes clear, while the federal government may use its spending power to influence a state's exercise of its own sovereignty, Congress cannot use its spending power to induce the state to enhance congressional authority by creating congressionally-controlled federal instrumentalities. In short, Virginia was not trading away its own state power over airports; it had none. Rather, it was trading away the pre-existing Executive power over the airports to Congress. Since Virginia obviously had no Executive power to trade, Congress could not invoke *Dole* to justify its exercise of Executive power.

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 states, in somehow disabled from agreeing to exercise his sovereign authority in a particular manner in return for increased congressional monies.

To the contrary, like the states, the Executive Branch, ''absent coercion . . . has both the incentive and the ability to protect its own rights and powers, and therefore may cede such rights and powers.'' *MWAA,* 111 S. Ct. at 2309. The fact that preserving the President's powers against congressional enactments is ultimately designed to protect the ''whole people from improvident laws'' does not suggest a different rule, since the federalism concerns implicated in *Dole* were also designed to preserve the people's liberty. See *U.S.* v. *Lopez,* 115 S. Ct. 1624, 1626–27 (1995) (''Just as the separation and independence of the coordinate branches of the Federal Government serves to prevent the accumulation of excessive power in any one branch, a healthy balance of power between the States and the Federal Government will reduce the risk of tyranny and abuse from either front.''), quoting *Gregory* v. *Ashcroft,* 501 U.S. 452, 458 (1991); *New York* v. *U.S.,* 112 S. Ct. 2408, 2431 (1992) (''[t]he Constitution divides authority between federal and state governments for the protection of individuals.'') (emphasis added.)

To be sure, under *MWAA,* Congress could not condition appropriations on the President's agreement to establish an ''Israeli Embassy Board of Review,'' where congressional agents determine the location of the Embassy. The President cannot transfer his recognition powers to congressional decisionmakers and, as indicated, there is a plausible argument that Congress cannot directly supplant the President's decisionmaking authority on such matters, even though directives in appropriations bills. Like any other sovereign, however, the President may consider many factors in making his own decisions. Just as he may consider the reaction of foreign countries, he may also consider a negative congressional reaction. Accordingly, nothing precludes Congress from seeking to influence that decision through use of its own constitutional powers including the spending power.

Indeed, OLC's contrary position demeans the President's constitutional status and certainly cannot be advanced in the name of a strong Executive. The OLC Opinion suggests that the President, unlike the states, lacks the ability or the will to resist Congress' financial inducements. Particularly given the existence of his veto power, this view of the President's authority vis-a-vis Congress is obviously untenable and irreconcilable with the Framers' views. The Framers did not erect a prophylactic constitutional umbrella protecting the President from the persuasive power of Congress' financial inducements, they forged only a shield against congressional directives. OLC simply ignores this vital distinction and the Executive Branch and judicial precedent which support it.

Under these precedents and a proper understanding of the constitutional framework, S. 770 does not violate any separation-of-powers principle or infringe any constitutional authority of the President.

FOOTNOTES

[1] Section 4 of S. 770 merely reprograms $5 million in funds appropriated in the Departments of Commerce, Justice, State, the Judiciary and Related Agencies Appropriations Act of 1995. Pub. L. No. 103–317, 108 Stat. 1724, 60 (1994) (Title V contains appropriations specifically for the Department of State and related agencies.) Specifically, $5 million previously contained in the aggregate account 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. . . .'').

The $5 million authorization is to remain in effect without temporal restriction until such funds are expended. §4 Though the President is in no way obligated to spend the $5 million earmarked for the relocation effort, such funds cannot be used for any other purposes. General Accounting Office, ''Principles on Federal Appropriations Law'' 6–6 (2. ed., 1992) (In an appropriations bill providing $1,000 for ''[s]moking materials . . . of which not less than $100 shall be available for Cuban cigars . . . portions of the $100 not obligated for Cuban cigars may not be applied to the other objects of the appropriation.''); Earmarked Authorizations, 64 Comp. Gen. 388, 394 (1985) (asserting that where measure providing funding for the National Endowment for Democracy earmarks ''Not less 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.''). Similarly, Section 5 of the bill earmarks a specified amount of the funds authorized to be appropriated in the Department of State's general account for ''Acquisition and Maintenance of Buildings Abroad'' in fiscal years 1996 and 1997, requiring that such earmarked funds be spent on the embassy relocation effort. As in Section 4, the budget authority is not temporarily restricted and is to last ''until expended'' on the relocation effort. Given the identical requirement that ''not less than [the earmarked amount] . . . shall be made available'' in fiscal years 1996 and 1997 respectively, the President has discretion as to whether to use the money, but cannot use earmarked funds for other general purposes.

[2] See, e.g., *Alfred Dunhill of London, Inc.* v. *Republic of Cuba,* 425 U.S. 682, 705–06 n. 18 (1976) (''[T]he conduct of [diplomacy] is committed primarily to the Executive Branch.''); *Banco Nacional de Cuba* v. *Sabbatino,* 376 U.S. 398, 410 (1964) (''Political recognition is exclusively a function of the Executive.'');

United States v. *Pink*, 315 U.S. 203, 229 (1942) (Asserting that the executive's constitutional authority to recognize governments ''is not limited to a determination of the government to be recognized. It includes the power to determine the policy which is to govern the question of recognition.'').

[3]Congress has repeatedly used its control over appropriations to influence executive actions on foreign policy and has repeatedly opined that these conditions are constitutional. See, e.g., William C. Banks & Peter Raven-Hansen, ''National Security and the Power of the Purse'' 3–4 (1994); Louis Henkin, ''Foreign Affairs and the Constitution'' 114 (1972). (''Congress has insisted and Presidents have reluctantly accepted that in foreign affairs . . . spending is expressly entrusted to Congress and its judgment as to the general welfare of the United States, and it can designate the recipients of its largesse and impose conditions upon it.''); ''Report of the Committees Investigating the Iran-Contra Affair,'' S. Rept. No. 100–216, H. Rept. No. 100–433, 100th Cong., 1st Sess. 475 (1987) (''[W]e grant without argument that Congress may use its power over appropriations . . . to place significant limits on the methods a President may use to pursue objectives the Constitution put squarely within the executive's discretionary power.''). Department of Defense Appropriations Act for Fiscal Year 1985, Pub. L. No. 98–473, §8066, 98 Stat. 1837, 1935 (1984), reprinted in Banks, supra at 138. (''During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting . . . military or paramilitary operations in Nicaragua. . . .''); Arms Control Export Act of 1976, Pub. L. No. 94–329, §404, 90 Stat. 729, 757–58 (1976) (''[N]o assistance of any kind may be provided for the purpose, or which would have no effect, of promoting . . . the capacity of any nation, group, organization, movement, or individual to conduct military or paramilitary operations in Angola. . . .'').

[4]It is well-established that Congress may not use its spending power to coerce activity that itself violates a provision of the Constitution. See *United States* v. *Butler*, 297 U.S. 1, 69–70, 74 (1936): *United States* v. *Lovett*, 328 U.S. 303, 315–16 (1946) (striking a funding restriction as a bill of attainder in violation of the U.S. Constitution). Obviously, this doctrine has no application here since the Constitution does not prohibit moving the American Embassy in Israel to Jerusalem. However, OLC, as it has in the past, further maintains that the spending power cannot be used to force the President to take action that is perfectly constitutional, if the appropriation restricts the President's power to exercise his unfettered discretion in an area within his constitutional authority. There is no judicial precedent either way on OLC's extension of the independent constitutional bar principle in a separation-of-powers context. In the context of congressional funding conditions on state governments, the Supreme Court has unequivocally rejected an expanded notion of the independent constitutional bar:

''[T]he ''independent constitutional bar'' limitation on the spending bar is not, as petitioners suggest, a prohibition on the indirect achievement of objectives which Congress is not empowered to achieve directly. Instead, we think that the language in our earlier opinions stands for the unexceptionable proposition that the power may not be used to induce activities that would themselves be unconstitutional.''

South Dakota v. *Dole*, 483 U.S. 203, 210 (1987). See also *Oklahoma* v. *Civil Service Commission*, 330 U.S. 127 (1947). Of course, the President, unlike the states, has no access to funds other than those appropriated by Congress. Thus, unlike the situation with state governments, a prohibition precluding the President from spending any appropriated monies on a particular activity is a direct prohibition against pursuing that activity. This provides a plausible basis for distinguishing the statute involved in *Dole* from a direct appropriations restriction on the President's activities. As we discuss below, however, *Dole* provides direct support, where, as here, there is no prohibition against spending money on the President's desired activity.

[5]*California Retail Liquor Dealers Assn.* v. *Midcal Aluminum*, 445 U.S. 97, 110 (1980) cited in *Dole*, 483 U.S. at 205.

[6]The Supreme Court has recognized that at some point, a financial inducement becomes so lucrative that ''pressure turns into compulsion'' and such incentive becomes unconstitutional coercion. *Dole*, 483 U.S. at 211. See also, *Steward Machine Co.* v. *Davis*, 301 U.S. 548, 590 (1937). However, the *Dole* Court dismissed any claim of coercion involved in the drinking age funding provision, stating that the ''relatively small percentage'' of highway funds involved in the cutoff were not coercive. 483 U.S. at 211. The Court further asserted that the mere fact that a conditional grant of money is successful in achieving compliance with congressional restrictions will not establish coercion. Id. seems clear that, given the minuscule amount of funding involved in S. 770, especially relative to the substantial highway fund allocations involved in *Dole*, the incentive mechanism at issue could not be deemed coercive. Should the President refuse to move the embassy, he would be barred from obligating funds amounting to a mere one percent of the budget authority reserved for international affairs in each of the fiscal years involved and a mere one one-hundredth of one percent of the aggregate budget in those same years. Office of Management & Budget, ''Appendix to the Budget of the United States for Fiscal Year 1996'' 692–93 (1995); Office of Management & Budget, ''Historical Tables to Supplement the Budget of the United States for Fiscal Year 1996'' 14, 69 (1995).

[7]The Court had previously noted that the Board of Review was ''an entity created at the initiative of Congress, the powers of which Congress has delineated, the purpose of which is to protect an acknowledged federal interest, and membership in which is restricted to congressional officials. Such an entity necessarily exercises sufficient federal power as an agent of Congress to mandate separation-of-powers scrutiny.'' Id. at 2308.

JERUSALEM, ISRAEL,
July 5, 1995.

The EDITOR,
New York Times.

TO THE EDITOR: The debate about the relocation of the U.S. Embassy continues and I write to express my whole-hearted support of the Dole/Inouye legislation, which calls for moving the U.S. Embassy to Jerusalem by 1999.

Jerusalem has been the capital of Israel since the founding of the State in 1948. Throughout history, Jerusalem has been the capital of the Jewish nation and must remain so. For the Embassy of the United States—''Israel's closest friend''—not to be in the functioning capital of Israel is an anomaly. Israel is the only country in the world where the U.S. Embassy is located in a city not regarded by the host nation as its capital. The basis for the Embassy not being located in Jerusalem was incorrect from the beginning, and this policy should finally be corrected.

Jerusalem is sacred to all three monotheistic religions but is meaning is not equal for them. In Christendom and Islam there are many spiritual centers and many symbolic capitals. In Judaism and for the Jewish people, there is only one Jerusalem.

Public attention is focused on whether or not this is the ''right time'' for such a move. I believe it is. The placement of the U.S. Embassy in Jerusalem has been a consensus issue for the American Jewish community and for successive Israeli governments for years. In the last decade, both Houses of Congress have enacted four resolutions calling on the U.S. government to acknowledge united Jerusalem as the capital of Israel.

The Dole/Inouye legislation, which is cosponsored by a majority of the U.S. Senate, will be put to a vote. It must be enacted by an overwhelming majority. Failure to do so will send a wrong message to the Arab States. It is imperative to establish now the U.S. conviction that realistic negotiations be premised on the principle that Jerusalem is the capital of Israel, and must remain united, Israelis of all political stripes are for the establishment of the U.S. Embassy in Jerusalem. The site reserved for the new Embassy is in West Jerusalem—on land which has been part of Israel since 1948.

Support for this legislation is, and has always been, bipartisan. Now is the time to move forward with it.

Sincerely yours,

TEDDY KOLLEK.

YOSSI BEILIN ON LEGISLATION TO MOVE THE UNITED STATES EMBASSY TO JERUSALEM

(Press conference with Israeli journalists, Oct. 12, 1995)

Question. Regarding the Jerusalem legislation to move the embassy from Tel Aviv to Jerusalem, are you pleased with the initiative and the timing of this?

BEILIN. Any timing for transferring any embassy to Jerusalem is good timing. The earlier the better, from my perspective. I am happy that there is the intention to do this. I'm only sorry that this has become part of election strife in Congress between the Republicans and Democrats in a bit of a cynical manner. To my disappointment, it has been promised by the opposition but then it was not carried out.

Question. Aren't you concerned that it will hurt the peace process or the standing of the U.S. in the eyes of the Arabs if the legislation will pass?

BEILIN. Israel is the only nation in the world that doesn't have a recognized capital and I am not prepared to accept that if Israel has a recognized capital this will affect the negotiations.

Mr. KYL. The waiver provision in S. 1322 will be examined by many people. I would like to join with the distinguished majority leader in clarifying on the RECORD the meaning and purpose of the waiver language.

Mr. DOLE. I agree with my friend from Arizona, that it is important to address the scope and meaning of the waiver provision. It is important that no one think that this provision would allow the President to ignore the requirements of S. 1322 simply because he disagrees with the policy this legislation is promulgating. The President cannot lawfully invoke this waiver simply because he thinks it would be better not to move our Embassy to Jerusalem or simply because he thinks it would be better to move it at a later time. The waiver is designed to be read and interpreted narrowly. It was included to give the President limited flexibility—flexibility to ensure that this legislation will not harm U.S. national security interests in the event of an emergency or unforeseen change in circumstances.

Mr. KYL. What is the significance of the phrase ''national security interests'' as opposed to ''national interest''?

Mr. DOLE. This is the way we are ensuring that the waiver will not permit the President to negate the legislation simply on the grounds that he disagrees with the policy. ''National security interests'' in much narrower than the term ''national interest''—and it is a higher standard than national interest. The key word is security. No President should or could make a decision to exercise this waiver lightly.

Mr. KYL. Is it fair to say that the intention of the waiver is to address constitutional concerns that have been raised about S. 1322?

Mr. DOLE. It is fair to say the waiver is intended to address unusual or unforeseen circumstances. We believe S. 1322 is constitutional even without the waiver, but the constitutional questions that have been raise about it deal

with issues so important that we think it is best to offer the President the limited flexibility of the waiver. It is within the constitutional appropriations power of Congress to withhold funds from the executive branch if it does not act in accordance with congressional mandates.

Mr. KYL. Although in drafting the legislation Senators did not limit the number of times the President could invoke the waiver authority, is it correct to say that the intent of the drafters is not to grant the President the right to invoke the waiver in perpetuity?

Mr. DOLE. The waiver authority should not be interpreted to mean that the President may infinitely push off the establishment of the American Embassy in Jerusalem. Our intent is that the Embassy be established in Jerusalem by May 1999. If a waiver were to be repeatedly and routinely exercised by a President, I would expect Congress to act by removing the waiver authority.

I yield the floor.

Mrs. FEINSTEIN. I yield 4 minutes to the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Senator from California.

I would ask how much time is left, because I want to be certain that my colleague from Delaware has a chance to say a few words.

The PRESIDING OFFICER. After your 4 minutes, there will be 3½ minutes remaining on your side.

Mr. LAUTENBERG. And also for the Senator from California and the Senator from Connecticut. I will try to wrap up in a couple minutes because yesterday I think I expressed myself and my full support for this substitute.

I want to commend the majority leader, Senator DOLE, and Senator KYL for the hard work that they did to move this legislation along to ensure that the capital of Israel, the capital chosen by that State, is going to be home to our Embassy, as it ought to be.

Frankly, there was some difficulty in arriving at the consensus view that we finally did. And that was largely, not because we disagreed on the objective, that is, moving our Embassy to Jerusalem, but because perhaps there might have been an involvement that would have interfered with the orderly discussion of the peace process.

Madam President, the one thing that I want to be sure of is that as much as possible we stop the killing in the Middle East, that as much as possible we get these parties together on an open and honest basis. And the process is in being at this moment. There has not been in the history of the creation of the State of Israel a friendlier President than President Clinton is to Israel.

We saw on the lawn of the White House the celebration of the end of enormous hostilities that existed for decades where people just looking at one another were almost ready at first sight to kill each other.

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, that is what is going 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 history 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 opened 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 Yasir 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. Even those who have 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 grieving 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 would 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 will be rebuilt on its mound.

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 Israel 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 DOLE who began this effort, of Senator MOYNIHAN who has fought for it for so many years, of Senator INOUYE, 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, working 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 this 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 and the Arab world—that we do what is honest and say clearly our Embassy belongs in Jerusalem, the city that has been denoted by the Israelis as their 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 view for the past 24 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 where we are today, because we did not relent under the leadership of this President and others. We made it clear that no wedge would be put between us, thereby leaving no alternative but the pursuit, in an equitable manner, for peace.

Those familiar, and all 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 what 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?

Those tears told a story. A 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 denial 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 others 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—negotiations, 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 is recognized for 2 minutes.

Mrs. HUTCHISON. Mr. President, I thank the distinguished majority leader for bringing this to a head. 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 its capital.

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 assure the movement of our Embassy to Israel's capital. 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 acknowledge 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 FEINSTEIN, my good friend, Senator KYL, Senators LAUTENBERG 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 so many 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 rights of every ethnic 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 have their 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.

Key to 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 any 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:

[Rollcall Vote No. 496 Leg.]

YEAS—93

Akaka	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brown	Harkin	Nunn
Bryan	Hatch	Pell
Bumpers	Heflin	Pressler
Burns	Helms	Pryor
Campbell	Hollings	Reid
Coats	Hutchison	Robb
Cochran	Inhofe	Rockefeller
Cohen	Inouye	Roth
Conrad	Johnston	Santorum
Coverdell	Kassebaum	Sarbanes
Craig	Kempthorne	Shelby
D'Amato	Kennedy	Simon
Daschle	Kerrey	Simpson
DeWine	Kerry	Smith
Dodd	Kohl	Snowe
Dole	Kyl	Specter
Domenici	Lautenberg	Stevens
Dorgan	Leahy	Thomas
Exon	Levin	Thompson
Faircloth	Lieberman	Thurmond
Feingold	Lott	Warner
Feinstein	Lugar	Wellstone

NAYS—5

Abraham	Chafee	Jeffords
Byrd	Hatfield	

NOT VOTING—1

Bradley

So the bill (S. 1322), as amended, was passed as follows:

S. 1322

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 ''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 1950, the city of Jerusalem has been the capital of the State of Israel.

(3) The city of Jerusalem is the seat of Israel's President, Parliament, and Supreme Court, and the site of numerous government ministries and social and cultural institutions.

(4) The city of Jerusalem is the spiritual center of Judaism, 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 reunited 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 religious faiths 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 have been respected and protected.

(9) In 1990, the Congress unanimously adopted Senate Concurrent Resolution 106, which declares that the Congress ''strongly believes 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, and reaffirming congressional sentiment that Jerusalem must remain an undivided city.

(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 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 ''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; and

(3) the United States Embassy in Israel 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 Israel in the capital of 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 Israel in the capital of 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 a report 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 Israel 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 six month period 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 of the additional suspension that the additional suspension is necessary to protect the national security interests of the United States.

(3) A 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 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 passed.

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—I will 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 from what committees. 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 substantively. 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 will be 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 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 think of that! Think of having to act on a bill of that size, a bill of that magnitude, and even this 1,563 page bill is not complete. On page 1,562 it refers to ''Title XVIII, Welfare Reform, Text to be supplied.'' Page 1,563, ''Title XIX, Contract Tax Provisions, Text to be supplied; Title XX, Budget Process, Text to be supplied.''

So it is not all here, even in this House reconciliation bill.

What are we coming to in this Senate, in this Congress? This will be the most important bill that will be acted upon by this Senate in this session. And we all know that far-reaching changes are being contemplated, I suppose you would call it, in the so-called Contract With America. All of these new, all of these reforms and repealing of measures are going to be included in this reconciliation bill this year.

As Members of the Senate are 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 on the floor, 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 time for debate.

Very controversial measures are being put into reconciliation bills. And there is no cloture mechanism that could be more than a distant speck on the horizon as compared with time restrictions in a 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 Congress could exercise 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 to first be appropriated.

Congress recognized that in order to be able to carry out its full responsibilities over the Federal purse, a new congressional budget process was needed. 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 limitation of 20 hours of debate. That includes debate on amendments, debatable 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 to 1 hour.

Well, that would be a rather unreasonable thing to do, but the rule allows it. And that would be a nondebatable motion. If a Senator elects to move 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 could result from enactment 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.

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 is for this reason that I have called 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; I did not recognize it—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 and deficit targets for a given 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 containing reconciliation procedures for FY 1980, under 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 binding 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 for one year.

Since that time, reconciliation instructions have been included in budget resolutions for FY 1981, 1982, 1984, 1986, 1987, 1988, 1990, 1991, 1994, and 1996. By the same light, budget resolutions did not include reconciliation instructions in many fiscal years, including fiscal years 1989, 1992, and 1993, during multi-year budget agreements.

Over this period, Congress used reconciliation legislation to accomplish substantial deficit reduction. At the same time, however, many legislative items were included in reconciliation bills that had no business being there. And it is not surprising, Mr. President, that attempts have been made to include extraneous matters in reconciliation bills. After all, the fast-track procedures for considering reconciliation bills, as well as conference reports thereon, make them almost irresistible vehicles to which Senators will attempt to attach non-budgetary legislative matters.

It was in response to this problem that I offered an amendment to the Consolidated Omnibus Budget Reconciliation Act of 1985, originally adopted as a temporary rule and made permanent in 1990 as Section 313 of the Congressional Budget Act of 1974, as amended. The purpose of what is commonly referred to as the ''Byrd Rule'' was to curb this tendency to include extraneous matter in reconciliation measures. That is why the Byrd rule came about. The Congressional Research Service recently issued a report for Congress entitled, ''The Senate's Byrd Rule Against Extraneous Matters in Reconciliation Measures: A Fact Sheet.'' According to that report, in the five reconciliation measures to which it applied, there have been 16 cases involving the Byrd Rule. In 11 of those cases, opponents were able to either strike extraneous matter from legislation—in six cases—or bar the consideration of extraneous amendments—in five cases—by raising points of order. Three of ten motions to waive the Byrd Rule were successful and two points of order against matter characterized as extraneous in a conference report were rejected. It appears, then, that the Byrd Rule has had some success in keeping extraneous matter out of reconciliation measures.

Yet, Mr. President, more needs to be done to ensure that Senators and 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, and we Senators have a responsibility to know. But how can we know under the circumstances—under the circumstances?

As it stands now, the Budget Act allows only 20 hours of debate on reconciliation bills and only 10 hours of debate on reconciliation conference reports. And that does not even begin to be a sufficient amount of time 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, both in the Budget Committee and here on the Senate floor. I am having to make this speech on my amendment today, the day before we will actually take up the reconciliation bill because there will likely not be time to discuss my 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 going to offer it anyhow. Do you think I will have time to debate that amendment when this bill is up before the Senate? We have a very little amount of time.

I do not raise this issue for any partisan purpose. When Democrats controlled the House and Senate, reconciliation bills were also far-reaching and yet received no more consideration than will the 1996 reconciliation bill. I am convinced, though that regardless of which party is in the majority, reconciliation bills and conference reports require more of the Senate's time than 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 only 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, as we have noted here today, 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 not 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 pure and, hopefully, a little better seasoned. 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.

My understanding 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

are told today may be the day we will begin considering the bill. It is not available. I have not seen a bill. I have asked for it. It is not available. So a piece of legislation that will be probably 2,000 pages long, if it includes everything—the House version is 1,500 pages long but does not include the three major areas, that is text to be added later, I understand.

Mr. BYRD. The Senator is correct.

Mr. DORGAN. So we are talking about a proposal that will have some of the most profound changes we have seen in 30, 40, 50 years coming to the floor of the Senate later today, and it is now 20 minutes to 1 and it is not yet available, not yet written, not yet provided to Members of the Senate. Fifty hours is not enough. I support the Senator's amendment.

I have heard in the past people say, ''Well, how can we legislate if we don't have access to what is being done here?''

The Senator from West Virginia comes from a rural State, as do I. This will contain, when it gets here, essentially, a new farm bill. We are required to write a farm bill every 5 years. This is a year to write a farm bill. It is now late October. We do not yet have a farm bill.

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 everything else, it will have a profound impact on a rural State and almost no opportunity will exist to get at it, to amend it, and to have a thoughtful, responsible debate about what farm policy will be in our country.

This will have a substantial impact on men and women all over this country who are trying to run a family-sized farm.

Does the Senator from West Virginia have a copy of the reconciliation bill yet, or has the Senator from West Virginia 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 reconciliation bill covering 1,563 pages. As the distinguished Senator from North Dakota has pointed out, there are three titles which are yet to be supplied.

I do not know what the size of the Senate reconciliation will be. It may be longer or shorter. I think the Senator is well within reason to expect at least 1,200 to 1,500 pages.

These will be changes of great magnitude—complex—in Medicare, Medicaid, and as the Senator has already said, farm legislation. Various and sundry laws will be repealed and amended which otherwise would perhaps require hours and hours or days, even, for debate 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 supporting 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 willingness 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].

TEMPORARY FEDERAL JUDGESHIPS COMMENCEMENT DATES AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to consideration of S. 1328, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1328) to amend the commencement dates of certain temporary Federal judgeships.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I am pleased that the Senate is taking up S. 1328, a bill that amends the commencement dates of certain temporary judgeships that were created under section 203(c) of the Judicial Improvements Act of 1990 [Public Law 101–650, 104 Stat. 5101].

The minor adjustment embodied in this bill should improve the efficiency of the courts involved. This is not a controversial change, but it is a necessary one.

I am pleased to have Senators BIDEN, GRASSLEY, HEFLIN, SPECTER, SIMON, DEWINE, FEINSTEIN, and ABRAHAM as original cosponsors of this bill.

I also want to thank the Administrative Office of the U.S. Courts and the fine Federal judges, particularly Chief Judge Gilbert of the southern district of Illinois, who called to my attention the need for this legislative fix—and the need for it to be passed before December 1, 1995.

The Judicial Improvements Act of 1990 created the temporary judgeships at issue in two steps.

First, the 1990 act provided that a new district judge would be appointed to each of 13 specified districts.

Second, the act then provided that the first vacancy in the office of a district judge that occurred in those districts after December 1, 1995 would not be filled.

That two-step arrangement, which is typical in temporary judgeship bills, is required in order to ensure that the judge filling a temporary judgeship is still a full-fledged, permanent, article III judge in accordance with the Constitution.

Thus, although a new judgeship in a given district has only a temporary effect, the individual judge appointed serves on a permanent basis in the same manner as any other article III judge.

It is the time between the appointment of a judge to a temporary judgeship and the point at which a vacant permanent judgeship is left unfilled that is key. That overlap is what effectively adds another judge to the district for a temporary period of time.

The 1990 act created the temporary judgeships in the following 13 districts: the northern district of Alabama, the eastern district of California, the district of Hawaii, the central district of Illinois, the southern district of Illinois, the district of Kansas, the western district of Michigan, the eastern district of Missouri, the district of Nebraska, the northern district of New York, the northern district of Ohio, the eastern district of Pennsylvania, and the eastern district of Virginia.

However, due to delays in the nomination and confirmation of many of the judges filling those temporary judgeships, many districts have had only a relatively brief period of time in which to take advantage of their temporary judgeship.

In the district of Hawaii and the southern district of Illinois, for example, new judges were not confirmed until October 1994. Other districts have faced similar delays.

Those delays mean that many of the temporary judgeships will be unable to fulfill congressional intent to alleviate the backlog of cases in those districts.

Many of the districts faced a particularly heavy load of drug enforcement and related matters. Those cases will not be absorbed adequately if the first judicial vacancy that occurs in those districts after December 1, 1995 must go unfilled.

This bill solves the problem by changing the second part of the temporary judgeship calculus.

The bill provides that the first district judge vacancy occurring 5 years or more after the confirmation date of the judge appointed to fill the temporary judgeship would not be filled.

In that way, each district would benefit from an extra active judge for at least 5 years, regardless of how long the appointment process took.

This will help alleviate the extra burden faced in those districts. The only district excluded from this treatment is the western district of Michigan. That district requested to be excluded because its needs will be met under the current scheme.

I also note that the judges from the affected districts have requested that this bill be enacted before December 1, 1995. After that date, some vacant judgeships will be unable to be filled under current law.

That is why this bill has some urgency. And that explains why the bill

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 have wondered 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 driving 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 its recommendations. 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, I intend, 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 before long, 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 on the road. 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 I 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, I think.

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. So 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 chat 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 colleague 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 send an amendment to the desk, and I ask for its consideration.

The PRESIDING OFFICER. 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.

(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 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.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair.

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 be no need for us to bring this to 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 and all these things.

It may reflect 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 need to expose this budget for 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, of $200 billion or 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 $212 billion deficit; in 1998, a $199 billion deficit; in 1999, a $213 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 $209 billion deficit.

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 running around trying to convince and 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 and draconian, that we do not 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 want to bring this phony 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 of the $23 billion that we are going 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.

So we 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, not just 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. It is a very much middle-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 forever, they have a TV ad running now that says the President has a balanced budget plan. On national TV. Just out and out lying to the American public.

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 his first State of the Union Address 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, underestimating inflation and they 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 he said. He promised. Now, I know it is going to probably strike people as absolutely incredible that the President would actually go back on one of his promises, but here

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 balanced budget using trumped-up 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, lying—the Democratic National Committee lying—to 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 about what 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 and back these values so, 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 changes. 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 us who were in the trenches making these tough decisions which we know affect millions of peoples' 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 trumped up, rosy 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 Democrat, 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 long, a copy of this resolution, and encouraged 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 now the day 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 in the sense of the Senate is that if, in fact, as a result of this bill with the budget cuts, we see an increase in the number of hungry or medically uninsured children in America by the end of fiscal year 1996, the Congress shall revisit the provisions of this bill which caused such an increase and shall adopt legislation which would halt the continuation of such an increase.

I expect to get 100 votes for this amendment, Mr. President. I have said many times on the floor of the Senate that it is quite one thing—I have heard my colleague from North Dakota say it better than I—it is quite one thing to talk about deficit reduction and a balanced budget. I do not believe there is a Senator that serves in the U.S. Senate, Democrat or Republican, who is proud of the decade of the 1980's-plus where we built up the debt and the interest on the debt. It is time to start paying off that interest on the debt. It is time to put our fiscal house in order.

But, Mr. President, it is quite another question as to whether or not we see in this proposed deficit-reduction plan what I would call the Minnesota standard of fairness. Too many of the cuts—every day people are reading in newspapers, every day people are hearing on the radio, every day people are seeing in some of the TV reports that too many of these cuts seem to be based on the path of least political resistance.

Mr. President, too many of us in office love to have our photo op, love to have our picture taken next to children. It is a great photo opportunity. All of us talk about the importance of children. All of us talk about the future and the importance of children. Well, what this amendment says—and that is why it is such an important perfecting amendment—is that if, in fact, these proposed reductions in the Food Stamp Program, the Women, Infants, and Children Program, nutrition programs for children and family childcare centers, really, whether it be center-based child care or family-based child care, or whether or not the cuts in medical assistance—in my State there are over 300,000 children, many of them in working-poor families that are covered by medical assistance—that if these reductions should result in an increase in the number of children that are hungry or the number of children who now find themselves without health insurance, then we will revisit this question, we will revisit the provisions of this bill which cause such an increase; and then, after that, we will take such practical steps as can be taken that would, in fact, halt the continuation of such an increase.

Mr. President, I came out here on the floor of the Senate at the beginning of this Congress and I said to my colleagues, ''I believe that what we are going to do this session is we are going to, in the name of deficit reduction, take food out of the mouths of hungry children.'' I have said that more than once on the floor of the Senate. And I had an amendment, it was a sense-of-the-Senate amendment, that said the U.S. Senate, that Congress, shall take no action that will increase the number of hungry or homeless children.

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 Senators on the floor, 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, ''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 and my concerns.

Mr. President, these children, they are not the heavy hitters. These children, they are not the players. These children, they do not have a lot of lobbyists that are out there in the anteroom 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 Women, Infants, and Children Program. 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 1970's—and I saw it in the 1960's 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—imperfections and all—one of 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 if we are going to now, 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 one really good meal 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 now we are 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 into poverty in this country. Every 2 minutes 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 one quarter of all the citizens in this country being poor. So if we are going to have this debate today, I offered my perfecting amendment to the amendment of the Senator from Pennsylvania to say let us go on record and let us make it clear that surely we are not taking any action that is going to reduce more hunger or is 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 clerk will call the roll.

Mr. HATCH. Mr. President, reserving the right to object. It is one thing to ask for the yeas and nays. We are not prepared to vote on this amendment. So I object.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the quorum call be dispensed with and we go forward.

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 their States as well —with an abscess 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—it 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, who right now receive 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.

Mr. President, their concern is 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 to be 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, in 1996 revisit the provisions and take the corrective action to make sure that we do not continue to see this suffering. That is what I am asking my colleagues to vote on.

The medical assistance program is a vitally important program for children in America, yet we have these huge reductions slated and nobody has bothered to ask these children or their mothers or their fathers—many of them come from working poor families—''How is this going to affect you and what will you do?'' Nobody has bothered to go out there and over and over and over again meet with people in the developmental disabilities communities and find out from them, ''How is this going to affect you? What are you going to do?''

I had an amendment on the floor of the Senate to the budget resolution that said we ought to consider some of these tax loopholes and deductions and tax giveaways.

A dollar spent by the Government is a dollar spent, regardless of how you do it. It can be a direct subsidy or it can be a giveaway to some large corporation.

My amendment said we ought to consider some of this; it was defeated. Let me be clear about the why of this amendment on the floor of the Senate today.

The U.S. Senate, when it comes to what we call corporate welfare, when it comes to some of the largest tax giveaways to some of the most affluent citizens, largest corporations in America, we do not want to take any action, do not want to ask them to tighten their belts, and do not want them to be part of the sacrifice, but we are willing to cut nutrition programs for children in America.

That is not the goodness of people in this country. But it is pretty easy to explain because those children are not out there with their lobbyists.

The Wall Street Journal had a piece yesterday about the mix of money and politics. It is unbelievable the amounts of money pouring in from all over the country. But those children, they are not the ones that get represented in such a politics.

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 budget. It was $7 billion more than 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?

My colleague from Iowa has probably done the best work in the Senate in pointing out where he thinks there has been some waste here and where he thinks there could be most fiscal accountability.

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, where are the priorities? Mr. President, I do not intend to filibuster the Senate. I do not intend to bring 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 for that.

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 this proportionate 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.

Since I think we have had precious little discussion about all of this, it seems to me it is time for the Senate to vote.

I remind my colleagues that I had a very similar kind of an amendment on the floor of the Senate. It was defeated twice. The third time it was passed by this body. This was an amendment which said ''We go on record that we will take no action, that we create more hunger or homelessness among children in America.''

So today we can through our vote provide some assurance to people throughout Minnesota and throughout the land that children do come first. Children and their mothers and fathers do come first. Families do come first. That we will not target the most vulnerable citizens. That there will be some standard of fairness. That we will make sure that our actions do not increase the number of hungry children, and do not increase the number of children who go without health care coverage.

We can do that, Mr. President through this amendment. I will read the amendment and then I will make a request. The amendment reads as follows:

> In the event provisions of the fiscal year 1996 budget reconciliation bill are enacted which result in an increase in the number of hungry or medically uninsured children by the end of fiscal year 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.

That is very reasonable.

Mr. President, I am aware that the parliamentary situation is such that I will only be able to get a vote on my amendment if I move to table my own amendment. I will soon do so and urge my colleagues to vote against my motion to table. In that way, the Senate will go on record with respect to the provisions of my amendment.

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 other 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 truly 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 I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is 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	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Grassley	Pressler
Burns	Gregg	Roth
Campbell	Hatch	Santorum
Chafee	Hatfield	Shelby
Coats	Helms	Simpson
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Faircloth	Mack	

NAYS—45

Akaka	Exon	Kerry
Baucus	Feingold	Kohl
Biden	Feinstein	Lautenberg
Bingaman	Ford	Leahy
Boxer	Glenn	Levin
Breaux	Graham	Lieberman
Bryan	Harkin	Mikulski
Bumpers	Heflin	Moseley-Braun
Byrd	Hollings	Moynihan
Conrad	Inouye	Murray
Daschle	Johnston	Nunn
Dodd	Kennedy	Pell
Dorgan	Kerrey	Pryor
Reid	Rockefeller	Simon
Robb	Sarbanes	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 a modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the bill, add the following new paragraph:

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 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 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 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.

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.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senate will please come to order.

Mr. FORD. Is it appropriate to have the modification read before we get the tree filled?

The PRESIDING OFFICER. It is not required that the modification be read.

Mr. FORD. I understand that. I ask unanimous consent the modification be read.

Mr. HATCH. Mr. President, could we do that after I——

Mr. FORD. Mr. President, I want it read before we fill the tree.

The PRESIDING OFFICER. Is the Senator 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 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 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 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.

(13) President Clinton stated on October 17, 1995, that, ''Probably there are people . . . still mad at me at that budget because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact President Clinton's budget as revised on June 13, 1995.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair.

Mr. President, we are now back to the original subject at hand before the Wellstone amendment, which is a sense of the Senate which says the Senate should adopt the President's second budget, his budget which he proclaims balances the budget over a 10-year period of time.

I wanted to show in graphic terms what the President's balanced budget does. The red line is what the Congressional Budget Office says are the deficit projections for the President's balanced budget. You see over the next 7 years the President's budget, unlike the Republican budget here in the Senate that will be up tomorrow. You see the difference between what we are debating here today and will be debating the rest of the week is a vision, a vision of fiscal responsibility for this country. If you are to believe the President, what the President wants to do, he does not want to get to a balanced budget in 7 years or 10 years or any other time after that.

You can see what the Congressional Budget Office says is the annual projected deficit for the President's budget. It is about $200 billion, give or take, over the next 7 years. And by the way, this line continues out for several years to come. In the reconciliation package we are going to debate tomorrow, we take the budget deficit from here and take it down to zero—in fact, a slight surplus in the year 2002.

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 at a $200 billion plus deficit. That is a $200 billion credibility gap that the President is trying to pull over on the American public. 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 he still 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 America about change, change, change, change. How many times have you heard during the campaign of 1992 the word ''change''? How many times have you heard over the past year the word ''change''? Not very much. What you heard is there is too much change, according to the President. There is too much disruption. There is too much. ''Oh, we cannot do that.'' He has all of a sudden come from being the President of change to the President of the status quo. And my fellow colleagues, this is the status quo, this is continued deficits for as far as the eye can see. That is not change. That is not pro-family. It is not pro-family America; it is not pro-growth; it is not pro-anything except pro-deficits and pro-decline.

We have an opportunity to reject the status quo here in a few minutes and start tomorrow on a fresh, new change in America's future, a balanced budget that we will get to later today.

Mr. KYL. Will the Senator from Pennsylvania yield for a couple of questions?

Mr. SANTORUM. I would be glad to.

Mr. KYL. The Senator from Pennsylvania is talking about the President's budget. Has anybody on the minority side offered the President's budget for a vote here?

Mr. SANTORUM. The Senator from Arizona asks a very relevant question, because on Friday morning I took the floor and put forth this resolution, and laid it on the desk down here and said, ''If anyone on the other side wishes to take up the President's budget and argue for his budget, it is there. The sense of the Senate to approve the President's budget is there, if anybody wants to offer it on the other side of the aisle, to defend what the President wants to do, to talk about how he gets to balance, what his numbers are he used, what his assumptions are he uses, to speak on behalf of the President, to defend your President. Who?''

And I do not know if the Senator from Arizona knows this, but the Democratic National Committee is running TV spots all over the country, saying, ''There are values, there are values behind the President's balanced budget plan.'' Now you have the Democratic National Committee running around the country with TV ads proclaiming that this budget is a balanced budget, and yet you cannot find one Member of the U.S. Senate on the other side of the aisle defending it, to defend what the President has done in reaching his balance. I wonder why that is.

Mr. KYL. Would the Senator from Pennsylvania yield for another question.

Mr. SANTORUM. Of course.

Mr. KYL. Just so we have this all right now, the Senator 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. If 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 even risen to defend it, much less 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 that?

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 that he had $250 billion-plus deficits as far as the eye can see. He admitted it was a bad budget.

What he has come back with is a ruse. You know, he and his buddy, Rosy, Rosy Scenario, have gotten 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 reforms. 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 he offered the budget earlier 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 that.

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 features 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 has begun to run ads suggesting, is that the President has a balanced budget. No, he does not. He does not have any specifics.

In fact, the entire package the President submitted back in June of this year was some 10 pages, 10 pages of broad outlines as to how you would accomplish it; no specifics, no itemized reductions, no specific plans on how to reform Medicare, no specific plans on how to reform Medicaid, no specific plans on how he is going to adopt his tax cuts, no specific plans on how he is going to increase education spending, which he says he wants to do. All of it is sort of vague, general numbers without the kind of detail that we are forced, and should be required, frankly, to produce here in a budget reconciliation package.

We have come forward with the specifics. And, as you know, when you put forward specifics, you have a lot more to shoot at. In fact, I think the reconciliation package is a pretty sizable document, a pretty voluminous measure. And so I am sure within these documents you have a lot to shoot at. When you have 10 or 15 pages of broad generalizations, you do not have much to sink your teeth into.

So the President has been able to run around and talk about a balanced budget, which he has never really produced in detail, No. 1, and, No. 2, does not balance, and then proceeds to take shots at a very well thought out, detailed description by the Republicans in the House and the Senate as to how we are going to get to the budget. It is a pretty neat place to be. You are sitting there taking potshots at folks without having to deliver leadership.

Unfortunately, we have a President who does not think he has to lead, thinks he can sit back here and take potshots at what others trying to solve the problem want to do.

Mr. KYL. Will the Senator yield for another question? I hate to ask all these other questions about the President's budget.

Mr. SANTORUM. I do not see anyone else seeking time.

Mr. KYL. The President talked about his companion, Rosy, Rosy Scenario. I recall when the President first spoke to the Congress, he talked very firmly about the need for us to work together, 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, the objective, 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 in the country, and 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 right. They 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 that he made to the 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 so 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 Office of Management and Budget within the White House, not the Congressional Budget Office up here on the Hill that we are bound to use.

The Congressional Budget Office is more conservative. They have more pessimistic assumptions. And if you look at the history of budgets and the projections of balancing, I am sure there are a lot of folks who are listening here who remember Congress after Congress saying, ''We'll balance the budget in a few years; we'll get to it; we'll get to it,'' and projecting rosy scenarios out of the White House.

The fact of the matter is, we want to take a conservative approach, and if we are wrong, what is the downside if we are wrong? We end up with a surplus, such a horrible thing to have. If the Office of Management and Budget is wrong and their projections are too rosy, what happens? We end up with a pretty good size deficit, that is the problem.

So I suggest it is better to err and be cautious, as we are here in the Congressional Budget Office using these numbers, than it is to go out and wish away the problem like the President has done.

Mr. KYL. Will the Senator yield for another question? I was just handed this statement and wonder if the Senator is aware of it.

June O'Neill is the Director of the Congressional Budget Office, and she testified in August, and I am quoting now that ''the deficits under the President's July budget would probably remain near $200 billion through the year 2005.''

The July budget is the budget the Senator from Pennsylvania is talking about and referring to in his chart here.

So the red line that the Senator from Pennsylvania has demonstrated on his chart, compared to the line of zero down below, does that represent what June O'Neill, Director of CBO, says is the budget deficit remaining near $200 billion through the year 2005 under the President's figures?

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 and he has a budget plan 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 through this rosy scenario, 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. When the President is out there using 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 you are standing up here 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 has 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 claims 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 by 2005. 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 the promises we have made. Let us balance the budget and give 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 has 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 a budget 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 vote on this issue.

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 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 that this sometimes 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, and then I also 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, 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 not be renewed. The letter I have from Mr. Wiggins, circuit executive for the sixth district, who speaks about the temporary judgeship for the western district of Michigan, says 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.

With this bill, we are extending then some judgeships which judges themselves have raised questions about whether or not they are needed, whether or not they even want them.

It is, of course, this sort of mindset that has caused me to look very closely at the spending habits and the allocation of judges in the Federal judiciary.

Congress has made difficult budget choices, as you know, this year—in fact, the next 3 days—on what we call the reconciliation process. We are going to be voting on these particular tough decisions that we have to make to get us to a balanced budget. In that process, we in the Congress have downsized our own staffs, the staffs of our committees. We have downsized in the executive branch, as well.

I believe it is time that we look at the downsizing of the Federal judiciary. That is why I have begun a series of hearings on the proper allocation of Federal judges. As some in this body know, last week I chaired a hearing before the Court Subcommittee that I chair on the appropriate number of judges for the U.S. Court of Appeals for the D.C. Circuit.

That hearing addressed an issue which this body has not considered since the 19th century—the process of eliminating judgeships. The last time we eliminated a judgeship as a Congress was in 1868 when there were 10 members of the Supreme Court temporarily because of what President Lincoln wanted to do. It was reduced by one judgeship. That is the last time I have been told that is the case.

Here we are looking at whether or not we need 12 judges on the circuit for Washington, DC. The caseload of the Washington, D.C. circuit has 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, that 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 12th seat must be filled. I am not convinced that this is so. Mr. President, $1 million 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.

I agree with a large number of well-respected Federal judges who have raised serious concerns about the runaway 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 raised serious 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 judicial decisionmaking 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, Mr. President, 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 to have printed the letter I read from the sixth judicial council.

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 regulatory agencies swelled in number and size since President Roosevelt and President Johnson set America on a path to big Government and Government control of the economy, the Federal courts have also increased in size. The size of the Federal judiciary is an indicator, in the view of many people, including myself, of the degree of unnecessary Federal intervention in State and local affairs.

To some degree, I must admit, this is our fault. Whenever we in the Congress try to create a Federal solution to a State and local problem, we give the Federal judiciary more work to do. So we have to, of course, shoulder some blame for this, and it would not take a lot of research that every Senator, including this one, has done some things, promoted some legislation to increase the workloads of the Federal judiciary.

Is that right? No, it is not right. It is a fact. We have an opportunity now to review some of this. We have a bill before the Senate that extends temporary judgeships that were created 5 years ago for another short period of time, to get us over a hurdle.

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

(By Frank J. Murray)

The U.S. Senate may be about to abolish an appeals court judgeship because there's not enough work to justify the job.

This has happened only once before, in 1868, when Congress cut the U.S. Supreme Court from 10 justices to nine.

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 Washington Times that 12-judge appeals court 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], perhaps more efficiently,'' 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

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 says 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 challenge those who rely on a formula allotting the circuit just 9½ judges because of declining workload.

''I can't say there's any magic 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 review 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, two Clinton nominees and two Carter 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 judge. 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,
Chief, Statistics Division Administrative Office of the U.S. Courts, Federal Judiciary Building, Washington, DC.

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.

Mr. 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. When 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 an alternative 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 passage of 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 take 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 middle-class tax 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 all are 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 policy decisions in the White House that you wanted. 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 I think many have said 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.

Then, 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 indicated we would see deficits out, well, forever—of $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 that was the implication. I 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 find over the weekend to have found this instrument that really has turned out to be the key to the President's policy decisionmaking 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, both as a budget resolution and now 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 do is because I remember, I think as most of the Members of the Senate do, that in January 1993, when we were all assembled at a joint

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, that previous 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 rosier economic assumptions. Because by accepting rosier economic assumptions, fewer cuts had to be made.

This is what the President said, back in January 1993. He said that he would use ''the independent numbers of the Congressional Budget Office, so we could argue about priorities with the same set of numbers. I did this so no one could say I was estimating my way out of this difficulty.''

Guess what, here is another flip-flop. If I had that other chart back up maybe we could spin the wheel one more time and see if the President would conclude he should respond to this kind of question. The President has decided not to use the Congressional Budget Office numbers. He has decided to use OMB. As a result of using OMB, guess what, they are using rosier 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 and using lower interest rates, assuming there will be lower interest rates in the future.

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. This line represents the deficits out in the future if we do not do anything. Here is what we would have to do—that is this line here represents zero. We have to get rid of this gap. We have to fill that gap, rather, in order to solve the deficit problem.

The President has figured he will address the problem with over half of that gap being filled by phony economic assumptions. That has happened year after year after year. That is why we have seen the debt build up year after year.

Mr. President, I want to address maybe two other areas related to this. The first is, what does this mean to individuals? What is important about doing this? Clearly one could make the economic argument that this is important because it is going to get us to a balanced budget. Plenty of other people have made those arguments and I have heard my colleagues on the other side of the floor refer to what our proposal might do to people in the country.

I ask them to think about what is going to happen to those individuals if we do not do something. Take Medicare, briefly. What if we do not act on Medicare? How are they going to answer the people 7 years from now when there is no money in the trust fund to make those benefit payments? What are they going to say to their moms, dads, and grandparents? What are they going to say to those individuals who are suffering from all types of diseases that come as a result of aging? Are they just going to say we did not have the courage back in 1995 to solve the problem; we felt it would be better to do whatever Congress has done before that? That is, flinch; fuzzy up the issue; change the economic assumptions; avoid the tough decisions? That is what they are saying.

Oh, they will not admit that. But that is exactly what they are saying. What about those people, those young families in America where mom and dad get up at 4:30, 5 o'clock in the morning and commute to work, and by the time they get back home in the evening it is already dark? They feel, and I think accurately so, that the Federal Government is sucking money away from them to pay for programs that have been proven to fail. It would be another thing if, in fact, programs were working. But almost everyone in America today understands that they have failed.

They have failed, and it is fundamentally wrong to say to those hard-working men and women of this Nation trying to raise their families, trying to provide the necessary dollars for education, for food, for health care, and so forth, ''Oh, no. We are going to take more of your money away from you and we are going to give it to those guys in Washington, DC, to continue to spend on programs that have proven to be a failure.''

What about the young couple where the father works all week, in fact has two jobs? He comes home for the weekend, and he takes care of the children, 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 1960's 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.

So I ask 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, 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 reaching 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 is 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:

[Rollcall Vote No. 498 Leg.]

NAYS—96

Abraham	Feingold	Lugar
Akaka	Feinstein	Mack
Ashcroft	Ford	McCain
Baucus	Frist	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brown	Harkin	Nunn
Bryan	Hatch	Pell
Bumpers	Hatfield	Pressler
Burns	Heflin	Pryor
Byrd	Helms	Reid
Campbell	Hollings	Robb
Chafee	Hutchison	Rockefeller
Coats	Inhofe	Roth
Cochran	Inouye	Santorum
Cohen	Jeffords	Sarbanes
Conrad	Johnston	Shelby
Coverdell	Kempthorne	Simon
Craig	Kennedy	Simpson
D'Amato	Kerrey	Smith
Daschle	Kerry	Snowe
DeWine	Kohl	Specter
Dodd	Kyl	Stevens
Dole	Lautenberg	Thomas
Domenici	Leahy	Thompson
Dorgan	Levin	Thurmond
Exon	Lieberman	Warner
Faircloth	Lott	Wellstone

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 saying 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 both sides of the aisle for standing up and sending a very clear message down Pennsylvania Avenue that we are tired of the President running around campaigning and not coming back here to work on a serious balanced budget resolution and reconciliation.

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 out which says—as they read the text, there 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 being 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's first-degree is still pending.

Mr. DORGAN. Mr. President, I am tempted to offer a second-degree amendment. I expected the Senator from Pennsylvania would——

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 that 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 factory 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 prepared 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 and 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. To suggest somehow they should not be included in a Federal budget, I think, flies in the face of fact.

Mr. DORGAN. Let me ask an additional question because the Senator is attempting to respond to my original questioning saying this is income—income to the Federal Government.

Let me ask the Senator to put himself in a business seat, running a business, and someone says, ''How can you possibly take the trust funds from our pension program and use them as income on your operating statement? That is dishonest.''

The Senator would say, ''Well, what do you mean dishonest? That is part of my income.''

Do you think the Senator would stay in his desk very long or would they haul you to the penitentiary?

Mr. SANTORUM. I suggest no one is taking that money and using it without replacing it with an interest-bearing note required by law. There is no raiding of any pension fund going on here.

To suggest otherwise is a deliberate attempt to scare people, when, in fact, the Senator from North Dakota knows very well that money is only as secure as the solvency of this Government.

Mr. DORGAN. I think we are getting close to an answer——

Mr. SANTORUM. We are trying to get this Government solvent to pay back——

Mr. DORGAN. I think we are getting close to an answer, which is interesting because my theory is that there are some who think double-entry bookkeeping or double-entry accounting means you can use the same money twice. I think that is what we are seeing.

I think the Senator has said, well, it is not that we have taken the money out of the trust fund. There still exists an asset in the trust fund. If there still exists an asset in the trust fund, it cannot be over here. It is over here in the trust fund or it is over here in the budget as income.

Now, if it is over here in the budget as income, it is not in the trust fund. If it says, the Senator from Pennsylvania says it is in the trust fund, then you have a problem. Then you have to tear up that little gold certificate you brought to the floor that says you have a balanced budget, because your own Director of the CBO, June O'Neil, says, sorry, pal, $105 billion deficit in the year 2002.

The question is, where is it? It cannot be in two places. Is it over in the trust fund or is it used as revenue over here in your operating budget? Which, I ask the Senator from Pennsylvania, is it? Where does it exist?

Mr. SANTORUM. It is, as the Senator from North Dakota knows very well, what we are looking at as accounting practices to determine what the overall assets and liabilities are for Government; what you are doing is trying to play games.

Mr. DORGAN. The Senator is not responding to my question.

I am asking you, is it in the trust fund or used as income over the operating revenue side? It cannot be in both places.

Mr. SANTORUM. The money is a credit toward the trust fund. That trust fund surplus, like the aviation 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 other deficiencies in other areas of the budget, for accounting purposes.

Mr. DORGAN. Now I understand.

Now, you propose that it is a credit in the trust fund. It is a credit. Now, what that means is that the trust fund is owed 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 agree.

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 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 before 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 all 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 will go to those earning over a 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 discussed the tax cut and suggested that 90 percent of the benefits of the tax cut go to people under $100,000.

If that is correct, that means only $23 billion, roughly, $24 billion, roughly, goes to people over $100,000. I do not know how you come up with a figure of $50 billion for those over $250,000.

Mr. DORGAN. There is room for plenty of surprises on the floor of the Senate, but there is no room for surprise as significant as the one you have just offered or you say is offered by the Senator from Delaware, that 90 percent of this tax cut is going to go to people whose incomes are below $100,000.

That is not just a surprise, that is so far from the truth that it hardly warrants a response.

Mr. SANTORUM. That is why we will have debate tomorrow.

Mr. DORGAN. We are going to, but we will find going through the details of this that not only does it not hit the bull's eye, the arrow does not hit the target. It is not anywhere near it.

The fact is, about half of this tax cut in the aggregate, added all up, about half of it—this comes from the Office of Treasury, the U.S. Treasury Department—about half of that goes to persons whose incomes, families whose incomes are over $100,000 a year.

Mr. SANTORUM. Will the Senator yield?

Is the Office of the Treasury the official estimator of the tax provisions in the U.S. Congress?

Mr. DORGAN. I say to the Senator from Pennsylvania, it is difficult for us to get estimates on a very timely basis out of the Joint Tax Committee.

Mr. SANTORUM. The Joint Tax Committee is the official estimator?

Mr. DORGAN. Yes, and I am happy to give information from them except I would not get it the way your side has done it. What happened, you give us a bunch of tables and tell us the impact of the tax but do not count the change in the earned income tax credit, by the way. Do not count that. Then give us the table and tell us what we are doing.

So they get the tables, and I say, what is this? These are not tables. They do not mean anything. They are not accurate.

So the information I have received from the Department of the Treasury shows that about half of the tax breaks will go to families with incomes over $100,000. That is a debate we will have later.

I guarantee you this: There is not any way, there is not any way that we will find that 90 percent of the tax breaks go to families under $100,000. That will not happen.

I will also say, the Joint Tax Committee has said the GOP plan increases taxes on about 51 percent of the Americans, if you consider the earned-income tax credit 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 patience worn 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 then 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 some comment.

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 Senate 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 easy. It is never easy. 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 yes, we can probably balance a 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. The communication 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, that does reform Medicare. And I want to emphasize on Medicare once again that our Medicare reforms would allow for Medicare spending to increase 6 percent over that 7-year period, 6 percent each year which is double what inflation will allow. So we are going to have a significant increase every year over the previous year of what can be spent for Medicare. We are going to have genuine reform that saves and preserves the program. We are going to have Medicaid reform, and we are going to have tax cuts.

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

this very small $245 billion tax cut, revenue to the Federal Government will go up $3.3 trillion over the next 7 years. We are not exactly starving the Federal Government for revenue. That is $3.3 trillion on top of all the revenue that is already coming into the Federal Government.

So to allow some of the people that are working and paying the taxes to keep a little bit of their tax money for families with children, to be able to get a little tax credit to help them pay for the needs of their children makes good sense to me.

With regard to the balanced budget and the so-called cuts, or the controlling of spending that we are doing in our budget resolution, I point out once again that in spite of the controls on spending which we include, spending will still go up $2.6 trillion over the next 7 years; not exactly putting the Federal Government on a diet when it still will go up $2.6 trillion. The truth of the matter is we probably should be cutting spending a lot more, but we have an orderly, planned package. This is a fair package, a balanced package in the cuts and controls in spending, and also in the tax cuts.

I continue to hear also some remarks that maybe we ought to let the Treasury decide what the tax numbers are, or the Joint Commission on Taxation. You know, I think it ought to be the Congressional Budget Office, not the Office of Management and Budget. And the President said on February 17, 1993, that the Congressional Budget Office was normally more conservative, and what was going to happen was closer to right than previous Presidents have been.

We should use the Congressional Budget Office. We should not use smoke and mirrors this time in getting to a balanced budget. We should not use rosy economic assumptions. We should not assume that medical inflation is coming down dramatically and use that to try to cover up what the truth is about the budget deficit numbers. We ought to go ahead and face up to the tough votes on cutting and controlling spending.

Also, it is continued to be suggested that, well, maybe we should change the Consumer Price Index.

Look, anything we do to change those numbers is just going to allow us to find a way to duck the tough choices of controlling spending and allowing the people who pay the taxes to keep a little of their revenue to look after their own families and make their own decisions.

I am glad we put the decision to rest. The President's budget did not really exist in the first place. We just had a vote of 96 to nothing to say we are not going to consider that. And so now let us move on to tomorrow and Thursday and taking up, considering a real budget resolution and reconciliation package that will provide a true balance over the next 7 years.

Mr. President, I yield the floor.

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 bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], proposes an amendment numbered 2946.

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 judgeship for the eastern and western districts of Kentucky (as in effect before the date of the enactment of this Act) shall be a district judgeship 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 permanent district judgeships authorized under this section, such table is amended by amending the item relating to Kentucky to read as follows:

''Kentucky:
''Eastern 5
''Western ..... 5''.

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 reasons 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 court 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 probably would not be troubling 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 deliberate late into the evening—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 then travel to court in 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. Civil cases in many 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 her 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.

I realize 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

occur any time the number of Federal judges is evaluated.

Nevertheless, I join with my senior colleague in drawing the Senate's attention to our particular circumstances in Kentucky. When the Senate Judiciary Committee considers additional Federal judges, I hope the members of the committee look at the swing judge in Kentucky. And, I urge the Administrative Office of the U.S. Courts to examine this unique situation.

I thank Senator FORD for his leadership on this issue.

Mr. FORD. Mr. President, I am not going to take any additional time on this because I know the chairman of the Judiciary Committee is itching to get away from here, and I do not blame him. It was about 3 hours ago, I think. But what I have is a split judgeship, one in the eastern part of Kentucky, one in the west. The youngest judge is assigned to the east and the west. So we have some going to the mountains and some going to the flatlands of west Kentucky, and this one judge spends 5 and 6 hours on the road. If the jury is out until 2 o'clock in the morning, then makes their judgment, comes in, the judge is back in the car and has to drive another 5 or 6 hours. It is absolutely a horrendous situation.

Mine is not the only State. Missouri has split judges, Oklahoma has split judges. But we just have one. And when you traverse the State from Pikeville in the far east to Paducah in the far west, it is some 600 miles. So it gets to be a tremendous burden.

What I am asking in this amendment is to allow Kentucky to have an additional judge. That additional judge, then, would mean that we would have a full-time judge in eastern Kentucky and not divided with the west. We would also, then, have a full-time judge in the west. And we would see that the court docket was reduced tremendously.

Mr. HATCH. If the Senator will yield, we understand the Senator's problem and we are concerned about it. As of right now, there is a real question as to whether we can justify another judge in that State. But I am willing to talk with the Senator and try to work this out, if we can, over the immediate future and see if there is some possible way we can solve it. If there is not, we will be straight up with the Senator and let him know, but I am willing to try to see what we can do.

We would like to pass this bill because it is a temporary judgeship bill that, really, nobody has any objections to, and that literally will solve a lot of very important problems for the courts. We would like to do it without amendment if we can.

Mr. FORD. Mr. President, I understand what the distinguished Senator from Utah is saying. But, if I did not bring notice——

Mr. HATCH. I understand.

Mr. FORD. To this body and to the Judiciary Committee, through this method, which is the only one I have, then I think I would be remiss in representing my State.

Mr. HATCH. We understand.

Mr. FORD. There is a lot more to dispensing justice than the number of cases. What we are doing now is, the youngest judge, a female judge, is on the road day and night. And that is justice delayed. She is absolutely working her heart out, getting a driver, dictating, writing while she is on the road, trying to accommodate the lawyers in the cases and the courts in which she is assigned.

So it is fine for you to say you will work with me. The commission sent a report, in which it gave us an extra judge in Kentucky, which would have solved our problem. I understand the commission withdrew their suggested increases. Now we are in limbo and I do not know where we are.

I will not accept ''we will try sometime in the future, next year.'' I would like to try sooner than that, if I could. Because the judge is being overworked by travel, by court cases.

We have an excellent judiciary in Kentucky. They are working hard to eliminate the burden of cases. But, under the circumstances, we are not able to do that and it is not the number of cases per judge that creates the problem for us.

Mr. HATCH. If the Senator will yield, I do not think Kentucky could have better advocates than the two Senators that currently represent Kentucky. I understand the issue. All I can say is, in good faith, we will try to work with the Senator and try to resolve it. But I would like to not have to go to a vote on this amendment, because I would have to oppose it under these circumstances and I would prefer not to do that if we can somehow or other find our way clear to working out this problem.

As far as I am concerned, the Senator is a leader in this body. I have every desire to try to accommodate him if we can.

Mr. FORD. Mr. President, I will, in just a moment, withdraw it. It is not very often I come before my colleagues and ask for something other than what I think is——

Mr. BIDEN. Will the Senator yield before he withdraws?

Mr. FORD. I will be glad to.

Mr. BIDEN. Mr. President, I think the Senator from Kentucky makes a very valid point. I, for one, think there is justification for Kentucky having another judgeship.

Frankly, one of the things the Senator from Utah and I talked about earlier in the process—not today, but in the year—was this notion of whether or not we need an additional judgeship bill, period, nationwide. And the answer is we do.

Mr. HATCH. Yes, we do.

Mr. BIDEN. So we do need additional judges, in my view.

I am not referencing any particular Senator when I say this. And I mean 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 was in his last year, last days in the Presidency, I, along with the Senator from Utah—we pushed through literally another 17 or 18 judges in the last 4 or 5 days of the session. I hope that spirit exists here.

But in fairness, both 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 where we are 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 overall. My guess is that the political reality would be that we 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 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 docket 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 record, for the RECORD, 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 anyone that I know. 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

by the 1990 Federal Judgeship 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. I ask unanimous 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 Lee Liberman Otis, Abraham's chief judicial counsel. ''It's very unusual for people in the federal government—or anywhere else—to say, 'We don't need extra people to help us with our work.'''

The bill, which is sponsored by U.S. Sen. 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.

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 by a new judge.

Under the Hatch bill, the period during which another judge could be appointed will be extended to five years from whenever temporary judges were sworn in. That would be Aug. 28, 1997, in Quist's case.

''But the judges in this district decided we did not need to have the position renewed,'' said U.S. District Chief Judge Richard A. Enslen. ''We think we can get along with four judges and four magistrates.''

The federal Western District of Michigan—which includes all counties in the western half of the state and the entire Upper Peninsula—now has five active judges, four magistrates and two senior judges.

The active judges, who carry a load of about 225 civil cases and 50 criminal cases, include Robert Holmes Bell, Enslen, Benjamin F. Gibson, David McKeague and Quist. The magistrates, who handle most arraignments, misdemeanor cases and motions are Hugh W. Brenneman Jr., Joseph G. Scoville, both based in Grand Rapids; Doyle A. Rowland in Kalamazoo; and Timothy P. Greeley in Marquette.

But the senior judges, Douglas W. Hillman and Wendell A. Miles, also are hard at work in the district and handle at least a quarter of the civil cases the others do.

Federal judges, who are paid $133,600 annually, can take senior status when they reach 65 and have enough years of service to total 80. Even though they continue on full salary until they die, they can leave the bench as soon as they move to the new status.

Neither Hillman nor Miles has chosen to do so. And Gibson, who announced earlier this year that he will take senior status next August, said that he, too, will continue to work on cases in this district.

''One of the reasons we're in good shape is because we do have the two senior judges still working,'' Enslen said. ''That's a good deal for taxpayers. The best bargain in America is a (federal) judge who reaches retirement age and doesn't walk away.''

As once was the case, lawsuits aren't piled up waiting to be heard for long periods in this district, the judges say. In addition to help from the senior judges, fewer cases are being filed now than in the past, and the court also reduced some of what was a backlog by implementing ''differential case management.'' That process assigns lawsuits to different time tracks, limits what attorneys may do, and moves cases along quickly.

Still, if West Michigan isn't excluded from the Hatch bill, a new judge could be appointed to fill the vacancy Gibson's move to senior status will create. And if Enslen decided to move to senior status before August 1997, the district would be slated for two new judges.

Otis, who said West Michigan likely would be excluded from the 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 your judges. 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 gain to ourselves in order to live up to that obligation. We also appreciate the efforts of our senior judges, who in many cases are continuing to carry very full dockets despite being under 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 taxpaying American citizens.''

While there is much talk of shared sacrifice, there are not very 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 created by 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 Sharon Lovelace Blackburn, 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. 5101; 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

districts named in this subsection, except the western district of Michigan, occurring 5 years or more after the confirmation date of the judge named to fill a temporary judgeship created by this Act, shall not be filled. The first vacancy in the office of district judge in the western district of Michigan, occurring after December 1, 1995, shall not be filled.''.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, on behalf of the leader, I want to announce that there will be no further votes tonight.

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. 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 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 $600, 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 or it is in the 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 instruct those three Secretaries to have a report on how to sell 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 there and refuse 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 messing 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 talk about it; 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 making this 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 we put it on 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 that comes not from work but 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 $452,248—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, we can pass 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 told voters we would do when we came. That was in the contract for America. The President said he was going to do those four 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.

There is great opposition to change 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 because it will not take 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. Everybody 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 choices. Why should not 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 ought 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 addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

SAVING OUR CHILDREN

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 truth of the matter is, we have been 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 to pay 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 spent beyond its means and lived beyond its resources. It has done so at the expense of the next generation.

During the debate over 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 requires the surgeon's knife.'' 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—yes—difficult choices. We take 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 the familiar incantations of those still 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 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 must use different figures, different 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, I suppose, that would allow minor changes. We could only tinker with the operations so 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 the national debt. In 2015, 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.

Then 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 controlling 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. The children are witnessing 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 we stopped 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 out or consolidate numerous outdated programs, commissions, agencies, initiatives. We voted to reform the failed welfare system by giving the people the power to eliminate poverty and hopelessness in their own backyards.

Mr. President, rather than trying to gain short-term political advantage by shamelessly frightening elderly Americans with empty rhetoric and misinformation, we instead are moving to protect, preserve, and strengthen Medicare for the long haul. We are working to bring efficiencies, normally only found in the marketplace of late, into the Medicare system to give people a sense of choice and, in doing so, yes, to restrain some of the growth—but still make it possible for people to have good health care.

We all know that in the next 7 years of reform, the amount spent per capita in the Medicare system under these reform plans goes from $4,800 per year to $6,700 per year, and that kind of an increase per capita is a substantial one. It will allow us to attend to the current health needs, without continuing to jeopardize the future of the fund.

Mr. President, we want to let the American people keep more of what they earn. American families deserve it. American families have seen their tax burden grow from as little as 2 percent in 1950 to nearly 50 percent today. We want to give families the opportunity and responsibility of spending their own money so they can help themselves rather than have the Government always taking their resources and deploying it in a governmental scheme which seldom meets the need and frequently undermines and erodes the values for which families stand.

It is important for families to decide what is in their best interest, rather than having a governmental bureaucracy always deciding what is in their best interest.

When the families of American people express their belief that Government is out of control, as they did in last November's election, they are correct. For too long this body has assembled to satisfy the appetites of narrow interests at the public's expense. The American people are fed up with a Congress that spends the yet unearned wages of the next generation.

The resounding mandate from the electorate is to dramatically reduce Government spending, to shrink the size of the Federal Government, to stop the Government from interfering with the ability of individuals to make decisions for themselves, for their families, their property, and their lives.

That 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 them; that they have sent us here to do a job, not necessarily an easy job, it is not 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. When 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 Presiding Officer?

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. Under 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 finance package—in a back room before it 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—it 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 of the benefits of this provision, and I will name them in a few moments—this special deal for these companies which want to break their promises—was slipped into the reconciliation bill.

It is the most extraordinary and duplicitous act I can remember in the 10 years I have been in the Senate.

A favor that gets these companies off the hook, a favor that risks the collapse of the fund that ensures the promised health care benefits to the retirees in my State and in virtually every other State—literally every other State but Hawaii—in America.

This provision is outrageous. It is shameful. It is another example of what we read about in the Wall Street Journal today. I assume and hope there will be more of this. It is an article on Members of the Senate who are getting special breaks, and it lists a bunch of Senators and the deals they cut for special friends or special interests—however you want to phrase it. It is not very elegant, however one phrases it.

Mr. President, even though average Americans did not get their say in what would happen to their Medicaid benefits or their student loans or to the tax credit that rewards working over welfare, a select group of companies with lobbyists wall to wall sure got their say in this package.

A bill allegedly meant to balance the budget is tipping the scales of fairness and justice when it comes to health care for 92,000 very old retirees.

I strongly appeal to my Republican colleagues. I ask them to stop this corporate payoff before more damage is done to people who have done nothing in their life to deserve it.

It is obvious that the hope is to keep this cruel little provision under wraps, stick it on page 166 of a Finance Committee document. Hide it in the bill about to come to the floor. Do not talk about it, do not acknowledge who is responsible for this giveaway to companies.

I am here to talk about it. I will not stop talking about it for as long as it hangs around. I am not going to let the U.S. Senate become a bazaar again for greedy interests, and in particular in the case of retired old coal miners.

If one has not seen them, if one does not know them, one does not understand the emotion involved in this. They cannot hire lobbyists. They cannot prevail in a fight like this, unless they have a majority of us on their side.

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 just 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 it 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 on and become what it is today which is, of course, a great, incredible, America.

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 1950'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 mechanize the coal mines, thereby throwing out of work within a few years 400,000 people in the Appalachians. But in return for the mechanization was the promise of lifetime pensions and health benefits. It was a good deal all around.

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 months and months on end 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 Benefit Act, simply known as the Coal Act.

Coal miners helped to create the might of modern industrial America. Nobody would dispute that. They fueled our progress. In 1992, when we passed the Coal Act, unanimously, without a vote, and through bipartisan negotiations, 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 resulting 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.

Secretary Dole explained that during negotiations of the settlement of this strike which involved at that time one

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 it 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 and past signatories, 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 companies are not around to bargain 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 orphaned retirees whose 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 retirees of 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 met 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 with an outstanding group of Members 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 the mines for 20, 30, or 40 years or more. People have no idea what that means unless they have been around coal mining. Every day they rode a rail car a mile underground, stooped in crawl spaces 4-feet high with ice water up to their knees, and made their mines productive and made their employers rich, for the most part. For them, the legacy of that work is black lung.

People say they can get by on black lung. Black lung is a totally different subject, and only about 4 percent of miners are granted black lung, even though I firmly believe that anybody who has been in the mines for 8, 9, or 10 years, by definition has black lung. They have black lung, asthma, cancer, back pain, chronic respiratory disease. Their health benefits remain a matter of life and death to them, Madam President. The most serious of subjects in the most dangerous profession. And now, in this new amazing Congress, a sneak attack has been made on the health care security that was finally restored in 1992 for miners and their widows and orphans. And, Madam President, it is not a secret attack any longer.

The companies that would profit, which would get 60 percent of the benefit of all of this, have been hiding behind little coal companies so as to make it look like little coal companies were going to take all the hurt. The ones who are going to get 60 percent or more of the benefits of the finance provision are Allied Signal, North American Coal, LTV, Pittston, A.T. Massey, and Berwind Coal Co. Those six have manipulated, through dozens, scores of lawyers, to the point where they could put into the reconciliation bill something that will yield them a $33 million windfall.

The provision in this bill is a gift for these big companies looking for a way to walk away from their promise made to these miners nearly 50 years ago. These companies have spent millions to unravel the Coal Act, to renege on their promises. So far they have not succeeded in robbing miners of a single day of health coverage, but they have not stopped trying. I thought this was all put to bed, it was all history. As I said, people did not want to do it in the Finance Committee. I do not think any Republican members in the Finance Committee really wanted to do it. It was just put in there. I think it was put in there by the majority leader, and their patrons slipped just what they were asking for in the reconciliation bill approved by the Finance Committee and now part of the package about to come to the floor.

The day after the Finance Committee reported out their handiwork that demolishes the health security of over 92,000 miners and their widows for the sake of a few of the biggest and most profitable companies in this country—I will not give you their profit levels, but they are extraordinary—I went back to West Virginia. I would say to my esteemed colleague from Minnesota, I am almost finished. I went back to tell miners and their wives what happened.

The miners I met with were tight-lipped. This was this past weekend. They were tight-lipped, as miners tend to be under all circumstances, especially older miners who have seen it all—strikes, cave-ins, shutdowns, layoffs. They have learned to accept a lot in life.

I remember, once I had a friend who fought in the Second World War in the Battle of the Bulge. He and I served in the Peace Corps together and I tried to get him to talk about it. He would not talk about it. He would not talk about it. Miners tend to be like that.

They have seen their coworkers killed, mangled, dismembered. They have lost limbs, they have lost their breath, but they have kept their faith and they have kept their health care benefits, but they do not have a lot to pass on to their families.

Until the Senate Finance Committee action, you know, then they had their health cards and knew their health

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 renege 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.

Bude 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 to.''

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 loophole making behind this provision, who pays, who does not, who profits, by how much—it is so 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, then we have made the word of 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 to work their way out 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, widows, and their 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 of keeping promises.

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 can heed that call once more. 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 Presiding Officer 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.

Now, I hate to waste 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 GINGRICH 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.

''Where's the beef?'' 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, try divide and conquer. Scare people into believing things that are not true, or at best half-truths.

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, improve 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 it away.

But Mr. President, that is not compassion. That behavior is greedy and power grabbing.

For over 40 years, the Democrats have been 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, watch out 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 balanced 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 plan 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 pockets to the tune of over $500 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 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, et cetera.

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 have 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 meet those needs the best we 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. Statements 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 hears none, and it is so ordered.

FOLLOWING THE BUDGET DEBATE

Mr. KERRY. Madam President, I listened with interest to the comments of my friend 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 in 1993 and what a terrible thing it is the Democrats have perpetrated on the country. But the truth is—the truth, which often gets hidden in these debates—yes, taxes were raised in 1993, but only on 1 percent, the upper 1 percent of Americans, and that for 98 or 99 percent of most Americans taxes went down. The burden of the average working person went down in the United States.

So when our Republican friends come to the floor and start lamenting the 1993 bill that gave this country a continued economic growth—I might add 7.5 million jobs added to the economy of this country in the last 3 or 3½ years compared with about 2.5 million during the entire 4 years of the Bush administration—that 1993 bill raised taxes only on the very wealthiest 1 percent of Americans, and yet our friends keep coming to the floor in defense of that 1 percent. And that is really what divides our parties at this point in time.

Certainly, we are not divided by a desire to have a balanced budget because the vast majority of Democrats voted for a balanced budget this year. I voted for a balanced budget that will take place in 7 years. We did cut Medicare. We did cut Medicaid. But we did not turn around when the country has an extraordinary deficit problem and give back to people individually what amounts to a very small amount of money. I believe it is something like $1.69 a week that most people in America will get with this famous $500 tax credit that everybody is going to get, which incidentally does not go to everybody. The truth is that while our Republican friends talk about a $500 tax credit for every family in America, not every family in America will get that $500 credit because it is only a credit against income tax. The biggest tax that most Americans pay is the payroll tax. And for workers at the low end of the income scale, they are not going to get the benefit of that $500 income credit because it does not show up in their income tax. So it does not go to every family in America—another one of the deceptions in the rhetoric that people hear.

We have heard a lot about how we are going to put taxes back in the pockets of Americans, but the CBO itself, which we keep hearing quoted by our Republican friends, will tell you that the Republican plan raises taxes on 49.5 percent of Americans. If you are earning $30,000 or less, you have a tax increase in the Republican reconciliation bill. For 17 million American families, a tax increase, an average tax increase of $352; for about 7 million families, if you have a family of two, it is about a $400 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 $350,000 and of over $5,600 a year.

Now, the last time I looked, I really did not think that somebody earning over $350,000 a year really 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 distorted, 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 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 won on 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 allow major companies like McDonalds 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 that 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, let alone to a private school''?

There is not a parent in America who does not feel the implosion of the school system around them, who is struggling to get their kid the best education possible. And these folks know that on a daily basis they are making decisions that are based on what they can afford and what they 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 are cutting people from a hot lunch 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, blown away, dead. That is an act of repetition that occurs in this city every day. And it occurs in New York, in Boston, Los Angeles, Detroit, Miami, you name the city. And it does not have to be 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 $6 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 Americans come 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 rise, we did not do it at the expense of trying to make life miserable for those for whom it is already hard enough to find a job and break out of poverty. We did it by fairly deciding

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 CBO's own analysis, this ''reconciliation package,'' as it is known, 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 antipoverty program, profamily program in this country. What is happening in the next hours is that $43 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 few hours, 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 colleagues who have 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 that? Let me be very frank, very straightforward. The deception is that all seniors know, because they also listen to the trustees, that the trustees did not describe a $270 billion problem.

The trustees described a $90-billion problem. I agree there is a $90-billion problem. But everybody understands that the real deception here is the effort to take a $90-billion problem and turn it into a $270-billion solution so that you can give a tax cut to the folks who least need it.

I might add that one of the great acts in turning the table topsy-turvy was last year with Harry and Louise. Remember how everybody argued about, ''Gosh, we don't want the Government telling you what to do, and we don't want people to have choice taken away.''

And here, all of a sudden, is a formulation for Medicare that is the Government telling people what to do and narrowing their choices by requiring that they go into a certain kind of managed care as the only means of providing the savings that they are providing.

What is equally egregious is, we keep hearing people say, ''We're not cutting Medicare; we're just slowing the rate of growth. It is still going to grow. There is still going to be a fixed amount of money additionally that everybody is going to get each year.''

So with that sort of great statement, that bond, that verbal bond, everybody is supposed to feel good: ''Wow, I'm going to get an additional $2,000 over the next 7 years.''

But the difference is, Mr. President, and everybody knows it, when you have a fixed amount of budget available and the costs of Medicare are going up at a fairly steady rate, even if you diminish that rate to what most people would accept as a reasonable rate of increase, the population is growing, the population of seniors in America is growing at a predictable rate.

So you take this fixed pot of money, say to everybody, that fixed pot of money, even growing a little bit, is going to have to take care of the same costs as it did the year before, even though the costs are increasing, and it is going to have to do it for a larger population.

Ask anybody in elementary math, any school in America and even with the problems we have in math in America, I believe they will understand that with a fixed amount of money, a growing population, increased costs, you have a problem in delivering the same level of care. That is why they want to take the standards off the nursing homes, because if you take the standards off the nursing homes, people can deliver nursing care without a registered nurse. We can have a turning back to the time when people were strapped in wheel chairs and where they were just, basically, drugged out as a means of taking care of people. We can step back, and that may be the antivision that a lot of our friends are expressing here. It is certainly a form of deception.

Mr. President, at a time when this country is desperately in need of serious tax simplification, a tax simplification 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 have made over 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 families that earn more than $100,000 annually are going to enjoy a new tax break of $1,138. 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 welfare reform for those who are 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 experiences, through 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 who 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. If you were 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 we will debate in the next hours—a reconciliation bill where we see spending on middle income and average Americans decrease, where we see an increase of taxes on the middle class, an opportunity society that has really been left to the ''haves,'' and for those who have not, the opportunity is clearly going to continue to escape their grasp.

Ironically, the choices made in this budget make some very, very strange and even bewildering opportunities. I do not think anybody wants the opportunity to drink dirty water. But for the first time in 5 or 6 years, the Federal share of helping Boston clean up its harbor and relieve the rates—what are now the highest rates of water in the country—is going to be diminished—diminished even from what President Bush was willing to give it.

I do not know anybody who wants the opportunity to go to school without books or even be able to go to a decent school at all. But the chapter 1 education assistance and the Goals 2000 is going to be stripped away. I do not know anybody who thinks it is an opportunity to eat contaminated meat, but we saw that proposed in the course of this last few months. And even the taking of unsafe medicines—is that an opportunity?

So how do our Republican colleagues come to the floor and tell the American people that opportunity means cutting cops on the streets, when children are being shot in cold blood on some of the streets of America. How do they say it is an opportunity when they raise $43 billion in taxes on low-income working Americans, who are struggling to make ends meet on what Ronald Reagan called the best anti-poverty, profamily program in America and give a $245 billion tax break to the wealthiest Americans while increasing the national debt in the process?

How is it an opportunity for students when we cut $11 billion from student loans and then increase the amount of taxes their parents are going to have to pay? In fact, Mr. President, over the course of the next 7 years, this reconciliation bill is going to now end the direct loan program for maybe 50 percent of the schools in this country that have entered into that program in the last few years. It is going to raise the burden on the average American borrowing money in order to send their kids to school and put that money through the tax benefit in the hands of the banks and the lenders even though it has been one of the most successful door openings to the information age that we ever could have anticipated.

What kind of opportunity is it when this budget cuts $182 billion from Medicaid, but leaves intact an $11 billion international space program? What kind of opportunity do seniors get when our Republicans colleagues have chosen to cut $270 billion from Medicare and give the Defense Department a $6 billion bonus—money that it did not even request?

What do I tell the people of Massachusetts when, if these Medicare cuts hold, we lose 129,000 health service jobs, when the State loses 4 percent across the board in general fund spending and has to make up for the $1.3 billion loss in Federal aid. When seniors in Massachusetts have to pay $1,000 more per year for Medicare and the interest on student loans for 4 years of college goes up $3,000? What do you say about opportunity in the face of the largest income earners in America getting a tax break?

I was here in 1986, Mr. President, when we voted for the biggest tax decrease in the history of the country. We took the rates down to 28 percent and, for a few people in the bubble, 33 percent. We have been giving tax breaks to all Americans across the board. But in the face of these other reductions, it is unconscionable to suggest that that represents a definition of opportunity.

Mr. President, I really think there is a reform agenda which we could have embraced in a bipartisan way, and I reemphasize that there are many of us on both sides of the aisle that I know could have found a common middle ground here, if politics and ideology and hot-button pushing did not put such a premium on the agenda of the House and on some who were elected in 1994.

It seems to me that what we are seeing here is a program that, not intentionally—although, in some I am not sure—turns out to be anticommunity, even antipeople, certainly anticommon sense, in the context of the real agenda of this country. When those who espouse that agenda choose not to fund a successful program like YouthBuild in Boston—when they strip youth employment opportunities and educational funds that can keep kids in school or give kids structure in their lives—that disempowers communities and prevents people from helping themselves.

We hear an awful lot of talk in the U.S. Senate about values, and we hear a lot of talk about family; but the truth is, Mr. President, that 36 percent of all the children in America today are born out of wedlock. The truth is that 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 these are kids who do not have 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 just 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.''

But the truth is, Mr. President, that I can show you thousands of young people across this country who are working at jobs today, who are graduating from college today because one of these

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 not personally, but I know of him—and I have seen his curricula and history, in the context of YouthBuild, extolled for having graduated 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 that what 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 empower 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, 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 nongovernmental 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 in Boston and 400 kids on the waiting list, it is unconscionable to be continuing some of these 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 lack of common sense that emanates 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 nights 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 word ''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 go 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 to fix what is wrong. 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 not been wrong to do what both 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 a grant, 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 and fictions but really on 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 think it is a 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 had 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 the 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.

Why 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 at all? Why could we 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 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 fixated 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?

You 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 responsible 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 services. 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 antivision, or a vision. 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 part A and 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 be exhausted in 7 years. 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 of the aisle 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 trustees say we need to address 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 have to change the system, bring it up to date, to 1995 standards. It is a good program. As a physician I have seen that it has cared for millions and millions of our senior 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, when you adjust 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 and that is going to increase 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 do 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. 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 a little more over the next few 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 first time in 30 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 overconsuming 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 an 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 another 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, although I do not think 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. Since insured patients do not have any incentives to shop around or ask outcome questions or compare medical services, whether it is based on price or outcome, physicians are not rewarded for providing cost-conscious care.

Throughout much of my practice as a heart surgeon and a heart transplant surgeon, I would perform a heart operation, submit the bill, and the bill was paid with no questions asked by the patient.

The PRESIDING OFFICER. If the Senator will suspend, under the rules of morning business we are operating in, Senators are limited to 10 minutes unless the Senator asks unanimous consent.

Mr. FRIST. I ask unanimous consent that I be allowed to continue for 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FRIST. Mr. President, traditionally no questions have been asked. One day an individual came to see me. He actually needed a heart transplant. He came with a list of transplant centers. He said, ''These are outcomes that I have heard about. What are your outcomes?'' He asked, ''What are your infection rates, and how much do you charge for heart transplants?''

To be honest, nobody had ever come in and asked, ''How much do you charge for a heart transplant?'' What I did was actually turn around and go back to my transplant team, and say, ''Let us see exactly what we charge. Let us be able to answer that question why we charge what we charge as well as look at the outcome data and how our results were compared to other people,'' not only with my own practice and my own transplant team, but the other transplant teams in my center.

I brought them together, and sure enough, we looked at quality standards. We got those out to the community. And, yes, we lowered our prices for how much we would charge for transplantation. Just because of one empowered patient who came forward and asked the right questions, I think we improved quality, we improved care, and we gave more cost-effective care.

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 a bill, 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 bill.

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 a 50 percent copayment for the 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 stifle our technological 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 highest 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 medical 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, RI, as ''The Harry Kizirian Post Office Building.'' I was pleased to join my colleague, Senator 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, RI, 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.

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.

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, not only 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 law does not 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 outside contractors.

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 developing 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 of Labor Robert Reich 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 precluded from seeking 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 to 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 moves forward in the coming months on far-reaching 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?

(By 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 most of 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 quick, temporary professional help 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—and to compete in an increasingly tough global market.

Advocates of this and other employment-based visa programs cite numerous cases in which foreign professionals with special expertise have made valuable contributions to American science and technology and have helped create jobs in the American economy. But the Labor Department says the H–1B program also has been widely exploited to bring in thousands of foreign professionals and technicians whose chief attraction is that they are willing to work for much lower salaries than their U.S. counterparts. Many are imported by job-contracting firms known 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 colleagues were laid off and replaced by lower-paid programmers from India.

Richards and other critics of the H–1B visa program 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 effectively ''indentured'' to their employers. In the long run, they predicted, it will accelerate the flight of high-tech jobs overseas, discourage American students from studying for those occupations and produce the very shortages it was designed to alleviate.

In addition, some immigrants have used the program to set up lucrative 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 added.

''There is abuse of the current non-immigrant system, but it is by no means overwhelming,'' argued Austin T. Fragomen, an immigration 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. Billingsley, of the Information Technology Association of America, a pro-immigration group. ''Are U.S. workers being put out of work by foreign workers? Probably. But the occurrence is minuscule.'' In any case, he said, H–1B visa holders account for only '' a fraction of the U.S. work force.''

Such arguments are not much comfort to John Morris, who owns a computer consulting firm in Houston. He said he lost his largest customer, a major oil company, when he refused to supply it with cheap foreign programmers.

''Greed is the reason they're doing this,'' Morris said. ''Anybody who says it ain't greed is smoking rope.''

He said he also has turned down a Chinese company's offer to provide programmers for placement at $500 a month in jobs that usually would pay $5,000 a month.

''The Chinese are desperate to get in here,'' Morris said. ''This is economic warfare.''

In 1990, Congress passed an immigration act that raised a cap on permanent employment-based immigration from 54,000 to 140,000 a year in response to fears of an imminent shortage of scientists, engineers and other highly skilled professionals. A separate provision created the H—1B visa category, which lets in as many as 65,000 professionals a year for stays of up to six years. These workers are supposed to be paid ''prevailing wages'' and not used to break strikes.

The H–1B provision requires no test of the U.S. labor market for the availability of qualified American workers, and it does not bar businesses from replacing U.S. workers with ''temporary'' nonimmigrants.

In practice, critics say, ''prevailing wages'' have been defined too broadly 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 show they had tried to ''recruit and retain U.S. workers' in the occupations for which nonimmigrants were sought. He also recommended that the permitted 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 foreigners granted permanent resident status in fiscal 1994 originally came in as non-immigrant students or ''temporary'' workers, Reich said.

In response to ''abuse'' of the non-immigrant 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, who came to the United States under H–1B visas and made up more than 80 percent of the company's work force.

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 assigned 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 U.S. workers were even required to train their replacements, Reich said.

''It was clear that Syntel 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, was found by 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 in Texas, and were paid as little as $500 a month, the department found.

In New Jersey, a major shipping company, Sea-Land Services, laid off 325 computer programmers this year and replaced them with Filipinos supplied by Manila-based Software Ventures International. The Americans. who were paid about $50,000 a year on average, also had to train the lower-paid Filipinos, most of whom eventually returned to Manila to carry out the work even more cheaply there.

''I was outraged,'' said Jessie Lindsay, one of the former Sea-Land programmers. ''There were highly paid technical jobs leaving the country. . . . What's the point of getting an education and technical training if companies can get away with hiring at slave wages?''

Mastech Corp., of Oakdale, Pa., a company owned by two Indian immigrants that has won millions of dollars in consulting contracts with the federal government, has brought in about 900 of its 1,300 workers from India under the H–1B program. From 1991 until Sept. 30, one of its contracts, obtained under a set-aside program for minority-owned businesses, involved ''computer system integration, installation, maintenance and operational support for the White House correspondence system,'' the presidential press office said.

''We have been lumped in with some other companies that allegedly underpay their foreign workers,'' a Mastech executive said. ''We are not a low-paying company.''

One of the latest controversies over the H–1B program erupted last month after it was reported that the National Association of Securities Dealers had laid off 30 contract computer programmers and hired an Indian firm, Tata Consultancy Services, to do the work. The government-chartered association, based in Rockville, Md., owns, operates and regulates the Nasdaq Stock Market. Tata, which has a regional office in Silver Spring, is part of a huge Indian conglomerate that company officials say produces everything from tea to computer software.

An NASD spokesman, Marc Beauchamp, said Tata would employ about 40 people on the project, half of them working here on H–1B visas and half at Tata's home office in Bombay. He denied that any full-time NASD employees were fired and said that ''fewer than 20 outside contractors could possibly be affected'' by the move.

The Indians essentially would be maintaining ''outmoded technology'' so that regular NASD programmers could ''focus on new technologies'' and perform ''more challenging work,'' Beauchamp said. ''We found it made no business sense to hire programmers that we would have to pay more than, or as much as, the people we have on staff,'' he said.

Neither NASD nor Tata would disclose details of the contract. However, Tata insisted that it follows all U.S. regulations and wage requirements.

''We are not a body shop,'' said A. Sruthi Sagar, the firm's personnel manager. ''We are not in the business of providing cheap labor to the United States.''

TRANSFER OF BUREAU OF LAND MANAGEMENT LANDS TO THE STATES

Mr. BURNS. Mr. President, I rise today to talk about an issue that I firmly believe in, more localized control of our public lands. I am here today to set the facts straight so that the people of Montana get the real story and can make their decision on two pieces of legislation before this body.

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 to the local government and out of the stone cold buildings in this town. 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. A Governor can either accept the title transfer of these lands or they may reject this offer. If accepted, then within the following 10 years the Secretary will 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 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 downtown New York City have placed a stamp on an envelope and appealed decisions that effect the people in Montana. This goes against every promise the West ever offered to those who live there. Throughout my tenure in the Senate I have stood strong on one basic philosophy; the people of Montana know what is best for Montana. The best decisions are made at the local level. We do not need a Federal land manager in Washington to tell us how to manage our lands. The land managers in the State have a better understanding of the needs and the future of the lands in Montana.

One of the basic misconceptions that have been expounded on by the opponents of this bill is that the sportsmen and other Montanans will lose access to the lands. This is far from the truth. Our State lands are open to the public, more open than the Federal Government makes their land.

I must assure my fellow Montanans that I would never do anything to deprive them of their rights to hunt or fish or have access to our lands. As a founding member of the Congressional Sportsmen's Caucus I have fought hard for the sportsmen across the country. The goal of the caucus is to provide more opportunities for all the sportsmen throughout the state and the nation, and I am proud to serve as the Senate cochair.

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 built. Local control over local lands and access to lands by the people in the State where the lands are located. Multiple use of the lands by people who understand the concept of multiple use.

This is not a bill that sells land to private interests or closes land off to the residents of a State. It is a bill which allows each and every State that has lands the opportunity to determine the future of their lands.

I end by restating one belief that I have always held near and dear when talking about Montana. I stand firm in the fact that Montanans make the best decisions about the future of Montana.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, on that evening in 1972 when I first was elected to the Senate, I made a commitment to myself that I would never fail to see a young person, or a group of young people, who wanted to see me.

It has proved enormously beneficial to me because I have been inspired by the estimated 60,000 young people with whom I have visited during the nearly 23 years I have been in the Senate.

Most of them have been concerned that the total Federal debt which is $27 billion shy of $5 trillion, which we will pass this year. Of course, Congress is responsible of creating this monstrosity for which the coming generations will have to pay.

The young people and I almost always discuss the fact that under the U.S. Constitution, no President can spend a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I began making these daily reports to the Senate on February 22, 1992. I wanted to make a matter of daily record of the precise size of the Federal debt which as of yesterday, Monday, October 23, stood at $4,973,904,347,350.96 or $18,881.03 for every man, woman, and child in America on a per capita basis.

FOOD QUALITY PROTECTION ACT

Mrs. FEINSTEIN. Mr. President, I am pleased to join as a cosponsor of S. 1166, the Food Quality Protection Act, introduced by Senator LUGAR.

This legislation addresses three major issues: the need to ensure that

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 for pesticide residues in both raw and processed foods.

The Delaney clause was enacted in 1958 as part of the Federal Food, Drug, and Cosmetic Act to prohibit any residue of a food additive that has been found to cause cancer, 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.

However, as a result of the 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. Strict enforcement of the Delaney clause will result in the cancellation of tolerances of over 100 chemicals used in California agriculture, even if they pose only a negligible risk of one in a million additional risk of cancer in a lifetime. In order for agriculture to retain use of these chemicals, it is imperative that the Delaney clause be replaced with a negligible risk standards that protects human health, including the health of infants and children.

S. 1166 replaces the Delaney zero risk standard with a negligible risk standard. EPA has been defining negligible risk as one additional cancer for every one million people exposed.

The issue of food safety is extraordinarily important both to California agriculture and to the health of 32 million Californians. About 20 percent of the agricultural chemicals sold in the United States—about 500 billion pounds of chemicals—are used in the State annually. California has its own pesticide regulation program and in many cases has stricter standards for pesticides than the national standards.

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.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 6:07 pm., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

H.R. 402. An act to amend the Alaska Native Claims Settlement Act, and for other purposes.

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 summarizing actions taken under the Program Fraud Civil Remedies Act [PFCRA] during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1548. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, a draft of proposed legislation 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 officers, and to allow removal of suits against Federal agencies and officers that are brought in local courts of U.S. territories and possession; to the Committee on the Judiciary.

EC–1549. A communication from the Vice President of the American Council of Learned Societies, transmitting, the annual report for fiscal year 1994; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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.

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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.

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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 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–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 Arkansas Wildlife Federation relative to water resources management; to the Committee on Environment and Public Works.

POM–450. A resolution adopted by the board of commissioners of Columbus County, NC, relative to welfare 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 abuse prevention programs; to the Committee on Labor and Human Resources.

POM–453. A concurrent resolution adopted by the legislature of the State of Mississippi; to the Committee on the Judiciary.

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 the required vote of two-thirds of the membership of both houses thereof, did propose to the legislatures of the several states an amendment to the Constitution of the United States which reads as follows:

''AMENDMENT XIII

''Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

''Section 2. Congress shall have power to enforce this article by appropriate legislation.''; and

Whereas, Amendment XIII officially became part of the United States Constitution on December 6, 1865, when the General Assembly of the State of Georgia furnished that amendment's pivotal twenty-seventh ratification, there being at the time thirty-six states in the Union; and

Whereas, it is common for state legislatures to continue to act upon amendments to the U.S. Constitution well after those amendments have already received a sufficient number of ratifications in order to become part of that document; and

Whereas, with specific regard to Amendment XIII, subsequent to the Georgia General Assembly's approval, that amendment was then post-ratified by the legislatures of eight other states which were part of the Union during that era, including that of Delaware in February of 1901, some thirty-five years after Amendment XIII had already been adopted, and that of Kentucky in March of 1976, well over a full century after Amendment XIII had been established as part of our nation's highest law; and

Whereas, with respect to Amendment XIII, Mississippi, until now, has been the only state which was part of the Union well before and long after Amendment XIII was proposed and ratified whose legislature has denied approval of that important amendment to the U.S. Constitution; and

Whereas, the people of present-day Mississippi strongly condemn the unconscionable practice of slavery and firmly believe that it is fitting and proper that official action be taken now to finally place upon Amendment XIII the special approval of the State of Mississippi: Now, therefore, be it

Resolved by the Mississippi State Senate, the House of Representatives concurring therein, That Amendment XIII to the Constitution of the United States, quoted above and transmitted by resolution of the Thirty-Eighth Congress be, and the same hereby is, post-ratified by the Legislature of the State of Mississippi; be it further

Resolved, That Chapter CVIII, General Laws of 1865, in which the Mississippi Legislature, on December 4, 1865, refused to ratify Amendment XIII, is hereby specifically rescinded; and be it further

Resolved, That the Secretary of State of the State of Mississippi transmit properly-attested copies of this concurrent 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 five U.S. Representatives from Mississippi with the request that this concurrent resolution's text be reproduced in its entirety in the Congressional Record.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Kathleen A. McGinty, of Pennsylvania, to be a Member of the Council on Environmental Quality to which position she was appointed during the last recess of the Senate.

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first

and second time by unanimous consent, and referred as indicated:

By Mr. THOMPSON:

S. 1358. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment 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. DOLE, Mr. LEAHY, Mrs. KASSEBAUM, 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.J. Res. 39. A joint 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.J. 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.J. 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 no longer tolerate 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 rein in costs and find operating efficiencies so that they can compete 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 local markets. For example, 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, or medical schools.'' 38 U.S.C. §8153. This restrictive legal rubric does not extend to VA authority to enter into sensible sharing arrangements with other potential partners such as HMOs, insurance carriers or other ''health plans,'' or with individual physicians or other individual service providers.

One provision of my bill, Mr. President, would cut through this legal thicket by expanding significantly VA's current sharing authority. In summary, VA would be authorized to share, purchase or swap any resources with any local provider. VA could enter into contracts for any and all ''health care resources,'' a term which is considerably broader than the ''specialized medical resource'' limitation under which VA now operates. That term would include such resources, but would also include nonspecialized ''hospital care,'' ''any other health-care service,'' and any other ''health-care support or administration resource.''

Further, VA would be authorized to buy from, or share with, any ''non-Departmental health care provider''—a term which would include the ''health-care facilities'' and ''research centers and medical schools'' with which VA may not contract, but which would also include other ''organizations, institutions, or other entities or individuals that furnish health-care resources,'' and also ''health care plans and insurers.''

Thus, Mr. President, my bill seeks to open up to VA an entire new world of potential sharing partners and sharing opportunities. While VA would not have totally unfettered authority to buy and sell services—for example, VA would be required to ensure that any such arrangements not diminish services made available to its veteran patients—it is my intention that 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. No modern 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 an extremely thorny 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 authority—an action which, in my view, can be taken now, and will made 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—though 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. §8110(c). In addition, they 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 apparently acceptable, under 38 U.S.C. §8153, for a VA medical center to contract for supplemental ''specialized'' medical services—let us say anesthesiology services—so long as the medical center does not contract out all such services. This distinction, Mr. President, makes no sense to me—and, as I will discuss in a moment, apparently makes no sense to the Congress any longer. Further, it makes no sense to me that VA cannot contract out services that are ''incident to direct care''—assuming one can identify the legal boundaries of activities that are merely ''incidental.'' To my way of thinking, if ''direct care'' activities ought to be shared and purchased without significant restriction—as VA espouses in recommending modifications to 38 U.S.C. §8153—they ought to be subject to purchase wholly by the medical center through the ''contracting out'' process. And if ''direct care'' activities ought to be subject to contracting, then, clearly, services that are ''incidental'' to such activities should be too.

Of course, Mr. President, what is true for direct care services—services which go to the core of what VA does—is also true for other activities at VA medical centers: all such activities ought to be subject to contracting if contracting makes economic sense. We can afford no other standard. Unnecessary impediments to contracting—such as those set up by 38 U.S.C. §8110(c)—ought to be swept away.

As I noted a moment ago, the Congress has apparently come to that conclusion already. In the 104th Congress, we suspended application of restrictive aspects of section 8110(c) through fiscal year 1999. See 38 U.S.C. §8110(c)(7). Mr. President, it is clear to us all that VA will not be under less budgetary pressure in the year 2000 than it is now. We ought not to indulge the fiction that VA will be able to afford to hold all activities ''in house'' then, if it cannot afford to do so now. In short, we should have repealed section 8110(c) last year—and we ought to do so now.

Finally, Mr. President, I note another restrictive provision of law that ought to be swept away—or at least narrowed—now. Under current law, VA is precluded from putting into effect certain field facility ''administrative reorganizations''—essentially, those which will result in a force reduction of 15 percent or more at any particular site—unless it has first given the Congress 90-days notice computed to count only those days when both Chambers of Congress are in session. 38 U.S.C. §510.

Two difficulties arising from this provision of law came into focus earlier this year when VA's Under Secretary for Health, Doctor Ken Kizer, submitted a proposal to reorganize VA's 172 medical centers into 22 ''Veterans Integrated Service Networks'' [VISNs]. While Doctor Kizer had briefed Congress extensively on his sensible reorganization model during its development, he still had to wait more than 3 months after the announcement of the reorganization before he could, by law, take any ''action to carry out such administrative reorganization.'' 38 U.S.C. §510(b). Worse, since the statute specifies that the 90-day ''notice and wait'' period runs only when both bodies of Congress are in session, Id., 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 the ''notice and wait'' period to 45 calendar 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 constituents.

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.

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. 1359

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 ''Veterans Health Care Management and Contracting Flexibility Act of 1995''.

SEC. 2. WAITING PERIOD FOR ADMINISTRATIVE REORGANIZATIONS.

Section 510(b) of title 38, United States Code, is amended—

(1) in the second sentence, by striking out ''90-day period of continuous session of Congress following'' and inserting in lieu thereof ''45-day period beginning on''; and

(2) by striking out the third sentence.

SEC. 3. REPEAL OF LIMITATIONS ON CONTRACTS FOR CONVERSION OF PERFORMANCE OF ACTIVITIES OF DEPARTMENT OF HEALTH-CARE FACILITIES.

Section 8110 of title 38, United States Code, is amended by striking out subsection (c).

SEC. 4. REVISION OF AUTHORITY TO SHARE MEDICAL FACILITIES, EQUIPMENT, AND INFORMATION.

(a) STATEMENT OF PURPOSE.—The text of section 8151 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 in order 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, it is intended 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(5) of this title), 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) by redesignating paragraph (4) as paragraph (3).

(c) 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 may, when 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.''; and

(B) 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''.

(B) The table of sections at the beginning of chapter 81 of such title 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. 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.

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 privileged. They may 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 out of the ordinary, to us these records should be strictly personal.

S. 1360 aims, 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 an expectation that is yet to be guaranteed as a right. This legislation is an opportunity for Congress to act in a bipartisan manner to resolve an important problem within our health care system. Today over 80 percent of our medical records are paper based; however, in the not too distant future all of our medical records will be electronic based.

In my opinion and in the opinion of a number of outside groups such as the Center for Democracy and Technology, American Health Information Management Association, International Business Machines Corporation, Blue Cross and Blue Shield Association, 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 medicine because they 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 own 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 never 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 business of health care, 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 own State of Utah does not 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 on this legislation. He 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, STEVENS, GREGG, SIMON, KOHL, and FEINGOLD as original cosponsors. 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 would urge my colleagues to support this legislation and would welcome their cosponsorship.●

● Mrs. KASSEBAUM. Mr. President, I rise today to join Senator BENNETT, the distinguished majority leader, Senators HATCH, KENNEDY, FRIST, LEAHY, SIMON, 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 digitally transmitted to 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. That 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, without confidence that one's 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 used 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 and heard 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 among the most moving I have experienced in more than 20 years in the Senate, the subcommittee heard first hand from Representative 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 confirm publicly that he carried 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 have affected insurance coverage, employment opportunities, credit, reputation, and a host of services for thousands of Americans. Let us not miss this opportunity to set the matter 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 principles of notice and consent to this sensitive, personal information.

Now is the time to accept the challenge and legislate so that the American people can have some assurance that their medical histories will not be the subject of public curiosity, commercial advantage or harmful disclosure. There can be no doubt that the increased computerization of medical information has raised the stakes in privacy protection, but my concern is not limited to electronic files.

As policymakers, we must remember that the right to privacy is one of our most cherished freedoms—it is the right to be left alone and to choose what we will reveal of ourselves and what we will keep from others. Privacy is not a partisan issue and should not be made a political issue. It is too important.

I am encouraged by the fact that the Clinton administration clearly understands that health security must include assurances that personal health information will be kept private, confidential and secure from unauthorized disclosure. Early on the administration's health care reform proposals provided that privacy and security guidelines would be required for computerized medical records. The administration's Privacy Working Group of its NII task force has been concerned with the formulation of principles to protect our privacy. In these regards, the President is to be commended.

The difficulties I had with the initial provisions of the Health Security Act, were the delay in Congress' consideration of comprehensive privacy legislation for several more years and the lack of a criminal penalty for unauthorized disclosure of someone's medical records.

Accordingly, back in May 1994, I introduced a bill to provide a comprehensive framework for protecting the privacy of our medical records from the outset rather than on a delayed basis. That bill was the Health Care Privacy Protection Act of 1994, S. 2129. I was delighted to receive support from a number of diverse quarters. We were able to incorporate provisions drawn from last year's Health Care Privacy Protection bill into those reported by the Labor and Human Resources Committee and the Finance Committee. These provisions were, likewise, incorporated in Senator DOLE's bill and Senator Mitchell's bills, indicating that the leadership in both parties acknowledges the fundamental importance of privacy.

Although Congress failed in its attempt to enact meaningful health care reform last Congress, we can and should proceed with privacy protection—whether or not a comprehensive health care reform package is resurrected this year. I am proud to say that the Medical Records Confidentiality Act that Senator BENNETT and I are introducing 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 privacy 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 privacy for a person's health care information and medical records and administrative remedies, such as debarment for health care providers who abuse others' privacy.

This legislation would provide patients with a comprehensive set of rights of inspection and an opportunity to correct their own records, as well as information accounting for disclosures of those records.

The bill creates a set of rules and norms to govern the disclosure of personal health information and narrows the sharing of personal details within the health care system to the minimum necessary to provide care, allow for payment and to facilitate effective oversight. Special attention is paid to emergency medical situations, public health requirements, and research.

We have sought to accommodate legitimate oversight concerns so that we do not create unnecessary impediments to health care fraud investigations. Effective health care oversight is essential if our health care system is to function and fulfill its intended goals. Otherwise, we risk establishing a publicly sanctioned playground for the unscrupulous. Health care is too important a public investment to be the subject 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 privacy and, in particular, wish to commend 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 Association for their tireless efforts in working to achieve a significant consensus on this important matter.

With Senator BENNETT's leadership and the longstanding commitment to personal privacy shared by Chairman KASSEBAUM and Senator KENNEDY, I have every confidence that the Senate will proceed to pass strong privacy protection for medical records. With continuing help from the administration, health care providers and privacy advocates we can enact provisions to protect 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 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.J. 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.J. 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.

APPOINTMENTS AS CITIZEN REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. MOYNIHAN. Mr. President, I introduce three joint resolutions to appoint 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 the Members of this body, is a superb public servant. After spending 18 illustrious years in the Senate, during which time he served 4 years as Majority Leader, Senator BAKER went on to become President Reagan's most trusted advisor. He has since returned to 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 communities is marked by 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 highest civilian award, the Presidential Medal of Freedom, as well as the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official.

As the distinguished statesman and gifted strategist that he is, Howard Baker would bring to the Smithsonian a voice that can talk to Congress at a time when that is what is most urgently needed. The Institution would benefit immensely from his political and fiscal wisdom, and I urge my colleagues to support his appointment.

Just as Senator Baker would add his expertise on matters political and economic, Ms. Anne D'Harnoncourt would bring to the Smithsonian vast experience in the management and oversight of a large museum. Having served with her for some 15 years on the Board of the Hirshorn 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 Philadelphia Museum of Art, and is currently the George D. Widener Director of the Philadelphia Museum of Art. She has a broad base of expertise in the Arts, and is among the most actively involved in that community. As the Smithsonian continues to broaden its mission within the Sciences, Ms. D'Harnoncourt surely would help the Institution remain focused on its long-standing commitment to the Arts. Her knowledge and experience would be of inestimable value to the Board of Regents, and I eagerly urge her appointment.

Finally, Louis V. Gerstner, Jr., a gifted leader in the business and educational communities. Mr. Gerstner was named chairman and chief executive officer of International Business Machines Corporation on April 1, 1993, prior to which he served for 4 years as chairman and chief executive officer of RJR Nabisco Inc. He received his B.A. from Dartmouth College in 1963, his M.B.A. from Harvard Business School in 1965, and was awarded an honorary doctorate of Business Administration from Boston College in 1994.

Mr. Gerstner has long been an advocate of improving the quality of public education in America. He is the co-author of ''Re-Inventing Education: Entrepreneurship in America's Public Schools'' (Dutton, 1994), which documents public school reforms designed to enable our children to handle the demands of today's complex global economy. At IBM he has re-directed a majority of the company's substantial philanthropic resources to support public school reform. His dedication to reinventing both education and management makes him an ideal candidate to serve on the Smithsonian's Board of Regents.

Mr. President, I hope my colleagues will agree that this profoundly talented triumvirate is most deserving of these appointments, and I urge Senators to support all three resolutions.

● Mr. COCHRAN. Mr. President, I am pleased to join Senators MOYNIHAN and SIMPSON in introducing joint resolutions providing for the appointment of Howard H. Baker, Jr., Anne d'Harnoncourt, and Louis V. Gerstner, Jr., as Citizen Regents of the Smithsonian Institution.

Howard Baker is a distinguished public servant well known in this body. He was a Senator from Tennessee from 1967 to 1985, serving as Minority Leader from 1977 to 1981 and as Majority Leader from 1981 to 1985. He was Chief of Staff to President Reagan in 1987 and 1988 before returning to the private practice of law. He has received the Nation's highest civilian award, the Presidential Medal of Freedom, as well as the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official.

Anne d'Harnoncourt is currently the George D. Widener Director of the Philadelphia Museum of Art, having previously served that museum as Curator of Twentieth Century Art and as Assistant Curator of Twentieth Century Art at the Art Institute of Chicago. A Fellow of the American Academy of Arts and Sciences, she is a member of numerous 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

S. 434

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. PRESSLER], the Senator from Idaho [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 and implement efforts to eliminate restrictions on the enclaved 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. THURMOND] 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 generic 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. 2389, 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 provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

At the request of Mr. KYL, the names of the Senator from Wisconsin [Mr. KOHL], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 1322, supra.

At the request of Mr. WELLSTONE, his name was added as a cosponsor of S. 1322, supra.

At the request of Mr. GRAHAM, his name was added as a cosponsor of S. 1322, supra.

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 1322, supra.

SENATE CONCURRENT RESOLUTION 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

(Ordered 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. . DEBATE ON A RECONCILIATION BILL AND CONFERENCE REPORT.

(a) CONSIDERATION OF A BILL.—Section 310(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 310(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. 1328) 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 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 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:

. 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 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 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.

(13) President Clinton stated on October 17, 1995, that, ''Probably there are people . . . still mad at me at that budget because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too.''

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress shall enact President Clinton's budget as revised on June 13, 1995.

FORD AMENDMENT NO. 2946

Mr. FORD proposed an amendment to the bill S. 1328, supra; 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 of the Senate, 1 additional district judge for the western district of Kentucky.

(b) EASTERN DISTRICT.—The district judgeship for the eastern and western districts of Kentucky (as in effect before the date of the enactment of this Act) shall be a district judgeship 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 permanent district judgeships authorized under this section, such table is amended by amending the item relating to Kentucky to read as follows:

''Kentucky:
  ''Eastern 5
  ''Western ..... 5''.

THE HARRY KIZIRIAN POST OFFICE BUILDING DESIGNATION ACT OF 1995

STEVENS (AND OTHERS) AMENDMENT NO. 2947

Mr. FRIST (for Mr. STEVENS, for himself, Mr. SIMON, and Mr. PRYOR) proposed an amendment to the bill (H.R. 1606) 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);

''(ii) $300 a day for the 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.

''(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 5303 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 salary 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 2:30 p.m. to hold a member briefing on intelligence matters.

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 the 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 S1101, 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 11,000 megawatts; 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 emphatically 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 by 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 Asia 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 rise 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 as we know it.

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 repeals one of the most infamous examples of ''corporate pork'' in our tax laws today—the tax deferral on income of controlled foreign corporations .

Our tax laws allow U.S. firms to delay tax on income earned by their foreign subsidiaries until the profit is transferred to the United States Many U.S. 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 U.S. multinationals produce abroad and then ship those same 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 FOR WINNING 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 U.S. Department of Commerce in recognition of Dr. Williams' unequaled achievements as a gifted inventor, tenacious entrepreneur, risk-taker and engineering genius in making the United States of America No. 1 in small gas turbine engine technology and competitiveness, and for his leadership and vision in revitalizing the U.S. 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 small, lower cost aircraft, missiles, and unmanned vehicles such as the Tacit Rainbow and TSSAM.

And Dr. Williams did not stop there. He led the design and development of the FJ44 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 numerous 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 the 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 a result of these exchanges would be an improvement in China's human rights record. Unfortunately, there has been little change in Chinese behavior in this regard.

We can begin by reading the administration's own State Department Human Rights Report, which acknowledges that in 1994 ''widespread and well-documented'' human rights abuses continued unabated and that in many respects the situation ''has deteriorated.'' We can recall the highly publicized case of American human rights activist Harry Wu, imprisoned by the Chinese Government only months after the November 1994 Clinton-Jiang Zemin meeting. Wu, subsequently expelled by the Chinese Government, has worked for years to document and expose horrific practices such as the harvest of body parts from executed prisoners for use in transplants.

If Wu—a citizen of the world's only remaining superpower and a country whose riches, technological expertise and markets are needed by the Chinese Government—could be treated with such impunity, how can it be for the Chinese human rights proponent who is laboring in relative anonymity? In the past year Human Rights Watch/Asia reports that several activists have disappeared, others sent into internal exile, and still others detained while their houses were ransacked for the simple crime of speaking out in favor of political openness. Furthermore, two prominent dissidents who were released just prior to the 1994 decision on MFN, Wei Jeisheing and Chen Zemin, are back in custody: at least, we assume Wei Jeisheing is in custody—he has been missing since April of this year.

Mr. President, I believe that the lack of progress on human rights is attributed to the fact that U.S. actions have been inconsistent with the spoken principle. Rather than seek to impose a cost on China for its abuse, rewards are bestowed on the leadership. I refer, of course, of the renewal in June of most-favored-nation [MFN] status for China. The President's announcement continued what I believe to be an ill-considered abandonment of a policy linking MFN status—or other economic benefit—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 lusting after a potentially huge market. Why are the Chinese so visceral 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:

	1996	1996–2000
Current revenue aggregates	$1,042,500,000,000	$5,691,500,000,000
Revised revenue aggregates	1,040,257,000,000	5,565,353,000,000

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:

Strike out all after the enacting clause and insert:

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:

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—

(A) the reduction in subsidies from the former Soviet Union;

(B) 36 years of Communist tyranny and economic mismanagement by the Castro government;

(C) the precipitous decline in trade between Cuba and the countries of the former Soviet bloc; and

(D) the policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba predominantly on commercial terms.

(2) 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.

(3) 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 nondemocratic government in the Western Hemisphere.

(4) 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.

(5) 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.

(6) The Castro government, in an attempt to retain absolute political power, continues to utilize, as it 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 recently demonstrated by the massacre of more than 40 Cuban men, women, and children attempting to flee Cuba.

(7) The Castro government holds hostage in Cuba innocent Cubans whose relatives have escaped the country.

(8) The Castro government has threatened international peace and security by engaging in acts of armed subversion and terrorism, such as the training and supplying of groups dedicated to international violence.

(9) Over the past 36 years, the Cuban Government has posed a national security threat to the United States.

(10) 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.

(11) The unleashing on United States shores of thousands of Cuban refugees fleeing Cuban oppression will be considered an act of aggression.

(12) The Government of Cuba engages in illegal international narcotics trade and harbors fugitives from justice in the United States.

(13) 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.

(14) 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.

(15) The Cuban people deserve to be assisted in a decisive manner in order to end the tyranny that has oppressed them for 36 years.

(16) 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.

(17) 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 the community of democratic countries that are flourishing in the Western Hemisphere;

(2) to strengthen international sanctions against the Castro government;

(3) to provide for the continued national security of the United States in the face of continuing threats from the Castro government of terrorism, theft of property from United States nationals, and the political manipulation of the desire of Cubans to escape that results in mass migration to the United States;

(4) to encourage the holding of free and fair democratic elections in Cuba, conducted under the supervision of internationally recognized observers;

(5) to provide a policy framework for United States support to the Cuban people in response to the formation of a transition government or a democratically elected government in Cuba; and

(6) to protect American nationals against confiscatory takings and the wrongful trafficking in property confiscated by the Castro regime.

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) 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) CONFISCATED.—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, the default by the Cuban Government on, 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, or

(iii) a debt which was incurred by the Cuban Government in satisfaction or settlement of a confiscated property claim.

(5) CUBAN GOVERNMENT.—(A) The terms ''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) 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.

(7) ECONOMIC EMBARGO OF CUBA.—The term ''economic embargo of Cuba'' refers to the economic embargo imposed against Cuba pursuant to section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)), the International Emergency Economic Powers Act (50 U.S.C. 1701 and following), the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following), as modified by the Cuban Democracy Act of 1992 (22 U.S.C. 6001 and following).

(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 any other form of intellectual property), whether real, personal or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(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 205.

(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 its 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 advocate, and should 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 resumption of efforts by an 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 and its citizens will have a detrimental impact on United States assistance to such state; 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, most of whom find their way to United States shores further depleting limited humanitarian and other resources of the United States, the President should do all in his power 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,

will be considered an act of aggression which 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 other support for individuals and nongovernmental organizations to support democracy-building efforts in Cuba, including the following:

(1) Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies to be made available to independent democratic groups in Cuba.

(2) Humanitarian assistance to victims of political repression and their families.

(3) Support for democratic and human rights groups in Cuba.

(4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

(b) DENIAL OF FUNDS 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) SUPERSEDING 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. 2394) and comparable 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 their contacts with foreign officials are communicating 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 (b) 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:

''(b)(1) 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 its tackle, 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 opportunity for an agency 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 further amended—

(A) by striking subsection (b), as added by Public Law 102–393; and

(B) by striking subsection (c).

(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS UNDER THE ECONOMIC EMBARGO OF CUBA.—Section 1704(b)(2) of the Cuban Democracy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) includes an exchange, reduction, or forgiveness of Cuban debt owed to a foreign country in return for a grant of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national; and''.

SEC. 104. PROHIBITION AGAINST INDIRECT FINANCING OF CUBA.

(a) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other financing may be extended knowingly by a United States national, a permanent resident alien, 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 the claim to which is owned by a United States national as of the date of enactment of this Act, except for financing by the owner of the property or the claim thereto for a permitted transaction.

(b) SUSPENSION AND TERMINATION OF PROHIBITION.—(1) the President is authorized to suspend this prohibition upon a determination pursuant 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 204.

(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 MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.—

(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose the admission of Cuba as a member of such institution until the President submits a determination pursuant to section 203(c).

(2) Once the President submits a determination under section 203(a) that a transition government in Cuba is in power—

(A) the President is encouraged to take steps to support the processing of Cuba's application for membership in any international financial institution, subject to the membership taking effect after a democratically elected government in Cuba is in power, and

(B) the Secretary of the Treasury is authorized to instruct the United States executive director of each international financial institution to support loans or other assistance to Cuba only to the extent that such loans or assistance contribute to a stable foundation for a democratically elected government in Cuba.

(b) REDUCTION IN UNITED STATES PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.—If any international financial institution approves a loan or other assistance to the Cuban Government over the opposition of the United States, then the Secretary of the Treasury shall withhold from payment to such institution an amount equal to the amount of the loan or other assistance, with respect to each of the following types of payment:

(1) The paid-in portion of the increase in capital stock of the institution.

(2) The callable portion of the increase in capital stock of the institution.

(c) DEFINITION.—For purposes of this section, the term ''international financial institution'' means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the Inter-American Development Bank.

SEC. 106. UNITED STATES OPPOSITION TO TERMINATION OF THE SUSPENSION OF THE GOVERNMENT OF CUBA FROM PARTICIPATION IN THE ORGANIZATION OF AMERICAN STATES.

The President should instruct the United States Permanent Representative to the Organization of American States to oppose and vote against any termination of the suspension of the Cuban Government from participation in the Organization until the President determines under section 203(c) that a democratically elected government in Cuba is in power.

SEC. 107. 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)), including advisers, technicians, and military personnel, 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)(1)) is amended by striking ''of military facilities'' and inserting ''military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos,''.

(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);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

''(5) except for assistance under the secondary school exchange program administered by the United States Information Agency, for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within the 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Government of Cuba; or''.

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

''(3) NONMARKET BASED TRADE.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Government of Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy;

''(B) imports from the Government of Cuba at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban Government 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 subparagraph (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b) of title 28, United States Code.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to $200,000,000 in support of the intelligence facility 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:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of enactment of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also 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.

''(C) The report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term appropriate congressional committees, includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and non-governmental organizations that are independent of government control;

''(E) the development of a free market economic system;

''(F) assistance under the secondary school exchange program administered by the United States Information Agency; or

''(G) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160)''.

SEC. 108. TELEVISION BROADCASTING TO CUBA.

(a) CONVERSION TO UHF.—The Director of the United States Information Agency shall implement a conversion of television broadcasting to Cuba under the Television Marti Service to ultra high frequency (UHF) broadcasting.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of enactment of this Act, and every three months thereafter until the conversion described in subsection (a) is fully implemented, the Director shall submit a report to the appropriate congressional committees on the progress made in carrying out subsection (a).

(c) TERMINATION OF BROADCASTING AUTHORITIES.—Upon transmittal of a determination under section 203(c), the Television Broadcasting to Cuba Act (22 U.S.C. 1465aa et seq.) and the Radio Broadcasting to Cuba Act (22 U.S.C. 1465 et seq.) are repealed.

SEC. 109. REPORTS ON COMMERCE WITH, AND ASSISTANCE TO, CUBA FROM OTHER FOREIGN COUNTRIES.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of enactment of this Act, and by January 1 each year thereafter until the President submits a determination under section 203(a), the President shall submit a report to the appropriate congressional committees on commerce with, and assistance to, Cuba from other foreign countries during the preceding 12-month period.

(b) CONTENTS OF REPORTS.—Each report required by subsection (a) shall, for the period covered by the report, contain the following, to the extent such information is available—

(1) a description of all bilateral assistance provided to Cuba by other foreign countries, including humanitarian assistance;

(2) a description of Cuba's commerce with foreign countries, including an identification of Cuba's trading partners and the extent of such trade;

(3) a description of the joint ventures completed, or under consideration, by foreign nationals and business firms involving facilities in Cuba, including an identification of the location of the facilities involved and a description of the terms of agreement of the joint ventures and the names of the parties that are involved;

(4) a determination as to whether or not any of the facilities described in paragraph (3) is the subject of a claim against Cuba by a United States national;

(5) a determination of the amount of Cuban debt owed to each foreign country, including—

(A) the amount of debt exchanged, forgiven, or reduced under the terms of each investment or operation in Cuba involving foreign nationals or businesses; and

(B) the amount of debt owned the foreign country that has been exchanged, reduced, or forgiven 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;

(6) a description of the steps taken to assure that raw materials and semifinished or finished goods produced by facilities in Cuba involving foreign nationals or businesses do not enter the United States market, either directly or through third countries or parties; and

(7) an identification of countries that purchase, or have purchased, arms or military supplies from Cuba or that otherwise have entered into agreements with Cuba that have a military application, including—

(A) a description of the military supplies, equipment, or other material sold, bartered, or exchanged between Cuba and such countries;

(B) a listing of the goods, services, credits, or other consideration received by Cuba in exchange for military supplies, equipment, or material; and

(C) the terms or conditions of any such agreement.

SEC. 110. IMPORTATION SAFEGUARD AGAINST CERTAIN CUBAN PRODUCTS.

(a) STATEMENT OF POLICY.—(1) The Congress notes that section 515.204 of title 31, Code of Federal Regulations, prohibits the entry of, and dealings outside the United States in, merchandise that—

(A) is of Cuban origin,

(B) is or has been located in or transported from or through Cuba, or

(C) is made or derived in whole or in part of any article which is the growth, produce, or manufacture of Cuba.

(2) The Congress notes that United States accession to the North American Free Trade Agreement does not modify or alter the United States sanctions against Cuba, noting that the statement of administrative action accompanying that trade agreement specifically states the following:

(A) ''The NAFTA rules of origin will not in any way diminish the Cuban sanctions program. * * * Nothing in the NAFTA would operate to override this prohibition.''.

(B) ''Article 309(3) (of the NAFTA) permits the United States to ensure that Cuban products or goods made from Cuban materials are not imported into the United States from Mexico or Canada and that United States products are not exported to Cuba through those countries.''.

(3) The Congress notes that section 902(c) of the Food Security Act of 1985 (Public Law 99–198) required the President not to allocate any of the sugar import quota to a country that is a net importer of sugar unless appropriate officials of that country verify to the President that the country does not import for re-export to the United States any sugar produced in Cuba.

(4) Protection of essential security interests of the United States requires enhanced assurances that sugar products that are entered are not products of Cuba.

SEC. 111. REINSTITUTION OF FAMILY REMITTANCES AND TRAVEL TO CUBA.

It is the sense of Congress that the President should, before considering the reinstitution of general licensure for—

(1) family remittances to Cuba—

(A) insist that, prior to such reinstitution, the Government of Cuba permit the unfettered operation of small businesses fully endowed with the right to hire others to whom they may pay wages, buy materials necessary in the operation of the business and such other authority and freedom required to foster the operation of small businesses throughout the island, and

(B) require a specific license for remittances above $500; and

(2) travel to Cuba by United States resident family members of Cuban nationals resident in Cuba itself insist on such actions by the Government of Cuba as abrogation of the sanction for refugee departure from the island, release of political prisoners, recognition of the right of association and other fundamental freedoms.

SEC. 112. NEWS BUREAUS OF CUBA.

(a) ESTABLISHMENT OF NEWS BUREAUS.—The President is authorized to establish and implement an exchange of news bureaus between the United States and Cuba, if—

(1) the exchange is fully-reciprocal;

(2) the Cuban Government allows free, unrestricted, and uninhibited movement in Cuba of journalists of any United States-based news organizations;

(3) the Cuban Government agrees not to interfere with the news-gathering activities of individuals assigned to work as journalists in the news bureaus in Cuba of United States-based news organizations;

(4) the United States Government is able to ensure that only accredited journalists regularly employed with a news gathering organization avail themselves of the general license to travel to Cuba; and

(5) the Cuban Government agrees not to interfere with the transmission of telecommunications signals of news bureaus or with the distribution within Cuba of any United States-based news organization that has a news bureau in Cuba.

(b) ASSURANCE AGAINST ESPIONAGE.—In implementing this section, the President shall take all necessary steps to assure the safety and security of the United States against espionage by Cuban journalists it believes to be working for the intelligence agencies of the Cuban Government.

(c) FULLY RECIPROCAL.—It is the sense of Congress that the term ''fully reciprocal'' means that all news services, news organizations, and broadcasting services, including such services or organizations that receive financing, assistance or other support from a governmental or official source, are permitted to establish and operate a news bureau in each nation.

SEC. 113. IMPACT ON LAWFUL UNITED STATES GOVERNMENT ACTIVITIES.

Nothing in this Act shall prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency or of an intelligence agency of the United States.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

SEC. 201. POLICY TOWARD A TRANSITION GOVERNMENT AND A DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.

It is the policy of the United States—

(1) to support the self-determination of the Cuban people;

(2) to facilitate a peaceful transition to representative democracy and a free market economy in Cuba;

(3) to be impartial toward any individual or entity in the selection by the Cuban people of their future government;

(4) to enter into negotiations with a democratically elected government in Cuba regarding the status of the United States Naval Base at Guantanamo Bay;

(5) to consider the restoration of diplomatic relations with Cuba and support the reintegration of the Cuban Government into the Inter-American System after a transition government in Cuba comes to power and at such a time as will facilitate the rapid transition to a democratic government;

(6) to remove the economic embargo of Cuba when the President determines that there exists a democratically elected government in Cuba; and

(7) to pursue a mutually beneficial trading relationship with a democratic Cuba.

SEC. 202. ASSISTANCE FOR THE CUBAN PEOPLE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The President may provide assistance under this section for the Cuban people after a transition government, or a democratically elected government, is in power in Cuba, subject to subsections 203 (a) and (c).

(2) EFFECT ON OTHER LAWS.—Subject to section 203, the President is authorized to provide such forms of assistance to Cuba as are provided for in subsection (b), notwithstanding any other provision of law, except for—

(A) this Act;

(B) section 620(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)(2)); and

(C) section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the

annual foreign operations, export financing, and related programs appropriations Act.

(b) RESPONSE PLAN.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a 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 transition government in Cuba; and

(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 equipment, 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) on freedom to travel to visit Cuba other than that the provision of such services and costs in connection with such travel shall be internationally competitive.

(iii) Upon transmittal to Congress of a determination under section 203(a) that a transition government in Cuba is in power, the President should take such other steps as will encourage renewed investment in Cuba to contribute 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 free market development, private 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;

(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 significant barriers to, or distortions of, United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding trade relations with 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, and the implications of such designation 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

(iii) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement;

(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 Implementation 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 with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees and shall seek advice from the appropriate advisory committees established under section 135 of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

(e) COMMUNICATION WITH THE CUBAN PEOPLE.—The President is encouraged to take the necessary steps to communicate to the Cuban people the plan developed under this section.

(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 that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide assistance pursuant to section 202(b)(2)(A).

(b) REPORTS TO CONGRESS.—(1) The President shall transmit to the appropriate congressional committees a report setting forth the strategy for providing assistance authorized under section 202(b)(2)(A) to the transition government in Cuba, the types of such assistance, and the extent to which such assistance has been distributed.

(2) The President shall transmit the report not later than 90 days after making the determination referred to in paragraph (1), except that the President shall consult regularly with the appropriate congressional committees regarding the development of the plan.

(c) 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 that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide such forms of assistance as may be included in the plan for assistance pursuant to section 202(b)(2)(B).

(d) ANNUAL REPORTS TO CONGRESS.—Once the President has transmitted a determination referred to in either subsection (a) or (c), the President shall, not later than 60 days after the end of each fiscal year, transmit to the appropriate congressional committees a report on the 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 under the plan in the current fiscal year.

SEC. 204. TERMINATION OF THE ECONOMIC EMBARGO OF CUBA.

(a) PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(a) that a transition government in Cuba is in power, the President, after consulting with the Congress, is authorized to take steps to suspend the economic embargo on Cuba and to suspend application of the right of action created in section 302 as to actions thereafter filed against the Government of Cuba, to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(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.—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; and

(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 so notify the Congress. The President shall report to the Congress no less frequently than every 6 months thereafter, until he submits a determination under section 203(c) that a democratically elected government in Cuba is in power, on the progress being made by Cuba toward the establishment of such a democratically elected government. The action of the President under subsection (a) shall cease to be effective upon the enactment of a joint resolution described in paragraph (2).

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term ''joint resolution'' means only a joint resolution of the 2 Houses of Congress, 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 Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Congress on _____.'', with the blank space being filled with the appropriate date.

(3) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on International 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 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(C) Not more than 1 joint resolution may be considered in the House of Representatives and 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 203(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 assumes 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 is in power 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 permits to privately owned media 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) permits the deployment 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 whether, and the extent to which, that government—

(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. SETTLEMENT 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, from 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 A 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 adopted and is effectively implementing 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, from 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.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall provide a report to the appropriate congressional committees containing an assessment of the property dispute question in Cuba, including—

(1) an estimate of the number and amount of claims to property confiscated by the Cuban Government held by United States nationals beyond those certified under section 507 of the International Claims Settlement Act of 1949,

(2) an assessment of the significance of promptly resolving confiscated property claims to the revitalization of the Cuban economy,

(3) a review and evaluation of technical and other assistance that the United States could provide to help either a transition government in Cuba or a democratically elected government in Cuba establish mechanisms to resolve property questions,

(4) an assessment of the role and types of support the United States could provide to help resolve claims to property confiscated by the Cuban Government held by United States nationals who did not receive or qualify for certification under section 507 of the International Claims Settlement Act of 1949, and

(5) an assessment of any areas requiring legislative review or action regarding the resolution of property claims in Cuba prior to a change of government in Cuba.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that the satisfactory resolution of property claims by a Cuban Government recognized by the United States remains an essential condition for the full resumption of economic and diplomatic relations between the United States and Cuba.

(e) WAIVER.—The President may waive the prohibitions in subsections (a) and (b) if the President determines and certifies to the 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.

WINFIELD SCOTT STRATTON POST OFFICE

Mr. FRIST. Mr. President, at this juncture, I would like to take care of several housekeeping issues, if I could. What I would like to do is ask unanimous consent that the Senate—this will take 2 minutes—proceed to the immediate consideration of H.R. 1026, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (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.''

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (H.R. 1026) was deemed read for a third time, and passed.

HARRY KIZIRIAN POST OFFICE BUILDING

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1606, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (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.''

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PELL. Mr. President, I would like to offer my congratulations and say well done. I am glad Harry Kizirian is honored in this way.

AMENDMENT NO. 2947

(Purpose: 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, and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. FRIST), for Mr. STEVENS, for himself, Mr. SIMON, and Mr. PRYOR, proposes an amendment numbered 2947.

Mr. FRIST. 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. 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);

''(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.

''(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 5303 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 salary of the board of Governors of the United States Postal Service, and for other purposes.''

Mr. STEVENS. Mr. President, 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 25 years, adjust the rate of pay for the members of the Board of Governors of the U.S. Postal Service.

In 1970, as part 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 9-year terms. They, in turn, name the Postmaster General and the Deputy Postmaster General who also serve on the board.

The Board of Governors oversees and directs the operations of a $54 billion corporation which ranks 12th on the Fortune 500 list. The board meets monthly, usually for 2 or 3 days.

The salary of the nine confirmed members of the Board was set in 1971 at $10,000 annually. The salary of the Postmaster General was set at $60,000. Today, the Postmaster General's salary is $148,000 but the Governors' salary has remained unchanged at $10,000. If the Governors' salary had increased by the rate of inflation, they would currently be paid $37,600.

The Governors receive an additional $300 per day for their monthly meetings and reasonable travel expenses. Of course, they spend more time in preparation for these meetings for which they are not paid this daily meeting rate. In addition, members represent the Board on other occasions—such as testimony before Congress—for 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:

COMPENSATION OF DIRECTORS

Organization	Board of Directors	Retainer	Additional compensation
USPS	9 Governors (nominated by the President, confirmed by the Senate) serving 9 year terms.	$10,000	$300 a day for not more than 42 days a year of meetings. Reimbursed for travel and reasonable expenses.
Fannie Mae	18 (13 elected annually by the common stockholders & 5 appointed annually by the President).	$23,000	$1,000 annually for personally attending each Board or Board committee meeting. Additional $500 if chairperson. $600 if participate by telephone conference. Additional $300 if chair the telephone conference. Non-management Directors are eligible to receive additional compensation in the form of restricted common stock, equaling $45,000 over a five-year cycle. $1,000,000 donation to charitable groups/educational institutions of the director's choice upon the director's death.
Sallie Mae	21 (14 elected annually by the common stockholders & 7 appointed annually by the President).	$20,000 $35,000 for the Chairperson of the Board	$2,750 for attending each regular or special meeting. Chairperson receives $1,750 for each day spent on the Association's business. May elect to receive deferred compensation in the form of cash or common stock. $50,000 life insurance. Eligible to participate in a special pension plan and stock purchase plan available to employees. Eligible to receive awards up to 100 shares of restricted common stock each year.
Freddie Mac	18 (13 elected annually by the common stockholders & 5 appointed annually by the President).	$20,000 Full time officers or employees of the Federal Government do not receive the ''retainer'' for service on the Board.	Full-time officers or employees of the Federal Government do not receive compensation for service on the Board Directors not employed by Freddie Mac receive $1,000 and out-of-pocket expenses for personally attending each Board or Board committee meeting Committee chairpersons receive an additional retainer of $2,500 Directors may defer cash compensation, or receive shares of Freddie Mac's common stock in lieu of cash compensation Directors eligible to receive additional compensation in the form of stock options and awards of restricted common stock at fair market value of $10,000.
Federal Express Corp.	14 (5 elected by the common stockholders & 9 appointed by the corporation).	$30,000 for Outside Directors $35,000 for Committee Chairpersons	Officers of the corporation receive no compensation for serving as Directors. Outside Directors receive $2,000 for each Board meeting attended. Outside Directors receive $1,000 for each Committee meeting attended. Outside Directors granted an option for 1,000 shares of common stock for each of the five consecutive annual meeting dates. Retirement plan for Outside Directors equals an annual amount, for no less than 10 years and no more than 15 years, equal to the percentage from 50% to 100% (as determined by the ears of service) of the annual retainer fee.

COMPENSATION OF DIRECTORS—Continued

Organization	Board of Directors	Retainer	Additional compensation
United Parcel Service of America, Inc	13 (12 elected by the common stockholders & 1 appointed by the corporation).	$45,000 for Outside Directors $49,000 for Committee chairpersons	Employees or former employees of the corporation receive no compensation for serving as Directors. Members of the Audit, Officer Compensation and Nominating committees, who are not employees or former employees, receive an annual fee of $2,500 for each committee on which they serve. Retirement plan for Outside Directors equals the amount of the Directors' annual retainer. Benefits continue for the number of years served multiplied by four.
International Business Machines Corp	11 (all elected by the common stockholders)	$55,000 for Outside Directors $60,000 for Committee Chairpersons	Employee Directors receive no additional compensation for their service on the Board. Non-Employee Directors receive 100 promised Award Shares of IBM common stock plus an additional 100 year thereafter that the Director is re-elected. Under the Deferred Compensation and Equity Award Plan, non-Employee Directors may defer all or part of their Board compensation to selected later years, to be paid either with interest or in promised fee shares of IBM common stock. Non-Employee Directors with five years service, upon retirement or age 70, are entitled to retirement income of annual payments of 50% of the Director's last annual fee.

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 statutory limit 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 motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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.

Mr. FRIST. I send an amendment to the title to the desk.

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 salary of the Board of Governors of the United States Postal Service, and for other purposes.''

ORDERS FOR WEDNESDAY, OCTOBER 25, 1995

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Wednesday, October 25, that following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately turn to the consideration of Calendar No. 216, S. 1357, the reconciliation bill.

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

PROGRAM

Mr. FRIST. Mr. President, for the information of all Senators, the Senate will begin the reconciliation bill at 10 a.m. Therefore, Members can expect votes throughout Wednesday's session of the Senate on amendments, and the Senate is expected to be in session late into the evening in order to consume a considerable amount of time allocated under the statute for the reconciliation bill.

ORDER FOR ADJOURNMENT

Mr. FRIST. Mr. President, if there be no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senators PELL and LAUTENBERG.

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

The Senator from Rhode Island is recognized.

THE RECONCILIATION BILL

Mr. PELL. Mr. President, as we all know, the Senate is about to embark on a massive reordering of national priorities under the rubric of the reconciliation process. In the short space of the 20 hours prescribed by statute, we will decide the fate of Medicare, Medicaid, welfare programs, education assistance, and a host of other Federal programs and agencies.

We surely did not anticipate such abbreviated consideration of a sweeping reconfiguration of government when we enacted the Congressional Budget and Impoundment Control Act of 1974, which established the reconciliation process. It is regrettable that we must do so now, and I suggest that in doing so we exceed the spirit if not the letter of the act.

But we are now confronted with the determination of the majority to proceed nonetheless, and in anticipation of the time constraints, I would like to state my continuing reservations about the bill. I have already expressed my distress and concern about the decimation of hard-won Federal education programs and the emasculation of the Medicare and Medicaid programs.

What remains to be said is that this mammoth bill embodies priorities in many other areas which are diametrically opposed to my own. It overturns decades of progress in social policy and it imposes a regressive tax plan that is both misguided and untimely. It bears unfairly on children, on poor people and on the elderly and the disabled. And it would undo environmental gains and open pristine wilderness areas to commercial exploitation.

It would do all this in a headlong pursuit of a goal which I believe has been blindly accepted, namely the mantra that the budget must be balanced by a date certain. To my mind, this is an unrealistic objective that results not from careful and rational assessment, but from well-orchestrated sloganeering in the guise of the so-called contract devised by the House majority leadership. And that, I would submit, has led to false expectations in the electorate as well as among some legislators themselves.

Far more preferable, in my view, would be a measured and continuing effort to reduce deficit spending, while at the same time preserving the essential gains in social policy of the last half century.

It is unrealistic to assume, I submit, that some $900 billion can be cut from Federal spending levels provided under present law between 1996 and 2002 without imposing unacceptable hardship on many segments of the population. Here, the arbitrary goal has dictated the cuts; again, the more rational course would be to to decide what can and should be reduced and then arrive at a figure.

And it is equally unrealistic—and absurd on the face of it—that tax cuts of $245 billion could be proposed at the very time the stated objective is to reduce deficits. Inevitably, such as proposal suggests that spending cuts have been inflated to accommodate the tax cuts. It seems appalling to me that the proposed tax cuts will actually add to the deficit in some years, meaning that the Treasury will actually have to borrow funds to make up for the lack of revenue. Overall, these unwise tax cuts will add some $93 billion to the national debt, according to the Wall Street Journal.

Here again, a far wiser course would be one of moderation. While I reject

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 provisions of the bill allowing 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 7 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.

And I might 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 with 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 a more moderate 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 spare the distinguished 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 request 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. Just think first about the people who are affected, think of those who worked hard, who put away small sums of money by paying their insurance premiums over the years, who believe deeply that a Government contract, a contract with their Government was something of value that could not be diminished.

We know one thing, 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 today, the former 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 invite people to go skiing with me 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 citizens, 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, 71 percent. 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 at 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 a balanced budget than slashing 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 folks out West who get benefits 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 those 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 billion 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 lop $270 billion off Medicaid 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 be able to continue 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 over. 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 be 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 take care of 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,
Washington, DC, August 3, 1995.

Hon. Thomas Daschle, U.S. Senate, Washington, DC.

DEAR SENATOR DASCHLE: This is in response to your request for information about the effect of the 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 calendar year 2006 (the first 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 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.

Leaders of the association issued a statement after meeting with House Speaker Newt Gingrich saying, ''A.M.A. endorses House G.O.P. plan to transform Medicare.''

Republicans in the House and Senate alike want to cut projected spending on Medicare by $270 billion, or 14 percent, in the next seven years. Of that amount, $26.4 billion would have come from strict new limits on Medicare payments for doctors' services.

Kirk B. Johnson, senior vice president of the association, said tonight that the doctors would receive billions of dollars more than 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 difference.

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 exempt doctors from 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 political 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 health insurance coverage for all Americans, but criticized many details 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 consumer protections for Medicare beneficiaries who join private health plans.

Democrats repeatedly failed in their efforts to set detailed 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 projected spending on Medicare by $270 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 a Medicare bill next week. The Senate Finance Committee has approved similar legislation.

Democrats noted that the Ways and Means Committee worked on the legislation for 14 hours on Monday, and they complained that the panel was moving too fast. ''What is the hurry?'' Representative Sam M. Gibbons, Democrat of Florida, asked today. Republicans said they were moving quickly to save Medicare from bankruptcy.

The heart of the Republican 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 options. Democrats today offered numerous amendments to remedy what they see as severe weaknesses in the Republicans plan, but the proposals were rejected, generally on party-line votes.

By a vote of 22 to 13, the Ways and Means Committee defeated 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 such plans to serve all parts of a 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 for the elderly. Representative Bill Thomas, Republican of California, said the Democrats would establish ''an entangling bureaucratic structure.''

Today's debate was bitterly partisan and acrimonious, full of snide remarks. Lucia DiVenere, a lobbyist with the National Association for Home Care, said: ''What you see here, in microcosm, are two totally different approaches to Government, two philosophies completely at odds with each other. It's all black or white. There is no gray area.''

Mr. Stark said the elderly needed the Government to protect them because the Republicans were ''forcing Medicare beneficiaries into the arms of private for-profit insurance companies.'' Republicans replied that the Democrats' proposals for more Federal regulation would perpetuate the heavy hand of Government. Representative Nancy L. Johnson, Republican of Connecticut, said the Democrats' proposals were evidence of ''old thinking, the view that Government can serve seniors better than the private sector'' can.

To help control Medicare costs, the Republicans would limit the growth of Federal payments to health maintenance organizations and other private health plans. Democrats today proposed to eliminate these limits, saying they would force H.M.O.'s to cut services or increase premiums. ''Let's not tie Medicare payment levels to arbitrary budget caps,'' said Representative Sander M. Levin, Democrat of Michigan.

The Democrats' basic theme is that some of the Republicans policy proposals would

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.

EXTENSIONS OF REMARKS

SMALL BUSINESS REMEDIATION ACT OF 1995

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. BARTON of Texas. Mr. Speaker, the environmental legislation that I am introducing today, the Small Business Remediation Act of 1995, is designed to ensure that small businesses and landowners will not be subjected to unreasonable remediation liability for drycleaning fluids. The intent of this bill is to strike a balance between adequate environmental protection and the avoidance of needlessly costly remediation not justified by human health exposure.

To fill the void in EPA's cleanup standards for the drycleaning fluid perchlorethylene (perc), the proposed legislation uses an extrapolation from another Federal agency, the Occupational Safety and Health Administration [OSHA], which already has a standard covering an estimated 99.9 percent of all exposure to perc. This is a rigorous standard required by law to adequately protect workers from harmful effects of a chemical, even if they are exposed 8 hours a day, 40 hours a week, for their entire working lives. Recognizing the difference between workplace and environmental standards such as the ''healthy worker'' effect and the potential exposure in the environment of 24 rather than 8 hours a day, the bill sets a safety margin or an entire order of magnitude. That is, the exposure standard for remediation in this bill 10 times stricter than OSHA allows for an entire working lifetime. If OSHA even lowers its standard, the remediation standard set in this bill will follow accordingly.

The bill seeks to address the real risks from perc exposure. It seeks to change the well-intentioned, hopefully apocryphal, process in which standards are selected to protect children even from eating tons of dirt for 70 years. Instead, an independent government scientific body will simply determine the equivalent exposure the general public faces, using realistic exposure and absorption assumptions. That information, plus the OSHA standard, will be used to calculate the proper amount of remediation necessary. Importantly, the bill protects all people from real human exposure by explicitly declaring it does not change existing Federal standards under the Safe Drinking Water Act.

While this bill does not specifically address third-party liability, it should remove all or most of that threat. If remediation is not necessary, except in the case of significant human exposure, and there is a congressional finding based on OSHA standards and the calculations of the National Institutes of Health that any health risks are small, it is difficult to see how there could be serious litigation, either under the environmental statutes or the common law.

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 drycleaners and their employees 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.

(b) The Congress finds that the remediation requirements for spilled or waste chemical substances are often inconsistent, conflicting, and may impose a burden that bears little relationship to the potential harm to the environment and that these requirements pose a special burden on small businesses and landowners.

(c) Congress intends that standards shall be set for remediation that, with an adequate margin of safety, will protect public health from significant risk from these chemicals and below which level remediation will be permitted but not required.

(d) 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 computation, 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.

(b) The equivalent exposure shall be calculated from the workplace standard for dry cleaning solvents which assures on the basis of the best available evidence that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure for the employee's entire working lifetime.

SEC. 5. AUTHORIZATION TO REMEDIATE AT A LOWER LEVEL THAN THE MAXIMUM LEVEL OF REMEDIATION.

Nothing in this Act—

(1) shall preempt or otherwise prevent a Federal, State, or local government or private party from remediating soil, surface water, groundwater, or other environmental media to a lower level than the maximum level of remediation at its own cost and expense, or

(2) shall alter or affect the Federal drinking water standards under title XIV of the Public Health Service Act.

SEC. 6. DEFINITIONS.

For purposes of this Act:

(1) The term ''other environmental media'' means air and organic and inorganic material.

(2) The term ''equivalent exposure'' means the amount of a chemical substance found in air, surface water, groundwater, and other environmental media which is equivalent, under general and realistic conditions of human exposure, absorption, and toxicity, to that of the workplace standard for that substance.

(3) The term ''maximum level of remediation'' means one-tenth the equivalent exposure and is deemed fully protective of human health.

(4) The term ''workplace standard for dry cleaning solvents'' means the standard established by the Secretary of Labor under section 6(b)(5) of the Occupational Safety and Health Act of 1970 as the time-weighted average and set forth in section 1810.1000 Z-2 of title 29 of the Code of Federal Regulations.

CONGRATULATIONS TO REVEREND ALIFERAKIS AND THE CONGREGATION OF THE ST. GEORGE HELLENIC ORTHODOX CHURCH

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. VISCLOSKY. Mr. Speaker, it is my great honor to rise and call attention to St. George Hellenic Orthodox Church in Schererville, IN. On October 29, 1995, the congregation of St. George will hold a consecration celebration of their church. This celebration will begin with a vespers service on Saturday night, followed by a dedication, banquet, and ball on Sunday.

Citizens of Hellenic origin began settling in the Indiana Harbor community of East Chicago in 1903. In 1929, a very small group of

industrious and young individuals coordinated plans to erect a church. Through their conscientious efforts, construction on the church was completed in 1938. The first parish priest was Reverend Demetriades. The church, named after a Roman soldier who was martyred for his faith, moved from East Chicago to Schererville in March, 1992. Today, St. George, which is currently under the leadership of the Reverend Constantine Aliferakis, proudly boasts a membership of over 300 families.

The consecration celebration is similar to the baptism of a child in that it symbolizes the setting apart of the church as a temple of God 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 once-in-a-lifetime ceremony for any church, will be conducted by Bishop Iakovos 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.

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 of Lubbock flourished and steadily grew under his leadership and service. Today, the home stands as a modern progressive institution which provides care for over 4,200 children. It operates as a debt-free campus, which boast 20 buildings, thanks to his guidance.

Floyd has also given of himself to many other professional and community organizations. He has served in the Lubbock Chamber of Commerce, Rotary Club of Lubbock, Texas Association of Executives of Homes for Children, Texas Association of Licensed Homes for Children, Southwest Association of Executives of Homes for Children, the National Association of Homes for Children, and the Texas Association of Licensed Children's Services, as its President. Even with the demands of these many organizations and responsibilities, he still has the time and energy to serve as an elder of his church, the Broadway Church of Christ in Lubbock.

His leadership abilities have not gone unnoticed; he has received numerous awards for his dedication to the children of Lubbock, among which are the Lubbock Christian University Leadership Award of 1986, the Christian Child Care Recognition for Leadership for 1985, the Pepperdine University Christian Service Award for 1983 and Citizen of the Year, Lubbock Chapter of the National Association of Social Workers for 1976. Now that he has stepped down from the Presidency, he has taken up the directorship of the Children's Home Foundation. This will enable him to enjoy some of life's finer pleasures such as golfing, travelling, visiting with friends of the Home, and spending more time with his family.

Mr. Speaker, I wholeheartedly thank Floyd for his dedication, untiring efforts, and his giving spirit of which the Children's Home of Lubbock is the greatest benefactor. I would also like to wish Floyd and Pat, his beloved wife, a happy and fulfilling retirement.

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 House 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, not these fat cat 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. 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 hard work, but it is 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 valued friend of many years, is serving 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.

NED

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 1993 I have been chairman 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 1983 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, Zbigniew Brzezinski, is also a member of the NED board and that Congressman Hamilton is one of our strongest supporters on Capitol Hill.

NED grants 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 culture. 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 about democracy, the National Endowment for Democracy established in 1990 the 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 regular seminars and twice yearly holds a major conference on a central issue in democracy-building. Last August, for example, the International Forum cohosted in Taiwan a very successful conference on ''Consolidating the Third Wave Democracies.''

Of course, we must acknowledge that those of us in the West 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 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 ''social capital.'' ''Social capital,'' 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 associations 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, ethnic 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 Ottoman Empires—develop a thriving civil society after decades of communist rule and centuries of church-state interpenetration? Will the former communist countries north and west of the Balkans be 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 Schifter 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.'' Indeed, ''the onward march of the democratic ideal,'' says Schifter, need not halt at ''the fault line of Western civilization.''

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 throw off the ill effects of 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 you an article by Elizabeth H. Prodromou of Princeton University in Mediterranean Quarterly. Professor Prodromou writes of utilizing Orthodox custom in crafting modern 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,'' Prodromou 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 peoples on one side of 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 should like to ask our panelists for their comments 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 WASTEWATER 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, MA, 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: Charles J. Kane, Allan S. Knight and Fawn L. Gifford (chairman, clerk and member, respectively of the board of water and sewer commissioners); Robert A. Correia, (assistant superintendent); Richard W. Boss, John E. Garabee, and Michael J. Studley (plant operators); and Katharine T. Dumas 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.

WORLD POPULATION AWARENESS WEEK

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. GEJDENSON. Mr. Speaker, I would like to submit for the RECORD an official proclamation by His Excellency John G. Rowland, Governor of the State of Connecticut. I would like to join the Governor in stressing the importance of the World Population Awareness Week for 1995, focusing on general equality. Placing family planning on top of our priority list, through eradication of female illiteracy, full employment opportunities for women, and universal access to family planning information, is of utmost importance. This is the only way to control an overpopulated world, to reduce the spread of disease and poverty, and to bring progress to many struggling areas of the world.

OFFICIAL STATEMENT

Whereas, world population is currently 5.7 billion and increasing by nearly 100 million per year, with virtually all of this growth in the poorest countries and regions—those that can least afford to accommodate their current populations, much less such massive infusions of human numbers; and

Whereas, the annual increment to world population is projected to exceed 86 million

through the year 2015, with three billion people—the equivalent of the entire world population as recently as 1960—reaching their reproductive years within the next generation; and

Whereas, the environmental and economic impacts of this level of growth will almost certainly prevent inhabitants of poorer countries from improving their quality of life and, at the same time, have deleterious repercussions for the standard of living in more affluent regions; and

Whereas, the 1994 International Conference on Population and Development in Cairo, Egypt crafted a 20-year Program of Action for achieving a more equitable balance between the world's population, environment and resources, that was duly approved by 180 nations, including the United States; now

Therefore, I, John G. Rowland, Governor of the State of Connecticut, urge all citizens of this State to support the purpose and the spirit of the Cairo Program of Action, and call upon all governments and private organizations to do their utmost to implement that document, particularly the goals and objectives therein aimed at providing universal access to family planning information, education and services, as well as the elimination of poverty, illiteracy, unemployment, social disintegration and gender discrimination that have been reinforced by the 1995 United Nations International Conference of Social Development, endorsed by 118 world leaders in 1995, and by the 1995 United Nations Fourth World Conference on Women.

A THANK YOU FROM WESTERN NEW YORK

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LAFALCE. Mr. Speaker, over 20 years ago Dr. Robert S. Marshall came to western New York to serve as president of Rosary Hill—an excellent small college with much to offer, but struggling financially and facing an uncertain future.

Today the college is alive, well, and facing a future full of promise. In the 1970's, Rosary Hill College was renamed Daemen College; since then, the Daemen curriculum and enrollment have grown significantly. The physical therapy department, for example, is now one of the largest and best programs of its kind in the Nation.

While the accomplishments of Dr. Marshall are described more fully below in the background material provided by Daemen College, let me, on behalf of the western New York community, thank Bob Marshall for all he has done for Daemen College, and offer him best wishes on his upcoming retirement.

ROBERT S. MARSHALL

Daemen has made considerable strides towards becoming one of the finest private colleges on the Niagara Frontier. This is a remarkable statement, if you stop and consider that there was a point not so very long ago when the College's very survival was in question. In 1974 Daemen, then known as Rosary Hill College, was at a crossroads. Changing times had brought the College, then less than 30 years old, to the brink of bankruptcy and an uncertain future. A new direction—and new leadership—was needed.

That year, Dr. Robert S. Marshall, then associate director for academic affairs at the Division of Biological Sciences at Cornell 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 a solid academic program for the future. It was a challenge he would vigorously embrace—and surpass—to the benefit of the entire Daemen College community.

Originally a Roman Catholic, women's college, Rosary Hill became co-ed in the 1960's, and began to evolve in a new direction. In order to reflect this, the College adopted a new name. It was a dramatic change, 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 increased resources. Additional 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 was the establishment of the physical therapy major in 1975. A confluence of heightened emphasis on physical fitness, a rapidly growing elderly population, and increasing interest in the emerging field of sports medicine have combined to make physical therapy one of the fastest-growing professions in the health field today. Thanks to Dr. Marshall's foresight, the 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 the new program, 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—and during 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 2000.

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.

Increasing enrollments create a need for expansion. Accordingly, Dr. Marshall's tenure has included significant additions to Daemen's attractive campus. In 1983, ground was broken for a long-awaited College athletic facility. The prominent brick structure, smoothly integrated into the profile of Duns Scotus Hall, is the center for College athletics, and home to the men's and women's basketball teams. Easily viewable from a busy section of Main Street, it has become one of the most prominent, and familiar features of the College.

The state-of-the-art science building, Schenck Hall, is another notable addition to the campus. Completed in 1992, the two-story structure houses the latest in a variety of laboratories, classrooms, faculty offices, a 300-seat lecture hall, student study lounge, and other facilities.

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 the environmental studies major, are underway. Applications for admissions into several programs are at record levels. In short, the state of the College is sound. Daemen faced many challenges over the last two decades, and Dr. Marshall met each of them with sound judgement 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, Robert Marshall has provided the vision 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

HON. THOMAS M. DAVIS

OF VIRGINIA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. DAVIS. Mr. Speaker, it is with great 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 country and western radio station 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 acquisition was the fledgling 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 Virginia.

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 Virginia Gold Cup steeple chase races.

Mr. Speaker, we know our colleagues join us in paying tribute to Arthur W. ''Nick'' Arundel for his many years of hard work and dedication, and for making northern Virginia a better 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. Founded in October 1990 as the Lower Manhattan AIDS Task Force, the AIDS Service Center has grown into a multiservice community organization which is dedicated to serving individuals, families, and communities that are affected by HIV/AIDS. ASC has expanded its services to provide case management, advocacy 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 organization, which is located in my district, and to mark its fifth anniversary. As the number of people with AIDS 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 demanding reforms and democratization demonstrated in Budapest, touching off what has become known as the 1956 Hungarian Revolution. The 2 weeks that followed witnessed events that were truly incredible given the context of the times: following the initial demonstrations, Soviet troops and tanks entered Budapest; hundreds of peaceful marchers were killed at Parliament Square in Budapest; fighting spread across the country; a new Hungarian Government was formed and negotiations for Soviet troop withdrawals were begun; revolutionary workers' councils and local national committees rose to prominence and attention was given to political and economic demands, including calls for free elections, free speech, press, assembly, and worship. Hungary announced its withdrawal from the Warsaw Pact and proclaimed itself neutral. In early November, Soviet forces attacked Budapest 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 communism and Soviet domination so brutally quelled by Soviet tanks vividly illustrated to the entire world the realities and intentions of Soviet imperialism and totalitarianism.

The West offered no effective response, Mr. Speaker, and the bloody suppression of the Hungarian freedom fighters seemingly underscored 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 commitment 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 Djilas, writing very shortly after the uprising, characterized the revolution in Hungary as ''the beginning of the end of communism generally,'' and observed that ''* * * the Hungarian fighters 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 of basic freedoms. But, Mr. Speaker, as later events showed, Djilas proved to be prescient in his analysis. The Hungarian Revolution began to expose, Mr. Speaker, the ultimate futility of communism and the inherent weakness of the Soviet Union. Henry Kissinger, in his 1994 book ''Diplomacy,'' notes that: ''A generation later, latent Soviet weakness would cast the Hungarian uprising as a harbinger of the ultimate bankruptcy of the communist system.'' Mr. Speaker, perhaps this was the most important legacy of the Hungarian uprising, attesting that the blood shed by the Hungarian people in 1956 ultimately was not in vain.

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 conducted 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 a spouse or friend, than they are by an acquaintance or stranger. It is frightening that in a time when crime rates in communities 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 number of incidents of domestic violence. It was my hometown of St. Paul, MN, where the Nation's first battered women's shelter, Women'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 implemented a more effective arrest and prosecution procedure regarding domestic violence cases in an attempt to decrease dismissal rates and prosecute more offenders. I am proud of the efforts that all of Minnesota's communities, and their citizens, have made in the campaign to ensure that Minnesotans are safe from domestic violence.

One organization in the Twin Cities aiding this effort is the Casa De Esperanza Women's Shelter. The shelter focuses on 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. Operating in west side schools, Casa De Esperanza offers an antiviolence training program for children, which works to curb the cycle of violence 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 Jordan, 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 children.

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 year. The largest obstacle to be overcome is the silence that shrouds this abuse. Many victims of repeated domestic violence feel powerless 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 domestic violence, its effects on our community and families, and the services available to its victims.

Informing the community about domestic violence, however, may not be sufficient to ensure that all victims of these violent acts are able to obtain the services they need. 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

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

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

HON. PETER J. VISCLOSKY

OF INDIANA

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 for his 35 years as a radio 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 the 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 commemorating the memory of this great man.

THE PHILANTHROPY PROTECTION ACT OF 1995

HON. JACK FIELDS

OF TEXAS

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 an clothe the less fortunate, vaccinate children, care for the sick, and 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 BLILEY, 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 introduced similar legislation to protect our country's charitable organizations. Governor Bush, 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 introduced 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 joint Chairman BLILEY 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 congratulate 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 supporting efforts to ignore or amend the Constitution to enable himself to run again for the Presidency. Rather, he has put in the apparatus, 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 forward by reviving organizations destroyed during the years of corrupt military rule—organizations which are essential to the survival 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 democracy that will withstand any efforts of individuals with aspirations to return Haiti to a totalitarian 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, often in the course of our hectic, day-to-day lives we fail to remember the significance and importance of the activities and institutions that mean the most to us and our communities. One way in which we make up for this is in our celebration of anniversaries—the anniversary of our Nation's independence, the anniversary of important personal events, or the anniversary of the things that bind a community together. One important community institution in the Johnstown, PA area is Our Mothers of Sorrows Parish, which will be celebrating its 75th anniversary with a special Mass and dinner on October 29, 1995.

The community will be celebrating the founding of the Parish on November 3, 1920, by the Most Reverend John J. McCort. In its 75-year history of serving the people of Johnstown the parish has had only three Pastors—Rev. Msgr. Stephen A. Ward, Rev. Msgr. Linford F. Greinader, and the current Pastor, Rev. Msgr. Thomas K. Mabon, who is a native of Johnstown and was assigned to Our Mother of Sorrows Parish in 1993.

I'd like to join all the people of Johnstown in extending congratulations and best wishes to all the parishioners of Our Mother of Sorrows Parish as they celebrate their 75th anniversary. We've certainly experienced many ups and downs in the past 75 years in Johnstown, but it has been our faith and the guidance offered us by the stabilizing influences in our community that enable us to continue to look forward. I'm certain that 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 organization, the Florin Japanese-American Citizens 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 nationwide. A volunteer nonprofit and educational organization, the Florin JACL has dedicated the past six decades to upholding the human and civil rights of Japanese-Americans and all Americans.

In their early years, the Florin JACL operated 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 instrumental role in he 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 campaign which promoted and assisted Issei to become naturalized citizens, a privilege heretofore denied to them and others of Asian ancestry.

In more recent times, the Florin JACL has directed its efforts to social and educational service. In 1962, 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 successful programs as an Annual Women's Day Forum and the Healthy Family Traditions project.

In addition to these interests, 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 significant speakers, teachers, workshops, children's sessions, and Nikkei VFW participation via lectures, exhibits, video, dissemination of informational materials, and question-and-answer sessions relating to the Japanese-Americans and World War II.

One of the most ambitious and exciting new projects in Sacramento is the establishment of the Japanese-American Archival 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 preserved with tangible proof for future generations.

The Florin JACL is most deserving of our thanks and praise for their efforts and compassion for all people in the Sacramento region. I know my colleagues will join me in wishing the Florin chapter of the Japanese-American Citizens League many years of continued success.

REMEMBERING AMERICA'S VETERANS

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. BAKER of California. 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 Second 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 remind 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 remember 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 General 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 full of fun—I never saw twenty-two.
I'm still here at Pearl Harbor since that Decenber seventh day of infamy
Lying silently with my shipmates on the U.S.S. Arizona at the bottom of the sea.
D-Day June 6TH 1994, 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 fileds, 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 it—I'm sure we will''
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 two 24-hour openings a year. These so-called derby days created misery and havoc in the overcapitalized fishery. 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. In the Yakutat fishing grounds near Petersburg, AK, a storm system that was an offshoot 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 the skipper with it.

With the introduction of IFQ's, halibut fishermen do not have to risk their lives deciding between fishing and typhoons and there are other major benefits. They will be able to schedule their trips to optimize the markets, eliminate conflicts with other fisheries, and could possibly reduce their bycatch.

Investigation of alternative management regimes began in the late 1970's and continued throughout the 1980's. In a series of public meetings and workshops, fishermen, market experts, and other members of the industry and public made suggestions, and systems from around the world including transferable quota programs were analyzed. Finally, in 1991, after closely reviewing open access fisheries, license limitations, allotments, and combinations of these programs, the North Pacific Fishery Management Council recommended the IFQ program to the Secretary of Commerce. After public comments on a proposed rule, the final rule was published in 1993. The program was finally implemented this year.

The IFQ program 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. With any new idea there is growth and change as the concepts are discussed by regional councils, fishermen, processors, biologists, and enforcement personnel. The program is ''in progress'' and cooperation is needed from everyone involved for this program to be successful.

The new management regime is bringing increased safety, protection of the target species, while encouraging the conservation of these stocks for the benefit of the present and future generations.

And for all of these reasons Mr. Speaker, I rise in support of the Metcalf 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, ''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 Commission for Human Rights and Natural Reconciliation prepared in Havana a partial list of Cubans detained for political reasons. The list has been submitted to Ambassador Carl Johan Groth, the United Nations Special Rapporteur for Cuba, who has yet to be granted permission by Fidel Castro's government to visit the island to carry out his human rights work.

Regardless of the differences of opinion some may have on U.S. trade sanctions against Havana, it is my hope that we do not turn a deaf ear to the cries for help from Castro's political prisoners. We must all work to obtain the prompt and unconditional release of all political prisoners in the island.

Their suffering for their Democratic convictions is an undeniable part of Cuba today.

Here are just a few of the more than a thousand names that appear on the list of political prisoners and the made up crimes they were charged with by the Castro regime: Alfonso Eduardo Agueda Perez, sentenced to 4 years for being considered dangerous; Arnaldo Pascual Acevedo Blanco, sentenced to 5 years for spreading enemy propaganda and rebellion; Antonio Guillermo Acevedo Labrada, sentenced to 7 years for spreading enemy propaganda; Ricardo Acosta Alvarez, sentenced to 3 years for air piracy; Humberto Dorga Acosta, sentenced to 3 years for disorderly conduct in public; David Aguilar Montero, sentenced to 30 years for piracy; Rafael Juan Alfonso Leyva, sentenced to 30 years for espionage; Alberto Guevara Aguilera, sentenced to 10 years for distributing enemy propaganda and attempted attacks against state officials and property; Ernesto Verto Aguilera, sentenced to 2 years for falsifying documents; and Arturo Aguirre Acuña, sentenced to 10 years for illegal exit from the island and piracy.

In the weeks to come, I will discuss other political prisoners languishing in Castro's gulags.

PRESIDENT TAKES DECISIVE ACTION AGAINST NARCOTICS TRAFFICKING AND CRIME

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

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

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 in the RECORD at this time.

The analysis follows:

BRIEF EXPLANATION

Title I of the bill will reduce projected agriculture 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 recommendations that are 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—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. farmers and producers must compete as we approach the 21st Century.

The balance of the budget savings within the jurisdiction of the Committee on Agriculture designed to achieve the budget reductions required by H. Con. Res. 67 were realized with the House passage of H.R. 4, the Personal Responsibility Act, under Title V, Food Stamp Reform and Commodity Distribution, that 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 (1990) or in reconciliation (1993), major changes in world trade policy, domestic budget policy, and commodity producer opinion require a 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 authority in previous years, was directed in 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. However, some economists predict that a balanced budget will lead to a 1.5 percent reduction in interest rates. Agriculture as a major user of credit has over $140 billion borrowed in terms of long term and short debt would benefit from such a result. If interest rates decline by 1.5 percent, a balanced budget could lead to an interest rate savings for U.S. agricultural producers exceeding $15 billion over the next 7 years.

Following 19 hearings on Federal farm program policy by the Subcommittee on General Farm Commodities and the full Committee on Agriculture, the call from throughout the United States was clear: agricultural producers wanted more planting flexibility, more certainty with respect to Federal assistance, and less Federal regulatory burden.

The combination of these factors led to the following conclusions: (1) the U.S. production agriculture industry needed to become more market-oriented, both domestically and internationally; (2) the industry could not become more market-oriented with a continued Federal involvement that simply extended the current supply-management policies of the past; and (3) the required budget cuts would not provide adequate funding levels to allow the existing Federal programs to function properly in a post-GATT and NAFTA world-oriented market. Analyzing these conclusions is conjunction with a review of the current Federal commodity price support and production adjustment programs resulted in several observations about agricultural policy.

First, current Federal farm programs are based on the 60 year old New Deal principle of utilizing supply management in order to raise commodity prices and farm income. When the Federal farm programs were first created, the government relied on a system of quotas and allotments to control supply. However, over the last 20 years the primary justification for the programs has been the producers receive in return for setting aside (idling productive farmland) Federal assistance. That assistance was largely in the form of deficiency payments to compensate producers for market or loan levels that fell below a Congressionally mandated target price for their production. Additionally, when Federal commodity programs were set up, world markets were not a major factor in determining agricultural policy. This approach, while perhaps appropriate in the 1930's, ignores the realities of a post-GATT and NAFTA world.

Second, current programs no longer achieve their original goals and have collapsed as an effective way to deliver assistance to producers. Worldwide agricultural competition usurps foreign markets when the United States reduces production. With respect to wheat, for example, world demand, when combined with the United States' supply control approach of idling acreage (including acreage idled under the Conservation Reserve Program), has tightened U.S. supplies so much that there have been no set-asides for five years and there are not expected to be any in the foreseeable future, which eliminates the supply management policy justification for the present policy.

For the last ten years, congressional farm policy actions have been driven by budget reductions. The 1995 debate has re-affirmed the Federal budget as the driving force for agricultural program policy. Modifications made to the original farm programs since their inception have revolved around two main goals: further restricting supply in order to alleviate the overproduction which the programs encourage; and decreasing Federal expenditures by limiting the amount of production which is covered by Federal subsidies. These two factors have combined in a way which has made current Federal commodity programs less effective, both as a means of increasing farm income and as a means to manage production, with each successive modification. There have been several recent situations where producers, who received an advance deficiency payment based on U.S.D.A. estimated low prices, have had a poor harvest and were required to repay the advance because the nation-wide effect of the poor harvest was to drive up the market price of the commodity beyond the point at which current programs make a payment. This has placed many producers in a difficult position. Even though prices were high, their income is down because they have no crop to market and the government assistance they had previously received must be paid back.

Government outlays under current programs are the highest when prices are lowest (and hence when harvests are the best). This has had the effect of encouraging production based on potential government benefits, not on market prices. This incentive, when combined with the government's authority to idle acreage (which is the only means that current programs contain for limiting budget outlays) results in a situation in which producers have an incentive to produce the maximum amount of commodities while the government restricts the acres that can be planted, thereby encouraging the over-use of fertilizers and pesticides in order to get the most production from the acres the government is allowing the farmer to plant that year. This environmentally-questionable incentive created by current programs has also resulted 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 plans, compliance with wetlands protection provisions, 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 on top of the regulatory burdens which have resulted from the counter-productive environmental incentives of current programs are the additional regulatory burdens created by Congress over the past twenty years which attempt to target program benefits to small producers. These so-called payment limitation provisions have: (1) resulted in substantial paperwork requirements for producers whose operations do not actually approach the payment limit, (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 emasculated remnant of an out-of-date 1930's-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 farm programs to the extent they have inhibited farm production and producer earning potential.

Retaining the present policy would be a mistake when other methods can achieve the goals of providing U.S. producers with increased planting flexibility and less regulatory burden while at the same time allowing for greater earnings from the marketplace and reducing the budgetary exposure to the Federal Government.

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 the ''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 Concurrent Resolution 67 instructions to the Committee on Agriculture.

Freedom to Farm (''FFA'') replaces the commodity price support and production adjustment programs with a seven-year market transition contract payment for eligible owners and operators and a nonrecourse marketing assistance loan program for eligible producers. Contract participants will receive seven annual market transition payments in exchange for maintaining compliance with their respective conservation plans and applicable wetlands protection provisions. Producers utilizing the marketing assistance loan will get the benefit of a nonrecourse loan at harvest time so that they will not have to sell commodities at a time when market prices are historically low in order to maintain a positive cash flow. Additionally, contract payments are limited to $50,000 per person, regardless of whether such payments are received directly or indirectly through other entities, and will be tracked according to Social Security numbers, hence eliminating once and for all the devices and schemes such as the ''Mississippi Christmas Tree'' to avoid payment limits. The Secretary is also directed to implement adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

From a GATT perspective, the termination of the commodity price support programs will make U.S. commodities immediately more competitive on the world market by removing the distorting effect that current programs have maintained. This is significant because at the current time, world commodity supplies are relatively tight and estimates indicate that, at best, this situation will remain for quite some time.

With respect to domestic farm policy, FFA accomplishes several goals. First, it accomplishes a large amount of deregulation by freeing farmers up to farm for the market and not the government program. By removing government production controls on land use, FFA effectively eliminates the number one complaint of producers about the programs: bureaucratic red tape and government interference. Complaints about endless waits at the county office should end. Hassles over field sizes and whether the right crop was planted to the correct amount of acres should be a thing of the past. People concerned about the environment will be pleased that the government no longer forces the planting of surplus crops and monoculture agriculture. Producers who want to introduce a rotation on their farm for agronomic reasons should be free to do so without the restrictions in current programs.

Second, the Freedom to Farm Act provides U.S. producers with a guaranteed payment for the next seven years, because it establishes a contract between the Federal Government and the producer. When compared to the alternative of further modifying existing programs, it results in the optimum producer net income over the next seven years and protects the producer from further budget cuts should there be further budget reconciliation bills in the future. The guarantee of a fixed (albeit declining) payment for seven years will provide the predictability that producers have wanted and will provide certainty to lenders as a basis for extending credit to production agriculture. The current situation in which prices are above the target price as a result of poor crops (producers do not get a payment or are forced to repay advanced payments), and therefore have less income should be corrected under FFA. Without a crop to market, producers cannot benefit from the higher prices, and instead of getting help when they need it most, the current system cuts off their deficiency payments and demands that they repay advance deficiency payments.

FFA insures that whatever government financial assistance is available will be delivered, regardless of the circumstances, because the producer signs a contract with the Federal Government for the next seven years. Just as producers will need to look to the 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 FAA but it is equally true that if prices decline, farmers will receive no more than the fixed market transition payment. That means the individual producer must *manage* all income, both market and government, to account for weather and price fluctuations.

Third, FFA encourages market orientation. Producers can plant or idle *all* their acres at their discretion, with a significant reduction in the restrictions on what can be planted. Producers will have to make commodity planting decisions in response to commodity markets instead of decisions based on deficiency payment rates and crop acreage bases. Decoupling Federal payments from production (a process which began in 1985 when payment yields were frozen) would end any pressure from the government in choosing crops to plant. Under FFA, all production incentives should come from the marketplace and not government programs. Additionally, as long as producers maintain compliance with their applicable conservation plans, they are free to choose to plant no crop at all, which will benefit soil and water quality in marginal areas, as well as benefitting wildlife.

Fourth, FFA recognizes that the benefits from current programs have, to some extent, been incorporated into the value of agricultural land. By abolishing the link between production and benefits, but doing so in a manner which provides a seven-year transition period, the economic distortions caused by existing programs can be removed in a manner that causes the least amount of disruption 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 programs, including the New York Times, the Washington Post, the Economist, and a host of regional newspapers, have hailed FFA as the most significant reform in agricultural policy since the New Deal in the 1930's. Congressional critics that have urged reform of the farm programs have also indicated that FFA embodies the type of reform necessary to transition agriculture into a market-oriented industry. Nearly every agricultural economist who has commented on FFA has supported its structure and its probable effect on producers and the agricultural sector.

The reforms accomplished by FFA will help transition U.S. agricultural producers into a new era of a market-oriented Federal farm policy while simultaneously providing fixed, declining payments over seven years in order to minimize the economic distortions resulting from the change away from the New Deal Era Federal farm programs.

Subtitle B—Dairy

Summary

Subtitle B replaces the dairy price support program on January 1, 1996, with (1) a market transition program which provides seven market transition payments to milk producers between April 15, 1996 and October 15, 2001, and (2) a recourse loan program for processors. The Federal milk marketing order program is replaced on July 1, 1996, by a program which verifies receipts of, prices paid for, and uses of milk, and which further, upon request, audits marketing agreements and other private contracts for the receipt and payment of milk between producers and handlers. The Dairy Export Incentive Program (DEIP) is reauthorized through September 30, 2002, and fully funded to the limits permitted by the Uruguay Round of the GATT. The Fluid Milk Promotion Program of 1990 is reauthorized and the producer assessment for promotion under the Dairy Production Stabilization Act of 1983 is extended to imported products. The combined impact of these changes saves $511 million, or approximately 23.5%, of spending on Federal dairy programs projected by CBO over the next seven fiscal years.

Background

Since the last time Federal dairy programs were addressed in a farm bill (1990) or in reconciliation (1993), major changes in world trade policy, domestic budget policy, and dairy producer opinion require us to reconsider Federal dairy policy.

Every Federal dairy program was created subsequent to Section 22 and premised upon the ability of Section 22 to stop foreign dairy products at our border. As of July 1, 1995, Section 22 was limited in its applicability by the implementation legislation for the Uruguay Round of the GATT.

With the passage of the First Budget Resolution in June, the House Agriculture Committee was required to achieve $13.4 billion in savings on Federal farm programs over the next seven fiscal years. As a commodity, dairy's fair share of that amount was slightly more than $500 million, or about $73 million annually.

Following ten hearings on dairy issues by the Subcommittee on Livestock, Dairy and Poultry, including field hearings in California, Florida, Minnesota, New York, and Wisconsin, the mandate from dairy farmers to end budget reconciliation assessments immediately became overwhelming. The elimination of assessments would decrease funding available for Federal dairy programs by approximately $250 million annually.

The combination of these events led to the following conclusions: (1) the U.S. dairy industry needed to become more market-oriented, domestically and internationally; (2) the industry could not become more market-oriented without a level field at home; (3) the industry needed tools to become, and remain, competitive in the world market; and (4) there was inadequate funding to retain and maintain existing Federal dairy programs.

A review of Federal dairy programs (i.e., dairy price supports, Federal milk marketing orders, and the Dairy Export Incentive Program (DEIP)) produced the following conclusions.

First, since the support price was decreased to $10.10/cwt in the 1990 Farm Bill, the dairy price support program has been largely inactive. For example, in the last 12 months, the Commodity Credit Corporation (CCC) has not purchased any cheese and only purchased 26 million pounds of butter and 27 million pounds of nonfat dry milk. By contrast, a decade ago the CCC purchased 293 million pounds of butter, 591 million pounds of cheese, and 827 million pounds of nonfat dry milk during the same 12 month period. Currently, we have no butter, no cheese, and only 30 million pounds of nonfat dry milk in government storage.

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 market if our domestic marketing system produces competitive advantages and disadvantages at home unrelated to market indicators and other economic conditions. The Congressional Budget Office projects 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 in the next five fiscal years by creating artificial incentives to produce milk in regions with sufficient Class I supplies of milk. Studies of Federal milk marketing orders by the General Accounting Office in 1988 and 1995 have produced similar conclusions.

Thirdly, the inactivity of the dairy price support program and the low levels of government-stored 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 in this legislation which have a cumulative reconciliation savings of $511 million estimated by the Congressional Budget Office.

Chapter 1 of subtitle B replaces the dairy price support program on January 1, 1996 with a market transition program for milk producers and a recourse 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 that termination 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 butter will have opened up due to reductions in subsidized exports under the Uruguay Round.

The recourse loan program will permit processors of cheddar cheese, butter and nonfat dry milk to place their product under a recourse loan with the CCC at 90 percent of the average market value for that product during the previous three months. Loans will be at CCC interest rates and will come due at the end of the fiscal year (September 30), but can be extended into the upcoming fiscal year.

Chapter 2 of subtitle B further enables the United States to become, and remain, a player in the world dairy market of the 21st Century. The DEIP program is reauthorized through September 30, 2002 and fully funded to the limits permitted under the Uruguay Round in each fiscal year. The Secretary of Agriculture is authorized to assist the U.S. dairy industry in establishing an export trading company, or other entity, to provide international market development and export services.

Chapter 3 of subtitle B further assists the industry in becoming more market-oriented by reauthorizing the Fluid Milk Promotion Act of 1990, extending the producer promotion assessment under the Dairy Production Stabilization Act of 1983 to imported dairy products, and by requiring that at least 10 percent of the budget of the National Dairy Promotion and Research Board be allocated to international market development annually.

Indeed, the purpose of Federal dairy promotion programs authorized under the Fluid Milk Promotion Act and the Dairy Product Stabilization Act is to maintain and expand markets for fluid milk and the products of milk, not to maintain or expand the share of those markets which any particular processor or association of producers currently has. The programs created and funded by these Acts are not intended to compete with or replace individual advertising and promotion efforts, but rather to meet the governmental goal and objective of maintaining and expanding the market for fluid milk and the products of milk through continuous and coordinated programs of promotion, research, and consumer information.

Chapter 4 of subtitle B replaces current Federal milk marketing orders on July 1, 1996, with a program which verifies receipts of, prices paid for, and uses of milk, and which further provides an auditing mechanism for marketing agreements and other private contracts for the receipt and payment of milk between producers and handlers. The Secretary will report statistics to the industry including information on payments to producers on a component basis, including payments for milkfat, protein and other solids.

The elimination of the pricing and pooling functions of Federal milk marketing orders will assure a level playing field domestically among producers and insure that industry responds to market signals rather than decade-old fixed differentials which provide artificial incentives to produce milk.

Chapter 5 of subtitle B extends miscellaneous expiring provisions in law related to these Federal dairy programs.

Subtitle C—Other Commodities

The Committee commenced hearings and received testimony from over 100 witnesses in the areas of the United States where peanuts and sugar beets, sugar cane, and corn are grown, as well as in Washington, D.C., to discuss reform of the peanut and sugar programs. The Committee outlined reform criteria with the goal of revising the current peanut and sugar programs to make them more market-oriented and operate at no cost to the Federal Government, while still providing a safety net for producers.

These programs have been increasingly criticized by consumer groups, food processors and manufacturers, environmental groups, and others for a variety of reasons, including artificially increasing prices, encouraging the environmentally-damaging practice of monoculture cropping, and allowing a relatively small number of producers to reap the program benefits at the expense of taxpayers and consumers.

In this context, the Committee's recommendations with respect to the Federal programs for peanuts and sugar are reform-oriented and are made with the intention of providing the framework for a more market-oriented approach to production, with less government involvement.

Peanuts

According to the United States Department of Agriculture (USDA), net peanut government program expenditures for fiscal year 1995 are estimated to be $85.6 million. USDA projects an annual cost of $76 million per year for fiscal years 1996–2000 if current program provisions were retained. The proposed title I would eliminate the administrative costs of the program through the elimination of the national poundage quota and undermarketing provisions which allow additional peanuts to receive the quota price support rate. This will allow the Secretary to set the national poundage quota at a level that satisfies the estimated domestic consumption and prevent additional peanuts from entering the quota pool at the higher loan rate.

With respect to price support, title I would freeze the price support loan rate for quota peanuts at $610 per ton for the 1996 through 2002 crops. This is a reduction from the current loan rate of $678 per ton, which is approximately commensurate to a price support level based on current cost of production. Current law provides that the price support level may only increase based on cost of production, up to 5% over the support rate for the preceding year. If the previous years' quota price support rates were allowed to increase or decrease 5% per year, today's price support level would be approximately $608.64.

Among other changes, title I, as proposed, would also instruct the Secretary to decrease the quota support rate by 15 percent to any producer who refuses an offer from a handler to purchase quota peanuts at the quota support rate, in order to provide an incentive to producers to sell to the market rather than taking out a price support loan.

Title I would prioritize the method of covering losses in area quota pools. Looses would first be covered through individual gains on sales of additional peanuts, then by pool gains on sales of additional peanuts, before proceeding to the cross compliance provisions. 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, quota can only be sold or leased 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 also proposes a review of the feasibility of quota transfer of across state lines under the purview of the Commission on 21st Century Production Agriculture.

In addition, the Committee's recommendation would tighten the eligibility of those who own quota by mandating that any required reductions in the national poundage quota in a State shall first be reduced with respect to public entities, non-resident quota holders who are not producers, and resident quota holders who are not producers before reducing the quota allocation of a State's producers.

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 1.6083% of the loan rate for beet sugar. Provisions in current law mandating that the program operate at no net cost to the Treasury would be maintained.

Sugar beet and sugar cane loan rates are frozen at current 1995 levels. However, loan rates are required to be reduced if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of the European Union and other major sugar growing countries in the aggregate exceed the commitments made as part of the Uruguay Round Agreement.

With respect to marketing allotments, the Committee's recommendation would allow full and unrestrained production of sugar in the United States through elimination of marketing allotments.

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 raw value in fiscal years 1996 and 1997, and at 103% of the loan modification threshold for the previous fiscal year level for fiscal years 1998 through 2002. Under this provision, recourse loans to processors are made available up to the threshold level and would be converted into nonrecourse loans if imports rise above the threshold level.

Subtitle D—Miscellaneous Program Changes

The Federal Crop Insurance Reform Act of 1994 (Reform Act), contained in Title I of P.L. 103–354, made significant changes in the multi-peril crop insurance (MPCI) program as well as ending, for all practical purposes, ad hoc Federal assistance to farmers for crop failures. Two controversial and complex provisions of the new law have caused consternation and irritation among agricultural producers, and that, in turn, has made MPCI a less attractive product for many farmers.

A principal provision of the Reform Act required any agricultural producer who is a farm commodity program or Conservation Reserve Program participant or who is receiving a loan or loan guarantee through the U.S. Department of Agriculture (USDA) to purchase a MPCI policy to insure against at least a catastrophic crop loss (CAT), i.e., for a crop loss of 50 percent loss in yield, on and individual or area yield basis. To obtain CAT coverage, producers pay an administrative fee for each crop produced in a county. Because of USDA's implementation of the Reform Act, each landlord who receives a program payment (shared tenancy) is required to pay the $50 fee. This link between farm program participation and crop insurance caused a great deal of confusion and irritation among producers because of the inequities in USDA implementation. For example, an owner-operator growing only wheat on a section of land in a single county could purchase CAT coverage for a single $50 fee, while multiple owners with a tenant farming in more than one county were required to pay multiple fees. One particularly egregious case that came to light involved nine different landlords and their tenants who farmed three different crops in three counties. Each of the owners was required to pay three fees for each crop in each of the three counties, resulting a substantial amount of dollars in fees for insurance on a minimal number of acres.

A second provision that caused undue confusion involved the delivery system implemented by the Consolidated Farm Service Agency (CFSA) within USDA. Because each agricultural producer could be required to purchase at least the CAT insurance policy, Congress allowed CFSA local offices to sell CAT coverage in those areas of the country where private insurance agents were not available or not readily available. As implemented, however, CFSA became an instant competitor with insurance agents around the country. Because the new MPCI program was late in clearing Congress and even later in getting into the field, local CFSA personnel obviously were confused during the initial start-up phase of the new program. This confusion was spread throughout farm country during this past spring and harmed a program that already was disliked and unused by a majority of producers in almost every part of the country.

It also has come to the Committee's attention that the assistant administrator for risk management who is the FCIC manager and responsible for its day-to-day operations also has become totally absorbed by CFSA administrators to an extent that risk management and crop insurance are being run as if they were just another farm program, in other words, not in an actuarially-sound manner. Under any policy scenario, Federal farm price and income support programs are in transition, making it vitally important that our agricultural producers have sound risk management programs they can use for price and yield protection and marketing assistance without undue USDA intervention. Creating an independent agency and then subsuming the congressional policy objective of providing new risk management techniques, including MPCI offered generally through a private delivery system, within the scope of traditional, 50-year-old New Deal policies does not make sense. Congress clearly set new policy and structural changes at the new CFSA, and thus far, CFSA has ignored many of those policy objectives.

Finally, in that regard, the FCIC board has been inactively engaged in its responsibility to manage FCIC operations in the current Administration, ceding its authority to CFSA personnel. Because of that, the MPCI program has been neglected and is a less viable risk management tool than Congress intended but for the inattention to its direction by CFSA.

Admendments included in the agricultural title of the omnibus budget reconciliation bill seek to change both the mandatory link of MPCI and USDA farm and credit programs so that producers not wanting to purchase CAT coverage could do so by waiving the right to any possible crop disaster assistance for the crop year in which CAT coverage had been offered by the FCIC but not purchased by the producer. This saves $180 million over the seven-year period.

Additional amendments provide for a totally private delivery system by the crop insurance industry. Under the Committee amendments, FCIC is required to submit its delivery plan that will provide at least CAT insurance availability to each producer in the country (who wants to purchase it) to the agriculture committees of Congress by May 1, 1996. The clear intent is that MPCI, both CAT coverage and additional, buy-up coverage, will be offered, sold and serviced by the private crop insurance industry that has invested a great deal of time and money toward providing crop insurance services to agricultural producers.

Other amendments included in the budgetary provisions establish a fully independent Office of Risk Management with an administrator who will manage the FCIC as well as assume other risk management responsibilities enumerated by the amendments. The Secretary of Agriculture is directed to (shall) appoint the Administrator of the Office of Risk Management.

Further amendments will recreate a more effective FCIC board of directors by providing a more diverse composition of the board's directors as well as providing for terms of appointment for specific time periods. Impairment of the board to act under the law also will impair the delegation of authority to the FCIC manager. This should ensure the board will remain an active participant in FCIC's policy and operational direction.

By any measure, farmers, agricultural economists, wildlife advocates and environmentalists alike believe the Conservation Reserve Program (CRP), established by the 1985 Food Security Act ('85 FSA), has been a success. Landowners have enrolled about eight percent of U.S. cropland in 12 separate signups from 1986 to June 1992. At the end of the 12th signup, about 375,000 contracts had been put into effect, although around two-thirds of the acreage currently subject to contracts will expire at the beginning of fiscal year 1998.

Billions of tons of topsoil have been saved over the life of the program. Large sections of prairie have been returned to grass, providing critical habitat for migratory waterfowl as well as restorative nesting cover for game birds. Net savings in farm program expenditures also have been realized throughout the life of the CRP.

As mentioned previously, however, 1992 was the last year of new CRP enrollments even though the 1990 amendments to the '85 FSA provided for a 38 million-acre program. The appropriations committees of the Congress in those years refused to provide for any additional acreage to be enrolled in the CRP.

Current law also does not give a landowner with a CRP contract any flexibility to opt out of his contract even though the rental payment is intended to pay for conservation in the Federal fiscal year for which the payment is made. Should commodity prices rise enough to entice a landowner using acceptable conservation systems with an approved compliance plan to get out of the program to meet market demands, he may not do so unless the Secretary is satisfied there is sufficient grain needs worldwide to require use of CRP lands.

The amendments set out in Section 1402 of Subtitle D are intended to resolve these issues. As of the date of enactment, the Committee will ratify, by an amendment in title I, four years of appropriations committee policy by capping the CRP at the current acreage of 36.4 million acres during the seven-year period beginning with the date of enactment.

The Committee's amendments also would allow for landowners to opt out of their contracts by giving the Secretary 60 days notice of the contract termination. Should the contract be terminated prior the end of the fiscal year, September 30 of any calendar, the Secretary shall prorate the payment. The highly-erodible land must be farmed under a conservation system and compliance plan that is not more onerous than systems and plans for similar land in the area.

Landowners who have terminated a contract may resubmit a subsequent bid to enroll the high-erodible land under a new CRP contract. Extensions of existing contracts or any new contracts of reenrolled lands will be at 75 percent of the previous rental rate for the land. These provisions provide savings between 1996–2002 of $570 million.

Subtitle E—Commission on 21st Century Production Agriculture

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 economist, to rural lenders, and especially to those with an economic interest in current programs, are concerned that a change of the magnitude described in the preceding subtitles coupled with less Federal subsidy dollars 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 changing rural and urban landscape of America, an examination of the changes wrought by these policy changes and what farm policies are needed for the 21st Century farm sector is in order.

When the present Federal programs for agriculture were adopted, the nation was in the darkest depths of the Great Depression of the 1930's. Not everyone believed the Federal Government should get involved in agriculture. Indeed, the original Agricultural

Adjustment Act of 1933 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. The 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 a largely urban society with less than 2 million citizens on farms. There is evidence that Federal farm programs may have eased the transition from a rural society to 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 if the entire sector is considered, 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 economists, environmentalists, and 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 stimulate substantial debate and 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-to-the-future'' 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 a comprehensive review of changes in the condition of the agricultural sector, taking into account land values, regulatory and taxation burdens, export markets, and progress under international trade agreements. The Commission will also make an assessment of changes in production agriculture, identify the appropriate future relationship between the Federal Government and production agriculture after 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, 2001, the Commission shall make a final report concerning its assessments and determinations regarding the future role of the Federal Government in farm policy.

SECTION-BY-SECTION ANALYSIS

SUBTITLE A—FREEDOM TO FARM

Section 1101.—Short title

This Subtitle may be cited as the ''The Freedom to Farm Act of 1995''.

Section 1102.—Seven year contracts to improve farming certainty and flexibility

Subsection (a). Contracts authorized

Subsection (a) amends obsolete section 102 of the Agricultural Act of 1949 to provide authority for the Secretary to enter into seven-year market transition contracts.

Amended section 102(a), in paragraph (1), authorizes the Secretary to enter into 7-year market transition contracts between 1996 and 2002 with eligible owners and operators on a farm containing eligible farmland. In exchange for annual payments under the contract, the owner or operator must agree to comply with the applicable conservation plan for the farm and the wetland protection requirements of title XII of the Food Security Act of 1985.

Amended section 102(a), in paragraph (2), describes eligible owners and operators, that include:

(A) an operator who assumes all risk of producing a crop;

(B) an operator who shares in the risk of producing a crop;

(C) an operator with a share-rent lease regardless of the length of such lease if the owner also enters into the contract;

(D) an operator with a cash rent lease that expires on or after September 30, 2002, in which case the consent of the owner is not required;

(E) an operator with a cash rent lease that expires before September 30, 2002, and the owner consents to the contract; and

(F) an operator with a cash rent lease, but only if the operator declines to enter into a contract, in which case payments under the contract will not begin until the fiscal year following the year in which the lease expires.

Amended section 102(a), in paragraph (3), instructs the Secretary to provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

Amended section 102(b), in paragraph (1), provides that the deadline for entering into a market transition contract is April 15, 1996, except that owners and operators on farms which contain acreage enrolled in the Conservation Reserve Program (''CRP'') may enter into a market transition contract upon the expiration of the CRP contract.

Amended section 102(b), in paragraph (2), provides that the contracts shall begin with the 1996 crop year and extend through the 2002 crop year.

Amended section 102(b), in paragraph (3), provides that, at the time a contract is signed, the Secretary shall estimate the minimum payment that will be made under the contract, and the owner or operator may terminate the contract without penalty if the first actual payment is less than 95 percent of the estimate.

Amended section 102(b), in paragraph (4), instructs the Secretary to issue a report to the House and Senate Agriculture Committees within 90 days after the date of enactment of this section setting forth a plan as to the number of, and acreage in, contracts to be signed, the anticipated amount of payments, and the manner in which the contracts will be signed.

Amended section 102(c) describes eligible farmland, which is land that contains a crop acreage base, at least a portion of which was enrolled in the acreage reduction programs authorized for a crop of rice, upland cotton, 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 zero-certified considered planted acreage under section 503(c)(7) of the Agricultural Act of 1949. With respect to contracts for acreage enrolled in the CRP, such acreage must have crop acreage base attributable to it.

Amended section 102(d) establishes the payment dates under the market transition contracts as September 30 of each of the fiscal years 1996 through 2002, and provides that an owner or operator may opt to receive half of each annual payment not later than March 15 of each year. For the 1996 fiscal year, an owner or operator may elect to receive half of the payment within 90 days of signing a market transition contract.

Amended section 102(e), in paragraph (l), establishes an overall spending limit for the fiscal years 1996 through 2002 at $38,733,000,000.

Amended section 102(e), in paragraph (2), establishes yearly spending limits of:

(A) $6,014,000,000 for FY 1996;
(B) $5,829,000,000 for FY 1997;
(C) $6,244,000,000 for FY 1998;
(D) $6,047,000,000 for FY 1999;
(E) $5,573,000,000 for FY 2000;
(F) $4,574,000,000 for FY 2001; and
(G) $4,453,000,000 for FY 2002.

Amended section 102(e), in paragraph (3), directs the Secretary to adjust the amounts specified in paragraphs (1) and (2), if necessary, by:

(A) subtracting payments required under sections 101B, 103B, 105B, and 107B for the 1994 and 1995 crop years;

(B) adding producer repayments of deficiency payments received during that fiscal year under section 114(a)(2);

(C) adding market transition contract payments withheld at the request of producers, during the preceding fiscal year as an offset against repayments of deficiency payments otherwise required under section 114(a)(2); and

(D) adding market transition contract payments which are refunded during the preceding fiscal year under amended section 102(h).

Amended section 102(f) establishes the basis for determining the allocation of available funds under a market transition contract for crop acreage base for each contract commodity;

Amended section 102(f)(2), in subparagraph (A), directs the Secretary to calculate the total expenditures for all contract commodities for the 1991 through 1995 crops under sections 101B, 103B, 105B, and 107B, including expenditures in the form of deficiency payments, loan deficiency payments, marketing loan gains, and marketing certificates.

Amended section 102(f)(2), in subparagraph (B), authorizes the Secretary to use estimates, as contained in the President's budget for fiscal year 1997 submitted to Congress under section 1105 of title 31, United States Code, in the absence of information regarding actual 1995 crop expenditures for a contract commodity.

Amended section 102(f), in paragraph (3), provides that the amount available for a fiscal year for payments with respect to crop acreage base of a contract commodity shall be equal to the product of:

(A) the ratio of the amount calculated under section 102(f)(2) for that contract commodity to the total amount calculated for all contract commodities under paragraph (2); and

(B) the amount specified in section 102(e)(2) for that fiscal year (including any adjustments under section 102(e)(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 equal to the product of:

(A) the crop acreage base of that contract commodity attributable to the eligible farmland subject to the contract; and

(B) the farm program payment yield in effect for the 1995 crop of that contract commodity for the farm containing that eligible farmland.

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 all market transition contracts shall be equal to the sum of the amounts calculated under paragraph (1) for each market transition contract in effect during 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 amount to be paid under a particular market transition contract with respect to a contract commodity shall be equal to 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 8(g) of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall apply to market transition contract payments, and requires 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 fiscal year 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 1001 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 1001(5)(B)(i)(II) of such Act comply with the attribution requirements specified in paragraph (5)(C) of such section.

Amended section 102(i), 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(i), in paragraph (2), provides that, if the Secretary determines that the nature of the violation does not warrant termination of the contract as provided in paragraph (1), 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 farmland which is subject to the contract is foreclosed upon and the Secretary determines that forgiving such repayments is appropriate in order to provide fair and equitable treatment. This authority does not void the responsibilities of such owner or operator 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(j), in paragraph (1), provides for transfers of land subject to a market transition contract. Upon a transfer, a contract is automatically terminated unless the transferee agrees to assume all obligations under the contract. A transferee may request modifications to a contract before assuming it, if the modifications are consistent with the objectives of this section as determined by the Secretary.

Amended section 102(j), in paragraph (2), authorizes the Secretary to issue regulations regarding contract payments in instances in which an owner or operator dies, becomes incompetent, or is otherwise unable to receive a contract payment.

Amended section 102(k), in paragraph (1), establishes planting flexibility provisions on land subject to a market transition contract. Crops which can be grown include—

(A) rice, upland cotton, feed grains, and wheat;

(B) any oilseed;

(C) any industrial or experimental crop designated by the Secretary;

(D) mung beans, lentils, and dry peas; and

(E) any other crop, except any fruit or vegetable crop (including potatoes and dry edible beans) not covered by subparagraph (D), unless such fruit or vegetable crop is designated by the Secretary as—

(i) an industrial or experimental crop; or

(ii) a crop for which no substantial domestic production or market exists.

Amended section 102(k) in paragraph (2), authorizes the Secretary to prohibit the planting of any crop specified in paragraph (1) on acreage on the farm subject to the market transition contract.

Amended section 102(k), in paragraph (3), directs the Secretary to make a determination each crop year of the commodities that may not be planted pursuant to this subsection and make available a list of such commodities.

Amended section 102(k), in paragraph (4), provides that, in lieu of planting crops, owners and operators may devote all or part of the eligible farmland subject to a contract to conserving uses in accordance with regulations issued by the Secretary.

Amended section 102(k), in paragraph (5), allows for haying and grazing of eligible farmland subject to a contract, except that haying and grazing is not permitted during the 5-month period designated by the State Committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act between April 1 and October 31st of each year. The Secretary may permit unlimited haying and grazing on eligible farmland in cases of a natural disaster, and may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising such natural disaster authority.

Amended section 102(l) provides that market transition contracts are legally binding.

Amended section 102(m) directs the Secretary to carry out this section through the Commodity Credit Corporation, except that no funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture in connection with the administration of market transition payments or loans under this subtitle.

Amended section 102(n) authorizes the Secretary to issue such regulations as are necessary to implement this section.

Subsection (b). Conforming amendments

Subsection (b) amends sections 107B(c)(1)(E), 105B(c)(1)(E), 103B, 101B(c), and 205(c) of the Agricultural Act of 1949 so that such sections are applicable only through the 1995 crop year (with respect to certain payments etc.), and section 509 of such Act only until January 1, 1996.

Section 1103.—Availability of nonrecourse marketing assistance loans for wheat, feed grains, cotton, rice, and oilseeds

Subsection (a). Nonrecourse loans available

Section 1103(a) amends the Agricultural Act of 1949 by inserting after section 102 a new section 102A which establishes a nonrecourse marketing assistance loan for certain crops.

New section 102A(a), in paragraph (1), directs the Secretary to make nonrecourse marketing assistance loans available to eligible producers of wheat, feed grains, upland cotton, extra long staple cotton, rice, and oilseeds for each of the 1996 through 2002 crops of such commodities under terms and conditions prescribed by the Secretary at a loan rate calculated under 102A(c). Such loans shall have a term of nine months, and may not be extended by the Secretary.

New section 102A(b) directs the Secretary to announce the loan rate for each commodity not later than the start of the marketing year for such commodity.

New section 102A(c), in paragraph (1), establishes the loan rate for each commodity at 70 percent of the simple average price received by producers during the marketing years for the immediately preceding five crops (a rolling average).

New section 102A(c), in paragraph (2), directs the Secretary to reduce the loan rate of a commodity for a marketing year if the Secretary estimates that the market price for a commodity is likely to be less than loan rate calculated under paragraph (1).

New section 102A(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 102A(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 102A(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 102A(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 subject to a market transition contact 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, rye or oilseeds, any producer shall be eligible for a 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 storage charges incurred in connection with marketing assistance loans.

New section 102A(h), in paragraph (1), defines 'feed grains' to mean corn, grain sorghums, barley, oats, and rye; and in paragraph (2), defines 'oilseeds' to mean soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, and, if designated by the Secretary, other oilseeds.

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 1104.—Reform of payment limitation provisions of Food Security Act of 1985

Subsection (a). Attribution of payments made to corporations and other entities

Subsection (a) amends paragraph (5)(C) of section 1001 of the Food Security Act of 1985 relating to payments made to corporations and other entities.

Amended section 1001(5)(C), in clause (i), directs the Secretary, in the case of payments to corporations and other entities described in section 1001(B)(i)(II), to attribute payments to individuals in proportion to their ownership interests in the corporation or entity receiving the payment, or in any other corporation or entity that has a substantial beneficial interest in the corporation or entity actually receiving the payment. The provisions of this subparagraph shall apply to individuals who hold or acquire, directly or through another corporation or entity, a substantial beneficial interest in the corporation or entity actually receiving the payment.

Amended section 1001(5)(C), in clause (ii), directs the Secretary, in the case of payments to corporations and other entities described in section 1001(B)(i)(II), to also attribute payments to any State (or political subdivision or agency thereof) or other corporation or entity that has a substantial beneficial interest in the corporation or entity actually receiving the payment in proportion to their ownership interests in the corporation or entity receiving the payment. The provisions of this subparagraph shall apply even if the payments are also attributable to individuals under clause (i).

Amended section 1001(5)(C), in clause (iii), provides that for purposes of subparagraph (C), 'substantial beneficial interest' means not less than five percent of all beneficial interests in the corporation or entity actually receiving the payment, except that the Secretary may set a lower percentage in order to ensure that the provisions of this section and the scheme or device provisions in section 1001B are not circumvented.

Subsection (b). Tracking of payments

Subsection (b) amends paragraph (3) of section 1001(A(a) to provide that each entity or individual receiving payments as a separate person shall notify each individual or other entity that acquires or holds a substantial beneficial interest in it of the requirements and limitations of section 1001(A)(a). Each such entity or individual receiving payments shall provide to the Secretary, at such times and in such manner as prescribed by the Secretary, the name and social security number of each individual, or the name and taxpayer identification number of each entity, that holds or acquires a substantial beneficial interest.

Subsection (c). Conforming amendment

Subsection (c) amends paragraph (2) of section 1001(A)(a) to provide that, for purposes of subsection 1001A(a), 'substantial beneficial interest' has the meaning given such term in amended section 1001(5)(C)(iii).

Section 1105.—Suspension of certain provisions regarding program crops

Section 1105 suspends provisions of permanent law relating to commodity programs for the 1996 through 2002 crop years.

Subsection (a). Wheat

Subsection (a) suspends: (1) sections 331 through 339, 379b, 379c (relating to wheat crops for 1996 through 2002); (2) sections 379d through 379j of the Agricultural Adjustment Act of 1938 (applicable to wheat processors or exporters from June 1, 1996 through May 31, 2003); (3) the joint resolution entitled ''a joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'' (applicable to the 1996 through 2002 crops of wheat); 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 upland 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 milk producers in which a producer would agree to continue compliance with any government animal waste regulations and any wetlands protection requirements applicable to the producer's operation in exchange for seven market transition payments. A milk producer is defined as any person that was engaged in the production of milk on September 15, 1995, and that had received a payment during the 45-day period prior to that date for cows' milk marketed for commercial use.

New section 204(b) requires that contracts be entered not later than April 15, 1996, and that they shall extend through December 31, 2001.

New section 204(c) requires the Secretary to provide an estimate of payments anticipated under the market transition contract at the time the contract is entered.

New section 204(d) provides that the first payment under a market transition contract be made on April 15, 1996, or as soon thereafter as practicable. Subsequent payments would occur on October 15 of fiscal years 1997 through 2002.

New section 204(e) establishes the following payment schedule and payment rates: April 15, 1996 (10 cents/cwt); October 15, 1996 (15 cents/cwt); October 15, 1997 (13 cents/cwt); October 15, 1998 (11 cents/cwt); October 15, 1999 (9 cents/cwt); October 15, 2000 (7 cents/cwt); and October 15, 2001 (5 cents/cwt).

New section 204(f) requires the Secretary to determine the historic annual milk production, expressed in hundredweights (cwt) of milk, for each milk producer on the basis of the producer's milk checks or other records of commercial marketings of milk acceptable to the Secretary. If a producer has produced milk for at least three calendar years, the producer's historic annual milk production will be the average hundredweight of milk marketed during the three highest production years from 1991–1995. If a producer has produced milk for less than three calendar years, the producer's historic annual milk production will be the annualized average of the monthly quantity of milk marketed by the producer during the period in which the producer has produced milk.

New section 204(g) provides that a producer's payment in any fiscal year will be equal to the payment rate in effect for that fiscal year times the producer's historic annual milk production.

New section 204(h) provides that market transition contracts with milk producers are freely assignable, but that the Secretary may require notice of any assignment of a contract.

New section 204(i) permits the Secretary to terminate or adjust the market transition contract of a milk producer if the producer fails to comply with animal waste regulations or wetlands protection requirements. The Secretary is required to make a determination regarding violations of animal waste management regulations in consultation with appropriate State governmental authorities. If the Secretary determines that a termination is appropriate, the producer forfeits all rights to future payments 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(j) provides that market transition contracts are legally 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 designated and undesignated 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 1201 amends the Agricultural Act of 1949 by replacing section 424 with the following.

New section 424(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.

New section 424(b) provides that loans are to be made available at 90% of the reference for a product and at established CCC interest rates.

New section 424(c) provides that loans may not extend beyond the end of the fiscal year in which they are made, except that the Secretary may extend a loan for an additional period not to exceed the next fiscal year.

New section 424(d) defines the reference price for cheddar cheese as the average price for 40 pound blocks of cheddar cheese on the National Cheese Exchange for previous three months, for butter as the average price for butter on the Chicago Mercantile Exchange for butter for the previous three months, and for nonfat dry milk as the Western States price for nonfat dry milk for the previous three months.

Chapter 2—Dairy Export Programs

Section 1211.—Dairy Export Incentive Program

Section 1211 amends section 153(c) 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 the 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 indicate entity best suited to provide international market development and export services

Section 1213 provides standby authority for the Secretary of Agriculture to indicate which entity, autonomous of the U.S. government, is best suited to provide international market development and export services to the U.S. dairy industry and to assist that entity in identifying sources of funding for its activities.

Subsection (a). Indication of entity best suited to assist in the international development for and export of United States dairy products

Subsection (a) provides that, in the event that (1) the U.S. dairy industry does not establish an export trading company, or (2) the quantity of exports of U.S. dairy products during the period July 1, 1996–June 30, 1997 does not exceed the quantity of exports of U.S. dairy products during the period July 1, 1995–June 30, 1996 by 1.5 billion pounds (milk equivalent), the Secretary is directed to indicate which entity autonomous of the U.S. government is best suited to facilitate the international market development for and exportation of U.S. dairy products.

Subsection (b). Funding of export activities

Subsection (b) requires the Secretary to assist the entity chosen by the Secretary in subsection (a) in identifying sources of funding for its activities from within the dairy industry and elsewhere.

Subsection (c). Application of section

Subsection (c) limits the Secretary's authority to engage in the activities specified in section 1213 to the period between July 1, 1997 and September 30, 2000.

Section 1214.—Study and report regarding potential impact of Uruguay Round on prices, income and Government purchases

Subsection (a). Study

Subsection (a) directs the Secretary of Agriculture to perform a study of the potential impact of new access cheese imports under the Uruguay Round on U.S. milk prices, dairy producer income, and the cost of Federal dairy programs.

Subsection (b). Report

Subsection (b) directs the Secretary to report the results of the study conducted under subsection (a) to the Committees on Agriculture of the Senate and the House of Representatives not later than September 30, 1996.

Subsection (c). Rule of construction

Subsection (c) provides that any restriction on the conduct or completion of studies or reports to Congress shall not apply to this study unless section 1216 is explicitly referenced by that restriction.

Chapter 3—Dairy Promotion Programs

Section 1221.—Research and promotion activities under Fluid Milk Promotion Act of 1990

The following sections of the Fluid Milk Promotion Act of 1990 (subtitle H of title XIX of Public Law 101–624) are amended.

Subsection (a). Extension of order

Subsection (a) amends section 1999O to eliminate the automatic termination of any order issued under the Act on December 31, 1996.

Subsection (b). Definition of research

Subsection (b) amends section 1999C to expand the definition of research to include research that would lead to the expansion of sales of fluid milk products, the development of new products and new product characteristics, and improved technology in the production, manufacturing and processing of milk and the products of milk.

Subsection (c). Conforming amendments regarding marketing orders

Subsection (c) amends section 1999J to conform the Fluid Milk Promotion Act to amendments made in chapter 4 of this subtitle which eliminate the Federal milk marketing order program.

Subsection (d). Clarification of referendum requirements

Subsection (d) amends sections 1999N and 1999O to clarify the referendum requirements of the Fluid Milk Promotion Act which were inadvertently impacted by amendments made to the Act in 1993 which altered the definition of ''fluid milk processor''. Any future order issued under the Act must now be approved by the affirmative votes of fluid milk processors representing 60 percent or more of the volume of fluid milk products marketed by all fluid milk processors voting in the referendum before it can be implemented.

Section 1222.—Expansion of Dairy Promotion Program to cover dairy products imported into the United States

Section 1222 amends the Dairy Production Stabilization Act of 1983 to extend the assessment for generic research and promotion on U.S. dairy producers to imported dairy products.

Subsection (a). Declaration of policy

Subsection (a) amends section 110(b) to include imported dairy products among those items upon which an assessment for generic dairy promotion is levied.

Subsection (b). Definitions

Subsection (b) amends section 111 to alter the definitions of ''milk'', ''dairy products'', ''research'', and ''United States'' and to add definitions of ''importer'' and ''exporter'' to facilitate the extension of the dairy promotion assessment to imported dairy products, including casein.

Subsection (c). Membership of board

Subsection (c) amends section 113(b) to expand the membership of the National Dairy Promotion and Research Board from 36 to 38 members to include one importer and one exporter as members.

Subsection (d). Assessment

Subsection (d) amends section 113(g) to place an assessment on imported dairy products equal to 1.2 cents per pound of total milk solids in such products or 15 cent per hundred weight of milk in such products, whichever is less. Importers of dairy products will be entitled to the same credit for contributions to State or regional promotion or nutrition programs to which domestic producers are entitled.

Subsection (e). Records

Subsection (e) amends section 113(k) to require importers to maintain such records and make such reports as the Secretary determines are appropriate to the administration or enforcement of the promotion program.

Subsection (f). Termination or suspension of order

Subsection (f) amends section 116(b) to include importers among those eligible to vote on the suspension or termination of any order issued under the Act.

Section 1223.—Promotion of United States dairy products in international markets through Dairy Promotion Program.

Section 1223 amends section 113(e) of the Dairy Production Stabilization Act of 1983 to require that the budget of the National Dairy Promotion and Research Board during each of the fiscal years from 1996 and 2000 shall provide for the expenditure of not less than 10 percent of anticipated revenues available to the Board on the development of international markets for, and the promotion within such markets of, U.S. dairy products.

Section 1224.—Issuance of amended order under Dairy Production Stabilization Act of 1983

Section 1224 establishes the following procedure to implement the amendments required by sections 1222 and 1223 to the dairy products promotion and research order issued under the Dairy Production Stabilization Act of 1983.

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 1222 and 1223, and no other changes to 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 a proposed order reflecting the amendments in sections 1222 and 1223 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 1222 and 1223 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 204 of the Agricultural Act of 1949 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 204(*l*)(1), 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 auditing of marketing agreements with respect to receipts of such milk can be accomplished. The Secretary shall prescribe regulations to implement the verification program.

New section 204(*l*)(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) authorized 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 producers for milk on a component basis. The expenses associated with the collection and publication of such statistics are to be paid by handlers. Such assessments shall not exceed the total expenses of the Secretary.

New section 204(*l*)(3) 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 shall be paid by producers. Such assessments shall not exceed the total cost of the services.

New section 204(*l*)(4) authorizes producer and associations 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 audit an agreement or contract to assure compliance with its terms. The Secretary is to be reimbursed for any costs associated with an audit.

New section 204(*l*)(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(*l*)(6) mandates that, effective July 1, 1996, the verification program shall supersede any Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act, reenacted with amendments by 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 multiple existing Federal 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 section 2(3), 8c(6), 8c(7)(B), 8c(11)(B), 8c(13)(A), 8c(17), 8d(2), 10(b)(2), 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 in extended through 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.

SUBTITLE C—OTHER COMMODITIES

Section 1301.—Extension and modification of price support and quota programs for peanuts

Section 1301 amends section 108B of the Agricultural Act of 1949 and part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938, which are currently effective only for the 1991 through 1997 crops of peanuts, by extending such section and part through the 2002 crops of peanuts.

Subsection (a). Extension of price support program

Subsection (a) amends subsections (a)(1), (b)(1), (g)(1), (g)(2)(A), and (h) of section 108B of the Agricultural Act of 1949 by extending such price support, marketing assessment, and reporting provisions for quota and additional peanuts through the 2002 crops of peanuts.

Subsection (b). Changes to price support program

This subsection amends section 108B of the Agricultural Act of 1949 by making changes in the price support provisions of such section.

Amended section 108B(a), in paragraph (2), establishes a national average quota support rate for the 1996 through 2002 crops of quota peanuts at $610 per ton. Section 1301(b)(1)(B) provides that such amendment does not affect the loan rate in effect for the 1995 crop of quota peanuts.

Amended section 108B(a), in new paragraph (4), provides that the Secretary shall reduce the support rate by 15 percent for any producer on a farm who had available to the producer an offer from a handler to purchase quota peanuts from the farm at a price equal to or greater than the applicable quota support rate (and redesignates existing paragraphs (4) and (5) as paragraphs (5) and (6).

Amended subsection 108B(d)(2) provides that losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) the proceeds due any producer from any pool shall be reduced by the amount of losses incurred on transfers of peanuts from an additional loan pool to a quota loan pool by such producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938;

(B) further losses in a quota pool shall be offset by reducing the gain of any producer in such pool by the amount of pool gains to the same producer from the sale of additional peanuts for domestic and export edible use;

(C) the Secretary shall use marketing assessment funds collected from growers under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools (any such unused assessment funds shall be transferred to the Treasury);

(D) further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8), shall be offset by any gains or profits from quota pools in other production areas (not including separate type pools established for Valencia peanuts produced in New Mexico) as the Secretary provides by regulation; and (E) any further losses in an area quota pool (not covered by subparagraphs A, B, C and) shall be covered by an increase in the marketing

assessment imposed by the Secretary, but such increase in an assessment shall only apply to quota peanuts in such pool.

Subsection (c). Extension of national poundage quota

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 (i) of section 358e of part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 by extending such subsections through the 2002 marketing year.

Subsection (d). Prioritized quota reductions

Subsection (d) amends section 358–1(b)(2)(C) of the Agricultural Adjustment Act of 1938 Act to provide a priority method for allocating decreases in poundage quota.

Amended section 358–1(b(2)(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 first 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 quota holder is not a producer and resides in another State.

(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

Subsection (e) amends 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

Subsection (f) amends 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, either before or after the normal 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 are maintained.

Subsection (g). Transfers in counties with small quota

Subsection (g) amends 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 in States with less than 10,000 tons of quota in paragraph (3) is maintained.

Subsection (h). Undermarketings

Subsection (h) amends section 358–1(b) of the Agricultural Adjustment Act of 1938 by deleting paragraphs (8) and (9) relating to increases in farm poundage quota based on undermarketings in previous marketing years (and adds conforming amendments).

Subsection (i). Limitation of payments for disaster transfer

Section (i) amends section 358–1(b) of the Agricultural Adjustment Act of 1938 by adding a new paragraph (8) relating to disaster transfer authority.

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 of 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

Subjection (j) amends section 358–1(b)(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 358–1(b)(2), in subparagraph (B), provides that, for 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 established under section 358–1. Subparagraph (B) also provides that there is no change in the requirement regarding the use of quota and additional peanuts established by section 359a(b) of the Agriculture Adjustment Act of 1938. A conforming amendment deletes the word ''seed'' from subsection (a)(1) relating to the establishment of national poundage quotas.

Subsection (k). Suspension of marketing quotas and acreage allotments

Subsection (k) suspends subsections (a) through (j) of section 358, subsections (a) through (h) of section 358a, subsections (a), (b), (d) and (e) of section 358d, part I of subtitle C of title III, and section 371 of the Agricultural Adjustment Act of 1938 relating to the suspension of marketing quotas and acreage allotments for the 1996 through 2002 crops of peanuts.

Subsection (l). Extension of reporting and recordkeeping requirements

Subsection (l) amends 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 (m). Suspension of certain price support provisions

Subsection (m) suspends section 101 of the Agricultural Act of 1949 related the authority of the Secretary to provide price supports for any crop at a level not in excess of 90 per centum of the parity price of the commodity for the 1996 through 2002 crops of peanuts.

Section 1302.—Availability of loans for processor of sugar cane and sugar beets

Subsection (a). Sugar loans

Subsection (a) amends section 206 of the 1949 Act to provide loans for the 1996 through 2002 crops of domestically grown sugarcane and sugar beets.

Amended subsection 206(a) sets the loan rate for raw cane produced from domestically grown sugarcane crops, subject to the authority of the Secretary to reduce loans as provided in subsection (c), at the 1995 level.

Amended subsection 206(b) sets the loan rate for refined beet sugar produced from domestically grown sugar beet crops, subject to the authority of the Secretary to reduce loans as provided in subsection (c), at the 1995 level.

Amended subsection 206(c)(1) requires the Secretary to reduce the loan rate specified in subsections (a) and (b) if the Secretary determines that negotiated reductions in export subsidies provided for sugar of the European Union and other major sugar exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture. Amended subsection 206(c) also provides that the Secretary shall not reduce the loan rate under subsections (a) and (b) below a rate that provides domestic sugar a competitive measure of support to that provided by the European Union and other sugar exporting countries based on the provisions of Agreement on Agriculture, section 101(d)(2) of the Uruguay Round Agreements Act.

Amended subsection 206(d) provides for the Secretary to carry out the section through the use of recourse loans for sugar. However, it also provides that during any fiscal year in which the tariff rate quota (TRQ) for imports of sugar into the U.S. is set, or increased to, a level that exceeds the loan modification threshold, the Secretary is directed to carry out this section by making nonrecourse loans (previously made recourse loans are to be modified by the Secretary into nonrecourse loans). The ''loan modification threshold'', for sugar for purposes of the subsection, means 1,257,000 short tons raw value for fiscal years 1996 and 1997, and for subsequent fiscal years, 103 percent of the loan modifications threshold for the previous fiscal year. If the Secretary is required to make nonrecourse loans (or modify recourse loans) under this subsection during a fiscal year, the Secretary is to obtain from processors adequate assurances that such processors will provide appropriate minimum payments to producers as set by the Secretary. Not later than September 1, of each fiscal year, the Secretary shall announce the loan modification threshold that shall apply for the subsequent fiscal year.

Amended 206(e) provides that for three month loans, which can be extended for additional three-month periods, except that a loan may not be extended beyond nine months nor extended beyond the end of the fiscal year (September 30). Processors may terminate a loan and redeem the collateral at any time by paying all principal, interest, and any applicable fees.

Amended subsection 206(f) directs the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this section.

Amended subsection 206(g) requires first processors of raw cane sugar to CCC nonrefundable marketing assessment for each pound of raw cane sugar equal to 1.5 percent of the loan rate, while first processors of sugar beets are to remit to CCC a marketing assessment of 1.6083 percent of the loan rate for raw cane sugar, during fiscal year 1996 through 2003 on all marketings. Assessments are to be collected on a monthly basis, except that any inventory which has not been marketed by September 30 of a fiscal year shall be assessed at that point, except that the latter sugar shall not be assessed later when it is marketed. any person who fails to remit the assessment is liable for a penalty based on the quantity of the sugar involved in the violation times the applicable loan rate at the time of violation. ''Market'' is defined in paragraph (6) to mean to sell or otherwise dispose of in commerce (including the movement of raw cane sugar into the refining process in the case of integrated processor and refiner) and deliver to a buyer.

Amended subsection 206(h) requires processors and refiners must report such information to the Secretary as is required in order to administer the program. A penalty applies for failure to report and the Secretary is required to make monthly reports on pertinent sugar production, etc. data.

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(j) authorizes the Secretary to issue such regulations as are necessary to implement this section.

Subsection (b). Effect on existing loans for sugar

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 1991 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. 1359aa–1359jj) relating to marketing quotas and allotments.

Section 1303.—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 subsections (c) and (d) 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 the total number of acres authorized to be enrolled in the Conservation Reserve Program to 36,400,000 acres, and paragraph (2) amends section 727 if the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 by striking the priviso relating to the enrollment of new acres beginning in calendar year 1997.

Subsection (b). Optional contract termination by producers

Subsection (b) amends section 1235 of the Food Security Act of 1985 by adding a new subsection (e).

New subsection (e), in paragraph (1), provides that an owner or operator of land enrolled under a conservation reserve contract may terminate the contract upon written notice to the Secretary.

New subsection (e), in paragraph (2), provides that the cancellation shall become effective 60 days after the owner or operator submits written notice under paragraph (1).

New subsection (e), in paragraph (3), provides that when a contract is terminated before the end of a fiscal year, the annual payment shall be prorated accordingly.

New subsection (e), in paragraph (4), provides that a contract termination under this section does not affect the future eligibility of an owner or operator to submit a subsequent bid to enroll in the conservation reserve program.

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 cannot impose conservation requirements on such lands which are more onerous than the requirements imposed on other lands.

Subsection (c) Limitation on rental rates

Subsection (c) amends section 1234(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 that was 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) that provides that catastrophic risk protection may be declined, beginning with the spring-planted 1996 crops and in any subsequent crop years, and remain eligible for a market transition contract or marketing assistance loan, the conservation reserve program or any benefit described in section 371 of the Consolidated Farm and Rural Development Act as long as the producer agrees in writing to waive any eligibility for emergency crop loss assistance with respect to losses for which the producer declines to obtain catastrophic risk protection.

Subsection (b). Delivery of voluntary catastrophic protection

Subsection (b) amends section 508(b)(4) of the Federal Crop Insurance Act by inserting new subparagraphs (C) and (D).

Amended section 508(b)(4), in new subparagraph (C), provides that, if mandatory participation is not required, the Secretary will no longer have the option of delivering catastrophic risk protection coverage for agricultural crops and all such risk protection policies written by the Department prior to that date will be transferred, along with all fees collected, to the private sector for all service and loss adjustment functions.

Amended section 508(b)(4), in new subparagraph (D), provides that the Federal Crop Insurance Corporation (FCIC) must consult with approved insurance providers in developing a plan to ensure that each producer of an insured crop has the option to be served by an approved insurance provider if insurance is available for that crop in the county, and the FCIC shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by May 1, 1996, regarding the implementation of such plan.

Subsection (c). Establishment of the Office of Risk Management

Subsection (c) amends the Department of Agriculture Reorganization Act of 1994 by inserting after section 226 a new section 226A.

New section 226A(a) directs the Secretary to establish and maintain an independent Office of Risk Assessment within the Department.

New section 226A(b) provides that such office shall have jurisdiction over:

(1) the supervision of FCIC.

(2) administration and oversight of all aspects of all programs authorized by the Federal Crop Insurance Act;

(3) any pilot or other programs involving revenue insurance, risk management, savings accounts, or the use of the futures market to manage risk and support farm income that may be established under the FCIC Act or other law; and

(4) such other functions as the Secretary considers appropriate.

New section 226A(c) provides that the Office shall be headed by an Administrator who shall be appointed by the Secretary, and that the Administrator shall also serve as the Manager of FCIC.

New section 226A(d), in paragraph (1), authorizes the consolidation of the human resources, public affairs, and legislative affairs functions of the Office of Risk Management under the Under Secretary of Agriculture for Farm and Foreign Agricultural Services.

New section 226A(d), in paragraph (2), directs the Secretary to provide human and capital resources to the Office of Risk Management sufficient to enable the Office to carry out its functions in a timely and efficient manner.

New section 226A(d), in paragraph (3), provides that not less than $88,500,000 of the fiscal year 1996 appropriation provided for the salaries and expenses of the Consolidated Farm Services Agency shall be provided to the Office of Risk Management for its salaries and expenses.

Subsection (d), Reconfiguration of board of directors

Subsection (d) amends section 505 of the Federal Crop Insurance Act by making changes in the composition and functions of the FCIC Board of Directors.

Amended section 505(a) vests the management of FCIC in a Board of Directors subject to the general supervision of the Secretary.

Amended section 505(b)(1) provides that the Board shall consist of the manager of FCIC, the Under Secretary of Agriculture for Farm and Foreign Agricultural Services, one person who is an officer or employee of an approved insurance provider, one person who is a licensed crop insurance agent, and one person who is experienced in the reinsurance business not otherwise employed by the Federal Government, and four active producers who are not otherwise employed by the Federal Government. The Secretary shall not serve as a member of the Board.

Amended section 505(b)(2) provides that in appointing the 4 active producers the Secretary shall ensure that 3 such members are policyholders from different geographic areas of the U.S. with diverse agricultural interests. The fourth active producer may also be a policyholder and shall be a person who receives a significant portion of crop income from crops covered by the noninsurance crop disaster assistance program established in section 519 of the Federal Crop Insurance Act.

Amended section 505(c) provides for the appointment, terms, and succession of members of the Board. The Administrator of the Office of Risk Management shall serve as the Manager of the FCIC. Terms of office shall be for 3 years except for the first term which will provide for different expiring terms. A member may serve after expiration of his or her term until a successor is appointed.

Amended section 505(d) provides that five of the Board members in office shall constitute a quorum for the transaction of business.

Amended section 505(e) provides that the powers of the Board to execute the functions of FCIC shall be impaired at any time there are not six members of the Board in office, which shall also serve to impair the powers of the Manager to act under any delegation of power provided in subsection (g).

Amended section 505(f)(1) provides that members of the Board who are employees of

USDA shall not be further compensated, but may be allowed travel and subsistence expenses outside of Washington, D.C.

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 also authorized and are to be paid out of the insurance fund established in section 516(c).

Amended section 505(g) provides that the Manager of FCIC shall also be its chief executive officer, with such power as the Board may confer.

Section 1404.—Repeal of the Farmer Owned Reserve Program

Subsection (a). Repeal

Subsection (a) of this section 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)(1) 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; $550,000,000 for fiscal year 1999, $579,000,000 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; four members appointed by the Chairman of the Committee on Agriculture of the House of Representatives (in consultation with the ranking minority member); and four 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 of the persons appointed to the Commission. At least one member appointed by each the President, the Chairman of 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. All other members appointed to the Commission must have knowledge and experience in agriculture production, marketing, finance, or trade.

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 and shall be filled in the same manner as the original appointment.

Subsection (d). Time for appointment; first meeting

Subsection (d) requires that the members of the Commission be appointed no later than October 1, 1997 and that the Commission convene its first meeting 30 days after six members of the Commission have been appointed.

Subsection (e). Chairman

Subsection (e) requires 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 food 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 for 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 of 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 necessary to support the future relationship of the Federal Government with 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 (a)(2).

Section 1504—Reports

Subsection (a). Report on initial review

Subsection (a) of this section requires that by June 1, 1998, the Commission submit a report containing the results of the initial review to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subsection (b). Report on subsequent review

Subsection (b) requires that not later than January 1, 2001, the Commission submit a report containing the results of the subsequent review conducted under section 1503(b) to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Section 1505.—Powers

Subsection (a). Hearings

Subsection (a) of this section authorizes the Commission to conduct hearings, take testimony, receive evidence, and act in a manner the Commission considers appropriate to carry out the purposes of this Act.

Subsection (b). Assistance from other agencies

Subsection (b) authorizes the Commission to secure directly from any department or agency of the Federal Government any information necessary to carry out its duties under this title. The head of such department or agency shall furnish information requested by the chairman of the Commission, to the extent permitted by law.

Subsection (c). Mail

Subsection (c) authorizes the Commission to use the United States mails in the same manner and under the same conditions as the departments and agencies of the Federal Government.

Subsection (d). Assistance from Secretary

Subsection (d) requires that the Secretary of Agriculture shall provide appropriate office space and reasonable administrative and support services available to the Commission.

Section 1506.—Commission procedures

Subsection (a). Meetings

Subsection (a) of this section requires that the Commission meet on a regular basis. The frequency of such meeting shall be determined by the chairman or a majority of its

members. Additionally, the Commission must meet upon the call of the chairman or a majority of the members.

Subsection (b). Quorum

Subsection (b) provides that a majority of the members of the Commission must be present to produce a quorum for transacting the business of the Commission.

Section 1507.—Personnel matters

Subsection (a). Compensation

Subsection (a) of this section provides that members of the Commission serve without compensation, but are allowed travel expenses when engaged in the performance of Commission duties, including a per diem in lieu of subsistence, as 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 rate provided for under section 5376 of title 5 United States Code. The Commission may appoint such professional and clerical personnel as may be reasonable and necessary to enable the Commission to carry out its duties without regard to the provisions governing appointments in the competitive service, title 5, United States Code, and provisions relating to the number, classification, and General Schedule rates in chapter 51 and subchapter III of chapter 53 of title 5 or any other provision of law. No employee appointed by the Commission (other than the staff director) may be compensated at a rate exceeding the maximum rate applicable to level 15 of the General Schedule.

Subsection (c). Detailed personnel

Subsection (c) authorizes the head of any department or agency of the Federal Government to detail, without reimbursement, any personnel of such department or agency to the Commission to assist the Commission in carrying out its duties. The detail of any such personnel may not result in the interruption or loss of civil service status or privilege of such personnel.

Section 1508.—Termination of commission

This section provides that the Commission shall terminate upon the issuance of its final report required by section 1504.

COMMITTEE CONSIDERATION

The Committee on Agriculture met, pursuant to notice, on September 20, 1995, a quorum being present, to consider Recommendations to the Budget Committee for Title I—Committee on Agriculture—with respect to the Reconciliation Bill for Fiscal Year 1996, and other pending business.

The Chairman called the meeting to order at 9:30 a.m. and after finishing the first item of business, offered a statement concerning the Committee's budget reconciliation responsibilities. Ranking Minority Member de la Garza was recognized for a statement also.

The Chairman laid before the Committee the Chairman's recommendation for title I—of what he stated probably would be the first title of the House Reconciliation Bill—and stated that such title I would be open for amendment by subtitle.

Thereafter, the Chairman proposed to take up the two substitute amendments (de la Garza-Rose-Stenholm, and Emerson-Combest) before beginning the amendment process.

At that point Mr. de la Garza was recognized to speak on the de la Garza-Rose-Stenholm amendment in the nature of a substitute and to control the time for the Minority to speak on the substitute. A summary was then provided to the Members.

After considerable discussion on the de la Garza-Rose-Stenholm Substitute, a vote was requested by Mr. de la Garza. By a roll call vote of 22 yeas to 25 nays, the de la Garza-Rose-Stenholm Substitute was not adopted. See Roll Call Vote No. 1.

Mr. Emerson was then recognized to offer the Emerson-Combest EnBloc Amendment (also known as a Substitute) and a summary of the Substitute was provided to the Members.

Mr. Allard asked that the record indicate whether the total Emerson-Combest package had been scored by CBO. Mr. Combest noted that the exact number had not been scored, but that provisions similar to those in the Emerson-Combest bill (H.R. 2330) have received preliminary scores. It was also noted that whatever final package came from the Committee would have to receive final scoring from CBO.

Discussion occurred on the parliamentary procedures by which a reconciliation bill would proceed to the Budget Committee, the Rules Committee, and to the House Floor. Chairman Roberts clarified the procedures which would occur if the Committee did not meet its budget obligations.

Mr. Lewis asked about the tobacco provisions in the Emerson-Combest Substitute which he had not seen before, and the Chairman asked for an explanation of the provisions. Mr. Ewing indicated that there should be some review by the Subcommittee on Risk Management and Specialty Crops on the tobacco provisions included in the Substitute.

Discussion also occurred on the dairy provisions of the Emerson-Combest Substitute. By a recorded vote of 23 yeas to 26 nays, the Emerson-Combest Substitute was not adopted. See Roll Call Vote No. 2.

Mr. Volkmer was recognized and requested unanimous consent for all debate on the Volkmer dairy amendment and all amendments thereto end at 5:00 p.m. Chairman Roberts indicated he would make every effort to honor the request.

Mr. Volkmer then offered an amendment, the Dairy Policy Act of 1995, and presented a brief description. After much discussion, the Volkmer amendment was not adopted by a vote of 22 yeas to 25 nays and 2 present. See Roll Call Vote No. 3.

Mr. Smith was then recognized to offer and explain an amendment on behalf of himself and Mr. Lewis, the Dairy Act of 1995. A summary was provided to Members. Discussion occurred and by a voice vote, the Smith-Lewis amendment failed. Mr. Smith requested a roll call vote, but an insufficient number of Members were in favor of a roll call vote, so the roll call vote was not ordered.

Mr. Ewing was then recognized to discuss the peanut and sugar provisions contained in Subtitle C. Brief discussion occurred, and Mr. Everett was recognized to offer an amendment concerning peanut temporary quota allocation. Mr. Ewing indicated that he would accept the amendment.

Chairman Roberts called for a vote on the Everett amendment, and by a voice vote, the amendment was adopted.

Mr. Foley was then recognized to offer an amendment regarding sugar that would replace the original five-year average loan modification threshold with a loan modification threshold set at 103% of imports for the previous year and would eliminate provisions to grant import licenses to cane refiners for imports above the GATT minimum level. After discussion, the amendment was adopted, by a voice vote.

Mr. Smith was recognized to offer an amendment regarding the accumulation and storage of sugar by the Federal Government. Representatives from the Department of Agriculture addressed what was presently being implemented regarding the No Net Cost Sugar Provisions and the sugar price support program using nonrecourse loans. Further discussion occurred, and without objection, Mr. Smith withdrew his amendment to pursue the matter at a more appropriate time.

Mr. Allard was then recognized to offer an amendment regarding reduction of USDA bureaucracy to signal his displeasure with the Department for misleading statements made by Department officials at a hearing held on February 15 relating to State water rights and Departmental policy that permits the Forest Service to take water allocated for urban, suburban and rural uses for another purpose.

Chairman Roberts 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 assurances of the Chair to work with him in resolving this issue, Mr. Allard, without objection, withdrew his amendment.

Mr. Dooley was recognized to offer an amendment regarding recourse marketing loans and marketing deficiency payments for wheat as market-based alternative to the contract provisions in the Freedom to Farm Act. 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, withdrew his amendment with the understanding that the issue would be considered in the farm bill.

Mr. Barrett was recognized to engage in a colloquy with Counsel regarding limitations on forage planting relative to subsection (k) Planning Flexibility of the Chairman's Mark. After further discussion, Mr. Barrett chose not to offer his amendment.

Mr. Minge was then recognized and indicated that he had planned to offer an amendment which would extend the current program into the 1996 crop year so that farmers could be assured of what type of program they would have during the 1996 crop year. Chairman Roberts assured Mr. Minge that he shared his concern and wanted to expedite the process so that producers would know the government program for the 1996 crop year.

Mr. Smith was recognized and indicated that he had intended to offer an amendment regarding limitation on rental rates under the Conservation Reserve Program, but that he would just bring it to the attention of the Committee that this provision may need to be addressed. Mr. Allard and the Chairman indicated they would work with Mr. Smith during farm bill deliberations to address his concerns.

Mrs. Clayton was then recognized and indicated that she had two amendments. One amendment concerned housing assistance to rural communities, which likely would be ruled out of order, so she would just raise the issue and not offer the amendment. The second amendment concerned water and waste grants and loans for rural communities. Discussion occurred on the appropriate committee of jurisdiction and discretionary and mandatory funding accounts. After discussion, Mrs. Clayton requested a vote, and by a show of hands 25 yeas to 15 nays, the amendment was adopted However, the Chairman stated that in his opinion the amendment was subject to a point-of-order and he would probably object to its inclusion at the Rules Committee.

Mr. Gunderson moved that the Committee favorably report its recommendations for title I—Agriculture to the Committee on the Budget for insertion in the Reconciliation Bill. Mr. Emerson requested a rollcall vote.

In anticipation of a less than majority vote, Congressman Gunderson requested that his vote be changed from yea to nay, and by a recorded vote of 22 yeas to 27 nays, the Gunderson 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 conclude the Committee's Reconciliation Recommendations.

Chairman Roberts advised the Committee that the motion to favorably report the Committee on Agriculture'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.

ROLLCALL VOTES

In compliance with clause 2(l)(2)(B) of rule XI of the House of Representatives, the Committee sets forth the record of the following rollcall votes taken with respect to consideration of the recommendations regarding the Reconciliation Bill for Fiscal Year 1996:

ROLLCALL NO. 1

Summary: Substitute Amendment.

Offered by: Mr. de la Garza, Mr. Rose and Mr. Stenholm.

Results: Failed by a rollcall vote: 22 yeas/25 nays.

Yeas: Cong. de la Garza, Cong. Brown, Cong. Rose, Cong. Stenholm, Cong. Volkmer, Cong. Johnson, Cong. Condit, Cong. Peterson, Cong. Dooley, Cong. Clayton, Cong. Minge, Cong. Hilliard, Cong. Pomeroy, Cong. Holden, Cong. McKinney, Cong. Baesler, Cong. Thurman, Cong. Bishop, Cong. Thompson, Cong. Farr, Cong. Pastor, Cong. Baldacci.

Nays: Cong. Emerson, Cong. Gunderson, Cong. Combest, Cong. Allard, Cong. Barrett, Cong. Boehner, Cong. Ewing, Cong. Goodlatte, Cong. Pombo, Cong. Canady, Cong. Everett, Cong. Lucas, Cong. Lewis, Cong. Baker, Cong. Crapo, Cong. Calvert, Cong. Chenoweth, Cong. Hostettler, Cong. Bryant, Cong. Latham, Cong. Cooley, Cong. Foley, Cong. Chambliss, Cong. LaHood, Cong. Roberts, Chairman.

ROLLCALL VOTE NO. 2

Summary: EnBloc (Substitute) Amendment.

Offered by: Mr. Emerson and Mr. Combest.

Results: Failed by a rollcall vote: 23 yeas/26 nays.

Yeas: Cong. Emerson, Cong. Combest, Cong. Baker, Cong. Bryant, Cong. Chambliss, Cong. de la Garza, Cong. Brown, Cong. Rose, Cong. Stenholm, Cong. Volkmer, Cong. Condit, Cong. Dooley, Cong. Clayton, Cong. Hilliard, Cong. Holden, Cong. McKinney, Cong. Baesler, Cong. Thurman, Cong. Bishop, Cong. Thompson, Cong. Farr, Cong. Pastor, Cong. Baldacci.

Nays: Cong. Gunderson, Cong. Allard, Cong. Barrett, Cong. Boehner, Cong. Ewing, Cong. Doolittle, Cong. Goodlatte, Cong. Pombo, Cong. Canady, Cong. Smith, Cong. Everett, Cong. Lucas, Cong. Lewis, Cong. Crapo, Cong. Calvert, Cong. Chenoweth, Cong. Hostettler, Cong. Bryant, Cong. Latham, Cong. Cooley, Cong. Foley, Cong. LaHood, Cong. Roberts, Chairman.

ROLL CALL VOTE NO. 3

Summary: Dairy Policy Act.

Offered by: Mr. Volkmer.

Results: Failed by a roll call vote: 22 yeas/26 nays/2 present.

Yeas: Cong. Emerson, Cong. Everett, Cong. Chambliss, Cong. de la Garza, Cong. Rose, Cong. Stenholm, Cong. Volkmer, Cong. Johnson, Cong. Condit, Cong. Dooley, Cong. Clayton, Cong. Hilliard, Cong. Pomeroy, Cong. Holden, Cong. McKinney, Cong. Baesler, Cong. Thurman, Cong. Bishop, Cong. Thompson, Cong. Farr, Cong. Pastor, Cong. Baldacci.

Nays: Cong. Gunderson, Cong. Combest, Cong. Allard, Cong. Barrett, Cong. Boehner, Cong. Ewing, Cong. Doolittle, Cong. Goodlatte, Cong. Pombo, Cong. Canady, Cong. Lucas, Cong. Baker, Cong. Crapo, Cong. Calvert, Cong. Chenoweth, Cong. Hostettler, Cong. Bryant, Cong. Latham, Cong. Cooley, Cong. Foley, Cong. LaHood, Cong. Brown, Cong. Peterson, Cong. Minge, Cong. Roberts, Chairman.

Present: Cong. Smith, Cong. Lewis.

ROLL CALL VOTE NO. 4

Summary: Gunderson motion to favorably report Recommendations for Title I—Agriculture to the Committee on the Budget for Reconciliation.

Offered by: Mr. Gunderson.

Results: Failed by a roll call vote: 22 yeas/27 nays.

Yeas: Cong. Allard, Cong. Barrett, Cong. Boehner, Cong. Ewing, Cong. Doolittle, Cong. Goodlatte, Cong. Pombo, Cong. Canady, Cong. Smith, Cong. Everett, Cong. Lucas, Cong. Lewis, Cong. Crapo, Cong. Calvert, Cong. Chenoweth, Cong. Hostettler, Cong. Bryant, Cong. Latham, Cong. Cooley, Cong. Foley, Cong. LaHood, Cong. Roberts, Chairman.

Nays: Cong. Emerson, Cong. Gunderson, Cong. Combest, Cong. Baker, Cong. Chambliss, Cong. de la Garza, Cong. Brown, Cong. Rose, Cong. Stenholm, Cong. Volkmer, Cong. Johnson, Cong. Condit, Cong. Peterson, Cong. Dooley, Cong. Clayton, Cong. Minge, Cong. Hilliard, Cong. Pomeroy, Cong. Holden, Cong. McKinney, Cong. Baesler, Cong. Thurman, Cong. Bishop, Cong. Thompson, Cong. Farr, Cong. Pastor, Cong. Baldacci.

BUDGET ACT COMPLIANCE (SECTION 308 AND SECTION 403)

The provisions of clause 2(l)(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(l)(C)(3) 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, 1995 (with revisions discussed by telephone). The estimate is preliminary in that it has not had full consideration and approval by our managers, normally accomplished when 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 nongovernmental employee members of the Board of Directors of the Federal Crop Insurance Corporation is set to be made 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 ''actuarially sound''), so this program could be implemented in a costly way. 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 cost 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.

CBO COST ESTIMATE OF HOUSE OF REPRESENTATIVES RECONCILIATION BILL REGARDING AGRICULTURE AND CONSERVATION

[In millions of dollars, by fiscal years]

Section		1996	1997	1998	1999	2000	2001	2002	1996–2002
	PRELIMINARY ESTIMATED CHANGES IN DIRECT SPENDING OUTLAYS								
1102	Freedom to Farm contracts in lieu of deficiency payments	−431	−361	−360	−493	−751	−1554	−1544	−5494
	End cotton stop 2 marketing payments	−132	−126	−129	−127	−128	−126	−131	−900
	End storage payments to cotton under loan	0	−12	−12	−12	−12	−12	−12	−72
1103	Reform loan programs (set rate at 70% of prices)	−65	−513	−611	−644	−497	−319	−206	−2904
1101 & 4	$50,000 payment limit, attribute to individuals	−34	−61	−76	−75	−73	−75	−75	−469
1201	Reform dairy program (replace current purchase system with payments, and assessments)	−67	−46	−57	−48	−70	−81	−152	−511
1301	Reform peanut program (remove quota floor, undermarketings, lower loan rate)	0	−95	−59	−69	−67	−66	−66	−434
1302	Reform sugar program (increased assessments)	−8	−11	−12	−12	−13	−13	−13	−82
1401	End emergency feed assistance if crop insurance or noninsured disaster assistance is available	−10	−60	−60	−60	−60	−60	−60	−370
1402	Cap CRP at 36.4 million acres; cap extension rental rates at 75 percent of existing rates	0	−41	−139	−142	−140	−144	−143	−749
1403	End mandatory crop insurance catastrophic coverage	−10	−27	−26	−28	−29	−29	−29	−180
	Crop Insurance Board of Directors Funding	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

CBO COST ESTIMATE OF HOUSE OF REPRESENTATIVES RECONCILIATION BILL REGARDING AGRICULTURE AND CONSERVATION—Continued

[In millions of dollars, by fiscal years]

Section		1996	1997	1998	1999	2000	2001	2002	1996–2002
1404	End Farmer Owned Reserve	0	−17	−17	−17	−18	−18	−18	−105
1405	Cap EEP spending	−279	−482	−281	−130	0	0	0	−1172
1406	Business Interuption Insurance Program	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	Total	−1016	−1851	−1851	−1857	−1858	−2501	−2508	−13442

[1] These provisions could have some direct spending impact, but the level is either likely below $500,000, of indeterminate.

Note.—Assumes effective date of November 15, 1996. some estimates would change with later effective date.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of the Chairman's recommendations of the Committee on Agriculture with respect to the reconciliation bill for fiscal year 1996 will have no inflationary impact on the national economy.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform and Oversight under clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by the Chairman's recommendations of the Committee on Agriculture with respect to the reconciliation bill for fiscal year 1996.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of rule X of the Rules of the House of Representatives.

SHARING THE PAIN OF ALZHEIMER'S

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LEVIN. Mr. Speaker, on October 18, 1995, the Alzheimer's Town Meeting in Troy, MI, will give family members who care for Alzheimer's patients a chance to share with others the physical and emotional challenges they face daily.

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.

These 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.

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 Exports Council.

As the chairman of the Trade Subcommittee of the House International Relations 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.

I'd like to share some of those insights with you today. Following is the text of the address Mike Armstrong gave at the Exports Conference.

If we are to remain competitive, improve our balance of trade, and move strongly ahead into the 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 insight of 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 every businessman and Congressman I speak with: America's economic destiny is as an Export Superpower.

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 experiences, at IBM, at Hughes and as Chairman of 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 public policy, and in the private sector—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 us, it has to stop; 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 2½ percent growth for the U.S. economy—a steady, but unspectacular rate. Now, compare that 2½ percent to the growth rate for American exports which is 10 percent plus. Even during the 1990–91 recession, exports continued to grow putting a floor under 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 we deal with, they're almost unreal: So let me bring it a bit closer to home—at the average manufacturing wage nationwide, export growth, each year, is good for 1 million new jobs. Last year, right here in Wisconsin, 2,300 companies exported $7 billion dollars worth of goods, supporting 192,000 American jobs. And statewide, export earnings are up 19 percent from the year before.

And it's the same story in the other states represented here today. Last year in Minnesota, exports accounted for $10 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, we'd see unemployment head for double-digits, and a downward economic spiral historic in proportion and its affect on all of us. It's a nightmare scenario none of us want to look at much less live through.

The bottom line is, exports are the economic engine of our country and their importance is growing. Lets look ahead from where things are today to the world as we'll know it twenty years from now. A combination of demographics and development will join to spark an economic boom in the nations we once termed the Third World: 12 developing countries with a total population of 2.7 billion people—more than 10 times the

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 dominance to a zero-sum future in which their sunrise is our sunset. I see it a different way. I see it as a whole new world hungry for the goods and services American companies can provide. I see it as long-term sustainable prosperity for the U.S., if more of us get off our domestic duff and into global markets.

But to crack those markets, to translate that opportunity into American exports and American jobs, will take more than American ingenuity and enterprise. It's going to take a shift in government policy as profound as the technological revolution taking place around us.

So let's start with public policy. 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 pox 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 banks with 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 advocacy. I know some of the folks in Washington have declared war on the Commerce Department. I want to propose something short of a scorched-earth solution. All of us want to see non-essential government functions eliminated—and yes, we want to see the fat trimmed on federal spending—but we need to preserve a cabinet-level Commerce or Trade Secretary to give voice and substance to global export advocacy and policy. We need to retain an International Trade Agency that helps U.S. companies the way other governments back our foreign competitors. And fortunately today we have a very effective Secretary of Commerce who provides real help in growing this country's exports.

Third, and this is key for many of the companies represented at this conference, we need more national export support for small business. Support that helps the company in the industrial park down the street find and sell to new customers around the world. What makes the American economy thrive is the little guy with the big idea—the seed from which great things grow. For most of our history, small business has been a homegrown affair. But that's changing: It's becoming possible in America to be an export entrepreneur.

For example, the U.S. Commercial Service with its regional offices across the U.S., and links to every U.S. Embassy, is helping small American firms make the foreign contacts that lead to foreign contracts; that turns entrepreneurship into global business.

If you are not using these resources today, you should be. I do.

If these are 3 ways government can help us—our government is also hurting us. We ought to demand that government apply to its actions the physicians' Hippocratic Oath: ''First, do no harm.''

I'll limit myself this morning to one example, I think the most egregious example, of the way government policy is crippling our competitiveness, costing us jobs and limiting our growth: I'm talking about the impact of the old, Cold War-era export controls.

This is a case where bureaucracy simply can't keep pace with technology. It is a fact of life in the Information Age: Technology travels. The space between generations of technology is contracting, and the speed with which technology penetrates the marketplace is accelerating, making a mockery of borders and bureaucratic barriers of all kinds. In too many cases, export controls that limit U.S. firms, that keep us on the sideline, simply invite other countries to capture the market. It's a sad fact for those of us in the satellite and communications business that U.S. Government export controls constitute the single most significant competitive advantage our European competitors possess.

Ladies and gentlemen, that's wrong and it's got to change.

We've got to pass an Export Administration Act that clears away out-moded, antiquated export licensing that penalizes American companies.

Now, if we had a Congress filled with Toby Roths, this issue would be resolved tomorrow. But given the reality, we've got to keep educating, agitating, and pressing for change before the world passes us by. In just the 90s, these outdated export policies have cost my company several billion dollars and thousands of jobs. You and I must demand a new, realistic and competitive Export Administration Act.

So far I've focused on what government can and cannot do to promote export growth. But that brings me to my final issues this morning: The point where public policy ends and private sector responsibility begins.

Because the fact is, we can clear away counter-productive restraints and regulations and we can sustain and strengthen public sector assistance but there is a limit to what government can do, a line that separates what business must do for itself.

No policy, no program, no political fix can overcome a lack of American competitiveness. That's the responsibility of you and I, 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 submit, that says our house is not yet in order. Our problem is relatively weak investment in R&D, an important indicator that an enterprise is pursuing leading-edge and looking long-range. In 1994, the U.S. economy invested just 1.9 percent of GDP in civilian R&D. Our 1.9 percent compares to 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 flat R&D tax credit, it is management's ultimate responsibility to invest, to train and to re-engineer our capabilities. Our shareholders, our customers and our employees will not, and should not, let us point the finger or pass the blame somewhere else. We simply must have the courage to challenge ourselves to change, and the conviction to invest to stay ahead of our global competitors.

And if this conference proves anything, it demonstrates there is plenty of courage and conviction right here in this room.

I know from talking to Toby Roth that there are companies in this room exploiting global economic opportunities to their advantage. No matter how many employees they may have, that's no small accomplishment. I cite and compliment all today that are on this path—in the spirit of challenge to all of us; A challenge to be aggressive and enterprising in making the global market your customers.

And that, ladies and gentlemen, is my message:

First, we must all recognize the growing importance of exports in our increasingly global economy—and that America's economic destiny is as an Export Superpower.

Second, we must translate that export imperative into modern export public policies out of Washington.

And third, businesses in America should be assuring their competitiveness, investing in their 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 civilian constitutional President of Paraguay in over half a century, and he has worked diligently to move his country and society 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 Mengele, to find refuge 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 withstood pressure to release seven individuals arrested in Paraguay in connection with the bombing last year of the Jewish Community Center in Buenos Aires, Argentina, which resulted in the death of nearly 100 people. The Paraguayan courts ordered the extradition of these individuals to Argentina. For these actions, 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 impacts of the Stroessner dictatorship have left a legacy that is difficult to eliminate. Paraguay still faces difficulties in dealing with international 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 welcoming 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 introducing 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 through a commercial annuity. Rather, they are intended primarily to result in a donation to the chosen charity. In order to accomplish this, the rate of return paid to the donor is intentionally set at a level which will allow the charity to retain a substantial portion of the value 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 impediment to these beneficial activities 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 cosponsor 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 Anthonty 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.

COMMEMORATING THE 10TH ANNIVERSARY OF LEON KLINGHOFFER'S MURDER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. ACKERMAN. Thank you, Mr. Speaker, and I thank my colleague, the gentleman from New York, for bringing this to the attention of the House in the form of a special order.

Unfortunately, we are not here today to celebrate, but rather, to commemorate a horrible tragedy perpetrated upon an American—for the sole reason that he was a Jew. Today marks the 10th anniversary of the brutal slaying of Leon Klinghoffer, an elderly, wheelchairbound, American Jew, who was, with his wife Marilyn, celebrating his wedding anniversary on the Italian luxury liner *Achille Lauro.*

The horrible days of the 1980's when terrorist hijackings abroad were becoming the norm, have dissipated. And yet now, on our own shores, we are being subjected to attacks by devious operants with dark agendas. Recent tragedies have made it clear that Americans are no longer immune to terrorist attacks, even upon our own soil. However, rather than lamenting the situation, there is something we can do about it.

What we can, and should do is send a strong united message from this country. This message needs to be clear in stating our complete and unquestionable intolerance against any perceived threat to our national security and domestic tranquility. We need to make these people who would undermine that security and tranquility understand that we will punish them severely for what they do.

As a democratic Nation, we have always prided ourselves on the time-honored tradition of healthy dissent and debate. The actions promulgated by these terrorists are in direct opposition to that tradition. It flies in the face of everything that this country represents. Therefore, I say enough. We need to tell these people that they have no place in our society. We need to tell these people that they will never receive either shelter or any other assistance from the United States or the American people. We need to tell these people that America will forever be a bastion of freedom and democracy.

Therefore, we stand together—as Americans and as human beings—in commemoration with Leon and Marilyn's two daughters, Lisa and Ilsa. Two women who are determined to preserve the memory of their father, and prevent a recurrence of this tragedy for another American family. We thank these two brave women for their work and their tireless spirit, and we reach out to them on this anniversary of grief, while we look forward to a celebration of unity against the forces of terrorism.

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 in to 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. **Pages S15574–75**

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. **Pages S15520–35**

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: **Pages S15538–57**

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.) **Pages S15541–44**

(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. **Pages S15544–51**

Withdrawn:

(1) Santorum Modified Amendment No. 2943, to express the sense of the Senate regarding the President's revised federal budget proposal. **Pages S15539–54**

(2) Ford Amendment No. 2946, to provide for the appointment of an additional Federal District Judge for the Western District of Kentucky. **Pages S15554–55**

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. **Page S15589**

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: **Pages S15589–91**

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. **Pages S15590–91**

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. **Page S15591**

Messages From the House: **Page S15573**

Communications: **Page S15573**

Petitions: **Pages S15573–74**

Executive Reports of Committees: **Page S15574**

Statements on Introduced Bills: **Pages S15575–80**

Additional Cosponsors: **Page S15580**

Amendments Submitted: **Pages S15580–81**

Notices of Hearings: **Page S15581**

Authority for Committees: **Page S15581**

Additional Statements: **Pages S15581–84**

Text of H.R. 927 as Previously Passed: **Pages S15584–89**

Record Votes: Three record votes were taken today. (Total—498) **Pages S15535, S15544, S15551**

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. **Page H10726**

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

H.R. 1253, to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge (H. Rept. 104–290). **Pages H10725–26**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Longley to act as Speaker pro tempore for today. **Page H10637**

Recess: House recessed at 1:18 p.m. and reconvened at 2 p.m. **Page H10644**

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. **Pages H10644, H10691**

Corrections Calendar: On the call of the Corrections Calendar, the House passed and sent to the Senate, amended, the following bills:

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**

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. 716, to amend the Fishermen's Protective Act—clearing the measure for the President. **Pages H10670–80**

Federal Securities Litigation: House disagreed to the Senate amendment to H.R. 1058, to reform Federal securities litigation; and asked a conference. Appointed as conferees:

From the Committee on Commerce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Representatives Bliley, Tauzin, Fields of Texas, Cox of California, White, Dingell, Markey, Bryant of Texas, and Eshoo. **Page H10690**

As additional conferees from the Committee on the Judiciary, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Representatives Hyde, McCollum, and Conyers. **Page H10690**

Meeting Hour: House agreed to meet at 11 a.m. on Wednesday, October 25 and at 9 a.m. on Thursday, October 26. **Page H10692**

Committee To Sit: The following committees and their subcommittees received permission to sit under the 5-minute rule on Wednesday, October 25: committees on Agriculture, Banking and Financial Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, House Oversight, International Relations, the Judiciary, Resources, Science, Small Business, and Veterans' Affairs. **Page H10693**

Workplace Development and Literacy Reform: House disagreed to the Senate amendments 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, McKeon, 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)*

H.R. 1976, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996. Signed October 21, 1995. (P.L. 104–37)

COMMITTEE MEETINGS FOR WEDNESDAY, OCTOBER 25, 1995

(Committee meetings are open unless otherwise indicated)

Senate

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.

House

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.

Subcommittee on International Economic Policy and Trade, hearing on the Impact on U.S. Exporters of the New GATT Patent Accord, 1 p.m., 2255 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 Park 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

Program for Wednesday: Consideration of H.R. 2492, Legislative Branch Appropriations for fiscal year 1996;

Conference report on H.R. 2002, Transportation Appropriations for fiscal year 1996; and

Motion to go to conference on H.R. 2099, VA–HUD Appropriations for fiscal year 1996.

Extensions of Remarks, as inserted in this issue

HOUSE

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