I am directing all executive departments and agencies to review their personnel practices and develop a plan of action to utilize the flexible policies already in place . . . flexible hours that will enable employees to schedule their work and meet the needs of their families.

That is from a Presidential memorandum dated June 21, 1996.

Finally, in his State of the Union Address, this is what the President said. ''We should pass flextime so workers can choose to be paid overtime and income, or trade it in for time off to be with their families.''

This is a quote the Democratic Leadership Council:

Public policy should support two-parent families by giving them as much flexibility as possible to balance family and income needs. The tools and protection workers need in the information age are different from those required in the industrial era. The Fair Labor Standards Act needs to be modernized. Even with squeezed family budgets, for some workers time off may be as valuable as extra money.

Mr. President, this type of bipartisan support I think provides us with a remarkable opportunity. A Democratic President and Republican and Democratic leaders in Congress are united on an important national issue facing the American workplace. We may never have a better opportunity to pass this legislation.

For the sake of those Americans who are faced daily with the difficult challenge of deciding between their livelihood, their family, their employers, and the American work force as a whole, I urge swift passage of this bill.

I would like, Mr. President, to take just a moment—I am sorry my colleague from Minnesota is not here. He indicated that he was looking forward to continuing this debate. I know he will in the weeks ahead. He had to leave to attend a budget hearing. But I would like to briefly address several comments that he made when he talked about this bill. I rather jokingly, as he was leaving the floor, said to him that the bill he had described was not the bill that I thought we passed out of the committee. Let me explain to my colleagues.

He cited four problems that he saw with this bill. The first was he said it was a pay cut. He said that overtime should be sacred. Mr. President, he is absolutely right. Overtime should be sacred. Overtime is sacred in this bill.

What we are simply saying is that if an employee, because of his or her family situation, or for whatever reason, decides that they would rather take time and a half in time at some other date instead of money, they have the option to do that providing both the employee and employer want to do that. That is all it says. That is flexibility. That is allowing workers who work by the hour to get paid by the hour, to have the same rights Federal workers have, that State workers have, and the same rights that salaried employees have today.

So it preserves the concept of overtime, and time and a half. In fact, with that time and a half it gives it more flexibility. It gives certainly more potential value for the employee because it allows the employee to decide how to take that.

My colleague from Minnesota, Senator WELLSTONE, also said it cuts benefits. It is simply not true. We will have the opportunity to talk about this at length. There has been no evidence brought forward that shows this at all. The facts simply aren't there.

He also said that it abolishes the 40-hour work week. That is not true. It just isn't true. I ask what is wrong with an employee having the option to design his or her biweekly time with the consent of the employer, if they both want to do it? What is wrong with them designing the work week that says the employee will have every second Friday off? Maybe he or she wants to spend time with their family. Maybe they want to volunteer. Maybe they want to go fishing. Maybe they want to go hunting. It is not Government's business.

The current law prohibits employees and employers who do not work for the Federal Government and who work by the hour from being able to make that kind of an arrangement. Is that an attack on the 40-hour workweek? I don't think so. And I don't think the American worker thinks so either.

My colleague talked about enforcement. We listened to the testimony. We listened to the complaints that were made and the criticisms of the bill. And some of them, quite frankly, were justified. No bill is perfect, as it is introduced. We took those criticisms, and altered the bill to try to deal with the constructive criticism from the other side of the aisle.

This is a better bill as it comes to the floor, quite frankly, than it was when we started.

My colleague suggested that they certainly get credit for that. But the enforcement is there. The enforcement is there. It relies on the current enforcement of the Fair Labor Standards Act—enforcement that has been in place. The mechanism is there. And it provides very, very specific and tough penalties if, in fact, an employer in any way tries to coerce an employee, if they in any way try to abuse the privileges that are given employees and employers in this bill.

So I look forward, Mr. President, to having the opportunity to discuss this bill in the future.

I yield to my colleague from New York.

DISPOSITION OF LOOTED ARTWORK

Mr. D'AMATO. Mr. President, when the Banking Committee began the inquiry into Swiss banks, we had no idea where the trail would lead. We know that the Nazis had looted personal belongings of millions from all over Europe—gold, personal matters, bank accounts. But we really did not know how much help—I say ''help''—that the Nazis had in disposing of this loot. We are beginning to get some idea. Now we have a better idea.

We know that Swiss banks facilitated the looting of gold from all over Europe. We know that the accounts of great numbers of Holocaust victims were never returned by Swiss banks to their heirs. But we also know that our Nation had similar problems. Other nations had similar problems and participated. France was one of them.

I am shocked to see a December 1995 report which I am holding here from the French Ministry of Justice.

Mr. President, this report details an audit of some of France's most prestigious museums and explains how these museums for over 50 years managed to hide their ownership of almost 2,000 works of art—1,955 works of art, to be precise, art that was looted from the victims of the Holocaust and deposited with these museums during the war, some of them sold on the so-called black market by the Nazis, who stripped Europe, who stripped individuals as they came through with their killing machine and sold the art or deposited it with these museums that knew they were not the true owners who were selling it to them.

Curator after curator cared more about the so-called, to use their words, sanctity of their collections, the museum's collections than for justice of the family from which art work was stolen. This is unconscionable for the museum to be saying, and I quote the museum in Versailles, the curator said, ''Each and every one of these works has its proper place in our collections.'' Do not disturb them. It does not matter that they were stolen. It does not matter that it was their property.

The report also quotes a curator from the Musée d'Orsay as having said that a painting held in his collection by Gustave Courbet, the great painting of the Cliffs at Étretat After a Storm—and here is a photograph of that painting; it is one of the great masterpieces of the world—is one of the masterpieces that we would have to buy at a great price if we did not already have it.

Well, they may have it, but who does it rightfully belong to? Are we saying that the great art museums of the world, and particularly in France, have a right to keep this stolen art work?

Mr. President, this painting sits today in the Musée d'Orsay and the simple matter is that it does not belong to that museum. This painting, along with thousands of others and with other art objects in the French museums, should be immediately turned over to an independent authority to quickly establish its rightful ownership. The French Government has established a commission to study the problem but the true owners should not have to put up with the delays that go along with commissions like this. It has been 50 years, as the report states. The French museums have made little

or no attempt to find either the heirs or the owners of these art works. These works have appeared in exhibits numerous times, have been in possession of the most prominent art museums in the world. The process of returning these works of art must be put in the hands of a party that can search for true owners and do so without a worry whether or not they fit neatly into museum collections. After more than 50 years, it is time for justice. And just as we seek that proper accounting from the Swiss bankers, it is time that French museums do the same.

Mr. President, almost 3 weeks ago, I wrote to the French Ambassador, a letter dated April 8, which I will submit for the RECORD and ask unanimous consent that it be printed.

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

U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,

Washington, DC, April 8, 1997.

His Excellency FRANCOIS BUJON DE L'ESTANG,
Ambassador, The French Embassy,
Washington, DC.

DEAR AMBASSADOR BUJON DE L'ESTANG: As you are probably aware the Senate Banking Committee, of which I chair, is currently conducting an investigation into the disposition of heirless assets belonging to victims of the Holocaust. One of the subjects of our investigation is the disposition of artwork looted by the Nazis during the Second World War. It is my understanding that there are currently 1,995 pieces of such artwork in storage in Paris. Could you please provide me with a descriptive list of this artwork. Additionally, could you inform me of the steps your country has taken to identify the rightful owners of these works of art and the numerous dormant French bank accounts belonging to victims of the Holocaust. Thank you for your cooperation in this very important matter.

Sincerely,

ALFONSE D'AMATO,
Chairman.

Mr. D'AMATO. My office has been in touch with the French Embassy and has been assured of their cooperation repeatedly. I told them I was going to come to the floor today. We called them. We were assured by the Ambassador's secretary, oh, yes, we are going to get you this information.

This is not a great secret. This Justice Ministry report again goes back to 1995. The quotes that I have given you come from this report in terms of the attitude of the museums.

So whether it is ''Cliffs at Étretat'' or whatever artwork it is that has been stolen and taken illegally, it is time now for a proper accounting. That is what we seek. We will continue to pursue this matter. I hope that the French Ambassador and the French Government would begin to work with us in accommodating justice.

I thank my friends. I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed as if in morning business.

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

GROWING INTELLIGENCE BUDGETS

Mr. KERRY. Mr. President, recently our colleague, Senator MOYNIHAN, secured, or maybe not so recently, his FBI file, and it is interesting that in 1961, in a memorandum suggesting a meeting between himself and a then very youthful DANIEL PATRICK MOYNIHAN, J. Edgar Hoover wrote, ''I am not going to see this skunk.''

Now, the Senator from New York has been called many things, as we all have in the course of our careers, but after considerable amount of reflection I concluded that the only way in which this moniker could stick would clearly be in a way that J. Edgar Hoover did not intend, and that is that the distinguished Senator from New York has long and often been a skunk at the garden party of the intellectually comfortable, challenging our thinking about the status quo.

Most recently, he has brought this very considerable skunk-like presence to the matter of America's intelligence bureaucracy in the post-cold-war era. He has asked why it is that our vast intelligence apparatus, built to sustain America in the long twilight struggle of the cold war continues to grow at an exponential rate? Now that that struggle is over, why is it that our vast intelligence apparatus continues to grow even as Government resources for new and essential priorities fall far short of what is necessary? Why is it that our vast intelligence apparatus continues to roll on even as every other Government bureaucracy is subject to increasing scrutiny and, indeed, to reinvention?

Our colleague's answer is an important one for all of us to reflect on. The answer is secrecy and bureaucracy. It is secrecy that conceals structure, budgets, functions, and critical evaluation from the public, the executive branch and most Members of Congress, including those on appropriate oversight committees. It is bureaucracy, the nature of the self-perpetuating institution like any of our intelligence agencies, that leads to an ongoing redefinition of purpose and ongoing creation of redundant systems and ongoing expansion of scope.

The first component, secrecy, means that the normal active tools of democracy, that is, press scrutiny, public debate, and appropriate oversight from executive and the congressional branches, are absent. And the second component, bureaucracy, means that reform, downsizing, reorganization, and elimination of redundancies cannot come from within because, as the Senator from New York demonstrates, our intelligence apparatus is merely following the norms of all agencies.

This suggests that the intelligence bureaucracy will not, indeed cannot, change until we act on the cultural barriers to reform.

I ask unanimous consent that excerpts of the remarks of our colleague, the senior Senator from New York, at Georgetown University's Marvin H. Bernstein Lecture be printed in the RECORD. I commend this important commentary on the problems of bureaucracy and secrecy to all of my colleagues.

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

SECRECY AS GOVERNMENT REGULATION

(By Senator Daniel Patrick Moynihan)

Marver Bernstein was a scholar of great range and authority, but his primary work concerned government regulation, notably his celebrated editorship of Volume 400 of The Annals: The Government as Regulator. In that tradition, I would like to consider secrecy as a form of government regulation.

If at times my account appears more anecdotal than analytic, I plead that data is the plural of anecdote.

And so we begin of a morning early in January, 1993, when I paid a farewell call at the White House on George Bush, a fine friend and a fine President. As I was leaving the Oval Office, his redoubtable Chief of Staff James A. Baker, III ran into me, and asked if I might wait for him in his office until he had finished some business with the President. I went down the hall, was served coffee, and awaited his pleasure.

In time he returned to his office, went out, and came back with a small stack of what seemed like magazines. Baker wanted to show me what had become of the morning intelligence summary.That is to say, the National Intelligence Daily, or ''NID'', which the Central Intelligence Agency had begun back in 1951. It used to be ten or twelve pages long, plain cover, Top Secret. Some three hundred copies were printed. The real stuff, Baker now showed me half a dozen national intelligence dailies from half a dozen national intelligence agencies. Some had photographs on the cover, just like the Washington Post. Some were in color, just like the Washington Times. The Chief of Staff explained it was necessary for him to arrive at dawn to read them all, try to keep in mind what he had already read in the press or seen on television, and prepare a summary for POTUS. As Paul C. Light would have it, government had thickened and heightened; someone now had to summarize the summations.

I left musing about this. I had a passing acquaintance with public administration theory, having been patiently instructed by James Q. Wilson and Stephen Hess. I knew Anthony Downs. Had even spoken to Luther C. Gulick as he approached his 100th birthday in a hamlet on the banks of the St. Lawrence River. I was beginning to be familiar with the new ''institutional sociologists'' such as Paul DiMaggio, Walter Powell, Howard Aldrich. I had read with great profit the works of Suzanne Weaver and Robert A. Katzmann in the M.I.T. series on Regulatory Bureaucracy. And a common theme was emerging. To cite DiMaggio and Powell, ''Organizations are still becoming more homogeneous and bureaucracy remains the common organizational form.''

Light calls this ''isomorphism,'' In a 1978 lecture drawing on Wilson, and through him on to the 19th century German sociologist Simmel, I had propounded ''The Iron Law of Emulation.'' Organizations in conflict become like one another. (Simmel had noted that the Persians finally figured out it was best to have Greeks fight Greeks.) The United States Constitution assumed conflict