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House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore (Mr. PEASE).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 23, 1997.

I hereby designate the Honorable EDWARD A. PEASE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 363. An act to amend section 2118 of the Energy Policy Act of 1992 to extend the Electric and Magnetic Fields Research and Public Information Dissemination Program.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, 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 gentleman from North Carolina [Mr. JONES] for 5 minutes.

MOST-FAVORED-NATION STATUS FOR CHINA NOT DESERVED

Mr. JONES. Mr. Speaker, the debate about granting most-favored-nation status to China is not just about trade, it is about human rights. We in the United States place great value on our freedoms. The freedom of speech and the freedom to practice religion are ideals on which our country was founded.

The United States is the greatest, freest nation in the world. We enjoy the status, and yet we continue to support the oppressive Chinese Government through trade. This is not right.

The Government of the People's Republic of China is one of the most oppressive governments in the world. We have all seen footage of the terrible massacre in Tiananmen Square. Unfortunately, such massacres are hardly rare occurrences in China.

The Chinese people suffer horrible violations of their basic human rights every day. Citizens have been arrested for crimes such as signing petitions to protect human rights and speaking out peacefully in favor of democracy. Thousands of those arrested for supporting democracy or human rights become political prisoners in Chinese jails where they are beaten and tortured.

To make matters worse, Mr. Speaker, China's human rights violations extend well beyond the political realm. The Chinese people are often arrested as criminals simply for holding religious beliefs. The government continues to increase its persecution of evangelicals, Protestants, Buddhists, and Roman Catholics who choose to worship independently from the government-controlled church, a church that does not recognize the Pope.

Hundreds of Protestants and Roman Catholics were detained last year for practicing their faith. Forty Roman Catholics, for example, were arrested by police officers during Easter celebrations, and many of them were beaten. The police in China have conducted raids on nunneries and monasteries, detaining and torturing many of these people of God.

Furthermore, the Chinese Government maintains a policy of forced abortions and sterilizations. The government is not only killing supporters of freedom and religion, it is killing innocent babies.

As a man of deep religious faith and as a citizen of the United States, I cannot stand for this. By continuing to grant most-favored-nation status to China, the United States is bolstering an oppressive government that is constantly violating the basic human rights of its people.

Most-favored-nation status for China also bolsters a government that works against America's national security interests. Evidence suggests that the Chinese Government is heavily involved in missile and weapons technology transfers to Iran, one of our enemies. This is not a practice that the United States should support in any way.

A recent Louis Harris poll shows that 67 percent of Americans are opposed to renewing China's MFN status. Let me repeat that, Mr. Speaker. A recent Louis Harris poll shows that 67 percent of the American people are opposed to renewing China's MFN status.

As representatives of the people, I believe that Congress should follow the will of the people and revoke this status. It is high time that we follow the will of the people of America and send a real message to the Chinese Government. For the sake of democracy, religious freedom, the lives of the good people of China, and America's national security, I urge my colleagues to vote against renewing most-favored-nation status for the oppressive Chinese Government.

B–2 BOMBER NECESSARY FOR NATION'S DEFENSE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from

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Washington [Mr. DICKS] is recognized during morning hour debates for 5 minutes.

Mr. DICKS. Mr. Speaker, today the House will be taking up a very important issue, the B–2 bomber, and I want to read a letter that was just sent to the gentleman from California [Mr. HUNTER] from General Brent Scowcroft, who has just done an independent bomber force review:

You requested my colleagues and I provide your committee with an independent look at the adequacy of the Nation's heavy bomber force. This is an important issue as we move into the new security era and we greatly appreciate the opportunity to offer our counsel to you and your committee.

In our review, we first examined the planned future of the bomber force, its role in supporting U.S. national security, and the potential offered by the B–2's. We then examined the sources of Pentagon opposition to additional B–2's production and the recent series of studies the Department of Defense has sent to Congress regarding the bomber force.

We reached two fundamental conclusions. First, long-range air power will be more important than ever in the decades ahead. Consequently, we do not believe that the planned force of 21 B–2's will satisfy foreseeable

U.S. national security requirements. Second, Pentagon opposition to further B–2's production is shortsighted and parochial. It reflects a consensus across the services that long-range air power can be safely abandoned in the long run—a view with which we strongly disagree.

Based on these conclusions, we offer a set of legislative recommendations regarding the bomber force.

The following contains an executive summary and overall report.

And I would like to just read a few paragraphs from this executive summary.

If this decision (on the B–2's) is allowed to stand, the end result will be a shift to a force structure that relies almost entirely on short-range air power.

Yet current plans will perpetuate a bomber force which will not contain enough modern survivable bombers to support our national interests around the globe. The need for the prompt, global reach of heavy bombers was starkly demonstrated in the 1994 and 1996 Iraq crisis, both of which surprised our military planners and exposed the continuing weakness of our bomber-deficient forces to fast-breaking conflicts located great distances away.

Investing in the revolutionary B–2's offers the potential for a radical change in the way in which we think about and employ military power—a change which opens the door to a much more affordable and effective military posture.

We believe that being able to strike the enemy promptly and accurately from a distance is the preferable choice, particularly since it appears the long-range option is cheaper over the long term.

This is not the way to conduct rational national security decisionmaking. By allowing organizational politics and short-term affordability concerns to dominate the B–2's debate, we will turn our backs on the future. Moreover, we will needlessly risk U.S. national security interests and the lives of thousands of young Americans.

Additional B–2's are affordable. The Pentagon plans to increase procurement spending approximately 50 percent by 2001 and those funds should be spent on the most cost-effective systems, such as additional B–2's.

So, Mr. Speaker, I would just say again today, I think this vote this afternoon is critically important. General Scowcroft is a person who I have enormous respect for, who was national security adviser to President Ford and to President Bush. His group also with General Burpee and others have come forward with a devastating criticism of this administration's long-range bomber policy.

I would say of all the weapons we are buying today, none has more conventional military potential than the B–2's. When combined with smart conventional weapons, like JDAM's at $13,000 per weapon, it gives us an ability to attack an enemy who is invading, stop the invasion, destroy his army in the field, and also attack his national security leadership, and his operational and tactical targets as well. It gives the opportunity for simultaneous warfare with a plane that can operate autonomously without a huge package of supporting conventional aircraft.

I think this is a crucial issue. I think this administration has made a terrible, tragic mistake in not recommending to the Congress to keep this program going, especially now with the line open out there in Palmdale, CA. We can get these bombers today at the cheapest price possible because the line is still open. I believe that buying an additional nine B–2's over 6 years is the right thing to do for the security of the country. It will give us a force of 30 bombers, three squadrons of 10, and I think it will markedly improve our national defense capability.

TIME LIMIT OF INVOLVEMENT OF UNITED STATES TROOPS IN BOSNIA NECESSARY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Washington [Mr. METCALF] is recognized during morning hour debates for 5 minutes.

Mr. METCALF. Mr. Speaker, last December I came to this floor to oppose the deployment of troops to Bosnia because I felt that the mission had no chance of solving their problems. Stability in that troubled area will not be achieved easily, and only achieved with the solid support of those people in the former Yugoslavia and the neighboring nations in Europe.

In my speech last December, I stated, ''We have learned through sad experience that it is easy to rush troops into an area of contention, but it is extremely difficult to solve the problems once we get there, and even more difficult to get out in a timely and honorable way.''

I still stand by that statement. It is absolutely true.

Mr. Speaker, unfortunately this has become indeed the reality in Bosnia.

Unfortunately, the President failed, before sending our troops there, to outline our goals specifically that our military had to achieve before they could safely leave. We went in there with an ill-defined mission. A well-defined exit strategy based on the achievement of a set of tactical goals has been lacking from the start. Now the President, after breaking his promise to have them out by the end of the year, has extended the deployment at least 18 months from the promised 1-year deadline.

Two amendments that will be debated today are consistent with the policy of previous Congresses.

The Fiscal Year 1994 Department of Defense Appropriation Act, Public Law 103–139, section 8158(a), stated: It is the sense of Congress that none of the funds appropriated or otherwise made available by this act should be available for the purposes of deploying the United States Armed Forces to participate in the implementation of a peace settlement in Bosnia-Hercegovina unless previously authorized by Congress.

Further, Fiscal Year 1994 Department of Defense Appropriation Act, section 8151, cut off funds for the military operation in Somalia after March 31, 1994. This is similar to the proposals presented by the amendments today. Congress is using its constitutional power to not provide for the authorization of funds.

Mr. Speaker, the time for Congress to act is now. We cannot continue to shirk our responsibility. No one can stand on this floor and say that this Congress has not given the President more than enough chance for his plan in Bosnia, whatever it was, to work. It would also be inappropriate for anyone to come to claim that we are on the verge of real progress in this region. Unfortunately, the current situation is a continuation of the same stalemate that has plagued the mission for a majority of its existence. We must bring our troops home at the earliest possible time, be that December 1997 or June 1998.

The troops deserve Congress' support, and the best way to show that support is to bring them home.

LEGISLATION PREVENTING GOVERNMENT SHUTDOWNS NECESSARY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997 the gentleman from Pennsylvania [Mr. GEKAS] is recognized during morning hour debates for 5 minutes.

Mr. GEKAS. Mr. Speaker, it is no secret by now to most of the Members of the House that for some 8 years I have been introducing legislation on a regular basis, appearing in many different forums, presenting myself and the proposition in front of the Committee on Rules, both when it was controlled by the Democrats and now by the Republicans, to press the point that we need legislation to prevent Government shutdowns.

Now that has, of course, been a phenomenon that we have tested in the

Congress many times. Not just this last time, which received such notoriety in this last session of Congress, but seven times before that since I have been a Member of Congress, eight times since I have come to the Congress. Not only that, but we have been operating on temporary funding resolutions when the government is about to shut down 53 times during the course of the incumbency which I so pleasurably try to serve for the people of my district.

What am I trying to do again? I have reintroduced the legislation for this term. Now, an important thing and a surprising thing happened this time around. The Republican leadership decided that they were going to embrace my prevent-shutdown-legislation, and so very competently, very properly, they added this prevent-shutdown-legislation to the supplemental appropriations bill that comes up every year in one form or another, and this time the supplementals included aid to Bosnia, not to Bosnia, but to our efforts in Bosnia, and disaster relief, long term, for the people who are afflicted by the floods of the Midwest, in the Midwest just very recently.

Here is what galls me, Mr. Speaker, and I must spread this on the RECORD again. The President vetoed the bill, the supplemental appropriations, because it had in his words in the veto message, the extraneous provisions of prevent-shutdown-legislation; while at the same time he said in 1996, in his weekly radio address to the Nation in January of that year, ''It is deeply wrong to shut the Government down under the illusion that somehow it will affect the decisions that I would make on specific issues. It is wrong to shut the Government down.''

This is what President Clinton said. Then when he vetoes the supplemental appropriations, in which there was a prevent-shutdown-provision, he says, ''I urge the Congress to remove these extraneous provisions,'' meaning the shutdown legislation and a census provision, ''and to send me,'' now, get this, Mr. Speaker, this is important; and the President says, ''and send me a straightforward disaster relief bill that I can sign promptly.''

Straightforward disaster relief bill, in his language, means one that does not contain the prevent-shutdown-legislation which I offered and which was adopted by the House.

Now, here is the rub. In this bill that he finally signed after we, the Republicans, removed the shutdown legislation that had passed the House in order to achieve a compromise and allow the disaster relief bill to be signed, in the final bill that was signed were provisions like this: $3 million for allocation by the Attorney General to the appropriate unit of Government in Ogden, UT, for necessary expenses for the Winter Olympic Games. I ask, Mr. Speaker, what does that have to do with disaster relief?

Now, the President signed the bill that had Winter Olympics funding in it, even though, in my judgment, please correct me if I am wrong, that is extraneous to disaster relief, but did not allow through his veto the inclusion of prevent-shutdown-legislation which he says is extraneous to disaster relief.

Now, Mr. Speaker, he signed the bill that had marine mammal protection in it. Now, what does this have to do with disaster relief? I say, Mr. Speaker, that mammal protection, although laudable in its own right, just like shutdown legislation, prevent-shutdown-legislation, was extraneous to disaster relief. But the President vetoed a measure because it had prevent-shutdown-legislation which he calls extraneous, and signed the bill that contained mammal protection as part of disaster relief.

Is that an extraneous provision, Mr. Speaker? This is double talk, Mr. Speaker. We need provisions to prevent the shutdown of Government, and I aim to do it time and time again until the Congress and the President come to terms.

RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 10 o'clock and 50 minutes a.m.) the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. PETRI] at 12 noon.

PRAYER

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

Enable us, O gracious God, to comprehend the vast reservoir of Your grace and to be fed by the height and depth and width of Your blessings to us and to all people. When we stumble and fall, You are there; when we stand on the mountain with accomplishment and pride, You are there; when we walk through the valley of the shadow of despair, Your spirit is with us. In our prayer this day we offer our thanksgivings and gratitude for Your presence with us in all the moments of our lives. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada [Mr. GIBBONS] come forward and lead the House in the Pledge of Allegiance.

Mr. Gibbons 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.

FOLLOWING THROUGH ON PLEDGE FOR SMALLER GOVERNMENT AND LOWER TAXES

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

Mr. GIBBONS. Mr. Speaker, today the House will consider a bill that simply says that the Federal Government is too large, too intrusive, and too expensive, and that the hardworking men and women of this country should be able to keep more of their money, the money they earn. I am proud to be an original cosponsor of this bill.

But, Mr. Speaker, this is an easy vote. It is easy to endorse the idea of smaller government. It is easy to say that we pay too much in taxes every year. The real challenge will come later this week and this month when we vote on the reconciliation bill. This is the opportunity to deliver to the American people the truth, the truth about the status of the Federal Government, the truth they so richly deserve.

I urge every Member that pledges his or her desire for smaller government and lower taxes to follow through when the reconciliation bills come to the floor.

AMERICA'S POOR ARE LOOKING FOR WORKFARE WHILE AMERICA'S WORKERS ARE FALLING INTO WELFARE

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

Mr. TRAFICANT. Mr. Speaker, the White House said the economy is great; they said the stock market is at a record high, spending is at a record high, and there have been 10 million new jobs since 1992. Now, that sounds great, except the stock market is a lot of paper, individual debt is at a record high, the trade deficit is at an all-time record, and most families need three or four of those jobs just to make ends meet. The truth is, Mr. Speaker, America's poor are looking for workfare while America's workers are falling into welfare.

Cite this: Since 1992, there have been 6 million jobs lost. And of those 6 million workers who have tried to reenter the work force, they have. And they earn less than 50 percent on their new job than what they made on their old job.

Now, if that is great, beam me up, Mr. Speaker.

TRADE WITH CHINA

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

Mr. BARRETT of Nebraska. Mr. Speaker, tomorrow the House will again debate the continuation of normal trade relations with China. This debate has become the whipping post on which to affix our concerns with a host of issues which we have affecting China.

Some opponents of trade with China, while doing a good job in publicizing the Chinese Government's atrocities, are short-sighted. So, we cease trading with China? Then what? Do we end diplomatic relations with China? Do we blockade China? Our relations are far, far too complicated to be lumped into a single vote on continuing normal trade relations with China.

The House should debate a comprehensive China bill that will give the American people and China full knowledge of the consequences of their behavior and what our response will be. I urge my colleagues to continue normal trade relations with China. We cannot burn our trade with China on the short-sighted assumption that China, a new China, will be born of its ashes.

TWO CHEERS FOR TITLE 9, WITH MORE TO COME

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

Ms. NORTON. Mr. Speaker, today is the 25th anniversary of a landmark civil rights statute. Title 9 is singularly responsible for remarkable progress in eliminating sex discrimination from athletic and sports programs in schools and colleges.

Two years before title 9's effective date, an estimated 50,000 men, but only 50 women, were attending college on athletic scholarships. Today, women account for $137 million in Division I athletic scholarships but men get $407 million. Way to go; but a long way to go, too.

Title 9 requires equal allocation between male and female athletes. There are very good reasons for insisting upon strict enforcement, and many of them have little to do with athletics. Girls who participate in sports are more likely to graduate from high school and from college and have less depression.

Surely these are reasons enough to restore enforcement funds for States that Congress ripped out of title 9 last year. For now, only two cheers for title 9, with more to come.

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.

FEDERAL TORT CLAIMS CLARIFICATION ACT

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1901) to clarify that the protections of the Federal Tort Claims Act apply to the members and personnel of the National Gambling Impact Study Commission.

The Clerk read as follows:

H.R. 1901

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

SECTION 1. APPLICABILITY OF FEDERAL TORT CLAIMS PROVISIONS.

Section 6 of the National Gambling Impact Study Commission Act (18 U.S.C. 1955 note) is amended by adding at the end the following:

''(e) APPLICABILITY OF FEDERAL TORT CLAIMS PROVISIONS.—For purposes of sections 1346(b) and 2401(b) and chapter 171 of title 28, United States Code, the Commission is a 'Federal agency' and each of the members and personnel of the Commission is an 'employee of the Government'.''.

SEC. 2. CONSTRUCTION.

The amendment made by section 1 shall not be construed to imply that any commission is not a ''Federal agency'' or that any of the members or personnel of a commission is not an ''employee of the Government'' for purposes of sections 1346(b) and 2401(b) and chapter 171 of title 28, United States Code.

SEC. 3. EFFECTIVE DATE.

The amendment made by section 1 shall be effective as of August 3, 1996.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Massachusetts [Mr. FRANK] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

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

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

Mr. Speaker, today the House considers H.R. 1901, a bill to clarify that the protections of the Federal Tort Claims Act apply to members and employees of the National Gambling Impact Study Commission.

Last year, we authorized the Commission to conduct a comprehensive 2-year study of the impact of gambling on the United States. The members of the commission have now been appointed and the commission held its first meeting last Friday. Two members of the commission have called me regarding their concerns about incurring personal liability as a result of their work on the commission.

Normally, under the Federal Tort Claims Act, when someone sues a Federal employee for acts occurring within the scope of his or her employment, the United States substitutes itself as the party, defends the action, and pays any judgment. I believe that the commission is covered under the FTCA because it is an independent establishment of the United States.

For that reason, I initially believed we could resolve this matter by an exchange of letters with the Department of Justice. After several weeks of study, the Department has not been able to come to a clear resolution of whether the commission is or is not covered by the FTCA. With the commission having already begun its work, I believe we must move forward with a legislative solution.

H.R. 1901 simply provides that for purposes of the Federal Tort Claims Act, the commission is a Federal agency and its members and employees are Federal employees. At the suggestion of the gentleman from Michigan, Mr. JOHN CONYERS, we have added language that makes it clear that by acting explicitly in this case we will not by implication affect the FTCA's status of any other commission.

As it does in all FTCA cases, the Department of Justice will still make the determination of whether the particular conduct at issue is within the scope of employment. Thus, members and employees of the commission will not receive any special treatment; rather, they will receive the same treatment as all other Federal employees. This treatment will apply equally to all members and employees of the commission. The members and employees should not have to put their personal assets at risk in order to serve their country. For that reason, I urge the house to suspend the rules and pass the bill.

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

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

Mr. Speaker, I agree with what the gentleman from Illinois [Mr. HYDE] has said about this bill. I do feel constrained to point out that I think these are unnecessary Federal employees doing an unnecessary job. I still do not understand why the Federal Government thinks the States cannot handle this. But as long as we have set up this commission, over my objection, there is no reason to immunize these commissioners.

The Federal Tort Claims Act is a perfectly sensible approach. I have to say it is unlikely that any of the commissioners are going to get sued. I am not sure for what. I do not think counting cards at a casino where they play blackjack is a suable offense. But in case it is, if the commissioners are sued for tortious interfering with other people's gambling, they will be able to defend themselves under the Federal Tort Claims Act. This seems to me a

perfectly reasonable solution to a problem which we should not have allowed to arise in the first place.

Mr. CONYERS. Mr. Speaker, I rise in support of this legislation amending the National Gambling Impact Study Commission. Chairman HYDE introduced this bill after two of the Commissioners, James Dobson, president of Focus on the Family, and Kay James, dean of Regent University, refused to serve on the commission unless they were assured that they cannot be sued for their work on the Commission. Apparently, Mr. Dobson served on a pornography commission in the 1980's at which time he was sued over his work on the commission. Although the Department of Justice eventually did defend him, it was only because the Attorney General had been named in the same suit.

Now, because the Department of Justice will not agree that a member of the Gambling Commission is a Federal employee for purposes of liability under the Federal Tort Claims Act, Chairman HYDE has introduced this legislation specifically providing that the Gambling Commission is a Federal agency under FTCA and that all members and personnel of the Commission are Federal employees under the act.

The legislation also includes a rule of construction making it clear that this bill does not imply that other commissions or other members or personnel on other commissions are not covered by the FTCA.

Given the fact that two commissioners may resign without assurances that they will not be sued for their work, I understand the desire to quickly pass this legislation. Nonetheless, I do have some concerns.

When we have created other commissions in the past, we have been silent as to whether or not the commissioners were covered by the Federal Tort Claims Act. I don't know whether we assumed they were covered or we assumed they weren't covered, but it seems to me that we should consider the consequences of what it means to change the law to clearly cover such individuals. This issue is likely to come up again since I would imagine that other people might also be hesitant to serve on future commissions without assurances that they will be defended in the event of suits, particularly given that at least the Gambling Commissioners now have this protection.

I think it would be very useful for the committee to hold hearings considering the definitions of Federal agency and employee of the Government under the Federal Tort Claims Act. There are questions not only as to whether commissions are covered, but as to whether committees, boards and other quasi-governmental organizations are covered as well. Since the Federal Tort Claims Act is unclear in this regard, perhaps the best course of action would be to amend that act itself to be clear as to which governmental and quasi-governmental entities are covered.

The bottom line is that we shouldn't have to guess as to whether or not a certain entity is covered by the Federal Tort Claims Act. If the law is unclear, we should determine what should be covered and then make certain that those entities are covered. I hope the chairman will consider holding hearings and perhaps even moving legislation—should it be appropriate—to clear up this morass.

In the meantime, however, I support the passage of this legislation.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 1901.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1901.

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

There was no objection.

CHARITABLE DONATION ANTITRUST IMMUNITY ACT OF 1997

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1902) to immunize donations made in the form of charitable gift annuities and charitable remainder trusts from the antitrust laws and State laws similar to the antitrust laws.

The Clerk read as follows:

H.R. 1902

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 ''Charitable Donation Antitrust Immunity Act of 1997''.

SEC. 2. IMMUNITY FROM ANTITRUST LAWS.

The Charitable Gift Annuity Antitrust Relief Act of 1995 (15 U.S.C. 37 et seq.) is amended—

(1) by amending section 2 to read as follows:

''SEC. 2. IMMUNITY FROM ANTITRUST LAWS.

''(a) INAPPLICABILITY OF ANTITRUST LAWS.—Except as provided in subsection (d), the antitrust laws, and any State law similar to any of the antitrust laws, shall not apply to charitable gift annuities or charitable remainder trusts.

''(b) IMMUNITY.—Except as provided in subsection (d), any person subjected to any legal proceeding for damages, injunction, penalties, or other relief of any kind under the antitrust laws, or any State law similar to any of the antitrust laws, on account of setting or agreeing to rates of return or other terms for, negotiating, issuing, participating in, implementing, or otherwise being involved in the planning, issuance, or payment of charitable gift annuities or charitable remainder trusts shall have immunity from suit under the antitrust laws, including the right not to bear the cost, burden, and risk of discovery and trial, for the conduct set forth in this subsection.

''(c) TREATMENT OF CERTAIN ANNUITIES AND TRUSTS.—Any annuity treated as a charitable gift annuity, or any trust treated as a charitable remainder trust, either—

''(1) in any filing by the donor with the Internal Revenue Service; or

''(2) in any schedule, form, or written document provided by or on behalf of the donee to the donor;

shall be conclusively presumed for the purposes of this Act to be respectively a charitable gift annuity or a charitable remainder trust, unless there has been a final determination by the Internal Revenue Service that, for fraud or otherwise, the donor's annuity or trust did not qualify respectively as a charitable gift annuity or charitable remainder trust when created.

''(d) LIMITATION.—Subsections (a) and (b) shall not apply with respect to the enforcement of a State law similar to any of the antitrust laws, with respect to charitable gift annuities, or charitable remainder trusts, created after the State enacts a statute, not later than December 8, 1998, that expressly provides that subsections (a) and (b) shall not apply with respect to such charitable gift annuities and such charitable remainder trusts.''; and

(2) in section 3—

(A) by striking paragraph (1);

(B) by redesignating paragraph (2) as paragraph (1);

(C) by inserting after paragraph (1), as so redesignated, the following:

''(2) CHARITABLE REMAINDER TRUST.—The term 'charitable remainder trust' has the meaning given it in section 664(d) of the Internal Revenue Code of 1986 (26 U.S.C. 664(d)).'';

(D) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

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

''(4) FINAL DETERMINATION.—The term 'final determination' includes an Internal Revenue Service determination, after exhaustion of donor's and donee's administrative remedies, disallowing the donor's charitable deduction for the year in which the initial contribution was made because of the donee's failure to comply at such time with the requirements of section 501(m)(5) or 664(d), respectively, of the Internal Revenue Code of 1986 (26 U.S.C. 501(m)(5), 664(d)).''.

SEC. 3. APPLICATION OF ACT.

This Act, and the amendments made by this Act, shall apply with respect to all conduct occurring before, on, or after the date of the enactment of this Act and shall apply in all administrative and judicial actions pending on or commenced after the date of the enactment of this Act.

SEC. 4. STUDY AND REPORT.

(a) STUDY AND REPORT.—The Attorney General shall carry out a study to determine the effect of this Act on markets for noncharitable annuities, charitable gift annuities, and charitable remainder trusts. The Attorney General shall prepare a report summarizing the results of the study.

(b) DETAILS OF STUDY AND REPORT.—The report referred to in subsection (a) shall include any information on possible inappropriate activity resulting from this Act and any recommendations for legislative changes, including recommendations for additional enforcement resources.

(c) SUBMISSION OF REPORT.—The Attorney General shall submit the report referred to in subsection (a) to the Chairman and the ranking member of the Committee on the Judiciary of the House of Representatives, and to the Chairman and the ranking member of the Committee on the Judiciary of the Senate, not later than 27 months after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Massachusetts [Mr. FRANK] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

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

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

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

There was no objection.

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

Mr. Speaker, I would state that in 1995, Congress learned of an assault on charitable giving that was being waged in a class action lawsuit underway in the Federal court in Texas. The defendants in the case, a collection of charitable organizations which included the Lutheran Church, the United Way, and Northwestern University, stood accused of violating the antitrust laws by agreeing to use the same annuity rate when is offering donors charitable gift annuities.

Charitable gift annuities are a vehicle for charitable giving. The donor gives a charitable organization a sum of money. In return, the donor receives a charitable deduction and the agreement of the donee to pay back a fixed income for life. Depending on the annuity rate used, the value of the life income in relation to the total donation fluctuates, as does the amount of the charitable deduction.

Finding that there were strong public policy reasons to protect charitable organizations from antitrust suits in this context, the 104th Congress enacted the Charitable Gift Annuity Antitrust Relief Act of 1995. That act specifies that it is not a violation of the antitrust laws for section 501(c)(3) organizations to agree to use the same annuity rate when issuing charitable gift annuities. The bill was unanimously approved in the House by a vote of 427 to 0; the Senate passed the House bill by voice vote. The expectation was that the act would lead to the dismissal of the class action suit and an end to the Texas case.

Alas, this has not been the result. When the 1995 act was asserted as a defense in the case, the judge denied the motion to dismiss, citing new allegations and issues of fact which were allegedly raised under the act. The Court's rulings make it clear that in order to achieve the goal we originally intended, that is, to protect this kind of charitable fundraising from the antitrust laws, we must act again. Two issues in particular must be clarified: that all activity related to the issuance of a charitable gift annuity is protected, and that the Internal Revenue Service, not the district court, is the arbiter of whether a particular annuity meets the criteria of a charitable gift annuity.

□ 1215

The bill before us today, the Charitable Donation Antitrust Immunity Act of 1997, amends the 1995 act for that purpose. H.R. 1902 provides antitrust protection for charitable gift annuities and charitable remainder trusts, and grants immunity from antitrust suit to any person involved in issuing or selling those annuities or trusts. It establishes a conclusive presumption that a particular instrument is a charitable gift annuity or charitable remainder trust if the donor has treated it as one in filings with the Internal Revenue Service, or if the donee has treated it as one in documents provided to the donor. However, the conclusive presumption would not be available if the Internal Revenue Service has made a final determination that the annuity or trust was not qualified under the revenue laws.

H.R. 1902 is a bipartisan effort to redraft legislation to ensure that the courts will interpret the law in a manner consistent with congressional intent. The gentleman from Michigan [Mr. CONYERS], the ranking member, and I have worked closely on this legislation to ensure that the exemption is drawn as narrowly as possible while still achieving our goal. A companion bill has been introduced in the Senate by Senators COVERDELL, DODD, and DEWINE, and I anticipate it will receive swift consideration in that body. I also should mention the Antitrust Division of the Department of Justice has indicated they have no objection to the new language.

Mr. Speaker, in these days of fiscal conservatism we are asking our communities to do more and more. With the help of charitable organizations, we stretch our government dollars to feed more hungry people, build homes for the poor, and care for the less fortunate. Every dollar raised by these organizations is needed to help in the mission of the charity. By enacting H.R. 1902, we are making sure that these scarce resources are not used to pay lawyers to defend a lawsuit that Congress has deemed meritless, but instead to contribute to the strength of our communities.

Mr. CONYERS. Mr. Speaker, as the Members of this House well know I am a strong supporter of vigorous enforcement of the antitrust laws, and as a general matter I do not favor any exemptions or exclusions from the antitrust laws or legislation which would impact pending cases.

However, when it comes to beneficial cooperative activity by charities I believe there is no legitimate role for the antitrust laws. This is why when I learned last year that a group of plaintiffs had brought an unfounded antitrust action against a large number of charities who had agreed to use a common formula in offering gift annuities, I cosponsored with Chairman HYDE H.R. 2525. That legislation granted an antitrust immunity for charities offering gift annuities and eventually passed the Congress unanimously and was signed into law by the President.

Unfortunately, subsequent to the law's enaction, the plaintiffs amended their complaint to allege that the charities' accountants and lawyers had also participated in the antitrust conspiracy and charged that the charities' tax exempt status was fraudulent. Despite Congress' clear intent, rather than throw these frivolous allegations out, the courts have continued to allow the case to proceed, allowing the parties to engage in discovery. As a result, the charities continue to face the risk of billions of dollars in damages and millions of dollars in legal fees.

This bill would strengthen last year's law to clarify that actions by professionals associated with charitable gift annuities are not subject to the antitrust laws, and create a conclusive presumption of coverage to entities treated as charities by the IRS. This should end the wasteful litigation and allow the charities to focus their resources on better serving our communities.

This law is narrowly crafted and specific. It will do no damage to the letter or spirit of our antitrust laws. The language has been carefully reviewed by the Justice Department and they have voiced no objections to the bill. I urge the Members to join me in supporting this important legislation.

Mr. FRANK of Massachusetts. Mr. Speaker, I believe that the distinguished chairman has explained this quite adequately.

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

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

The SPEAKER pro tempore [Mr. PETRI]. The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 1902.

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

A motion to reconsider was laid on the table.

VETERANS' CEMETERY PROTECTION ACT OF 1997

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1532) to amend title 18, United States Code, to create criminal penalties for theft and willful vandalism at national cemeteries, as amended.

The Clerk read as follows:

H.R. 1532

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' Cemetery Protection Act of 1997''.

SEC. 2. SENTENCING FOR VANDALISM AT NATIONAL CEMETERIES.

(a) *General Rule.—P*ursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall review and amend the sentencing guidelines to provide a sentencing enhancement for any offense against any property of a national cemetery—

(1) by at least 4 levels if the offense involves the willful injury to or depredation against such property, and

(2) by at least 6 levels if the offense involves the knowing theft, conversion, or unlawful sale or disposition of such property.

(b) COMMISSION DUTY.—In carrying out subsection (a), the Sentencing Commission shall ensure that the sentences, guidelines, and

policy statements for offenders convicted of offenses described in subsection (a) are appropriately severe and reasonably consistent with other relevant directives and with other guidelines.

(c) DEFINITION.—For the purposes of this section, the term ''national cemetery'' means a cemetery in the National Cemetery System established under section 2400 of title 38 and a cemetery under the jurisdiction of the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, or the Secretary of the Interior.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Massachusetts [Mr. FRANK] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

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

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

Mr. HYDE. Mr. Speaker, the goal of H.R. 1532, the Veterans' Cemetery Protection Act, is one which I wholeheartedly support, sending a strong message to criminals who would desecrate or destroy property at a national cemetery, that the United States will not tolerate such disrespect of its veterans. Such cowardly crimes can only be performed by people who choose to ignore the sacrifices of those men and women who have served proudly and bravely in the U.S. Armed Forces.

As originally introduced by the gentleman from California [Mr. CALVERT], H.R. 1532 created a new Federal crime of vandalism and theft at a national cemetery. The Committee on the Judiciary adopted an amendment which instructs the Sentencing Commission to review and amend its guidelines to provide a sentencing enhancement for any offense against property of a national cemetery. Under this approach, vandals who destroy national cemetery property will still receive the strong, swift punishment they deserve.

This issue strikes a national nerve, and I am grateful to the gentleman from California [Mr. CALVERT] for his dedication and concern for our veterans. He introduced H.R. 1532 on May 6, 1997, only 1½ months ago, and today his bill has nearly 250 cosponsors. The gentleman from Hawaii [Mr. ABERCROMBIE] has also been actively supporting this legislation.

The bill, as amended, directs the Sentencing Commission to increase a sentence by at least four levels if property of a national cemetery is injured or defaced, and by at least six levels if such property is stolen or unlawfully sold. Criminals will still be charged and convicted under the existing sections of the criminal code. However, in the case of theft or damage of property at a national cemetery, the Sentencing Commission will ensure that those persons are punished more severely than if the damage was to less significant and sacred Federal property.

I believe this approach is the most effective way to express Congress's disgust with vandals and thieves who have no regard for the sacrifices made by this country's veterans. Many of our veterans gave their lives to protect our cherished freedoms, and when their grave sites are desecrated by foul words and pictures and graffiti, it offends the dignity and sense of honor shared by all Americans.

In a speech called ''Vision of War'' given in Indianapolis in 1876, Robert Green Ingersoll eloquently honored our veterans when he said:

> These heroes are dead. They died for liberty; they died for us. They are at rest. They sleep in a land they made free, under the flag they rendered stainless, under the solemn pines, the tearful willows, the embracing vines. They sleep beneath the shadows of the clouds, each in a windowless palace of rest. Earth may run red with other wars; they are at peace. In the midst of battles, in the roar of conflict, they found the serenity of death.

Mr. Speaker, when our national cemeteries are desecrated and destroyed, the peace that our veterans, their spouses, children, and friends so richly deserve, is disturbed. We honor our Nation's heroes today by passing this legislation which underscores our intolerance of damage and theft at our national cemeteries.

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

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

Mr. Speaker, the desecration of graves is a particularly despicable act. It clearly bespeaks simply malice. No one can ever claim any necessity. No one can ever claim to be driven by circumstances to do so vicious a thing. The harm it does to survivors is intolerable. I think it is entirely appropriate that we express our desire that the sentences be increased. I concur with this piece of legislation.

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

Mr. HYDE. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Speaker, I want to thank the gentleman from Illinois [Mr. HYDE], the chairman, for the good work in moving this important bill forward.

Mr. Speaker, I rise today with the gentleman from Hawaii [Mr. ABERCROMBIE] in support of the Veterans' Cemetery Protection Act. I would like to thank the gentleman from Florida [Mr. MCCOLLUM], chairman of the Subcommittee on Crime, for moving this bill forward, and again certainly the gentleman from Illinois [Mr. HYDE] for their help and guidance in getting this bill to the floor so quickly. I particularly want to thank the Committee on the Judiciary for the perfecting amendment at the subcommittee markup.

Mr. Speaker, whenever a young man or woman decides to enter the military, they do so voluntarily, in order to protect our country and guard us against the uncertainties of the world. Sometimes they make the ultimate sacrifice. Over 1 million Americans have died fighting this country's wars. That is why it sickens me when I hear of degenerates desecrating our national cemeteries.

In June 1996, Riverside National Cemetery, the second largest in the Nation next to Arlington, fell prey to a thief who stole bronze markers from 128 graves, who later sold them for a profit. Horribly, this theft was discovered on Father's Day by family members who had come to pay their respects. On April 19, vandals spray-painted racist and profane words on cemetery walls at the National Memorial Cemetery of the Pacific in Hawaii, located inside the district of the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. Speaker, enough is enough. The Veterans' Cemetery Protection Act would stiffen criminal penalties for theft and malicious vandalism at national cemeteries.

H.R. 1532 will require the U.S. Sentencing Commission to review and amend the sentencing guidelines to enhance penalties resulting from national cemetery desecrations and theft. The bill increases by four levels the punishment levied by a judge if the offense involves the willful injury or depredation against a national cemetery. It also increases by six levels the punishment levied by a judge if the offense involves the knowing theft, conversion, or unlawful sale or disposition of national cemetery property. Judges will continue to have the discretion of applying fines up to $250,000 in such cases.

H.R. 1532 seeks to protect the 114 VA national cemeteries, along with other cemeteries under the jurisdiction of the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force and the Secretary of the Interior.

Joseph Frank, national commander of the American Legion, stated,

> Deliberate acts of vandalism against the final resting place of America's fallen comrades must not be tolerated. According to the Paralyzed Veterans of America News, Demeaning and degrading the final resting place of veterans who made the ultimate sacrifice for the Nation and their loved ones strikes at all veterans and all Americans.

This bill addresses their concerns. The Veterans' Cemetery Protection Act has received the endorsement and support of numerous veterans and military organizations. I wish to recognize and thank the men and women of the Non-Commissioned Officers Association of the United States of America, the Paralyzed Veterans of America, the American Legion, the Fleet Reserve Association, the Enlisted Association of the National Guard, the Veterans of Foreign Wars, the Disabled American Veterans, the Blinded Veterans Association, AM–VETS and others who have expressed their support for this legislation. Let there be no doubt, this is Congress' gift to them.

I also wish to thank over 250 Members of Congress who cosponsored this bill. Being so close to Independence Day, I invite my colleagues to support

passage of the Veterans' Cemetery Protection Act as a small gift to our Nation's veterans.

Again, I would like to thank the gentleman from Hawaii [Mr. ABERCROMBIE] for moving this bill forward and getting it done before Independence Day.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 8 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, before I make my remarks, I would like to extend my gratitude to the gentleman from California [Mr. CALVERT]. I have had the pleasure of working with him in the Subcommittee on Energy and Mineral Resources of the Committee on Resources where he was the chair and I was the ranking member on that committee. We got to know each other very well, able to understand our problems and work to solve them in a mutual fashion. It turns out by sad coincidence that we had a mutual interest in the Veterans' Cemetery Protection Act.

Mr. Speaker, I will relate to Members in the course of my remarks the circumstances that took place at Punchbowl and elsewhere out in the Hawaiian Islands with respect to the desecration of our cemeteries there. It was with an equal degree of sadness that I learned that the gentleman from California [Mr. CALVERT] had experienced similar problems and difficulties in Riverside and we found out that this was in fact a nationwide problem. With his usual regard for acting quickly on matters, the gentleman from California [Mr. CALVERT] and I were able to put together this bill and receive the kind and prompt attention of the gentleman from Illinois [Mr. HYDE] in the Committee on the Judiciary. I am sure I am speaking for the gentleman from California [Mr. CALVERT] and myself in expressing not only our personal regard to the gentleman from Illinois [Mr. HYDE], but with respect to this particular legislation, the promptness with which the gentleman and his staff dealt with this particular bill is something to be admired and we are very, very grateful to him.

I want to thank the gentleman from Florida [Mr. MCCOLLUM] as well for making a significant contribution in improving the bill. I am sure that the gentleman from California [Mr. CALVERT] agrees with me that the amendments that were put in during committee have been very, very beneficial to the bill.

□ 1230

I want to thank the gentleman from Arizona [Mr. STUMP] for his interest right from the very, very beginning, obviously with his background and experience in the Committee on Veterans' Affairs; nonetheless, his approval of and support for the bill has been very valuable in moving it forward to this point. I want to thank the gentleman from Massachusetts [Mr. FRANK] for his interest in the bill.

Obviously, Mr. Speaker, my colleagues can tell from the list of individuals that I have spoken about today that this is a nonpartisan bill. It has nothing to do with political parties; it has everything to do with our regard for the United States of America and the symbolic importance of what is involved in the Veterans' Cemetery Protection Act.

Mr. Speaker, today then I rise to voice my strong support for H.R. 1532, the Veterans' Cemetery Protection Act of 1997 which I am introducing, as I indicated, along with my colleague from California [Mr. CALVERT]. This bill instructs the U.S. Sentencing Commission to significantly increase the criminal penalties for theft and wilful vandalism at national cemeteries. The penalties under this bill are clear and would send an unmistakable message to those who chose to desecrate the final resting place of our veterans.

In a national cemetery anyone convicted of vandalism that causes a damage of less than $1,000 can be fined and serve a maximum prison term of 1 year. Anyone convicted of vandalism that exceeds $1,000 can receive penalties of a maximum 10-year prison term and a fine. In addition, anyone convicted of hiding, stealing or selling national cemetery property could be sentenced to a maximum 15-year prison term and corresponding fine.

Mr. Speaker, I know for some Members this may be almost the first time they are hearing this kind of discussion. It may sound to them almost impossible that anyone would be hiding, stealing or selling national cemetery property, but unfortunately this is a fact of contemporary life. The time to act on this legislation therefore is now. How many more times do we want to open the newspaper, listen to a radio account, or watch the evening news and learn of another act of shocking desecration occurring at one of our national cemeteries?

Let me recount the most recent examples for my colleagues. In 1994, a grave was opened at Ball's Bluff National Cemetery, and the remains of the soldier were scattered about presumably by a relic hunter.

In 1996, Riverside National Cemetery, as the gentleman from California [Mr. CALVERT] indicated, the second largest national cemetery in the Nation, was vandalized by a person or persons who stole engraved bronze markers from 128 graves. A few months before, thieves stole over 500 markers from a storage facility at the cemetery. They attempted to sell the markers to a recycling plant for financial gain.

Finally, the most recent act of wilful vandalism, which occurred in Hawaii and New Jersey. On April 19, 1997 seven Oahu cemeteries, including the Hawaii Veterans' Cemetery in Kaneohe and the National Memorial Cemetery of the Pacific at Punchbowl were vandalized. Racist and profane words were spray-painted on grave markers, cemetery walls and even on the chapel of the National Memorial Cemetery. These acts were an insult to the people buried there, their families and the entire Hawaii community. I feel deeply for the relatives who are still experiencing the pain caused by this outrage.

Mr. Speaker, I can scarcely get across today in words the anguish that people felt when viewing the circumstances of the vandalism at Punchbowl and elsewhere. What still gives one faith in the human spirit to triumph over tragedy is the pure unselfishness of the State and local government, veterans groups and community individuals who stepped up to the task of repairing the damage. Currently the estimated costs of repairing and cleaning up these cemeteries is between $20,000 and $25,000.

Almost immediately Governor Benjamin Cayetano pledged to mobilize veterans, active duty U.S. military, the Hawaii National Guard and youth groups like the Hawaii Youth Challenge. He asked Maj. Gen. Edward Richardson, the State Adjutant General, and Walter Ozawa, Veterans Services Director, to work with Adm. Joseph Prueher, the Pacific Commander in Chief, to enlist help in the joint cleanup effort.

The human spirit was renewed by the efforts of the Paralyzed Veterans of America, whose president, Ken Huber, called the desecration of the national cemetery an unconscionable act and affront to all the men and women in the Armed Services. The Paralyzed Veterans notified Secretary of Veterans Affairs Jesse Brown that on behalf of the PVA members and in recognition of the sacrifices of all veterans the PVA would cover the cost of repairing and restoring the national cemetery. Other local Hawaii veterans groups posted reward moneys for information leading to the apprehension and conviction of these vandals.

The spirit was further renewed by the actions of individuals, more than 700 of whom signed up to help at Punchbowl Cemetery. Because of the expertise and harmful chemicals required for most of the cleanup, only a handful could be used at any one time. But that did not stop Vi DeCaires from working to clean a grave, scrubbing the granite marker with a toothbrush. She said the people buried here have given so much to us. I just wanted to give back.

Dorothy Tamashiro volunteered because her husband Harold is buried at Punchbowl. He was a member of the World War II 100th Infantry Battalion. According to Dorothy, ''when I saw the news I started to cry. So when the phone number came up on the screen I volunteered.''

Then there was Lilla LeVine, who worked to clean the grave of Army Sgt. Maj. Earl R. Davidson, a veteran of World War II, Korea, and Vietnam. ''How sad to think he did all this and this would happen to him,'' she said. ''He is a person, not just a stone.'' ''He is a person, not just a stone. He had a life and a family and he fought for his

country through three wars. I hope he knows we are taking care of this as much as we can.''

And most recently, on May 18, vandalism estimated at $10,000 darkened the sky of the 133-year-old Beverly, New Jersey National Cemetery where Veterans of Foreign War posts from throughout the State have come together on each Memorial Day for 52 years. Vandals tore down flagpoles, pulled memorial benches from their cement foundations and ruined the entrance garden. Here again veterans groups have posted reward moneys for information leading to the apprehension of the vandals as well as money to repair the damages to the cemetery.

I am pleased to inform my colleagues on both sides of the aisle that because of the efforts of a number of individuals and groups, the last of the hate messages and graffiti was removed just prior to Memorial Day at Punchbowl with the help of the $21,000 donated thus far to the cleanup. Vandals can never ''tarnish what our heroes have left us,'' Honolulu Mayor Jeremy Harris said during the Memorial Day ceremony.

Today we are responding to the call to keep our heroes untarnished with the introduction of this act. Our Constitution provides many freedoms and rights. It does not provide us the right to physically destroy what is not ours, even if it is to send a message. With rights come responsibilities, and it is our responsibility today as Members of Congress to ensure the right to be laid to rest in hallowed ground, like those men and women who have made the ultimate sacrifice for our Nation, is not compromised or profaned.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume before yielding to the gentleman from Arizona [Mr. STUMP] simply to say that while we are on the subject of the Punchbowl Cemetery, which is one of the most beautiful places in the world, it seems to me we ought to have at the grave sites crucifixes and Stars of David and other appropriate markers. They have a flat marker on the ground, and if one stands there and look, they would not know it was a cemetery because they cannot see the graves. One has to walk up and look at each marker.

Mr. Speaker, if we go to Normandy or we go out here to Arlington, we know that we are in a very special place and the emotions that are reached by looking at the proper grave markers; I think the people buried at Punchbowl ought to have those too.

Mr. Speaker, I look forward to the day when whoever is in charge of that agrees with me, and instead of flat, unseeable grave stones we will see either a cross or a Star of David or whatever is appropriate.

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

Mr. HYDE. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Speaker, I would certainly take that issue up with Mr. Gene Castenetti, who is the director at Punchbowl, and would be delighted to work with you and the gentleman from Arizona [Mr. STUMP] and anyone else who is interested in seeing to it that we might make those kinds of improvements.

Mr. HYDE. I hope more than I am interested in that because the impact, the emotional impact on seeing it at Normandy or in Arlington is powerful, and it ought to be reproduced, in my opinion, in Punchbowl.

Mr. Speaker, I yield as much time as he may consume to the gentleman from Arizona [Mr. STUMP].

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

Mr. STUMP. Mr. Speaker, I rise in strong support of H.R. 1532, the Veterans Vandalism Act of 1997.

At the end of the 50th anniversary celebration of World War II, I had the privilege of visiting this cemetery along with the gentleman from Illinois [Mr. HYDE] and the gentleman from Hawaii [Mr. ABERCROMBIE], and it truly is one of the most beautiful in our system, and I would like to associate myself with the remarks he made as far as proper markings on these headstones.

This cemetery is the final resting place for more than 39,000 members of our armed services and their families. The cemetery also has a wall inscribed with the names of more than 28,000 servicemen, both men and women, who are missing in action, lost, or buried at sea during World War II, the Korean war, and the Vietnam war.

Mr. Speaker, these veterans' cemeteries are national shrines. The appalling acts of one of America's most significant cemeteries in Hawaii defies comprehension. Surviving members of the families and the other 5 million annual visitors should not be subjected to such disrespectful acts.

I would like to especially thank the gentleman from Illinois [Mr. HYDE], chairman of the committee, for bringing this bill to the floor and all of his work, the gentleman from California [Mr. CALVERT] for introducing the bill, and also to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. CANADY of Florida. Mr. Speaker, I rise today in support of the Veterans' Cemeteries Protection Act of 1997.

I was deeply concerned when I learned that vandals had cruelly defaced the graves of our Nation's fallen heroes in five veterans' cemeteries in Hawaii. These were despicable acts of cowardice that desecrated the memory of great Americans who gave their lives for our country.

The most severe damage was done to the National Memorial Cemetery of the Pacific, where hundreds of men and women who lost their lives in the bombing of Pearl Harbor were laid to rest. A group of vandals scrawled messages in red paint on hundreds of tombstones and walls in five separate cemeteries. We must send a message that this type of behavior cannot be tolerated.

Mr. Speaker, today I urge my colleagues to support the Veterans' Cemeteries Protection Act, which would create specific criminal penalties for acts of vandalism at national cemeteries.

It is only because of the sacrifice of American's veterans that we enjoy the blessings of liberty today. It is now our duty to honor their memory by swiftly and severely punishing those who deface their graves.

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

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

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 1532, as amended.

The question was taken.

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

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

NEED-BASED EDUCATIONAL AID ANTITRUST PROTECTION ACT OF 1997

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1866) to continue favorable treatment for need-based educational aid under the antitrust laws.

The Clerk read as follows:

H.R. 1866

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 ''Need-Based Educational Aid Antitrust Protection Act of 1997''.

SEC. 2. CONTINUATION OF FAVORABLE TREATMENT FOR NEED-BASED EDUCATIONAL AID UNDER THE ANTITRUST LAWS.

(a) AMENDMENTS.—Section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended—

(1) in the heading of subsection (a) by striking ''TEMPORARY'',

(2) by striking subsection (d), and

(3) by redesignating subsection (e) as subsection (d).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately before September 30, 1997.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SMITH] and the gentleman from Massachusetts [Mr. FRANK] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr.SMITH].

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

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

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House considers H.R. 1866, the Need-based Financial Aid Antitrust Protection Act of 1997. Beginning in the mid-1950's, a number of private colleges and universities agreed to award institutional financial aid; that is, aid from the school's own funds, solely on the basis of demonstrated financial need. These schools also agreed to use common principles to assess each student's financial need and to give essentially the same financial aid award to students admitted to more than one member of the group.

From the 1950's through the late 1980's the practice continued undisturbed. In 1989, the Antitrust Division of the Department of Justice brought suit against nine of the colleges that engaged in this practice. After extensive litigation the parties reached a settlement in 1993. In 1994, Congress passed a temporary exemption from the antitrust laws that basically codified that settlement. It allowed agreements to provide aid on the basis of need only, to use common principles of needs analysis, to use a common financial aid application form, and to allow the exchange of the student's financial information through a third party.

□ 1245

It also prohibited agreements on awards to specific students. It provided for this exemption to expire on September 30, 1997.

Under this exemption, the affected schools have recently adopted a set of general principles to determine eligibility for institutional aid. These principles address issues like expected contributions from noncustodial parents, treatment of depreciation expense which may reduce a parent's income, evaluation of rental properties, and unusually high medical expenses. Common treatment of these types of issues makes sense and, to my knowledge, there are no complaints about the existing exemption. H.R. 1866 would make the exemption passed in 1994 permanent. It would not make any change to the substance of the exemption.

The need-based financial aid system serves social goals that the antitrust laws do not adequately address, namely making financial aid available to the broadest number of students solely on the basis of demonstrated need. Without it the schools would be required to compete, through financial aid awards, for the very top students. Those very top students would get all of the aid available, which would be more than they need. The rest would get less or none at all. Ultimately such a system would serve to undermine the principles of need-based aid and need-blinded missions.

No student who is otherwise qualified ought to be denied the opportunity to go to one of the Nation's most prestigious schools because of the limited financial institution of his or her family. H.R. 1866 will help protect need-based aid and need-blinded missions and preserve that opportunity.

Mr. Speaker, I urge the House to suspend the rules and pass this bill.

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

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

Mr. Speaker, I express my appreciation to the gentleman from Texas [Mr. SMITH]. I think this is a mistake on the part of the Justice Department, and I am glad that Congress is appropriately stepping in to let universities do as they think best with the funds they have. We should note that this is twice today that we have legislated to say that antitrust rules should not be used in effect to interfere with charity. We did it earlier on the annuity question. Universities that are trying to maximize the extent to which they can help people go to school who could not otherwise afford it deserve a lot of credit.

Mr. Speaker, I admire the willingness of the universities to persevere. I want to particularly say the Massachusetts Institute of Technology it seems to me showed a good deal of courage in this whole incident by not simply bucking under when they were sued. All the universities here, we should understand, the ones involved are fighting on behalf of themselves and other universities for the right to try to address the economic problems of people who could not afford to go to these schools. This is an effort by them to maximize the extent to which they give scholarship aid to people who genuinely need it and for whom it would be a necessity in going to school. They deserve credit for that. What they basically said is they will take on this fight and come to Congress for the right to be charitable in the best sense. So I am glad we are acting.

Mr. Speaker, I appreciate the leadership that the gentleman from Texas [Mr. SMITH], a member of the majority took, in making sure we could bring this forward. I am delighted this is going forward now.

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

Mr. CONYERS. Mr. Speaker, I want to commend Mr. SMITH and Mr. FRANK for their diligent work in bringing this bill to our attention. H.R. 1866 simply makes permanent a limited antitrust exemption for educational institutions.

Congress acted to provide the exemption after court decisions in 1991 and 1994 found that Ivy League schools who were sharing aid information concerning applicants were violating the antitrust laws. The 1994 law is scheduled to expire on September 30 of this year unless Congress first acts to extend it.

Under the terms of the current antitrust exemption, universities are permitted to develop common aid forms and exchange student financial data through a third party so long as they agree to admit students on a need-blind basis. This means that participating schools are able to make maximum use of their available funds and ensure that the largest number of students are able to receive some form of aid. The law specifically prohibits schools from comparing the amount or terms of specific aid offers made to students.

The 1994 law has worked well. Because of the law, financial aid officers have been able to develop a common set of principles for awarding aid and a common aid form. This has simplified the financial aid procedures for both students and their families as well as the colleges. In part, as a result, last year colleges and universities provided an estimated $8.6 billion in grants from their own funds, or 30 percent more than the $6.6 billion in aid provided by the Federal Government. This aid is absolutely vital at a time of ever diminishing Federal resources.

The exemption is narrowly drafted—allowing antitrust enforcers to pursue anticompetitive conduct while protecting socially beneficial activities by colleges—and deserves to be made permanent. I understand that the Justice Department has expressed no concerns with the bill, and I urge the Members to join me in supporting this well-intended legislation.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. FRANK], for his generous comments.

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

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from Texas [Mr. SMITH] that the House suspend the rules and pass the bill, H.R. 1866.

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

A motion to reconsider was laid on the table.

REAUTHORIZING PROGRAM RELATING TO ARBITRATION

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1581) to reauthorize the program established under chapter 44 of title 28, United States Code, relating to arbitration.

The Clerk read as follows:

H.R. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 905 of the Judicial Improvements and Access to Justice Act (28 U.S.C. 651 note; Public Law 100–702) is amended in the first sentence by striking ''for each of the fiscal years 1994 through 1997'' and inserting ''for each fiscal year''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina [Mr. COBLE], and the gentleman from Massachusetts [Mr. FRANK], each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. COBLE].

GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1581.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 1581, a bill introduced to reauthorize the existing Federal court arbitration programs established in chapter 44 of title 28 of the United States Code. This bill reauthorizes 20 pilot arbitration programs which have been in existence in U.S. district courts around the country for 20 years.

These programs have been unquestionably successful over the years in resolving Federal litigation in a fair and expeditious manner and improving the efficiency of those Federal courts which participate in the program. The current authorization expires on September 1 of this year, and thus there is some urgency in reauthorizing these very successful programs prior to that date.

I urge my colleagues to vote in favor of this bipartisan bill.

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

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

Mr. Speaker, I agree with the gentleman from North Carolina.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. COBLE] that the House suspend the rules and pass the bill, H.R. 1581.

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

A motion to reconsider was laid on the table.

REGARDING COST OF GOVERNMENT DAY

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 102) expressing the sense of the Congress that the cost of government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn.

The Clerk read as follows:

H. CON. RES. 102

Whereas the total cost of government spending and regulations (total cost of government) consumers 36.2 percent of the Nation's net national product;

Whereas the total cost of government now exceeds $3,520,000,000,000 annually;

Whereas Federal regulatory costs now exceed $785,000,000,000 annually;

Whereas the cost of government in general and excessive regulations in particular place a tremendous drain on the economy by reducing worker productivity, increasing prices to consumers, and limiting the economic choices and individual freedoms of our citizenry;

Whereas, if the average American worker were to spend all of his or her gross earnings on nothing else besides meeting his or her share of the total cost of government for the current year, that total cost would not be met until July 3, 1997;

Whereas July 3, 1997, should therefore be considered Cost of Government Day 1997; and

Whereas it is not right that the American family has to give up more than 50 percent of what it earns to the government: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, as part of balancing the budget and reevaluating the role of government, Federal, State, and local elected officials should carefully consider the costs of government spending and regulatory programs in the year to come so that American families will be able to keep more of what they earn.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SESSIONS] and the gentleman from California [Mr. WAXMAN] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SESSIONS].

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

Mr. Speaker, today we are recognizing the Cost of Government Day. Next week, Americans will have more than one reason to celebrate the ideals of freedom and independence. July 3 is the day on which we will be free to work for ourselves instead of the Government because this is the Cost of Government Day in 1997.

From January 1 to July 3, Americans will work to pay for all levels of government, plus the volumes of regulations brought into effect this last year. That is over half the year, or 183 days working to pay for the cost of government.

The total cost of government this year translates into $13,500 for each man, woman, and child in America. Federal regulations consume at least $3,000 of that total. It is simply disgraceful to force the hard-working Americans in each of our districts to fork over half of their earnings to pay for government.

I call on all Members to resolve to stop the chronic overspending and overregulating by supporting this cost of government resolution.

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

Mr. Speaker, this resolution has had no hearings before our committee. It was just introduced last Friday. The whole idea of it is that we should not have a waste of taxpayer's money because taxes are too high. Well, this is a pretty silly bill, and, if anything, it is wasting some taxpayers' money by even having it processed.

I would not argue against the bill because there is no harm, I suppose, that could be seen in this legislation. It will have very little impact.

So on our side of the aisle, representing the Democrats on the committee, we never had this before the committee, and this is more a political statement by the Republicans on how they do not want to waste money. To me, it is an ineffective bill that is wasting taxpayers' money to even bring it before us.

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

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY], the author of this resolution.

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

Mr. Speaker, I must say, the comments from the gentleman from California [Mr. WAXMAN], do not surprise me a bit, because it is his party that has led us to this point over the last 30 or 40 years, that have controlled this Chamber, that had led us to the point that we have to introduce legislation like this to call attention to the American people what they already know by looking at their bank statements every month and trying to balance their checkbooks and paying their taxes on April 15.

Mr. Speaker, I just wonder how many hard-working Americans really know just how long it takes them to earn enough income to pay for the cost of government. Many Americans mistakenly associate April 15 with the end of their financial obligations to the Government. Some believe Tax Freedom Day is the day which marks the end of their financial obligations to pay for the cost of Government.

But, unfortunately, both of these dates are wrong, because it takes until July 3, more than half the year, to free yourself and your family from the heavy burden of government spending at all levels, plus the cost of regulation.

Now, according to the Americans for Tax Reform Foundation, the cost of this Government this year equals $3.5 trillion, or 36.2 percent of our country's net national product. Now, that amounts to $13,500 for every man, woman, and child in America, $13,500 a year per individual to run this Government.

Mr. Speaker, that means that the average American will work 183 days this year to pay for the government's insatiable spending appetite and the thousands of regulations that emanate from this town every year.

In the last 14 months, over 4,700 new regulations have been issued by Federal agencies of the Clinton administration. The era of big government goes on and on and on. Over 50 percent of a family's hard-earned income goes to the country. Fifty cents out of every hard-earned dollar a family makes goes to the government. No wonder it takes one parent to work for the Government while the other parent works for the family. So, Mr. Speaker, no American should have to work more than half the year to pay the cost of government. We need to commit ourselves to reducing this burden.

This week, when the House passes the Taxpayer Relief Act, we will have begun to make a down payment on providing middle-income American families the tax relief that they need, tax relief that they have not seen in 16 years, since Ronald Reagan was President of the United States.

But I emphasize, Mr. Speaker, this is only a small down payment. We have

to continue to reduce the tax and regulatory burden on working Americans because they are constantly struggling to hold on to their earnings. Whereas the parents' generation, their parents' generation got to keep 80 percent or more of the fruits of their labor, today's families are lucky to keep 50 percent of their earnings, and, for most families, that is with both parents working full time.

Speaker GINGRICH was right on the mark this weekend when he said that we would strive to make sure that no working American should have to turn over more than 25 percent of their hard-earned income to pay for taxes or other government costs. The Lord God only wants 10 percent, and the Government should have no more than 25 percent.

Also this week, Mr. Speaker, we will receive recommendations on the IRS from the National Commission on Restructuring the IRS. That will provide the necessary framework to begin the national debate on what kind of tax structure we need to rephrase today's 800,000 word maze, that takes 480 forms with 8 billion pages of instructions to administer.

□ 1300

So, Mr. Speaker, make no mistake about it, this government is too big, it costs too much, and it increasingly impinges on the earnings and freedoms of our constituents.

I just urge my colleagues to think seriously about the implications of the Cost of Government Day, and to consider that any tax and regulatory relief that we can send to working families in our districts is much deserved and much needed and much demanded.

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

I want to point out as a public service that when we talk about the cost of Government, we are talking about the salary of the gentleman from Texas [Mr. DELAY] and the cost of his staff, but we are also talking about protecting our national defense and supporting the brave men and women who are on duty for that purpose; we are talking about the cost to pay for our Social Security system, which has done more to stop the poverty rates among the elderly than anything else, as well as with the Medicare Program. We are talking about the expenditures to protect the environment, help students go to college; all of the things that people would have to pay for on their own if they could afford it.

If we did not have these Government services, a lot of people would not be able to afford it, and we would find that large numbers of people would be denied the benefits that they look to Government to provide.

Mr. Speaker, I yield 2½ minutes to the gentleman from the State of Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, first I want to correct the gentleman from Texas. He used the figure of families spending more than 50 percent of their income, but that depends on the family. If one is rich enough, thanks to the Tax Code, one is spending a much smaller percentage of one's income, and by the time we get through with the tax bill, if one is rich enough, that will be even less. The CEO's who are making a couple of million dollars are not spending 50 percent of their income. We have very differential effects according to how much money one makes.

Second, I do welcome, though, the gentleman from California is of course correct. I do not think we are spending enough on the environment, I do not think we are spending enough on, for instance, the Cops on the Street Program, which is so helpful, or helping kids going to school. But we can economize.

We will be voting today and tomorrow on the military bill. The military bill, the National Security bill, represents 50 percent of the discretionary spending of the Federal Government. If we set aside Medicare, we set aside Medicaid and Social Security, 50 percent of what is left spent by the Federal Government will be voted on by this House over the next couple of days, and I am delighted at this spending, cutting zeal on the other side. I look forward to them helping us defeat the unnecessary B–2 bomber at the cost of tens of billions.

I will be offering an amendment, along with a Republican cosponsor, the gentleman from Connecticut, and the gentleman from California [Mr. CONDIT], to put a limit on the amount that we spend for NATO so that our European allies stop getting subsidized. We continue to subsidize our European allies.

So I agree we should be conscious of that spending, and while I hope we will not be passing a Tax Code that will make it more unfair, so that the bigger income families will in fact pay a bigger share, I also look forward to seeing some of this spending reduction zeal which we are hearing voiced today. I trust that the spending zeal in general we are hearing will not disappear when we get to the particular, because remember, the National Security bill represents 50 percent of the discretionary spending of the Federal Government.

The bill we are going to vote on today will contain more spending than the Department of Transportation and the Department of Labor, the Department of Housing and Urban Development, the Department of Veterans Affairs, and several other major Federal departments put together; throw in the Environmental Protection Administration.

So let us see some more of that cost-cutting zeal, and we will begin today when we start to vote on the military budget.

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

I thought that having this bill up today would be a useless exercise, but I think it is quite valuable in light of the comments that the gentleman from Massachusetts [Mr. FRANK] has made about how we need to cut back on spending in areas where we are spending too much.

I also want to point out that if we look at some of those higher income Americans who are going to get a huge tax break, rather than find July 3 as their tax independence day, some of them are going to celebrate on Valentine's Day, because at that point they will have paid all they are going to pay in for the Government funding for all of these different services, while a lot of hard-working Americans, especially middle-income Americans, will continue to pay on into the months to the summertime.

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

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

Once again today, Mr. Speaker, we have an argument, we have a discussion, we have a debate here on the floor of the House of Representatives, to talk about not only Government, but its performance and how that works. As we have seen for many, many years, the other side refuses to understand that what we are talking about here is that we need a Government that works, a government that does not put more rules and regulations on people. Even if Government were free, there were certain parts of it that I would not want.

I would like to bring us back to what is germane about this argument, and that is the gentleman from Texas [Mr. DELAY], in offering House Concurrent Resolution 102, talks about expressing the sense of Congress that the cost of Government spending and regulatory programs should be reduced. We are talking about the governmentwide programs. We are not just talking about the military today. We are not just talking about the men and women who preserve freedom for America.

What we are talking about is the Government that is made up of bureaucrats, those faceless, nameless people who we never see in our lives, but who have a controlling factor on us.

Mr. Speaker, what this is all about is a resolution by the House of Representatives that this is a sense of Congress that is part of balancing the budget and reevaluating the role of Government. Federal, State, and local elected officials should also carefully consider the cost of Government spending and regulatory programs in the coming year. That is exactly what this resolution is all about.

Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. JONES].

Mr. JONES. Mr. Speaker, many Americans mistakenly associate April 15 with the end of their financial obligation to the Government. Some believe Tax Freedom Day is a day which marks the end of our financial obligation to pay for the cost of government. Unfortunately, it takes until July 3,

more than half the year, to free yourself and your family from the heavy hand of the Government's costs.

The average American will be working 183 days this year to pay for the ever-growing spending and regulations that originate from this town every year. According to the Americans for Tax Reform Foundation, Government spending at all levels equals more than $3.5 trillion.

The resolution of the gentleman from Texas [Mr. DELAY] sends a message to American taxpayers that this Congress understands their burden and we are committed to doing everything possible to deliver tax relief as well as relief from the web of regulations that burden so many Americans each year.

I urge my colleagues to support resolution 102.

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

Mr. Speaker, I thank the gentleman from North Carolina. I appreciate his comments.

In summary, I would like to say that House Concurrent Resolution 102 talks directly about the problem that we have about Government spending and overregulation in our Government. Whereas there are $3 trillion 520 billion that are spent each year, of this, $785 billion is related to Federal regulatory costs. This body will be taking under hand the opportunity just in the coming weeks to talk about a tax cut for hard-working Americans that is only $85 billion. Mr. Speaker, of that figure, we can see that $785 billion, a larger, much larger figure, is just for regulation. We can do a better job.

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

Mr. WAXMAN. Mr. Speaker, we have no further requests for time.

I yield myself such time as I may consume only to point out that this resolution does not save a dime of taxpayers' money. It simply tells the American people we feel your pain, and we are spending a little bit more money to process a resolution on the House floor to tell you that. I do not know what other purpose it serves, and I have no other point to make.

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

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

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from Texas [Mr. DELAY] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 102.

The question was taken.

Mr. SESSIONS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 102.

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

There was no objection.

EXTENDING AUTHORIZATION OF JOHN F. KENNEDY ASSASSINATION RECORDS REVIEW BOARD

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1553) to amend the President John F. Kennedy Assassination Records Collection Act of 1992 to extend the authorization of the Assassination Records Review Board until September 30, 1998.

The Clerk read as follows:

H.R. 1553

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

SECTION 1. EXTENSION OF AUTHORIZATION OF ASSASSINATION RECORDS REVIEW BOARD.

The President John F. Kennedy Assassination Records Collection Act of 1992 (44 U.S.C. 2107 note) is amended—

(1) in section 7(o)(1), by striking ''September 30, 1996'' and all that follows through the end of the paragraph and inserting ''September 30, 1998,''; and

(2) in section 13(a), by striking ''such sums'' and all that follows through ''expended'' and inserting ''to carry out the provisions of this Act $1,600,000 for fiscal year 1998''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SESSIONS] and the gentleman from California [Mr. WAXMAN] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SESSIONS].

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

Mr. Speaker, H.R. 1553 is extension of authorization of the Assassination Records Review Board. Mr. Speaker, the House is considering a very important piece of legislation, H.R. 1553, which extends the authorization of the Assassination Records Review Board for 1 year and authorizes $1.5 million for the review board to complete its final work, which will be done during fiscal year 1998.

This bill was introduced by the gentleman from Indiana [Mr. BURTON], chairman of the Committee on Government Reform and Oversight on May 8, 1997, and included as its original cosponsors the gentleman from California [Mr. WAXMAN] and the gentleman from Ohio [Mr. STOKES], who sponsored the President John F. Kennedy Assassination Reports Collection Act, and who also chaired the House Select Committee on Assassinations.

In 1992, almost 30 years after the assassination of President Kennedy, nearly 1 million records compiled by official investigators of the assassination still have not been made public. Congress decided to set up a process for reviewing and releasing to the public the records surrounding the Kennedy assassination. The result was that on October 26, 1992, President Bush signed the President John F. Kennedy Assassination Records Collection Act of 1992 into law. The original act provided a 3-year timetable for a review board to complete its work.

Unfortunately, extensive delays in the appointment of the review board's members delayed the board from beginning its work in a timely manner. In 1994, Congress restarted the clock and extended the 1992 law's termination date for 1 year until September 30, 1996. The review board subsequently exercised its authority under the statute to continue operating for 1 additional year.

I believe that the public has a right to know what is contained in the Federal Government's records on the Kennedy assassination. By releasing these documents to the public, we advance the cause of total accountability to the citizens of our country. As a representative of the city of Dallas, TX, I want to assure the American people that all Texans from all over the State will stop at nothing less than knowing the whole truth about this tragedy as it occurred in our Nation's history.

Mr. Speaker, H.R. 1553 extends the authorization of the Assassination Review Board for just one year to allow the board to finish reviewing, and then to make public, the records relating to the assassination of our President John F. Kennedy. Under current law, the authorization expires at the end of fiscal year 1997.

In his testimony last month before the Subcommittee on National Security, International Affairs and Criminal Justice, review board chairman John Tunheim assured the members of this subcommittee that only 1 additional year would be needed for the board to finish reviewing and releasing the remaining documents related to the Kennedy assassination and to issue its final report. I believe that it is important that we see this progress through to its conclusion, and accordingly, I urge my colleagues to support this bill.

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

☐ 1315

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

I rise in support of the reauthorization of the JFK Assassination Review Board. The board has performed a valuable service to the public in guiding the release of over a million pages of information relating to the assassination of President Kennedy. Unfortunately, the work is not complete. This bill will give the review board an additional year to finish the task, and the board has assured us that 1 year is sufficient.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. BURTON of Indiana. Mr. Speaker, I rise in support of H.R. 1553, which I introduced in

May, along with Congressman HENRY WAXMAN and Congressman LOUIS STOKES.

H.R. 1553 amends the John F. Kennedy Assassination Records Collection Act of 1992 to provide one additional year for the Assassination Records Review Board to complete its work, which is to review and publicly release documents relating to the Kennedy assassination at the earliest possible date. The American people have a right to demand accountability by the Federal Government regarding the Kennedy assassination records. By allowing the Review Board to finish its work and make the Kennedy assassination documents public, Congress will demonstrate to Americans that the Government has nothing to hide.

H.R. 1553 would extend the Review Board's September 30, 1997, termination date under current law to September 30, 1998. H.R. 1553 authorizes $1.6 million in fiscal year 1998 for this purpose. I would note that Congressman STOKES, who is an original cosponsor of my bill, sponsored the 1992 act in the House and chaired the House Select Committee on Assassinations that was established in 1976.

The purpose of the 1992 legislation was to publicly release records relating to the Kennedy assassination at the earliest possible date. The Assassination Records Review Board was set up to review and release the voluminous amounts of information in the Government's possession. The FBI, the Secret Service, the CIA, the Warren Commission, the Rockefeller Commission, the Church Committee in the Senate, and the House Select Committee on Assassinations have all held assassination records, and related documents have also been in the possession of certain State and local authorities as well as private citizens.

When the 1992 legislation was considered, nearly 1 million pages of data compiled by official investigations of the assassination had not been made available to the public, some 30 years after the tragedy. In creating the Review Board, Congress believed that simply making all relevant information available to the public was the best way to respond to the continuing high level of interest in the Kennedy assassination, and was preferable to undertaking a new congressional investigation. The 1992 law requires the Review Board to presume that documents relating to the assassination should be made public unless there is clear and convincing evidence to the contrary.

As a result of the Review Board's efforts, more than 14,000 documents have been transferred to the National Archives and Records Administration for inclusion in the JFK collection. That collection now totals approximately 3.7 million pages and is used extensively by researchers from all over the United States. The Review Board was in the news in April of this year when it voted to make public the Abraham Zapruder film of the Kennedy assassination.

The John F. Kennedy Assassination Records Collection Act of 1992 originally provided a 3-year timetable for the Assassination Records Review Board to complete its work. Unfortunately, there were lengthy delays in the appointment of board members, and as a consequence, the Review Board was scheduled to cease operations before it began its work. Therefore, in 1994, Congress ''restarted the clock'' by extending the 1992 law's termination date for 1 year, to September 30, 1996. The Review Board subsequently exercised its authority to continue operating for one additional year, until September 30, 1997. Because the review process proved to be more complex and time-consuming than anticipated, the President included in his fiscal year 1998 budget a request for a 1-year extension of the Review Board's authorization.

I support the Assassination Records Review Board's request for a 1-year extension of its authorization so that it can complete its mission in a professional and thorough manner. However, let me make it very clear that, as chairman of the Government Reform and Oversight Committee, I do not intend to support any additional extension of the Review Board's life beyond September 30, 1998. On June 4, 1997, the chairman of the Review Board, John Tunheim, testified before the National Security, International Affairs, and Criminal Justice Subcommittee, and in his testimony he assured the subcommittee that one additional year would be sufficient for the Review Board to finish its work.

I urge my colleagues to support H.R. 1553.

Mr. STOKES. Mr. Speaker, I thank the gentleman from Texas for yielding to me. I rise in support of this bill and I want to commend Chairman BURTON and ranking Member Mr. WAXMAN for bringing this bill to the floor. As an original cosponsor of this legislation, and as the former chairman of the House Select Committee on Assassinations, I have a strong interest in this issue.

In 1978, the House Select Committee on Assassinations completed a 2-year investigation of the facts and circumstances surrounding the assassination of President John F. Kennedy. The completed investigation included the publishing of 9 volumes of hearings with the testimony of 55 witnesses and 619 exhibits.

In the years following the Assassination Committee's work, old issues and new theories continued to surface about the assassination of President Kennedy. Therefore in 1992, I authored, and the Congress passed, the President John F. Kennedy Assassination Records Collect Act. This law created the Assassination Records Review Board which was given the responsibility to identify, secure, and make available, all records related to the assassination of President Kennedy. We felt that an independent board would represent the most effective and efficient vehicle to make all assassination records available to the public.

To date, the Assassination Records Review Board has acted to transfer more than 14,000 documents to the JFK collection at the National Archives. The collection currently totals 3.7 million pages. It is used extensively by researchers from all over the United States. Further, by the end of fiscal year 1997, the Review Board will have reviewed and processed assassination records that more than 30 different government offices have identified, not including files of the Federal Bureau of Investigation and the Central Intelligence Agency.

Becase of the Review Board's diligent efforts, some very important documents have been made public. They include: thousands of CIA documents on Lee Harvey Oswald and the assassination of President Kennedy; thousands of records from the House Assassinations Committee, including a staff report of Oswald's travel to Mexico City; thousands of records from the FBI which document the agency's interest in Oswald before the Kennedy assassination; and extensive FBI files on its investigation of the assassination.

Mr. Speaker, it is our understanding that the Review Board will need more time to process the classified records that remain, primarily records from the Central Intelligence Agency, and the Federal Bureau of Investigation. The additional year will permit the review board to complete this work, close out the operation, and submit its final report.

It is a credit to this institution that we can provide historians and the American public with all relevant information concerning the assassination of President Kennedy. It is my belief that we should allow the Assassination Records Review Board to complete this important undertaking. I urge my colleagues to join me in supporting the passage of H.R. 1553.

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

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

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from Texas [Mr. SESSIONS] that the House suspend the rules and pass the bill, H.R. 1553.

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

A motion to reconsider was laid on the table.

NOTICE OF ALTERATION OF ORDER OF CONSIDERATION OF AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 1119, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. STUMP. Mr. Speaker, pursuant to section 5 of House Resolution 169 and as the designee of the chairman of Committee on National Security, I request that during further consideration of H.R. 1119 in the Committee of Whole and following consideration of amendment No. 15, printed in part 2 of House Report 105–137, as modified by section 8(b) of House Resolution 169, the following amendments be considered in the following order:

Amendment No. 1, printed in part 2 of House Report 105–137; amendment No. 34, printed in part 2 of House Report 105–137; amendment No. 10, printed in part 1 of House Report 105–137; amendment No. 11, printed in part 1 of House Report 105–137; amendment No. 7, printed in part 1 of House Report 105–137, as modified by section 8(a) of House Resolution 169; the amendment printed in section 8(c) of House Resolution 169; amendment No. 35 printed in part 2 of House Report 105–137.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The SPEAKER pro tempore. Pursuant to House Resolution 169 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1119.

□ 1319

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the further consideration of the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, with Mr. YOUNG of Florida in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, June 20, 1997, amendment No. 43, printed in section 8(e) of House Resolution 169, offered by the gentleman from Ohio [Mr. TRAFICANT] had been disposed of.

Pursuant to section 5 of House Resolution 169, it is now in order to consider amendment No. 15, printed in part 2 of House Report 105–137, as modified by section 8(b) of House Resolution 169.

AMENDMENT NO. 15 OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. FRANK of Massachusetts:

At the end of title XII (page 379, after line 19), insert the following new section:

SEC. 1205. LIMITATION ON PAYMENTS FOR COST OF NATO EXPANSION.

(a) The amount spent by the United States as its share of the total cost to North Atlantic Treaty Organization member nations of the admission of new member nations to the North American Treaty Organization may not exceed 10 percent of the cost of expansion or a total of $2,000,000,000, whichever is less, for fiscal years 1998 through 2010.

(b) If at any time during the period specified in subsection (a), the United States' share of the total cost of expanding the North Atlantic Treaty Organization exceeds 10 percent, no further United States funds may be expended for the costs of such expansion until that percentage is reduced to below 10 percent.

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. FRANK] and a Member opposed, each will control 10 minutes. The gentleman from Arizona [Mr. STUMP] will be recognized in opposition.

The Chair recognizes gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes and 30 seconds.

Mr. Chairman, I offer this on behalf of my colleague, the gentleman from Connecticut [Mr. SHAYS] and the gentleman from California [Mr. CONDIT]. We are about to vote a budget deal, some of us will vote no but it will pass. It will severely constrain spending, including defense spending. We can differ over how much defense spending ought to be, but we all acknowledge that we are about to adopt in this budget resolution a binding constraint that will mean far less for the national security part of this budget than many Members think. Given that, it is essential that we not spend money unwisely. One way to spend unwisely is to spend money which instead should be spent by our wealthy allies in Western Europe. I believe America has been insufficiently active in the international front in many ways. But one area where we have erred on the other side is in Western Europe, where we have allowed Germany and France and Norway and Belgium and Denmark and many other now quite prosperous nations to do less than they should. NATO expansion is a test of this. NATO expansion will cost money. I am not talking now about the money that nations will have to spend on their own military equipment. We are talking about what NATO itself will have to spend on telecommunications and in other ways.

We believe, those of us who have offered this amendment, the gentleman from Connecticut [Mr. SHAYS], the gentleman from California [Mr. CONDIT] and myself, that it is unfair for the American taxpayers to continue to pay disproportionately in Western Europe, particularly if had we have adopted a budget agreement which leaves many Members convinced that defense itself will have too little. I do not agree with that. I would like to be able to free up money for other purposes, but we certainly do not want our defense dollars spent unnecessarily. The administration has said, the Clinton administration, that the cost to the United States of NATO expansion over the next 12 years will be a total of $2 billion. I take them at their word.

This amendment takes what the administration has told us NATO expansion will cost, $2 billion, and makes that a cap. It does say and the administration is proposing that we spend about 7 or 8 percent. I go them one better. The amendment says that, if costs are considerably less than we expect, that could happen, although it rarely does, we would cap our contribution at 10 percent. So I have an amendment here, along with the gentleman from Connecticut [Mr. SHAYS] and the gentleman from California [Mr. CONDIT], which conserves American defense spending for purposes that we may feel necessary by taking the President at his word and saying we will spend a maximum of $2 billion on NATO expansion, or 10 percent, the higher percentage that he says, if that should be less than $2 billion.

Finally, for those who say what if there is an unforeseen emergency, that is why we have a Congress, people can come back to us. This does not say you can never have another penny, it says you cannot have a blank check.

Mr. STUMP. Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from Missouri [Ms. DANNER].

Ms. DANNER. Mr. Chairman, I rise in support of the Frank amendment.

As Europe melds together economically through the European Union, I believe they need to meld together militarily and accept more responsibility for their own defense. The United States cannot afford to lead the effort both financially and militarily on a continent that has the resources, and I believe the responsibility, to accept this burden themselves.

According to a recent article in the Wall Street Journal, the Congressional Budget Office estimates that admitting the three former Warsaw Pact nations could ultimately cost the United States of America as much as $150 billion, I repeat that, $150 billion over 10 years, at a time when the recently passed budget resolution calls for cuts in Medicare spending of $115 billion, Medicaid cuts of $13.5 billion, and cuts in the student loan program of $1.8 billion.

When, at the same time, Social Security is said to be in jeopardy, how can we justify providing billions of U.S. dollars to protect foreign nations from a potential, not actual, a potential threat?

We must not forget the original purpose of NATO, which was to provide for the collective security in the European theater in a time of Communist threat and cold war tensions. To force the U.S. taxpayer to foot the bill for a new NATO is illogical and, in addition, in the words of Henry Kissinger, a dilution of the traditional NATO purposes.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DELLUMS], extremely knowledgeable and thoughtful ranking minority member of this committee.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for his generosity.

Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague, the gentleman from Massachusetts [Mr. FRANK]. I think it is a meritorious amendment and his remarks are very poignant and very much to the point. I would like to simply make a few brief remarks in support of the amendment.

First, Mr. Chairman, I am sure that you are aware the United States provides disproportionate support for NATO in many capacities, making available naval forces as well as communications, transportation and logistics capabilities, and strategic nuclear forces that we are all aware of. As a result, it pays a substantially larger portion of its GDP on its military account than our European allies. Several of our European allies are wealthy nations and can contribute more to the burdens of the alliance than they currently do.

Second, new members of NATO should be expected to contribute along the terms of existing Members. And if they are going to be members, it seems to me across the board of responsibilities they ought to be able to contribute. And it seems to me that that is important in terms of their financial capability as well as military, political and foreign policy.

Third, the amounts contained in the amendment reflect the administration's current estimates of the probable U.S. share. The amendment would establish that in law for a period through the year 2010, after which a review can be made of the continuing appropriateness of that level of commitment/restraint.

Finally, Mr. Chairman, the legislative initiatives have in the past provided important leverage to the U.S. Government in negotiations with NATO partners on burdensharing arrangements, and on numerous occasions we in this body have voted to give our Government that kind of leverage. The gentleman from Massachusetts simply provides us with one additional opportunity to do it. I rise in enthusiastic support.

Mr. STUMP. Mr. Chairman, I include a statement by the chairman of the committee for the RECORD.

Mr. SPENCE. Mr. Chairman, I too am concerned about the costs of NATO expansion and have serious doubts about the estimates advanced by the Clinton administration. While I have some doubts about the practicality of this amendment as written, I look forward to working with all Members who have concerns about the numerous implications of NATO expansion.

As my colleagues may be aware, Mr. DELLUMS and I wrote a letter to the President, as yet unanswered, and published a jointly authored editorial highlighting these concerns.

Both the letter and editorial take cost as an important factor in NATO expansion, but secondary to questions of national security and military strategy. I believe as many others do that NATO is perhaps the most successful alliance in history, and I am concerned that the administration's focus on the process of NATO expansion diverts attention from understanding the purpose of an expanded alliance.

Personally, I am a strong supporter of NATO, and inclined to support its expansion, for moral, military, and strategic reasons. However, too many fundamental questions remain unanswered about the implications for United States national security strategy, force structure, defense budgets and relations with Russia, and other states.

For example: In addition to military criteria such as equipment interoperability, the administration has stressed other factors such as ''adherence to market democracy'' as necessary for admission to NATO. While opening European markets may be a worthy U.S. policy objective, it is hardly a traditional security consideration and could pose obstacles to admission that actually prove unsettling to European stability.

There are also questions of treaty commitments. The heart of NATO's charter is article V, which was interpreted through the cold war to mandate the use of armed force to defend NATO members. In fact, the actual language of article V is ambiguous, and thus, perhaps requires the United States and our current and future alliance partners to come to a mutual understanding of what article V means in this changed security environment.

There are calculations of military force structure and capabilities, as well. Considering reductions in U.S. defense budgets and military force structure on the one hand and the expansion of security commitments that would flow from enlarging NATO on the other, how prudent is it for the United States to commit to these expanded security guarantees?

I could go on at length about the serious political, strategic, and military issues raised by the prospect of NATO expansion. Certainly, with U.S. defense budgets in their 13th consecutive year of decline, and with no end to defense cuts in sight, the cost of NATO expansion is a significant concern, but just one of many.

Mr. STUMP. Mr. Chairman, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

Mr. SPENCE. Mr. Chairman, I too am concerned about the costs of NATO expansion and have serious doubts about the estimates advanced by the Clinton administration. While I have some doubts about the practicality of this amendment as written, I look forward to working with all Members who have concerns about the numerous implications of NATO expansion.

As my colleagues may be aware, Mr. DELLUMS and I share a number of concerns over the process and purpose of NATO expansion. Recently, we wrote a joint letter to the President, as yet unanswered, and published a jointly authored editorial highlighting these concerns. I ask that the letter and copy of the editorial be submitted for the record and printed immediately following my remarks in the CONGRESSIONAL RECORD.

Both the letter and editorial take cost as an important factor in NATO expansion, but secondary to questions of national security and military strategy. I believe as many others do that NATO is perhaps the most successful alliance in history, and I am concerned that the administration's focus on the process of NATO expansion diverts attention from understanding the purpose of an expanded alliance.

Personally, I am a strong supporter of NATO, and inclined to support its expansion, for moral, military, and strategic reasons. However, too many fundamental questions remain unanswered about the implications for United States national security strategy, force structure, defense budgets, and relations with Russia and other states. For example:

In addition to military criteria such as equipment interoperability, the administration has stressed other factors such as ''adherence to market democracy'' as necessary for admission to NATO. While opening European markets may be a worthy U.S. policy objective, it is hardly a traditional security consideration and could pose obstacles to admission that actually prove unsettling to European stability.

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There are calculations of military force structure and capabilities, as well. Considering reductions in U.S. defense budgets and military force structure on the one hand and the expansion of security commitments that would flow from enlarging NATO on the other, how prudent is it for the United States to commit to these expanded security guarantees?

I could go on at length about the serious political, strategic, and military issues raised by the prospect of NATO expansion. Certainly, with U.S. defense budgets in their 13th consecutive year of decline, and with no end to defense cuts in sight, the cost of NATO expansion is a significant concern, but just one of many.

COMMITTEE ON NATIONAL SECURITY,
Washington, DC, April 25, 1997.

The Honorable WILLIAM J. CLINTON,
President, The White House,
Washington, DC.

DEAR MR. PRESIDENT: Recent statements by Administration officials indicate that the United States will propose the expansion of NATO to include several central European states by 1999 at the upcoming NATO Ministerial meeting in July 1997.

We are strong supporters of NATO and are inclined to support its expansion. We think there is a strong moral case to be made for expanding the alliance and there are compelling geopolitical reasons in favor of alliance enlargement as well. Americans have long recognized the importance of a peaceful Europe to the United States, a condition that serves the aforementioned U.S. national interests.

However, we believe that the purpose of the alliance is as important as the process of expansion. We are concerned that thus far, the Administration has failed to explain in much detail what a fully expanded NATO entails in terms of its function, structure and membership. There remain a number of important unanswered questions about the implications of such a course on U.S. national security strategy, force structure, defense budgets, and relations with Russia and other states. Understanding the answers to these questions is central to understanding the far reaching consequences of NATO expansion.

As the House National Security Committee will increasingly focus on this important matter in the months ahead, we would appreciate written answers, classified and unclassified as required, to the following questions:

STRATEGY

1. Will an expanded NATO continue to play its traditional role in protecting the security interests of the United States and our allies? What risks to those interests exist because of expansion plans? How do the benefits of NATO expansion outweigh the risks? How do you envision a fully-expanded NATO? Describe its function, structure, and membership?

2. Identify the various states seeking NATO membership and provide your perspective on their reasons for seeking membership. Does fear of a resurgent Russia play a part? What do you believe they hope to gain by joining NATO? With reference to each prospective member, please explain whether their candidacy is supported by the current members of the alliance. If there are differences of opinion among current NATO members regarding the candidacies of prospective members, please identify those areas where differences exist, and which member countries have concerns.

3. What military, geostrategic, or other benefits might new NATO members bring to the alliance? What might be the liabilities associated with their membership?

4. The current strategy for NATO expansion is a high-profile, protracted process, requiring many years to implement. How long will it take to complete this process, and what indices will show that it is completed? How many intermediate stages of expansion do you envision, and which states are likely to become NATO members at these stages?

Were alternative strategies that would speed the process rejected? If the expansion process were interrupted prior to completion, would NATO remain strategically viable at each stage of expansion? What measures factor in that judgment?

5. The Administration's February 1997 Report to the Congress On the Enlargement of NATO describes the process of NATO enlargement as part of a broader strategy to adapt the alliance to the post-Cold War security environment, which includes a willingness to conduct out-of-area peacekeeping-type operations. To what degree are prospective NATO members willing and able to participate in peacekeeping operations, including those that are ''out of area''? Does the United States intend to seek significant participation in such operations by newly-admitted NATO member states? Is such participation a viable substitute for American involvement in such peace-keeping like operations?

6. The Administration's report to Congress also concludes that failing to enlarge NATO would lead to feelings of ''isolation and vulnerability'' among prospective members, would be ''destabilizing,'' and ''would encourage nationalist and disruptive forces throughout Europe.'' On what evidence are these conclusions based? Please identify the specific nationalistic and disruptive forces of concern.

MEMBERSHIP CRITERIA

1. What criteria have been established to determine which states are ready to be integrated into the formal NATO security structure? What are the relative weights as between political, economic and military reform in making a judgment on eligibility for membership? Will current members be expected to meet these criteria for continued membership?

2. To what degree is economic integration with the European Community a prerequisite to NATO membership? Why is this, or why is this not, important?

3. Which states are the most likely candidates for NATO membership and why? Are former Soviet republics, like Ukraine and the Baltic states, or even Russia itself, possible candidates for NATO admission? If we seek to avoid a new European division, can we afford to proceed with enlargement without a fully developed view as to our ultimate goal for enlargement?

4. There have been reports that some prospective NATO member states have sold arms to so-called rogue regimes like Iran. How does this affect their prospects for membership? Is the halting of such sales or arms deliveries a prerequisite for alliance membership? Does a discussion of these issues create a climate to help reduce proliferation of technology capable of aiding programs for weapons of mass destruction or advanced conventional weapons by current members?

TREATY COMMITMENTS

1. What exactly will U.S. treaty obligations be to new NATO members? What types of assurances, if any, have been discussed with prospective members regarding the U.S. commitment to their security?

2. Article V of the North Atlantic Treaty states that, in response to an armed attack, a NATO member ''will assist the Party or Parties so attacked by taking forthwith individually and in concert with the other Parties, such actions as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.'' What is the Administration's interpretation of Article V? Does it mandate the use of U.S. armed force to defend other NATO members? What representations have been made by the Administration to prospective members regarding the meaning of Article V? Would the interpretation of Article V differ for new NATO members?

FORCE STRUCTURE AND MILITARY CAPABILITY

1. Will the United States and its NATO allies have the military wherewithal to honor the security guarantees implied by Article V of the North Atlantic Treaty for new NATO members located in central and eastern Europe?

2. The Administration's *Report to the Congress On the Enlargement of NATO* declares that the United States will ''extend solemn security guarantees to additional nations,'' but that ''there will be no need for additional U.S. forces.'' Considering on-going cuts in the defense budget and U.S. military force structure on the one hand and the expansion of security commitments that would flow from expanding NATO on the other, can the U.S. prudently commit to these expanded security guarantees? How? And at what cost to the U.S. national military strategy?

3. Have the United States and NATO developed contingency plans for the defense of new NATO members under various scenarios, including a resurgent Russia? What forces and operational capabilities would be needed to satisfy the most demanding of these scenarios, including nuclear scenarios?

4. Under an expanded NATO, will the U.S. ''nuclear umbrella'' extend to new members in central and eastern Europe? Since the United States has reportedly pledged not to deploy tactical nuclear weapons on the territories of these new NATO members, does this mean that any nuclear guarantees extended to these states must be satisfied by U.S. strategic nuclear weapons? Will the nuclear forces of other NATO states provide similar extended deterrence to new members? Has there been any discussion regarding withdrawal of tactical nuclear weapons from the theater as an element to calm possible Russian concerns?

5. It has been reported that the defense of new NATO member states will be based on the principle of rapidly deploying other NATO forces to those countries in the event of conflict, rather than pre-deploying substantial force enhancements in-country. It has further been reported that this strategy was chosen as a result of Russian concerns over NATO encroachment on their borders and Congressional concerns over the cost to the United States of expansion. Are these reports accurate? More generally, please explain the rationale for preferring rapid deployment capabilities to pre-positioning.

FUNDING

1. What are the underlying assumptions that resulted in the Administration's cost estimate for NATO expansion and how credible do you believe those assumptions are for the long term? In particular, please identify the number of countries, the types of activities, and the assumed level of threat on which the estimates are based. Also, please supply a similar analysis based upon your projections for a fully expanded NATO, and for any intermediate steps envisioned for the expansion process.

2. Will other NATO countries share in the costs of an expanded NATO and how will costs be apportioned among them?

3. What arrangements are in place or being negotiated to ensure that the new financial commitments from NATO members are kept? Who will pay these costs in the event new members or current members are unable to keep their commitments to do so?

4. How and why does the Administration's cost estimate for NATO expansion significantly differ from the estimates prepared by the Rand Corporation and the Congressional Budget Office?

5. What will be the source of the U.S. funding for NATO expansion? What costs will be apportioned to the 050 budget function as opposed to the 150 budget function?

RELATIONS WITH RUSSIA

1. How do you anticipate Russia will react to an expanded NATO? How does the Administration weigh the likelihood that Russia will renege on its commitments to abide by the CFE, INF, ABM, and START treaties, forward deploy nuclear weapons, invade the Baltic states, or accelerate the formation of alliances of its own, perhaps with China?

2. Will NATO expansion aggravate Russian threat perceptions and increase the possibility of nuclear miscalculation? What assurances have been given by the Administration to Russia in order to ameliorate Russia's concerns over expansion? Has the United States pledged not to deploy nuclear weapons on the territory of new NATO members? What guarantees have the Russians sought regarding NATO expansion and which have been agreed to by the Administration? Will the Russians have a veto over any NATO decision? What procedures will be put in place to give Russia a voice in NATO deliberations and the alliance decision-making process, including decisions on peacekeeping? What confidence building measures, if any, will be implemented to lessen Russian concerns and insecurities?

3. Russian statements indicate that Russia may feel isolated and vulnerable if NATO expands, and may revert to a more nationalistic security posture. Does the Administration share this view? If so, does the Administration judge the security risks of an insecure, more nationalistic Russia to be less than those of an insecure eastern Europe if NATO fails to expand?

4. Has the United States promised Russia that the Baltic countries would not be allowed into NATO for the foreseeable future? Will there be any U.S. security commitment to the Baltic states? If so, what form will it take? If not, why not?

5. There have been reports that the United States will seek to alleviate Russian concerns over NATO expansion by agreeing to significant reductions in the ceilings on NATO conventional arms imposed by the Conventional Forces in Europe (CFE) Treaty or by freezing the level of NATO military forces deployed near Russia. Are these reports accurate? What constraints will be imposed on the military force levels of new NATO members? Does the Administration plan to seek comparable constraints on forces deployed in Ukraine, Belarus, and the Russian region of Kaliningrad?

6. How does the Administration see Russia's relations with an expanded NATO? How does the Administration plan to integrate Russia into a unified European security structure and what is the timeline for this integration? Will the Partnership for Peace program remain the primary vehicle for accomplishing this objective? Can the Administration envision Russian NATO membership in the future, assuming all conditions for membership are met? If so, would more explicit recognition of this possibility ease Russian concerns with current plans for enlarging NATO?

7. What is the nature of the proposed NATO-Russia Charter? The Joint Statement signed by Presidents Clinton and Yeltsin at Helsinki notes there should be ''consultation, coordination and, to the maximum extent possible where appropriate, joint decision-making and action on security issues of common concern.'' Can the Russians insist on participating in NATO discussions on any issue of concern? Does this give Russia a veto power over NATO decisions? At a minimum, would the NATO-Russian Charter complicate the NATO decision-making process in ways detrimental to the alliance, especially

if there existed a lack of common purpose between NATO and Russia?

8. Doesn't a separate NATO-Russia forum undermine the effectiveness of the existing NATO Council? Because Russia will apparently be able to participate in NATO decisions before new members are admitted, is the Administration concerned whether the NATO-Russian forum might unfairly penalize prospective members by giving greater voice to Russian concerns earlier in the process?

RELATIONS WITH OTHER NATO MEMBERS

1. What reservations have been expressed, if any, by the current NATO states regarding the expansion of the alliance? Are there differences of opinion regarding which states should be included in an expanded NATO and/or the timeframe for their inclusion? If so, please identify the specific positions of the individual member countries.

2. What unresolved tensions or rivalries might new NATO members bring into the alliance that could cause fractures within NATO, as exist now between Greece and Turkey? Might these tensions or rivalries lead to potential American military involvement in intra-alliance hostilities? Does the Administration prefer for purposes of European stability to seek to resolve such conflicts within the security architecture of the NATO alliance? If so, would similar tensions (e.g., Baltic-Russian problems) be better resolved in this context as well?

We appreciate your prompt attention to these important questions and ask that answers be provided not later than May 30, 1997.

Sincerely,

FLOYD D. SPENCE,
Chairman.

RON DELLUMS,
Ranking Minority Member.

[From the Washington Times, May 29, 1997]

IS A BIGGER NATO ALSO BETTER?

(By Floyd D. Spence and Ronald V. Dellums)

In just a few months, the Clinton administration is set to commit the United States to the expansion of NATO, and consequently expand America's role in guaranteeing stability and security in Europe.

We are strong supporters of NATO and are inclined to support its expansion. We think there is a strong moral case to be made for expansion and find compelling geopolitical reasons in favor of alliance enlargement as well. From the nation's founding, Americans have long recognized the importance to this country of a peaceful Europe. Since its founding, the NATO alliance has been the primary vehicle for protecting our own national interests on the continent.

However, we believe that NATO's fundamental purpose, even in the post-Cold War world, is more important than the process of expansion. We are concerned that the discussion to date of expansion has failed to illuminate the purpose, function, structure and membership of an expanded NATO. To us, it makes little sense to embark upon such an ambitious endeavor without first having a better understanding of where we want to go and the obstacles likely to be encountered.

We are troubled by the number of important questions that have not been publicly addressed concerning the implications of expansion on U.S. national security strategy, military force structure, defense budgets, and relations with Russia and other states. The administration and the Congress owe it to all Americans to explain as fully as possible the far-reaching consequences of NATO expansion and to set forth a vision of a fully expanded Atlantic alliance.

We believe that at least seven basic sets of questions must be addressed more thoroughly. The first, and most basic, concerns the role that the alliance will play in U.S. national security strategy. Will an expanded NATO continue in its traditional role as a defensive military alliance? The administration, in its recent report to Congress on the costs of NATO expansion, speaks of ''broader adaption of NATO'' for the purpose of ''evolution of a peaceful, undivided and democratic Europe.'' What, exactly, does that mean, especially if expansion is accomplished one step at a time?

A second set of questions revolve around the criteria for membership in the alliance. For example, in addition to military criteria such as equipment interoperability, the administration has stressed other factors such as ''adherence to market democracy'' as necessary for admission to NATO. While open European markets may be a worthy U.S. policy objective, it is hardly a traditional security consideration and could pose obstacles to admission that actually prove unsettling to European stability.

Third, there are questions of treaty commitments. The heart of NATO's charter is Article V, which was interpreted through the Cold War to mandate the use of armed force to defend NATO members. In fact, the actual language of Article V is ambiguous, and thus, perhaps requires the United States and our current and future alliance partners to come to a mutual understanding of what Article V means in this changed security environment.

A fourth set of questions involves calculations of military force structure and capabilities, and applies to the United States as well as to any alliance partner, current or prospective.

Considering reductions in U.S. defense budgets and military force structure on the one hand and the expansion of security commitments that would flow from enlarging NATO on the other, how prudent is it for the U.S. to commit to these expanded security guarantees? Considering the similar reductions that have occurred in the military budgets and forces of our NATO partners, how do they intend to support expanded security commitments? And under an expanded NATO, will the U.S. ''nuclear umbrella'' extend to new members in central and eastern Europe? Since the U.S. has reportedly pledged not to deploy tactical nuclear weapons on the territories of these new NATO members, would this mean that any nuclear guarantees extended to these states must be satisfied by U.S. strategic nuclear weapons?

Funding questions raise a fifth category of uncertainties. The administration's recent report on the costs of NATO expansion was based upon very optimistic political assumptions about the likelihood of conflict in Europe, and only calculated the costs of expansion based upon the admission to the alliance of three nations, probably Poland, Hungary, and the Czech Republic. Even if the cost estimates are accurate, a more fully expanded NATO will surely come at a much higher price tag. However, cost studies done by the Congressional Budget Office and Rand Corporation have used more conservative assumptions and projected much higher costs than has the administration.

Sixth, how will Russia react to an expanded NATO? The process of expansion promises to be a protracted one, quite possibly extending over decades. If the current Russian attitude toward expansion persists, NATO expansion will become a permanent source of tension in already complex U.S.-Russia relations. The projected NATO–Russia charter is unlikely to permanently solve this problem.

Finally, there is the matter of relations within the NATO alliance itself. To date, the process of expansion has been driven almost exclusively by the United States. We need to know, for example, if our current allies have differences of opinion regarding which states should be included in an expanded NATO or the timeframe for their inclusion. What unresolved tensions or rivalries might new members bring into NATO that could cause fractures within the alliance, as exist now between Greece and Turkey? Will these tensions or rivalries lead to potential American military involvement, crisis management, or even intra-alliance hostilities, or will they be stabilized in the context of alliance management?

These questions raise profound issues of U.S. national security and defense policy, provide insight into the grave commitment that the expansion of NATO entails, and underscore the need for a more thorough airing of the issue and a frank assessment of the attendant risks. The Atlantic Alliance remains the cornerstone of U.S. policy toward Europe, and has been responsible for one of the most peaceful periods in European history. On many matters of national security policy we hold widely divergent political views, but we have a common recognition of the continuing value and future potential of NATO. It should be possible to reach a common understanding of the purpose of the alliance in a vastly changed Europe, and the best paths to achieve that purpose without needlessly redividing Europe. But the time to come to grips with the serious implications of an expanded NATO is now, not after the process of expansion is underway.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

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

Mr. DICKS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 169, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] will be postponed.

The point of no quorum is considered withdrawn.

□ 1330

Mr. STUMP. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. HANSEN] having assumed the Chair, Mr. Young of Florida, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, had come to no resolution thereon.

SUFFICIENCY OF NOTICE CONCERNING ORDER OF AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 1119, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. STUMP. Mr. Speaker, I ask unanimous consent that the notice I gave in order of amendments notice be considered sufficient in terms of compliance with requirements of section 5 of House Resolution 169.

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

Mr. DELLUMS. Reserving the right to object, Mr. Speaker, I shall not object, but I simply reserve the right to object to yield to my distinguished colleague to explain the basis of his unanimous consent request so that Members can understand.

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

Mr. DELLUMS. I yield to the gentleman from Arizona.

Mr. STUMP. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, under the rules, we have to give an hour's notice. That was the reason for it.

Mr. DELLUMS. I thank the gentleman.

Mr. Speaker, is the next Member that will be offering an amendment prepared to offer an amendment?

Mr. STUMP. Yes, Mr. Speaker.

Mr. DELLUMS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The SPEAKER pro tempore. Pursuant to House Resolution 169 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1119.

□ 1333

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, with Mr. YOUNG of Florida in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose earlier today, Amendment No. 15 printed in Part 2 of House Report 105–137, as modified by section 8(b) of House Resolution 169, by the gentleman from Massachusetts [Mr. FRANK].

Pursuant to the order of the House earlier today, it is now in order to consider amendment No. 1 in part 2 of House Report 105–137.

AMENDMENT NO. 1 OFFERED BY MR. BACHUS

Mr. BACHUS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part 2 Amendment No. 1 offered by Mr. BACHUS:

At the end of title X (page 360, after line 8), insert the following new section:

SEC. . PROHIBITION OF PERFORMANCE OF MILITARY HONORS UPON DEATH OF PERSONS CONVICTED OF CAPITAL CRIMES.

(a) MILITARY FUNERALS.—The Secretary of Defense and the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy, may not provide military honors at the funeral of a person who has been convicted of a crime under State or Federal law for which death is a possible punishment and for which the person was sentenced to death or life imprisonment without parole.

(b) APPLICABILITY OF SECTION.—This section applies without regard to any other provision of law relating to funeral or burial benefits.

The CHAIRMAN. Pursuant to the rule, the gentleman from Alabama [Mr. BACHUS] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BACHUS].

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is a simple amendment. It simply states that someone convicted of a crime and sentenced to death or life imprisonment shall not be entitled to a full honors funeral in one of our national cemeteries.

In considering this amendment, I think we all need to do some serious soul searching. Who is in entitled to a hero's funeral? I think when we ask ourselves, who are our heroes, in this country, who do we honor? I think we can go back to the summer of 1994 to tell us that we may be doing the wrong thing, we may have confused celebrities with heroes, we may have confused notoriety with character.

In 1994, on a Sunday afternoon, we will recall that there was a famous chase on an L.A. freeway and, in that chase, fully three-quarters of the news media in the country was focused on it. As almost what appeared to be half of the L.A. police force chased someone down that highway, America was transformed on to that event.

At the same time, on our other shore, here in Washington, there was another ceremony going on at the very same time. At the White House, two young Army Rangers were being awarded the Medal of Honor. It was a posthumous ceremony. They had given their lives in Somalia. When they left the protection of their unit and tried to save some of their fellow soldiers, they were killed. And they and their families were at the White House receiving the Medal of Honor. There was no live TV coverage. There was no mention of it in my hometown paper, which was full of talk about what happened on that L.A. freeway.

We really have to ask ourselves, who in our country are our heroes? Some people are saying that the fact that Timothy McVeigh did what he did in Oklahoma City, that he is still a military hero. I would remind my colleagues that our country's oldest military force is our National Guard; and when it was formed, the word was said that to be a good soldier, one had to be a good citizen, too; to fight for the country, you had to do it both at home and abroad.

This amendment is not offered out of disrespect for any one person. It is offered out of respect, respect for the victims of those that we would honor in our cemeteries with a 21- or 12-gun salute, a chaplain, requiring military honor guard to be present. This amendment, the catalyst, is not Oklahoma City. The catalyst was Mobile, AL, where last week a man named Henry Francis Hayes was given a full military honor funeral and laid to rest at the Mobile National Cemetery, over the protest of several of the people serving in the unit who attended.

Henry Francis Hayes was not a hero. He was electrocuted in Alabama on June 7 for the murder of a young black man, 19 years old, in Mobile, AL, who Henry Francis Hayes and other Ku Klux Klanners pulled from the safety of his family, took him to another county, beat him half to death with sticks, slit his throat, brought him back to Mobile County, put a hangman's noose around his neck, and hung him.

A jury in the State of Alabama said that he was not a hero. But last week, in a military ceremony, we said to our children and grandchildren, we are overlooking this. This is a good soldier. This is a hero. And he got a hero's funeral, and he is buried in the Mobile cemetery.

I will simply say, who is entitled to a hero's funeral? Who are our heroes?

Mr. LUCAS of Oklahoma. Mr. Chairman, I rise as a cosponsor of Mr. BACHUS' timely amendment that would not allow individuals who commit capital crimes where the death penalty is an option to be eligible for a full military burial.

Regardless of whether you support or oppose the death penalty, it is an affront that an individual who, in the case of Timothy McVeigh, has been convicted of murdering fellow Americans, to receive the same honors to which our veterans are entitled. Active members of the military and veterans embody the very virtues we as Americans cherish. They are the guardians of liberty and the caretakers of the freedoms we all hold dear. Convicted murderers do not represent these ideals and should not be honored for their service to our Nation.

Currently, there are restrictions regarding what veterans are eligible for military burials. Anybody convicted of treason, espionage, mutiny, or assisting an enemy of the United States cannot request a military burial. It is morally right to add to this list those who have wantonly disregarded the sanctity of human

life and have been convicted of a capital crime by a jury of their peers. Anything less would be a slap in the face of our veterans.

Last week, I supported a constitutional amendment to prohibit physical desecration of the U.S. flag. This week, I urge my colleagues to support this amendment which would prohibit the adornment of the flag on individuals who have rejected the very ideals which America represents.

The CHAIRMAN. Does any Member rise in opposition to the amendment?

The question is on the amendment offered by the gentleman from Alabama [Mr. BACHUS].

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

Mr. DICKS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 169, further proceedings on the amendment offered by the gentleman from Alabama [Mr. BACHUS] will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. It is now in order to consider amendment No. 34 printed in part 2 of House Report 105–137.

AMENDMENT NO. 34 OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part 2 Amendment numbered 34 offered by Mr. SKELETON:

At the end of title V (page 204, after line 16), insert the following new section:

SEC. 572. EXPANSION OF CRIMINAL OFFENSES RESULTING IN FORFEITURE OF VETERANS BENEFITS.

(a) IN GENERAL.—Section 6105(b) of title 38, United States Code, is amended—

(1) in paragraph (2)—

A by inserting ''32, 37, 81, 175,'' before ''792,''; and

(B) by inserting ''831, 842(m), 842(n), 844(c), 844(f), 844(i), 930(c), 956, 1114, 1116, 1203, 1361, 1363, 1366, 1751, 1992, 2152, 2280, 2281, 2332, 2332a, 2332b, 2332c, 2339A, 2339B, 2340A,'' after ''798,'';

(2) in paragraph (3)—

(A) by striking out ''and 226'' and inserting in lieu thereof ''226, and 236'';

(B) by striking out ''and 2276'' and inserting in lieu thereof ''2276, and 2284''; and

(C) by striking out ''and'' at the end;

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph (4):

''(4) sections 46502 and 60123(b) of title 49; and''.

(b) CONFORMING AMENDMENTS.—(1) The second sentence of section 6105(c) of such title is amended by striking out ''or (4)'' and inserting in lieu thereof, ''(4), or (5)''.

(2) The heading for such section is amended to read as follows:

''§ 6105. Forfeiture: subversive activities; terrorist activities; other criminal activities''.

(3) The item relating to section 6105 in the table of sections at the beginning of chapter 61 of that title is amended to read as follows:

''6105. Forfeiture: subversive activities; terrorist activities; other criminal activities.''.

(c) APPLICABILITY.—The amendment made to section 6105 of title 38, United States Code, by subsection (a) shall apply to any person convicted under a provision of law added to such section by such amendments after December 31, 1996.

The CHAIRMAN. Pursuant to the rule, the gentleman from Missouri [Mr. SKELETON] and a Member opposed, the gentleman from Arizona [Mr. STUMP] each will control 5 minutes.

The Chair recognizes the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I offer the amendment at this time, which changes the law as it relates to veterans and veterans' burials. It is like the amendment that was passed in the Senate at the behest of Senator TORRICELLI, the gentleman from New Jersey.

As my colleagues know, the statute of our law state that certain veterans are prohibited from being buried in national cemeteries as a result of certain acts and convictions under the criminal law. The statute includes a good number of crimes that prohibit some veterans from being so interned.

However, the crimes of which Timothy McVeigh was convicted in Denver, CO, just a few days ago, the destruction of property and the killing of innocent people by mass destruction, and also the intentional killing of Federal law enforcement officers, is not included in that list. And that is the purpose of my amendment.

It has come to my attention, however, Mr. Chairman, that subsequent to my offering this amendment and putting it in line to be taken up at this time, there are some veterans organizations that are concerned. And the gentleman who is the chairman of the Committee on Veteran' Affairs, Mr. STUMP, and I have conferred about this; and as my colleagues know, this particular amendment is outside the immediate scope of the Department of Defense bill, however, would be and has been authorized by the Committee on Rules to be taken up today.

However, in deference to the gentleman from Arizona [Mr. STUMP], because there are to be hearings on this in an attempt to make sure that the door is battened down fully and correctly on this issue, I will in a moment ask unanimous consent to withdraw this amendment.

□ 1345

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

Mr. STUMP. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rose in opposition not because I am in opposition to the gentleman's amendment but merely to express my thanks to him for withdrawing his amendment or he is about to.

In the rush to deal with the McVeigh issue, everyone drafted a bill very rapidly and all fell short. The bill that was passed out of the Senate, for instance, will not prevent McVeigh from being buried in the common area in Arlington National Cemetery. There are other factors that are involved in this issue. For instance, do we really want to penalize a widow or dependent children because of what that veteran may or may not have done? If the man had committed suicide before he was convicted, this would not cover the situation.

In an effort to try to put all these ideas together, I asked everyone to withdraw their amendments, my good friend the gentleman from Missouri did this, and we will be ready to draw up a bill in the next day or so, have hearings on it and proceed as rapidly and expeditiously as possible.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. STUMP. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman on this. I think that this is something that the Congress needs to deal with, but the gentleman from Arizona, chairman of the Committee on Veterans' Affairs, I think makes a very valid point. We want to do this carefully and properly. I urge him to keep up his good work and look forward to voting in favor of his amendment when it comes to the floor.

Mr. STUMP. I thank the gentleman.

Mr. SKELTON. Mr. Chairman, at this time, realizing that we all seem to be singing from the same sheet of music and unanimous in our attempt to make this law clear and understandable, I do ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words as I understand under the rule whenever the chairman of the committee moves to strike the requisite number of words, the member from the other side automatically, if he chooses to claim it, has 5 minutes, and I would like to claim those 5 minutes.

The CHAIRMAN. The Chair would respond to the gentleman that that is when an amendment is under consideration, and technically the gentleman from Arizona was using the 5 minutes allocated to him in opposition to the amendment.

Mr. DELLUMS. Then I move to strike the requisite number of words.

The CHAIRMAN. Does the gentleman ask unanimous consent?

Mr. DELLUMS. I would ask unanimous consent to strike the requisite number of words.

Mr. CHAIRMAN. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. DELLUMS. Mr. Chairman, first I would like to concur in the remarks of my distinguished colleague from Arizona and in the remarks of my distinguished colleague from Washington and

compliment the gentleman from Missouri [Mr. SKELTON] for withdrawing his amendment. There clearly were some unintended consequences to the gentleman's amendment, and I think withdrawing is the better part of valor at this point.

Second, I would like to take this opportunity just to make an observation and a comment, Mr. Chairman. This is a terrible way to do business. It was precisely for this reason that this gentleman rose on Friday last to suggest that Monday is an inappropriate time to debate a bill totaling $263 billion with enormous long-term policy implications. To sit here in a virtually empty Chamber where we are dealing with substantive matters on Monday when Members are traveling from all over the country trying to get back here is simply an inappropriate way to do business.

I know the gentleman from Arizona and I will continue to do our best to try to move the process forward, but I just want the record to show that one more time for the purposes of emphasis, Mr. Chairman, that I think that this is a wholly inappropriate way to do business, and at one level it is rather embarrassing as a member of this body who certainly came here to be substantive and deliberative and who wants to engage at a serious level that there is something fatally flawed about this process.

The CHAIRMAN. Pursuant to section 5 of House Resolution 169, it is now in order to consider amendment No. 10 printed in part 1 of House Report 105–137.

AMENDMENT NO. 10 OFFERED BY MR. TALENT

Mr. TALENT. Mr. Chairman, I offer an amendment as the designee of the gentleman from New York [Mr. GILMAN].

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. TALENT:

Strike out section 568 (page 192, line 9, through page 201, line 9) and insert in lieu thereof the following:

SEC. 568. IMPROVEMENT OF MISSING PERSONS AUTHORITIES APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) APPLICABILITY TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

(A) by striking out subsection (c) and inserting in lieu thereof the following:

''(c) COVERED PERSONS.—Section 1502 of this title applies in the case of the following persons:

''(1) Any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

''(2)(A) Any other person who is a citizen of the United States and is described in subparagraph (B) who serves with or accompanies the armed forces in the field under orders and becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

''(B) A person described in this subparagraph is any of the following:

''(i) A civilian officer or employee of the Department of Defense.

''(ii) An employee of a contractor of the Department of Defense.

''(iii) An employee of a United States firm licensed by the United States under section 38 of the Arms Export Control Act (22 U.S.C. 2778) to perform duties under contract with a foreign government involving military training of the military forces of that government in accordance with policies of the Department of Defense.''; and

(B) by adding at the end the following new subsection:

''(f) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned' includes—

''(1) in the case of a person covered by clause (i) of subsection (c)(2)(B), the Secretary of the military department or head of the element of the Department of Defense employing the employee;

''(2) in the case of a person covered by clause (ii) of subsection (c)(2)(B), the Secretary of the military department or head of the element of the Department of Defense contracting with the contractor; and

''(3) in the case of a person covered by clause (iii) of subsection (c)(2)(B), the Secretary of Defense.''.

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out ''one military officer'' and inserting in lieu thereof ''one individual described in paragraph (2)'';

(B) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

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

''(2) An individual referred to in paragraph (1) is the following:

''(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

''(B) A civilian, in the case of an inquiry with respect to a civilian employee of the Department of Defense or of a contractor of the Department of Defense.''.

(3) Section 1504(d) of such title is amended—

(A) in paragraph (1), by striking out ''who are'' and all that follows in that paragraph and inserting in lieu thereof ''as follows:

''(A) In the case of a board that will inquire into the whereabouts and status of one or more members of the armed forces (and no civilians described in subparagraph (B)), the board shall be composed of officers having the grade of major or lieutenant commander or above.

''(B) In the case of a board that will inquire into the whereabouts and status of one or more civilian employees of the Department of Defense or contractors of the Department of Defense (and no members of the armed forces), the board shall be composed of—

''(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

''(ii) such members of the armed forces as the Secretary considers advisable.

''(C) In the case of a board that will inquire into the whereabouts and status of both one or more members of the armed forces and one or more civilians described in subparagraph (B)—

''(i) the board shall include at least one officer described in subparagraph (A) and at least one employee of the Department of Defense described in subparagraph (B)(i); and

''(ii) the ratio of such officers to such employees on the board shall be roughly proportional to the ratio of the number of members of the armed forces who are subjects of the board's inquiry to the number of civilians who are subjects of the board's inquiry.''; and

(B) in paragraph (4), by striking out ''section 1503(c)(3)'' and inserting in lieu thereof ''section 1503(c)(4)''.

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

''(1) The term 'missing person' means—

''(A) a member of the armed forces on active duty who is in a missing status; or

''(B) a civilian employee of the Department of Defense or an employee of a contractor of the Department of Defense who serves with or accompanies the armed forces in the field under orders and who is in a missing status.

Such term includes an unaccounted for person described in section 1509(b) of this title, under the circumstances specified in the last sentence of section 1509(a) of this title.''.

(b) REPORT ON PRELIMINARY ASSESSMENT OF STATUS.—(1) Section 1502 of such title is amended—

(A) in subsection (a)(2)—

(i) by striking out ''10 days'' and inserting in lieu thereof ''48 hours''; and

(ii) by striking out ''Secretary concerned'' and inserting in lieu thereof ''theater component commander with jurisdiction over the missing person'';

(B) in subsection (a), as amended by subparagraph (A)—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(ii) by inserting ''(1)'' after ''COMMANDER.—''; and

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

''(2) However, if the commander determines that operational conditions resulting from hostile action or combat constitute an emergency that prevents timely reporting under paragraph (1)(B), the initial report should be made as soon as possible, but in no case later than ten days after the date on which the commander receives such information under paragraph (1).'';

(C) by redesignating subsection (b) as subsection (c);

(D) by inserting after subsection (a), as amended by subparagraphs (A) and (B), the following new subsection (b):

''(b) TRANSMISSION THROUGH THEATER COMPONENT COMMANDER.—Upon reviewing a report under subsection (a) recommending that a person be placed in a missing status, the theater component commander shall ensure that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person. Not later than 14 days after receiving the report, the theater component commander shall forward the report to the Secretary of Defense or the Secretary concerned in accordance with procedures prescribed under section 1501(b) of this title. The theater component commander shall include with such report a certification that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person.''; and

(E) in subsection (c), as redesignated by subparagraph (C), by adding at the end the following new sentence: ''The theater component commander through whom the report with respect to the missing person is transmitted under subsection (b) shall ensure that all pertinent information relating to the whereabouts and status of the missing person that results from the preliminary assessment or from actions taken to locate the

person is properly safeguarded to avoid loss, damage, or modification.''.

(2) Section 1503(a) of such title is amended by striking out ''section 1502(a)'' and inserting in lieu thereof ''section 1502(b)''.

(3) Section 1504 of such title is amended by striking out ''section 1502(a)(2)'' in subsections (a), (b), and (e)(1) and inserting in lieu thereof ''section 1502(a)''.

(4) Section 1513 of such title is amended by adding at the end the following new paragraph:

''(8) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.''.

(c) FREQUENCY OF SUBSEQUENT REVIEWS.—Subsection (b) of section 1505 of such title is amended to read as follows:

''(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1) In the case of a missing person who was last known to be alive or who was last suspected of being alive, the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

''(A) on or about three years after the date of the initial report of the disappearance of the person under section 1502(a) of this title; and

''(B) not later than every three years thereafter.

''(2) In addition to appointment of boards under paragraph (1), the Secretary shall appoint a board to conduct an inquiry with respect to a missing person under this subsection upon receipt of information that could result in a change of status of the missing person. When the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (1)(B) shall be determined from the date of the receipt of such information.

''(3) The Secretary is not required to appoint a board under paragraph (1) with respect to the disappearance of any person—

''(A) more than 30 years after the initial report of the disappearance of the missing person required by section 1502(a) of this title; or

''(B) if, before the end of such 30-year period, the missing person is accounted for.''.

(d) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of such title is amended adding at the end the following new paragraphs:

''(3) A description of the location of the body, if recovered.

''(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.''.

(e) MISSING PERSON'S COUNSEL.—(1) Sections 1503(f)(1) and 1504(f)(1) of such title are amended by adding at the end the following: ''The identity of counsel appointed under this paragraph for a missing person shall be made known to the missing person's primary next of kin and any other previously designated person of the person.''.

(2) Section 1503(f)(4) of such title is amended by adding at the end the following: ''The primary next of kin of a missing person and any other previously designated person of the missing person shall have the right to submit information to the missing person's counsel relative to the disappearance or status of the missing person.''.

(3) Section 1505(c)(1) is amended by adding at the end the following: ''The Secretary concerned shall appoint counsel to represent any such missing person to whom such information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.''.

(f) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of such title is amended by striking out in subsection (a) and inserting in lieu thereof the following:

''(a) REVIEW OF STATUS.—(1) If new information is found or received that may be related to one or more unaccounted for persons described in subsection (b) (whether or not such information specifically relates (or may specifically relate) to any particular such unaccounted for person), that information shall be provided to the Secretary of Defense. Upon receipt of such information, the Secretary shall ensure that the information is treated under paragraphs (2) and (3) of section 1505(c) of this title and under section 1505(d) of this title in the same manner as information received under paragraph (1) of section 1505(c) of this title. For purposes of the applicability of other provisions of this chapter in such a case, each such unaccounted for person to whom the new information may be related shall be considered to be a missing person.

''(2) The Secretary concerned shall appoint counsel to represent each such unaccounted for person to whom the new information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.

''(3) For purposes of this subsection, new information is information that—

''(A) is found or received after the date of the enactment of the the National Defense Authorization Act for Fiscal Year 1998 by a United States intelligence agency, by a Department of Defense agency, or by a person specified in section 1504(g) of this title; or

''(B) is identified after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 in records of the United States as information that could be relevant to the case of one or more unaccounted for persons described in subsection (b).''.

(2) Such section is further amended by adding at the end the following new subsection:

''(d) ESTABLISHMENT OF PERSONNEL FILES FOR KOREAN CONFLICT CASES.—The Secretary of Defense shall ensure that a personnel file is established for each unaccounted for person who is described in subsection (b)(1). Each such file shall be handled in accordance with, and subject to the provisions of, section 1506 of this title in the same manner as applies to the file of a missing person.''.

(g) WITHHOLDING OF CLASSIFIED INFORMATION.—Section 1506(b) of such title is amended—

(1) by inserting ''(1)'' before ''The Secretary'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following:

''(2) If classified information withheld under this subsection refers to one or more unnamed missing persons, the Secretary shall ensure that notice of that withheld information, and notice of the date of the most recent review of the classification of that withheld information, is made reasonably accessible to family members of missing persons.''.

(h) WITHHOLDING OF PRIVILEGED INFORMATION.—Section 1506(d) of such title is amended—

(1) in paragraph (2)—

(A) by striking out ''non-derogatory'' both places it appears in the first sentence;

(B) by inserting ''or about unnamed missing persons'' in the first sentence after ''the debriefing report'';

(C) by striking out ''the missing person'' in the second sentence and inserting in lieu thereof ''each missing person named in the debriefing report''; and

(D) by adding at the end the following new sentence: ''Any information contained in the extract of the debriefing report that pertains to unnamed missing persons shall be made reasonably accessible to family members of missing persons.''; and

(2) in paragraph (3)—

(A) by inserting '', or part of a debriefing report,'' after ''a debriefing report''; and

(B) by adding at the end the following new sentence: ''Whenever the Secretary withholds a debriefing report, or part of a debriefing report, containing information on unnamed missing persons from accessibility to families of missing persons under this section, the Secretary shall ensure that notice that the withheld debriefing report exists is made reasonably accessible to family members of missing persons.''.

The CHAIRMAN. Pursuant to the rule, the gentleman from Missouri [Mr. TALENT] and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Chairman, I yield myself such time as I may consume.

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

Mr. TALENT. Mr. Chairman, I rise today to introduce an amendment to H.R. 1119 the fiscal year 1998 National Defense Authorization Act. This amendment mirrors and expands on the language of H.R. 409, the Missing Persons Authorities Improvement Act of 1997.

Mr. Chairman, last year this body secured a victory for U.S. service personnel, their families and the families of POW/MIA's by winning the passage of H.R. 945, the Missing Service Personnel Act. That bill received unanimous support in the House as part of the defense authorization bill for that year.

The amendment would restore the provisions stricken from the Missing Service Personnel Act by a Senate amendment that was offered and passed last year. Last year this legislation was introduced as H.R. 4000. It received 280 cosponsors and passed unanimously in the House before failing to come to the Senate floor.

Mr. Chairman, I will briefly describe the provisions of the amendment. I do not believe that they are controversial. The first provision to be restored requires that military commanders report and initiate searching for a missing service personnel member within 48 hours, rather than 10 days as stated in current law, unless prevented by combat conditions.

That bears repeating, Mr. Chairman. The requirement does not apply if the local commander is engaged in an ongoing combat situation, especially one on a large scale. But it is entirely appropriate for peacekeeping operations. Captain O'Grady, for example, was missing for 6 days before being found. Had he not been reported missing in a timely fashion, his story would surely have had a different outcome.

The second provision in the amendment covers civilian employees of the

Defense Department and Defense Department civilian contractors in the same way that active duty personnel are covered. These civilians are in the field under orders to assist our military, Mr. Chairman. They deserve the same protections afforded our men and women in uniform. Moreover, with the downsizing of our Armed Forces that has been occurring during the post-cold-war period, the Department of Defense has been increasingly turning to civilian contractors for technical support with equipment during operations in the field.

These contract employees face the same conditions in the front lines as our men and women in uniform. Since they are assuming the same risks, it only makes sense that they are allowed the knowledge that the Pentagon places the same priority on their recovery as it does for military personnel.

The third key provision in the amendment states that if a body is recovered and cannot be identified by visual means, a certification by a credible forensic authority has to be made before the DPMO can certify that the person is dead. This provision is simple common sense. There have been too many cases where misidentification of remains has caused undue trauma for families.

The last provision I want to mention specifically, Mr. Chairman, may be the most important of all. The amendment contains provisions relating to pre-enactment cases, cases that occurred before the enactment of the Missing Service Personnel Act in 1995. These are primarily from the Korean and the Vietnam wars. Should any new information be found on such a case and be presented to the Department of Defense, the MIA in question must have counsel present at any hearing called to decide on the convening of a review board.

Furthermore, such counsel must be revealed to the MIA's family which can then provide the counsel with additional information as warranted. Finally, the DOD should treat any new information from pre-enactment cases in the same manner as for future cases that may occur. More importantly, the law requires that personnel files be established for those servicemen last known alive in Korea.

In recent years, Mr. Chairman, information has been declassified which revealed that the United States Government knew that over 900 soldiers had been left behind in Korea. The United Nations has had a similar list available for years, albeit with a much smaller number. Mr. Chairman, if that is the case, we need to do everything in our power to locate and return these individuals. The establishment of personnel files for these cases is a small step in that direction, but it does help to organize the information that does exist and begins to allow for coordination so that our efforts at personnel recovery are as efficient as possible.

Mr. Chairman, I will not go on about the amendment or about the underlying issue. We have a lot of other business to do today. I just want to urge my colleagues today to join me in supporting the amendment to this year's defense authorization bill and thus show support for MIA's, POW's, their families and for the Missing Persons Authorities Improvement Act of 1997.

Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. BUYER].

Mr. BUYER. I thank the gentleman from Missouri [Mr. TALENT] for yielding me this time.

Mr. Chairman, I rise in support of the Gilman amendment. The Missing Persons Act, as originally signed into law by the President, had two major objectives: First to ensure that any member of the Armed Forces, and any Department of Defense civilian employee or contractor employee who serves with or accompanies the Armed Forces in the field under orders, who becomes a prisoner of war or missing is ultimately accounted for by the United States, and, second, as a general rule, such missing persons are not declared dead solely because of the passage of time.

The Gilman amendment would ensure that the Missing Persons Act is restored to those objectives. The need for the amendment is supported by an extensive hearing record. In eight hearings conducted in the last 2 years, numerous witnesses testified in support of the need to improve the current process for accounting for POW/MIA's.

The amendment also makes changes to law that make sense in the post-cold-war era. For example, DOD civilians and contractors, as well as other nonmilitary personnel like those United States citizens now in Bosnia are playing an ever increasing role in the support of United States military operations. When deployed in support of the U.S. military, these people are as much at risk to capture and hostile action as military personnel. They ought to have the same protections under the law.

As many of my colleagues know, the United States is in a belated effort to fully account for thousands of POW/MIA's throughout the cold war era. This amendment would give emphasis and direction to that long needed effort. In addition, the amendment would also provide family members and others greater access to information about missing persons. Finally, the amendment unequivocally makes a clear and strong congressional commitment to achieving the fullest possible accounting for persons missing as a result of hostile action today and in the future.

I extend a great compliment to the gentleman from Missouri [Mr. TALENT] for his leadership on this issue and that of the gentleman from New York [Mr. GILMAN]. For these reasons, I urge my colleagues to support the Gilman amendment.

Mr. TALENT. Mr. Chairman, I yield myself such time as I may consume.

I will close, Mr. Chairman, by saying this is an issue that we have been working on on the House side on a bipartisan basis for a number of years. We have made real progress in trying to make sure that what has happened in the past to many of our men who have been lost overseas and never returned, never came home, does not happen again. I want to thank and congratulate the gentleman from Indiana [Mr. BUYER], chairman of the Subcommittee on Military Personnel of the Committee on National Security, for his comments and for his very hard work and his leadership in this.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TALENT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to commend the gentleman for his leadership on this issue. I rise in very strong support of his amendment.

Mr. TALENT. I am happy to hear that and I thank the gentleman for his comments.

Mr. GILMAN. Mr. Chairman, I rise today in strong support of this amendment to H.R. 1119, the Fiscal year 1998 National Defense Authorization Act. I was unavoidably detained while returning to Washington from my district, and I thank the gentleman from Missouri, [Mr. TALENT] for offering this amendment in my absence. This amendment parallels and broadens the language of H.R. 409, the Missing Persons Authorities Improvement Act of 1997.

Early last year, the Congress secured a victory for U.S. Service Personnel, their families, and the families of POW/MIA's by passing H.R. 945, the Missing Service Personnel Act.

H.R. 945 received unanimous support in the House as part of the Department of Defense Authorization Act of 1996.

When they were unable to prevent the passage of H.R. 945, the opponents of the legislation attached a Senate amendment to the 1997 Defense Authorization Conference Report. This amendment removed several key provisions of the Missing Service Personnel Act.

This amendment being offered today would restore those provisions deleted from the Missing Service Personnel Act by that Senate amendment. In the closing days of the 104th Congress, this legislation was introduced as H.R. 4000. That bill received 280 cosponsors and passed unanimously in the House before being blocked in the Senate.

The first provision being restored requires that military commanders report and initiate searching for a missing service personnel member within 48 hours, rather than 10 days as stated in current law, unless prevented by combat conditions.

Although current regulations require local commanders to report any individual missing for more than 24 hours, individuals often fall through the cracks, especially during military operations.

It should be noted that this requirement does not apply during ongoing combat situations. However, it's application and enforcement are entirely appropriate for peacekeeping operations. If my colleagues would recall Captain O'Grady was missing for 6 days before being rescued. Had he not been reported missing for 10 days, it is highly doubtful that he would have been rescued alive.

The second provision in this Amendment covers civilians employees of the Defense Department and Defense Department civilian

contractors. These civilians are in the field under orders to assist our military, and they have earned the same protections afforded our men and women in uniform.

Moreover, with the downsizing of our Armed Forces that has been occurring since the end of the cold war, the DOD has been increasingly turning to civilian contractors for technical support with equipment during operations in the field.

These contract employees are facing the same conditions on the front lines as our men and women in uniform. Since they are assuming the same risks, it only makes sense that they are allowed the knowledge that the Pentagon places the same priority on their recovery as it does for military personnel.

The third provision to be restored by this Amendment states that if a body were recovered and could not be identified by visual means, that a certification by a credible forensic authority must be made.

This provisions is simply common sense. There have been too many cases where misidentification of remains has caused undue trauma for families.

Finally, this amendment would restore the provision which would impose criminal penalties for those Government officials who knowingly and willfully withhold information related to the disappearance, whereabouts and status of a missing person.

Prompt and proper notification of any new information is essential to the successful investigation of each POW/MIA case. This cannot be achieved if individuals deliberately seek to derail the process.

it should be noted that these penalties would only apply to future cases, and then only if the individual in question deliberately and willingly withheld such information. It is not our intent to penalize someone for any honest mistake or simple oversight. At the same time, and clear, deliberate obstruction should be punished.

This amendment also contains provisions relating to preenactment cases, those from the Korean and Vietnam wars. Should any new information be found on such a case, and is presented to the Secretary of Defense, the MIA family in question must have counsel present at any hearing called to decide on the conveying of a review board.

Furthermore, such counsel must be revealed to the MIA's family, which can then provide the counsel with additional information as warranted. Finally, the DOD should treat any new information from preenactment cases in the same manner as for future cases that may occur.

More importantly, the law requires that personnel files be established for those servicemen last known alive in Korea.

In recent years, information has been declassified which revealed that the U.S. Government knew that over 900 soldiers had been left behind in Korea, who were last known to be alive. The United Nations has had a similar list available for years, albeit with a much smaller number.

I realize that many of these individual POW's are no longer alive, and that it will probably be impossible to ever definitely prove when how these men died. The North Koreans were a brutal group of captors with an abysmal record of prisoner treatment. Yet there exists the possibility that some of these men may still be alive.

If that is the case, we need to do everything in our power to locate and return these individuals. While the establishment of personnel files for these cases is a small step in this direction, it does help to organize the morass of information that exists.

More importantly it begins to allow for coordination so that our efforts at personnel recovery are as effective as possible.

The opponents of the Missing Service Personnel Act, including many in the Pentagon, believes that these requirements would be overburdensome and inhibit America's war fighting abilities. I do not believe that this is a credible argument. Rather than create more red tape I believe that provisions will help streamline the bureaucracy and improve the investigation process.

Recordingly, I urge my colleagues today to join me in supporting this amendment to the Fiscal Year 1998 National Defense Authorization Act, and thus show your support for the Missing Persons Authorities Improvement Act of 1997.

Mr. TALENT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. TALENT].

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

Mr. DICKS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 169, further proceedings on the amendment offered by the gentleman from Missouri [Mr. TALENT] will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 11 printed in part 1 of House Report 105–137.

AMENDMENT NO. 11 OFFERED BY MR. BUYER

Mr. BUYER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. Buyer:

At the end of title VII (page 288, after line 21), insert the following new subtitle:

Subtitle F—Persian Gulf Illness

SEC. 751. DEFINITIONS.

For purposes of this subtitle:

(1) The term ''Gulf War illness'' means any one of the complex of illnesses and symptoms that might have been contracted by members of the Armed Forces as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

(2) The term ''Persian Gulf War'' has the meaning given that term in section 101 of title 38, United States Code.

(3) The term ''Persian Gulf veteran'' means an individual who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(4) The term ''contingency operation'' has the meaning given that term in section 101(a) of title 10, United States Code, and includes a humanitarian operation, peacekeeping operation, or similar operation.

SEC. 752. PLAN FOR HEALTH CARE SERVICES FOR PERSIAN GULF VETERANS.

(a) PLAN REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall prepare a plan to provide appropriate health care to Persian Gulf veterans (and their dependents) who suffer from a Gulf War illness.

(b) CONTENTS OF PLAN.—In preparing the plan, the Secretaries shall—

(1) use the presumptions of service connection and illness specified in paragraphs (1) and (2) of section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note) to determine the Persian Gulf veterans (and the dependents of Persian Gulf veterans) who should be covered by the plan;

(2) consider the need and methods available to provide health care services to Persian Gulf veterans who are no longer on active duty in the Armed Forces, such as Persian Gulf veterans who are members of the reserve components and Persian Gulf veterans who have been separated from the Armed Forces; and

(3) estimate the costs to the Government to provide full or partial health care services under the plan to covered Persian Gulf veterans (and their covered dependents).

(c) FOLLOW-UP TREATMENT.—The plan required by subsection (a) shall specifically address the measures to be used to monitor the quality, appropriateness, and effectiveness of, and patient satisfaction with, health care services provided to Persian Gulf veterans after their initial medical examination as part of registration in the Persian Gulf War Veterans Health Registry or the Comprehensive Clinical Evaluation Program.

(d) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretaries shall submit to Congress the plan required by subsection (a).

SEC. 753. COMPTROLLER GENERAL STUDY OF REVISED DISABILITY CRITERIA FOR PHYSICAL EVALUATION BOARDS.

Not later than March 1, 1998, the Comptroller General shall submit to Congress a study evaluating the revisions made by the Secretary of Defense to the criteria used by Physical Evaluation Boards to set disability ratings for members of the Armed Forces who are no longer medically qualified for continuation on active duty so as to ensure accurate disability ratings related to a diagnosis of a Persian Gulf illness. Such revisions were required by section 721(e) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note).

SEC. 754. IMPROVED MEDICAL TRACKING SYSTEM FOR MEMBERS DEPLOYED OVERSEAS IN CONTINGENCY OR COMBAT OPERATIONS.

(a) SYSTEM REQUIRED.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074d the following new section:

''§ 1074e. Medical tracking system for members deployed overseas

''(a) SYSTEM REQUIRED.—The Secretary of Defense shall establish a system to assess the medical condition of members of the armed forces (including members of the reserve components) who are deployed outside the United States or its territories or possessions as part of a contingency operation (including a humanitarian operation, peacekeeping operation, or similar operation) or combat operation.

''(b) ELEMENTS OF SYSTEM.—The system shall include the use of predeployment medical examinations and postdeployment medical examinations (including an assessment of mental health and the drawing of blood samples) to accurately record the medical condition of members before their deployment and any changes in their medical condition during the course of their deployment. The postdeployment examination shall be conducted when the member is redeployed or

otherwise leaves an area in which the system is in operation (or as soon as possible thereafter).

''(c) RECORDKEEPING.—The results of all medical examinations conducted under the system, records of all health care services (including immunizations) received by members described in subsection (a) in anticipation of their deployment or during the course of their deployment, and records of events occurring in the deployment area that may affect the health of such members shall be retained and maintained in a centralized location to improve future access to the records.

''(d) QUALITY ASSURANCE.—The Secretary of Defense shall establish a quality assurance program to evaluate the success of the system in ensuring that members described in subsection (a) receive predeployment medical examinations and postdeployment medical examinations and that the recordkeeping requirements are met.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074d the following new item:

''1074e. Medical tracking system for members deployed overseas.''.

SEC. 755. REPORT ON PLANS TO TRACK LOCATION OF MEMBERS IN A THEATER OF OPERATIONS.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan for collecting and maintaining information regarding the daily location of units of the Armed Forces, and to the extent practicable individual members of such units, serving in a theater of operations during a contingency operation or combat operation.

SEC. 756. REPORT ON PLANS TO IMPROVE DETECTION AND MONITORING OF CHEMICAL, BIOLOGICAL, AND SIMILAR HAZARDS IN A THEATER OF OPERATIONS.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan regarding the deployment, in a theater of operations during a contingency operation or combat operation, of a specialized unit of the Armed Forces with the capability and expertise to detect and monitor the presence of chemical, biological, and similar hazards to which members of the Armed Forces may be exposed.

SEC. 757. NOTICE OF USE OF INVESTIGATIONAL NEW DRUGS.

(a) NOTICE REQUIREMENTS.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1107. Notice of use of investigational new drugs

''(a) NOTICE REQUIRED.—(1) Whenever the Secretary of Defense requests or requires a member of the armed forces to receive an investigational new drug, the Secretary shall provide the member with notice containing the information specified in subsection (d).

''(2) The Secretary shall also ensure that medical providers who administer an investigational new drug or who are likely to treat members who receive an investigational new drug receive the information required to be provided under paragraphs (3) and (4) of subsection (d).

''(b) TIME FOR NOTICE.—The notice required to be provided to a member under subsection (a)(1) shall be provided before the investigational new drug is first administered to the member, if practicable, but in no case later than 30 days after the investigational new drug is first administered to the member.

''(c) FORM OF NOTICE.—The notice required under subsection (a)(1) shall be provided in writing unless the Secretary of Defense determines that the use of written notice is impractical because of the number of members receiving the investigational new drug, time constraints, or similar reasons. If the Secretary provides notice under subsection (a)(1) in a form other than in writing, the Secretary shall submit to Congress a report describing the notification method used and the reasons for the use of the alternative method.

''(d) CONTENT OF NOTICE.—The notice required under subsection (a)(1) shall include the following:

''(1) Clear notice that drug being administered is an investigational new drug.

''(2) The reasons why the investigational new drug is being administered.

''(3) Information regarding the possible side effects of the investigational new drug, including any known side effects possible as a result of the interaction of the investigational new drug with other drugs or treatments being administered to the members receiving the investigational new drug.

''(4) Such other information that, as a condition of authorizing the use of the investigational new drug, the Secretary of Health and Human Services may require to be disclosed.

''(e) RECORDS OF USE.—The Secretary of Defense shall ensure that the medical records of members accurately document the receipt by members of any investigational new drug and the notice required by subsection (d).

''(f) DEFINITION.—In this section, the term 'investigational new drug' means a drug covered by section 505(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1107. Notice of use of investigational new drugs.''.

SEC. 758. REPORT ON EFFECTIVENESS OF RESEARCH EFFORTS REGARDING GULF WAR ILLNESSES.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report evaluating the effectiveness of medical research initiatives regarding Gulf War illnesses. The report shall address the following:

(1) The type and effectiveness of previous research efforts, including the activities undertaken pursuant to section 743 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1074 note), section 722 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note), and sections 270 and 271 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 110 Stat. 1613).

(2) Recommendations regarding additional research regarding Gulf War illnesses, including research regarding the nature and causes of Gulf War illnesses and appropriate treatments for such illnesses.

(3) The adequacy of Federal funding and the need for additional funding for medical research initiatives regarding Gulf War illnesses.

SEC. 759. PERSIAN GULF ILLNESS CLINICAL TRIALS PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There are many ongoing studies that investigate risk factors which may be associated with the health problems experienced by Persian Gulf veterans; however, there have been no studies which examine health outcomes and the effectiveness of the treatment received by such veterans.

(2) The medical literature and testimony presented in hearings on Gulf War illnesses indicate there are therapies, such as cognitive behavioral therapy, which have been effective in treating patients with symptoms similar to those seen in many Persian Gulf veterans.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall establish a program of cooperative clinical trials at multiple sites to assess the effectiveness of protocols for treating Persian Gulf veterans who suffer from ill-defined or undiagnosed conditions. Such protocols shall include a multidisciplinary treatment model, of which cognitive behavioral therapy is a component.

(c) FUNDING.—Of the funds authorized to be appropriated in section 201(1) for research, development, test, and evaluation for the Army, the sum of $4,500,000 shall be available for program element 62787A (medical technology) in the budget of the Department of Defense for fiscal year 1998 to carry out the clinical trials program established pursuant to subsection (b).

The CHAIRMAN. Pursuant to the rule, the gentleman from Indiana [Mr. BUYER] and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Indiana [Mr. BUYER].

Mr. BUYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I offer this amendment as it relates to Persian Gulf war illnesses.

Since the end of the Persian Gulf war in 1991, a number of service members who were deployed to the Persian Gulf theater, both active and reserve, have experienced a range of illnesses and symptoms, such as fatigue, muscle and joint pain, memory loss, severe headaches and many other symptoms. Despite the fact that the Department of Defense and the Department of Veterans Affairs have spent millions of dollars on medical research, the nature and causes of these illnesses remain unclear, and in fact remain multifaceted.

In fact, the final report of the Presidential Advisory Committee on Gulf War Veterans' Illnesses concluded that many of the health concerns of gulf war veterans might never be fully resolved because of a lack of data. One of the reasons there is a lack of data is because the Persian Gulf war medical records were incomplete and inaccurate with regard to documenting all medical events for service members while deployed to the Persian Gulf.

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As a result of poor medical recordkeeping during the Persian Gulf, the General Accounting Office, GAO, has recommended that the Department of Defense, using the lessons learned from the war, promptly complete and implement a DOD-wide policy for medical surveillance for all major deployments of U.S. forces. A medical surveillance system that collects, analyzes and disseminates health information will greatly facilitate DOD's ability to intervene in a timely manner to address health care problems experienced by military personnel.

As a result of this poor medical recordkeeping and consistent with the

General Accounting Office's recommendations, this amendment includes the requirement for the Secretary of Defense to establish a medical tracking system to be used during all overseas contingencies or wartime operations, plus humanitarian operations for all deployed military members, including reservists. I believe this is critical. If we are going to send our service members to foreign lands for combat, humanitarian, or contingency operations, we must make sure we know the health status of those members, what it is going into and coming out of the area of operations.

Another GAO study on the effectiveness of the clinical treatment of ill veterans found that both while DOD and VA have tried to measure or insure the quality of veterans' initial examinations, neither agency can determine the appropriateness or the effectiveness of the care veterans have subsequently received. The Presidential Advisory Committee also cited shortcomings in the availability of treatment for gulf war veterans experiencing symptoms from gulf war illnesses and recommended better followup care for these members. Additionally, according to the drafted GAO report, neither agency has any plans to establish a mechanism to monitor these veterans' progresses.

Therefore, this amendment directs the Secretary of Defense and Secretary of Department of Veterans Affairs to develop measures to be used to monitor the effectiveness and the quality of followup health care services provided to the Persian Gulf veterans experiencing symptoms of gulf war illnesses. Every effort must be made to follow up on the care provided to these veterans to make sure the treatment they receive is effective in treating the symptoms of these illnesses.

To address the longstanding concerns of many Members of Congress, including myself, about whether the Department of Defense is appropriately treating ill Persian Gulf service members, particularly with regard to physical disability separation process, this amendment directs the GAO to study the physical evaluation board process to insure accurate disability ratings for diagnosis of the Persian Gulf illnesses. I believe it is very important for us to make sure that the services are not separating Persian Gulf veterans for medical reasons who have no clear diagnosis of their illnesses and without providing them adequate disability ratings and compensation.

As I mentioned earlier, millions of dollars have been spent on medical research that has yet to produce clear evidence of what has caused those illnesses. I have no objection, Mr. Chairman, to a shotgun approach in our medical research, but now we need to analyze and narrow the research and do an analysis of the overall medical projects.

We do not thoroughly understand, despite all of the research, what all of the symptoms are. As the GAO has said, since much of the research was not begun until well after the war ended, the results are not yet available. I think that is an important question for us to answer: What is the right research?

My amendment therefore directs the Secretary of Defense to evaluate the effectiveness of all the research done to date on the potential causes of gulf war illnesses and to identify requirements for additional research on possible causation and appropriate treatments. I sincerely believe this amendment addresses many of the criticisms and recommendations relating to the Government's investigation into and responses to gulf war illnesses. It takes a dramatic step toward ensuring that our service members and the veterans are treated properly. It has strong support not only from the American Legion, but also the Veterans of Foreign Wars.

I want to thank my colleagues and the gentleman from Illinois [Mr. EVANS] and the gentleman from Rhode Island [Mr. KENNEDY]. I would also like to give a special thank you to the chairman of the Committee on National Security, the gentleman from South Carolina [Mr. SPENCE] and for the leadership of the chairman of the Committee on Veterans' Affairs, the gentleman from Arizona [Mr. STUMP] for their support in this effort. I strongly encourage adoption of the comprehensive, bipartisan amendment, and let us show the support for our veterans in this regard.

Mr. DELLUMS. Mr. Chairman, I ask unanimous consent to claim the 30 minutes that no one rose in opposition on the gentleman's amendment. I am not in opposition, but I rise to claim the time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] will control 30 minutes.

PARLIAMENTARY INQUIRY

Mr. BUYER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. BUYER. Mr. Chairman, I believe there were 30 minutes on this amendment to be divided 15 and 15. Therefore, I would have 15 and the gentleman from California would have 15, not the entire 30.

The CHAIRMAN. Under the rule, the time allocated to the amendment was 30 minutes on each side for a total of 1 hour.

Mr. DELLUMS. Mr. Chairman, I yield 10 minutes to my distinguished colleague from Washington [Mr. DICKS].

Mr. DICKS. I certainly appreciate the courtesy of the gentleman from California. I want to rise in strong support of this amendment. This has been one of the most difficult issues that all of us have faced.

I serve on the Subcommittee on National Security and on the Permanent Select Committee on Intelligence as the ranking Democrat, and we have asked for an investigation of this: What did we know, and when did we know it, and was there an attempt at the Pentagon not to really come clean with the American people on this issue? I have worried about the veterans that are out there, many of which came from my State, my district, who served in the gulf war, who were told that, well, there was no exposure to chemical weapons; they are also told that they may be suffering from a post war mental syndrome.

Well, I do not think that is accurate, and I think the studies that have been done and the work that has been done by doctors all over the country who have treated Gulf War veterans proves conclusively that there are some other problems than the ones that have been suggested by the Defense Department.

Out in California, for example, Dr. Garth Nicholson has treated many patients who have had infectious microplasmas, and this would mean that somehow they were exposed to an infectious agent while they were in the gulf and brought it back. In fact, some have given it to their children, their wives and even their pets, and again the Pentagon has been very slow to acknowledge this possibility.

Now they are doing a study of this; they are looking into Dr. Nicholson's research, and I have talked, in trying to help Dr. Nicholson I have talked, to doctors all over the country who are treating gulf war veterans at the various veteran's hospitals, and they are incredulous by the way that Washington, DC, has treated this.

Now in recent months, the last several months, the administration I think has, and I do not blame the President for this, but people over at the Defense Department have finally gotten the message that the American people want to see every one of these possible causes for gulf war diseases to be investigated, and this Congress has given them the money to do that, the Committee on Appropriations has given them the resources to do that, and still there has been resistance over there, saying we have to study, and we have to do this.

I am all for professional studies, I am all for peer review, but I do not want it to be a way of saying we can only afford to do this much. If there is other good, credible, possible answers out there, I want the Pentagon to come and ask for the resources necessary to do the investigation.

Mr. BUYER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Indiana.

Mr. BUYER. Mr. Chairman, I appreciate the gentleman's comments on the issue. I would ask of him to never refer to this as a gulf war syndrome. A syndrome infers a sole source causation. I would ask for the gentleman to always

refer to this as the gulf war illnesses, because in fact it is multifaceted.

Mr. DICKS. That is my point. I agree with that. I think it is multifaceted; I completely concur with that.

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

Mr. BUYER. Mr. Chairman, if the gentleman will yield further, I appreciate the gentleman's endorsement of many of the ongoing studies. The difficulty when we took on this issue in the beginning was that there were a lot of stonewalling, not only from private medical institutions, but also within the medical institutions of the Department of Defense and within the VA. It has taken them awhile, they are slowly coming along, and we have had, it seems like every time we are plowing new ground, somebody is filling in the furrow right behind them, and we have so many what I refer to as a shotgun approach right now, and there are as many different areas.

The gentleman from Washington [Mr. DICKS] mentioned one of the doctors, one of them who has been highly scrutinized, but, as my colleague knows, what may be unusual today in medical research is when we are pressing the bounds of science it may become the norm of tomorrow.

So I think we in the face of causation for which we have some ambivalence, because we do not know, we do not understand the science, we better be as open in our thought as much as we can. So now we have done this huge shotgun with all of our medical research, we better try to figure out our analysis of so many studies that are going on, and that is our attempt.

Mr. DICKS. Reclaiming my time, the other problem that I found out is that we do not have the best technology, I believe, for the detection of when an enemy uses chemical or biological weapons. This is not something that we are very skilled at. We are pretty good in chemicals, but certainly weak in the biological area, so there are some other areas that the Congress needs to look at so that when we deploy forces we have a better idea of what they may be exposed to, and we also need to be careful about the shots that are given. There are some indications that there may have been some problems with that.

And so there are problems in the detection area. There also is something that has plagued soldiers from time eternal, and that is when we take somebody and put them into a new area, there may be background infectious agents or parasites, another problem that could have affected our troops.

And so I concur very strongly with my colleague's point that we should look at this as a multifaceted problem and not look at it as just one issue, and I think that is where we got off track. We were not willing to have a pragmatic, open mind about this and to look at all these possibilities, and I think also I worry on the intelligence side did we give advanced warning to our commanders in the field about the possibilities that when they destroyed at Khamisiyah, when they destroyed those weapons, who knew exactly what was there? Was it just chemical weapons? Could there have been some low-grade biological weapons or other infectious disease?

As my colleagues know, Saddam made a number of speeches in which he said, ''If you come after me, I'm going to do things that will affect you, your families, your wives,'' da-da-da-da. So it is a strong indication that he may have used something that we still do not have full knowledge of.

Mr. BUYER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Indiana.

Mr. BUYER. Being very pragmatic, following the gentleman's thought process, why did we give inoculations to over 10,000 soldiers in the Persian Gulf actually for botulism and then require all soldiers in the gulf to receive two shots of anthrax if, in fact, we are not potentially going to face a biological threat?

Mr. DICKS. I think we knew. We certainly understood that he possessed chemical and biological weapons, and this is another problem, by the way. As my colleague knows, people say all this was a great victory. I have heard people get up and say it showed the great might of the U.S. military forces. I would point out we had 500,000 troops out there who were, if Saddam had had accurate Scud launchers and missiles, that he could have devastated us because we did not possess adequate theater missile defense.

So when we talk about these issues and talk about deployment of troops in the future, as my colleagues know, we could be faced by someone who would use chemical and biological weapons. That is why I also worry about the potential of lockout, of not being able to get our reinforcements in in a timely way, because an enemy could use chemical or biological weapons on our airfields and therefore stop us from bringing troops and tactical aircraft into the region.

So this is an area where we need a lot of work. We also need to make sure we have adequate gear and equipment for our soldiers when we are deploying them. We are pretty good on chemical again, and somewhat weak again on biological. So there are a lot of things that need to be done here, but I have never been as frustrated on any issue except maybe for one, in trying to get the Pentagon to listen as I have been on this one.

And recently I want to compliment Dr. Berger out at Walter Reed. He is one of the few officials who had an open mind about this who convened a panel, brought in experts, and we had him review Dr. Nicholson's work, and the funny part of it is the people who were in the Government all said, well, we are skeptical, but all the people from around the country who had open minds from the top universities said, yes, there is enough here, we should investigate it. And so now they are doing a protocol, they are looking into it. But that was only because as a senior member of the defense appropriations committee I personally intervened, went to the meeting 2 days before Christmas, got Dr. Berger to come back from New York.

I mean we had to go to those lengths to try to get them to pay attention to this and to realize that we in the Congress were simply not going to let them get away with not doing this job and not looking at these possibilities in order to take care of these veterans. I still worry that these kids are coming into VA hospitals where they still think there really is not a problem and it is all psychosomatic and not really giving them the kind of treatment that Dr. Nicholson and other skilled practitioners out there are giving them, giving these soldiers, in order to get them over the various symptoms that they have had from the Gulf War.

So again I rise in strong support of this. We cannot let this happen again, and I think that is the intent of the gentleman's amendment, and I appreciate the ranking Democratic Member, the gentleman from California [Mr. DELLUMS] for yielding me this time.

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Mr. BUYER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, two comments I want to make. One other individual I want to give special recognition to is Dr. Ron Blanc, now the Surgeon General of the Army. If there was an individual early on that was a good listener, it was Dr. Blanc. I extend great compliments to him.

The other thing I wanted to share with the gentleman is that I went to London. I met with the Minister of Defense there. I testified before the Select Committee on the Gulf War in the House of Commons. I want you to know we are working in a cooperative effort with our allies.

We would be very naive to think we would not be a future ally of the United Kingdom or Canada in a conflict, and if we do not take the time now to understand the science and take care of those who bore the risk of battle, shame on us. I believe that we are now moving in that cooperative effort, not at the speed that I would like, but it is there, and I wanted to share that with you and my colleagues so we can keep moving on the issue.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BUYER. I yield to the gentleman from Washington.

Mr. DICKS. I wanted to commend the gentleman for his leadership. He will certainly have bipartisan support. My colleague, the gentleman from Washington [Mr. METCALF], has been a leader on this issue. We will give us as much help from our side of the aisle.

Mr. BUYER. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. METCALF].

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

Mr. METCALF. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Buyer amendment and of our veterans and service members afflicted with gulf war illness. The Buyer amendment represents a positive step toward finding answers for many Americans affected by this tragic disease.

Mr. Chairman, I have an amendment which will be included en bloc later this afternoon regarding the gulf war illness. My amendment shows Congress' resolve that the Department of Defense should embrace all technologies and treatments in the relentless pursuit of a resolution to the dire consequences of the gulf war on our troops and their families.

The most sobering experience I have had since being in Congress has been to sit in a room with outstanding young men and women who served this Nation honorably and hear about their experiences in the gulf and their lives since their return. Here is one example:

A constituent of mine, Butch, was a seasoned combat medic during Vietnam. He served as a surgical operating room technician during the gulf war. Six months after his return from the gulf, he began to experience problems with his health, and since that time has been treated for a long list of serious medical problems.

Amazingly, he has been prescribed to take over 35 pills a day. Fortunately, he has been awarded disability, but his rating is primarily for posttraumatic stress disorder. Can you believe it? Thirty-five pills a day for posttraumatic stress disorder? That is ridiculous.

He feels ''like an old beaten down man with no future and nothing to look forward to but pain.'' He is afraid of being around his grandchildren for fear he could pass something on to them. Mr. Chairman, this tragedy must be dealt with before it becomes an epidemic.

I have also had extensive conversations with medical experts, and you have mentioned several of them here, doctors both in and out of Government looking at this issue. These share the opinion that the Government at this point is failing to address the central issues surrounding the gulf war illness.

Mr. Chairman, the certainty of chemical and the probability of biological agents being interjected into the Persian Gulf theater of operations is something that cannot be overlooked and must be investigated by our Government. The medical professionals I have been in contact with believe that only by investigating these possibilities will we move closer to a cure.

My amendment makes a clear statement that this Congress has as its primary interest those Americans afflicted with these illnesses. As I have shared with every Member in this body, Mr. Chairman, in a ''Dear Colleague'' letter earlier this year, we must consider all treatment alternatives and open our minds to search outside the paradigm in pursuit of cures.

The time for Congress to step up and exercise its oversight responsibilities is now, and my amendment, in concert with the Buyer amendment which I support, accomplishes this.

I would like to congratulate Chairman SPENCE and subcommittee Chairman BUYER on an excellent bill, and thank them for their support both of my amendment and of all military service members and veterans.

Mr. DELLUMS. Mr. Chairman, I yield 6 minutes to the distinguished gentlewoman from Michigan [Ms. STABENOW].

Ms. STABENOW. Mr. Chairman, I would first like to commend those who are sponsoring this amendment on both sides of the aisle for their good work, and I rise to support the amendment and urge that this is just the first step of some very important efforts that we need to bring together in a bipartisan basis on behalf of those who served us in the gulf war and have come back and are now suffering as a result of what happened to them there.

According to the Departments of Defense and Veterans Affairs, more than 70,000 veterans out of the 697,000 who served in the gulf have reported persistent illnesses. Seventy-four percent of them were turned down for disability coverage because doctors say they either have no visible illness or cannot show their ailments are related to the gulf war.

Thousands of veterans are suffering from illness as a result of chemical exposure during the Persian Gulf conflict and they cannot get the medical care that they need. They cannot even get recognition of their problem, recognition of a problem that they did not create, and it is incredibly important that this recognition be given to them.

In my own Eighth District in Michigan, Tom and Nancy Burnett have been fighting to save their son Scott, who is a gulf war veteran. The Burnetts were proud when Scott decided to enlist in the Army in 1988. As a member of the 101st Airborne Division, he served for 6 months in Saudi Arabia.

Since returning from the gulf, Scott has experienced intestinal problems, headaches, muscle and joint pains, shortness of breath, eye problems, night sweats, reoccurring illnesses, and congestive heart failure. And this was a healthy young man when he served our country.

In October 1995, Scott was diagnosed with double pneumonia. While he was in the hospital, the doctors discovered that his heart was functioning at only 10 to 20 percent of its normal capacity and the doctors thought that a heart transplant was his only chance of survival.

In their desperation to save their son's life, the Burnetts launched an intensive fact-finding mission. They contacted everyone they could think of to find out what Scott had been exposed to during his time in the gulf. They found one doctor at a private hospital who had been researching the illness of gulf war veterans, and he was able to evaluate Scott's case. This doctor thought that an antibiotic, doxycylene, could help heal Scott's heart. After a month of taking this drug, Scott Burnett's heart function had increased to 39 percent. He had been told that a heart transplant was his only hope, but, in truth, a simple antibiotic was the answer.

As a gulf war veteran in the United States, if you get sick, your best and sometimes only hope is that you and your family can contact enough people and do enough research on your own to discover the best course of treatment.

In testimony presented to the Presidential Advisory Committee on Gulf War Illness in 1996, Mr. Burnett said, ''If my son Scott had been aware of the problems that had been known to exist for several years, he would have sought more aggressive treatment prior to his pneumonia and he would not have had the problems that he has today.''

Scott's main health problems are idiopathic cardiomyopathy and congestive heart failure and problems with his immune system, which are incredibly serious. These problems are rare in the general population, and especially rare for someone his age. Scott Burnett went into the Army as a healthy young man, and left 4 years later as a seriously and chronically ill veteran.

This amendment is long overdue. It is a first step in recognizing and treating the illnesses that our gulf war veterans are suffering. However, it is not enough. The National Commander of the American Legion says:

Plans to create a new Gulf War illness czar will not help disabled Gulf War veterans one bit. They need medical care, not a running debate in Washington.

We need to help these veterans and their families who are suffering. This amendment is a good first step, but it is only a first step. They need help now.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Ms. STABENOW. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to compliment the gentlewoman on her very good statement. This is the same situation we had with Dr. Nicholson out in California. When these people came in, he found that they possessed an infectious mycoplasma. He then ordered massive doses of antibiotics and was able, with many of them, to cure them of the symptoms.

Now, if this was a chemical weapon, obviously, antibiotics would not have worked, so there had to be something else that these soldiers were exposed to. The thing that is worrisome about infectious disease is it is something

you can give to your family or wife and others.

So, again, many doctors, all over the country, have found that by using antibiotics they were able to cure these veterans of their symptoms. But the problem is, when they go in, unless you have a doctor who is creative, he has basically been told that this is not a possibility. So I think it has really slowed down the treatment of the soldiers, which is what I worry about most here.

Mr. Chairman, I appreciate the gentlewoman yielding, and compliment her on her very fine statement.

Ms. STABENOW. Mr. Chairman, reclaiming my time, this is what is so important about this issue. First, we have to acknowledge it happened and make sure people are being diagnosed and treated for what is actually occurring to them, because we cannot begin to help them get the treatment they need unless we own up to the fact it happened.

Mr. BUYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to comment to the gentlewoman from Michigan, part of the problems that we have here, I first met you at a VFW post in Michigan. While I was at that VFW post a gentleman came up to me at that post whom I then recognized. He worked for me in the gulf, and when I asked him how he was doing, he took my hand and put it at the base of the stem of the back of his neck and I felt all these knots, and he said, ''I am dying.''

Now, how do you respond to someone that you know, that you care about, and when you say how are you doing, that is not the response you typically get?

What is difficult for us on this issue is what we do not know, and what we do not know is, is he dying from a cancer that he would have normally received had he never been deployed to the gulf, or was there something in the gulf that is somehow some form of a causation? That is the science for which we do not understand.

So when a veteran asks me will we ever know, I do not have the answer for that. It pains me. But we have to make decisions here with regard to disability, with regard to causation, and with regard to science. And when we draw those lines, people will say you are cold, you are callous, you do not care, and that is wrong, because we are trying to make calculated decisions in an area for which we do not have the specific answer.

I would also share with the gentlewoman this is not a first step. This is about the 22d step. We have the gentleman from California, the former chairman of the Committee on National Security, Mr. DELLUMS, here; the former chairman of the Subcommittee on Personnel, the gentleman from Missouri, Mr. SKELTON, directly behind you; the gentleman from South Carolina, Chairman SPENCE; and the gentleman from Arizona, Chairman STUMP.

I cannot begin to tell you how many hearings we have had on the Committee on Government Oversight with the gentleman from Connecticut [Mr. SHAYS], with a lot of people. It was so wonderful, is there are so many people involved in this issue. That is great. Many of their initiatives, when you go out and move out on initiative, you better stay in touch with it, because there is someone else that may not believe in it or they take two steps back or try to knock it down.

One of the reasons for this amendment right now is an initiative that came from the gentleman from Missouri [Mr. SKELTON] and under the leadership of the gentleman from California [Mr. DELLUMS]. The active duty were saying this was a problem with reservists and the National Guard, as if there is some institutional bias. This is just against them.

No, too many active duty soldiers were grabbing me in the stairwells, pulling me aside in private, to tell me about their health care, when they were afraid of coming forward because of the downsizing process. It was the gentleman from Missouri [Mr. SKELTON] who stepped forward and put into his mark a physical disability separation process that said, ''You are going to care for the soldiers on active duty, take care of them, and not kick them out. It is a veteran problem. BOB STUMP, you take care of it, or Sonny Montgomery, you take care of it.''

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So I just want to share with the gentlewoman that we are in about our 23d step and we are nursing this issue with a great deal of effort and care.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BUYER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the thing that bothers me the most about this is going back to what we said originally, and that is we should have been doing this 6 years ago. The war has been over for 6 years. Now, 6 years have gone by, and we were kind of lulled into a sense of complacency for the first few years, and so now, when we have to do all of this research, it may take us 2 or 3 additional years to really get the answers.

So I hope what we can do is remember these lessons the next time we deploy American forces into a situation like this, so that we do not have to have this big gap in time before we get down to serious work.

Mr. BUYER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. EVANS].

Ms. STABENOW. Mr. Chairman, will the gentleman yield?

Mr. EVANS. Mr. Chairman, I yield to the gentlewoman from Michigan [Ms. STABENOW].

Ms. STABENOW. Mr. Chairman, I just want to associate myself with the comments that were just made.

I understand that things are happening and that hearings have been held, but it has been 6 years, and for Tom and his son Scott, that has been 6 years of agony. I am concerned about having a sense of urgency that when the day is done we will have done something that touched their lives and has made it better.

Mr. EVANS. Mr. Chairman, reclaiming my time, I first want to thank the gentleman from Indiana [Mr. BUYER] for his leadership on this issue and for his hard work to help our Persian Gulf veterans.

This amendment, and our work together in the past, demonstrates a strong, bipartisan effort to come to grips with this issue. I thank the gentleman from Indiana [Mr. BUYER], and I am proud to join him as a cosponsor of this amendment.

I also want to thank the gentleman for including my provision which would fund clinical trials to evaluate current health care provided to Persian Gulf veterans and examine other potential treatment methods. Unfortunately, DOD and VA research efforts have not completely addressed the efficacy of treatment or the wide variety of treatments used in public and private medicine for undiagnosed illnesses.

This point was made by the American Legion in testimony before the House Committee on Veterans' Affairs on February 11, 1997. There is no data available on the effectiveness of treatment on Persian Gulf veterans. While this lack of data is disturbing, there is one thing that is perfectly clear: Gulf veterans do not feel that the care currently provided them is making them feel better.

I appreciate the gentleman's leadership, his amendment, and strongly urge my colleagues to support it.

Mr. BUYER. Mr. Chairman, I yield myself such time as I may consume. I urge all of my colleagues to support the Buyer amendment.

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

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

I rise in support of this amendment. As has been stated earlier, there is a wide range of interest in this issue across the panorama of Members in this body. Mr. Chairman, I would like to single out for special commendation the gentleman from Indiana [Mr. BUYER], the gentleman from Illinois [Mr. EVANS] and the gentleman from Rhode Island [Mr. KENNEDY], who came together in a bipartisan effort to move beyond the shortcomings of how the Department of Defense is presently addressing this significant and serious issue. I think this is an important and strong effort on their part. They ought to be commended, and I think that the best way that we can commend them is to overwhelmingly support this amendment.

Mr. QUINN. Mr. Chairman, I rise today in strong support of Mr. BUYER and Mr. KENNEDY's amendment to the Fiscal Year 1998

Defense Authorization Act, which would require the Departments of Defense and Veterans Affairs to improve their research into Persian Gulf war illnesses and their treatment of suffering Persian Gulf war veterans.

Our veterans, who have so bravely served our country in the Persian Gulf war, have been suffering for far too long. They have been waiting patiently for answers and we are letting them down.

As the chairman of the House Veterans' Affairs Subcommittee on Benefits, I have been holding hearings to look into the often frustrating claims process for Persian Gulf war veterans.

What I have detected is that there are far too many delays in the system. By working with the VA, claims processing has now been centralized which is expected to improve the chances of our veterans' receiving the proper benefits.

The lack of coordination of the various research programs conducted by the Government is presenting another obstacle. As Federal Representatives, I believe that it is our responsibility to insure that all research programs fit together to solve this issue of undiagnosed illnesses.

The Buyer-Kennedy amendment is a surefire way to bring us one step closer to resolving this problem by taking care of our ailing veterans.

The bottom line is that our veterans are sick and their families are suffering—they are due the health care they have earned.

I urge my colleagues to vote ''yes'' on the amendment.

Mr. BUYER. Mr. Chairman, I rise in strong support of Mr. BUYER's amendment to provide for a series of initiatives to improve the Department of Defense and the Department of Veterans' Affairs investigation of Persian Gulf illnesses, and the treatment of ill gulf war veterans.

This amendment first, authorizes $4.5 million to establish a cooperative DOD/VA program of clinical trials to evaluate treatments which might relieve the symptoms of gulf war illnesses; second, requires the Secretaries of both departments to develop a comprehensive plan for providing health care to all veterans, active-duty members and reserves who suffer from symptoms of gulf war illnesses.

This amendment is particularly important because it cuts to the heart of the matter regarding the DOD's response to this issue. Along with I'm sure many of my colleagues, I have heard numerous stories from my constituents about the poor initial response to veteran's concerns from both DOD and the VA.

Yet, when we in Congress raised these issues, time and time again, the CIA and DOD assured members of both the House and Senate that there was no evidence that any troops were exposed to chemical weapons in the gulf. Moreover, the VA was eager to accept these statements, so eager in fact, that VA officials did not feel exposure to chemical agents even merited consideration when ascertaining the causes behind the symptoms experienced by the affected personnel.

Then, last year, when faced with overwhelming evidence to the contrary, officials at the Pentagon reversed themselves and stated that 400 soldiers at the Khamisiyah ammunition site were exposed to chemical agents. This figure later grew to approximately 20,000.

Since this initial revelation, additional disturbing facts have come out as the CIA and DOD have engaged in a contest of finger-pointing and blame shifting over what was known at the time, and what was communicated.

To me, the most shocking fact is the revelation to subcommittee staff last January that 80 percent of the nuclear-biological-chemical logs from the theater of operations, 165 of the 200 total pages, are missing.

For one, I am losing patience with the DOD in this issue. It was troubling enough that Pentagon officials were categorically denying troop exposure to chemical agents despite overwhelming evidence to the contrary.

Now, however, we find out that most of the record logs, which were intended to track these incidents, are missing. The charges of coverup no longer seems so farfetched.

These facts, as they have dribbled out over the past 6 years, point to the following conclusion. Simply put, we were not prepared to handle the contingency of widespread chemical use by Iraqi forces during the gulf war, and that it was only by the grace of God that Saddam Hussein did not resort to the use of such devices.

Mr. Chairman, we in Congress need some straight, honest answers from the DOD. For too long, we have been dealing with commanders who were more interested in protecting their career and reputations than in looking out for the welfare of the men under their command. It was bad enough to discount the thousands upon thousands of detections that occurred during the war.

What is worse is the pattern of deceit and misrepresentation they have waged with the Congress and the American people. If we had a problem in addressing widespread chemical exposures during the gulf, fine. Let's admit it and move on.

The hand-writing, doublespeak, and finger-pointing that has occurred over the last 12-months is pointless and counterproductive. More importantly, it does nothing to help the veteran who put his life, and now it appears both his and his family's future health, on the line for his country.

Accordingly, I urge my colleagues to support this amendment which will hopefully provide answers and relief to our veterans suffering from gulf war syndrome.

Mr. DELLUMS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. BUYER].

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

Mr. BUYER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 169, further proceedings on the amendment offered by the gentleman from Indiana [Mr. BUYER] will be postponed.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [MR. BUYER] having assumed the chair, Mr. YOUNG of Florida, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to submit extraneous materials in the RECORD on the amendments to H.R. 1119 considered today.

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

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 5 p.m.

Accordingly (at 2 o'clock and 35 minutes p.m.), the House stood in recess until approximately 5 p.m.

□ 1736

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MILLER of Florida) at 5 o'clock and 36 minutes p.m.

MAKING IN ORDER ON TUESDAY, JUNE 24, 1997, CONSIDERATION OF HOUSE JOINT RESOLUTION 79, DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that it be in order at any time on June 24, 1997, to consider in the House the joint resolution, House Joint Resolution 79, disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; that the joint resolution be considered as read for amendment; that all points of order against the joint resolution and against its consideration be waived; that the joint resolution be debatable for 3½ hours equally divided and controlled by the chairman of the Committee on Ways and Means, in opposition to the joint resolution, and a Member in support of the joint resolution; that pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question be considered as ordered on the joint resolution to final passage without intervening motion; and that the provisions of section 152 and 153 of the Trade Act of 1974 shall not otherwise apply to any joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the

remainder of the first session of the 105th Congress.

The SPEAKER pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from New York?

Ms. PELOSI. Mr. Speaker, reserving the right to object, and I do not intend to object, but I just seek clarification in the unanimous-consent request from the distinguished gentleman from New York [MR. SOLOMON], chairman of the Committee on Rules, that in the paragraph about who controls the time that the Member in support of the joint resolution be designated as the gentleman from California [MR. STARK] of the Committee on Ways and Means.

Mr. SOLOMON. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would inquire of the gentlewoman, a Member in opposition to the amendment?

Ms. PELOSI. Mr. Speaker, no, in support of the joint resolution. The gentleman from California [Mr. STARK] is in support of the joint resolution.

The joint resolution be debatable for 3½ hours equally divided and controlled by the chairman of the Committee on Ways and Means in opposition to the joint resolution and a Member in support of the joint resolution.

I am just seeking clarification that that be designated as the gentleman from California [Mr. STARK].

Mr. SOLOMON. Mr. Speaker, if the gentlewoman would yield once again, it is intended that that Member be a member of the minority of the Committee on Ways and Means, the gentleman from California [Mr. STARK], and it is understood that he would yield half of his time to the gentleman from Kentucky [Mr. BUNNING], also a member of the Committee on Ways and Means, from this side of the aisle.

I might just say to the gentlewoman, since she and I have been the leaders in this effort to disapprove most-favored-nation treatment for China, that the gentlewoman and I both would seek time from the gentleman from California [Mr. STARK] and the gentleman from Kentucky [Mr. BUNNING] respectively, but that is the intent of this unanimous consent request.

Ms. PELOSI. Mr. Speaker, hopefully we can divide the time in half.

Mr. Speaker, I want to thank the gentleman from New York [Mr. SOLOMON] for his leadership in reaching this arrangement to bring his important resolution of disapproval to the floor. I will say, though, with great regret that we will be debating this resolution tomorrow morning, depriving the American people of the opportunity over the break next week to have office visits with Members, depriving the grassroots from weighing in. I think it is an attempt to keep this a Beltway business deal.

I do not know what the administration is afraid of on this issue, if they are afraid that the figures about the trade deficit that were just announced, 41-percent higher trade deficit with China for the first few months of this year than last year; whether they are afraid of the report on religious persecution which the State Department is holding until after this vote, which is highly critical of Beijing; or whether they are concerned about the report in Time magazine today about the secret missile deal,

The CIA has discovered that China is helping Pakistan build a missile plant, will the U.S. object?

Whether it is trade proliferation or human rights, the American people have a message: 77 to 27 they support conditioning most-favored-nation status on improvement in human rights. It is unfortunate that they will not have an opportunity to weigh in, and I am afraid that the administration and the leadership in the House is afraid of the truth.

With that, 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.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The SPEAKER pro tempore (Mr. MILLER of Florida). Pursuant to House Resolution 169 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1119.

□ 1740

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, with Mr. YOUNG of Florida in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, further proceedings were postponed on amendment No. 11 printed in part 1 of House Report 105–137 by the gentleman from Indiana [Mr. BUYER].

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 169, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Part 2, amendment No. 15 offered by the gentleman from Massachusetts [Mr. FRANK]; part 2 Amendment No. 1 offered by the gentleman from Alabama [Mr. BACHUS]; part 1, Amendment No. 10 offered by the gentleman from Missouri [Mr. TALENT]; and part 1, Amendment No. 11 offered by the gentleman from Indiana [Mr. BUYER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 15 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts [Mr. FRANK], as modified by section 8(b) of House Resolution 169, on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

Mr. DICKS. Mr. Chairman, I ask unanimous consent to withdraw the ordering of a recorded vote.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

So the amendment was agreed to.

AMENDMENT NO. 1 OFFERED BY MR. BACHUS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Alabama [Mr. BACHUS] on which further proceedings were postponed and on which the ayes prevailed by a voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

Mr. DICKS. Mr. Chairman, I ask to withdraw my request for a recorded vote.

The CHAIRMAN. The gentleman may withdraw his request for a recorded vote.

RECORDED VOTE

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 416, noes 0, not voting 18, as follows:

[Roll No. 225]

AYES—416

Abercrombie	Bartlett	Boehlert
Ackerman	Barton	Boehner
Aderholt	Bass	Bonilla
Allen	Bateman	Bonior
Andrews	Becerra	Bono
Archer	Bentsen	Borski
Armey	Bereuter	Boswell
Bachus	Berman	Boucher
Baesler	Berry	Boyd
Baker	Bilbray	Brady
Baldacci	Bilirakis	Brown (CA)
Ballenger	Bishop	Brown (FL)
Barcia	Blagojevich	Brown (OH)
Barr	Bliley	Bryant
Barrett (NE)	Blumenauer	Bunning

Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—18

Barrett (WI)
Blunt
Cox
Eshoo
Gordon
Kilpatrick
Lipinski
Maloney (NY)
McIntosh
Mollohan
Nadler
Pryce (OH)
Sabo
Schaefer, Dan
Schiff
Schumer
Stark
Yates

☐ 1804

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. PRYCE of Ohio. Mr. Chairman, on rollcall No. 225, I was inadvertently detained. Had I been present, I would have voted "yes."

PERSONAL EXPLANATION

Mr. DAN SCHAEFER of Colorado. Mr. Chairman, on rollcall No. 225, I was unavoidably detained. Had I been present, I would have voted "yes."

PERSONAL EXPLANATION

Mr. COX of California. Mr. Chairman, I was necessarily absent for this vote for medical reasons.

AMENDMENT OFFERED BY MR. TALENT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Missouri [Mr. TALENT] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 415, noes 2, not voting 17, as follows:

[Roll No. 226]

AYES—415

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran (KS)
Morella
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo

Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOES—2

Moran (VA)
Murtha

NOT VOTING—17

Barrett (WI)
Blunt
Cox
Eshoo
Gordon
Kilpatrick
Lipinski
Maloney (NY)
Manton
McIntosh
Mollohan
Nadler
Owens
Schiff
Schumer
Stark
Yates

☐ 1812

Mr. MORAN of Virginia changed his vote from ''aye'' to ''no''.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. COX of California. Mr. Chairman, I was necessarily absent for this vote for medical reasons.

AMENDMENT OFFERED BY MR. BUYER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Indiana [Mr. BUYER] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 417, noes 0, not voting 17, as follows:

[Roll No. 227]

AYES—417

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
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Rush
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Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
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Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
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Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
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Weller
Wexler
Weygand
White
Whitfield
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Wolf
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Wynn
Young (AK)
Young (FL)

NOT VOTING—17

Barrett (WI)
Blunt
Cox
Eshoo
Gordon
Kilpatrick
Lipinski
Maloney (NY)
McDade
McIntosh
Mollohan
Nadler
Riggs
Schiff
Schumer
Stark
Yates

☐ 1819

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. LAFALCE. Mr. Chairman, on the night of June 19 when the House held a series of votes in succession on the DOD authorization bill, I was given incorrect information and mistakenly voted ''yes'' on rollcall No. 217. I had intended to vote ''no.''

PERSONAL EXPLANATION

Mr. COX of California. Mr. Chairman, I was necessarily absent for this vote for medical reasons.

PERSONAL EXPLANATION

Mr. BARRETT of Wisconsin. Mr. Chairman, on rollcall No. 225, the Bachus amendment, had I been present I would have voted ''aye.''

Mr. Chairman, on rollcall No. 226, the Talent amendment, had I been present I would have voted ''aye.''

Mr. Chairman, on rollcall No. 227, the Buyer-Kennedy of Rhode Island amendment, had I been present I would have voted ''aye.''

PERSONAL EXPLANATION

Mr. NADLER. Mr. Chairman, earlier today I was unavoidably out of the Chamber when three rollcalls occurred, and I want to ask that it would be reflected in the RECORD that had I been present I would have voted in the affirmative. I would have voted ''aye'' on rollcall No. 225, and ''aye'' on rollcall No. 226, and ''aye'' on rollcall No. 227.

PERSONAL EXPLANATION

Ms. ESHOO. Mr. Chairman, I was unavoidably detained on rollcall votes 225, 226 and 227. Had I been present, I would have voted ''aye'' on each one of the three. I ask that the statement be included in the RECORD immediately following the votes.

The CHAIRMAN. Pursuant to section 5 of House Resolution 169, it is now in

order to consider amendment No. 7 printed in part 1 of House Report 105–137, as modified by section 8(a) of House Resolution 169.

AMENDMENT NO. 7 OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. DELLUMS:

At the end of title I (page 23, before line 7), insert the following new sections:

SEC. 123. B–2. AIRCRAFT PROGRAM.

(a) PROHIBITION OF ADDITIONAL AIRCRAFT.—None of the amount appropriated pursuant to the authorization of appropriations in section 103(1) may be obligated for advanced procurement of B–2 aircraft beyond the 21 deployable aircraft authorized by law before the date of the enactment of this Act.

(b) PRODUCTION LINE CURTAILMENT.—None of the amount appropriated pursuant to the authorization of appropriations in section 103(1) may be obligated for reestablishment of the production line for B–2 aircraft. The Secretary of the Air Force may use up to $21,800,000 of funds available for the B–2 aircraft program for curtailment of the B–2 production line.

(c) FUNDING REDUCTION.—The amount provided in section 103(1) for procurement of aircraft for the Air Force is hereby reduced by $331,200,000.

SEC. 124. INCREASE IN AMOUNT FOR GUARD AND RESERVE EQUIPMENT.

The amount provided in section 105 for procurement of equipment for the reserve components is hereby increased by $331,200,000.

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. DELLUMS] and a Member opposed, the gentleman from South Carolina [Mr. SPENCE] each will control 45 minutes.

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

Mr. DELLUMS. Mr. Chairman, I yield 22½ minutes of the 45 minutes allocated to this gentleman for the purposes of debate to the distinguished gentleman from Florida [Mr. FOLEY] and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is perhaps the most significant vote that Members will make on the Department of Defense authorization bill for this fiscal year. Contained in this budget is $331,200,000 to begin advance procurement for 9 additional B–2 bombers. That is what is in the bill. What this amendment does is to strike that $331,200,000 from the B–2 account and places it in another account that I will discuss a little later.

What is clearly before us, Mr. Chairman, is whether or not we ought to go forward with the B–2 bomber. The debate is not about having B–2 bombers. We already have 21 of them that we have paid for, that we have either developed, or are in the final stages of development. It is not about do we have B–2's. It is about spending $27 billion to restart production for an additional 9 B–2's for which significant authorities have not asked for, stated that they do not want, and stated that they do not need. A $27 billion program that nobody has asked for, no one wants, except the contractor and the subcontractors.

This is a weapons system that no one wants. Where do we get this $27 billion figure? From the Congressional Budget Office, the people with figures so accurate that a number of my colleagues in these Chambers were prepared to shut down the Government if the CBO was not part of providing the statistical basis, the budgetary basis for what we have done. That means that people have great faith in their figures. $27 billion, $13.6 billion that will be spent in the 5 years of the so-called budget agreement, $13.2 billion beyond the 5 years for maintenance and operation, to a tune of nearly $27 billion.

Mr. Chairman, there is a point that I will make throughout this debate that the world has now significantly changed. It is no longer the same. This is a zero sum game.

You cannot have a 5-year balanced budget, strap on your back a $27 billion program and try to force it into the budget unless you force something out. You do not have to be too smart to realize that. Just plain old mother whip helps you understand that.

Balanced budget. You did not budget for this program because somebody wants to push it in. You push in $27 billion, you push out something. I am going to keep repeating that. This is a new day, it is a different world, it is a zero sum game.

The budget resolution, Mr. Chairman, that Members went home and lauded as they voted for this 5-year budget agreement adds over and above the President's request $17.5 billion. The Quadrennial Defense Review sweeps up all of that $17.5 billion for their 5-year defense plan. Now here comes a program that will spend $13.6 billion on a new weapons system that nobody budgeted for.

What about unbudgeted and unforeseen circumstances, like pay raises for the military, not budgeted? Mr. Chairman, my colleagues may not know this, but 3 years ago when I was the chairman of this committee, my colleagues submitted letters requesting $10 billion for programs above and beyond the budget request. This year my colleagues sent letters to the distinguished chair and the ranking member totaling $20 billion, add-ons, above and beyond what the Pentagon requested, what the administration requested, what Members wanted. In the real world, those add-ons and those Members' requests are going to keep on coming. Emergency crises are going to keep coming. Desire for pay raises and other things are going to keep coming.

□ 1830

I would assert aggressively, Mr. Chairman, that the $17.5 billion is already overly subscribed. Colleagues already competed for this money two or three times. They can only spend a buck in one place, they cannot spend the same dollar in three different places. Now only a fool can accept that argument.

This is real, Mr. Chairman. As I said, the world is changed. This is different. We cannot cram $27 billion.

Now, Mr. Chairman, I want to come directly on this budget issue to a number of my colleagues here.

To those who have said in the past I am going to give my vote on the B–2 to a friend of mine, that charge is going to cost $27 billion. It cannot be given away any more because in the context of a balanced budget, we push something in, we push something out. We cannot just turn our vote over for $27 billion for a friend, my colleagues handicap their own constituents, and I am going to argue that point aggressively before I finish.

For those of my colleagues who said, well, I am doing a Member a favor; they came to me first, and I am just going to give them my vote. Twenty-seven billion dollars; we cannot just give away our vote. My colleagues are in a balanced budget environment; push something in, push something out.

For those of my colleagues who have interests in military affairs and who have interests in other weapons system and other programs, they cannot just give away their vote.

I served on the Committee on Armed Services. I have watched the horse trading and the dealing for years. When Members did not have any problem: ''I'll buy your B–2, you buy my F–16, my F–22,'' ad infinitum. That day is over, it is dead, it is gone. My colleagues are in a balanced budget environment. Colleagues push $27 billion in, colleagues push something out.

And then there are Members who want the B–2, the F–22, they want the joint strike fighter, they want every weapon system on the face of the Earth, but they do not want to make a decision as to which one they had rather have as opposed to something else. The balanced budget now forces them into this. This is now a tradeoff, my colleagues, no more skinning and grinning, no more smiling, my colleagues have got to make a serious decision.

For those Members in these Chambers who represent the poorest constituency in America, how do they then go home in the context of a balanced budget and say they took welfare reform, they reduced welfare, they reduced education, they reduced housing, they reduced jobs, when somebody can march into the well and say, ''But you voted for a $27 billion budget program that ripped across a 5-year budget plan. How can you argue on both sides?''

For those who represent constituents who have thousands and thousands of

young people at risk, who need the right to a good education, good training, good employment and living in a good environment, how do they then say in the context of a 5-year budget agreement that they embraced a $27 billion weapon system that is going to come out?

Mr. Chairman, my colleagues have two options. Adding B–2's will force tradeoff of higher priority programs in the Defense Department. I have already tried to make that argument. The Department of Defense makes this argument. But I also want to talk to those people who are really not interested that much in all these things. They say, ''Ron, you take care of the military budget. I'm interested in domestic programs.'' Remember this: We are in a 5-year budget agreement where there are so-called fire walls for the first 2 years. That means there is a wall between defense spending and nondefense discretionary spending. My colleagues cannot take money out of the military budget and put it in domestic programs or vice versa for 2 years.

Now this is a 5-year budget deal. My colleagues, I just said this is a $27 billion program. Wake up. Where do my colleagues think this $27 billion is going to come on the other side of those 2-year budget walls? Out of education, out of housing, out of the programs to serve our rural Americans, suburban Americans, and urban Americans.

My colleagues have got to be smart enough to understand this is a zero sum game. They may not like it because they think I am the skunk at the party raising these issues, but, my colleagues, I have got to put it in their face because that is the reality. We have got to wake up. There is no more dreaming any more. When my colleagues decided to go into a balanced budget environment, they put themselves there. Dignity and integrity and honesty require that they step up to that.

If my colleagues want this B–2, then it is so that they do not want other systems. If they want this B–2, absorb that we may not have other programs. For those of my colleagues who are concerned about the fragile nature of our ecological system and the environment, understand that in this bill we took $2.6 billion out of the Department of Energy's budget, a lot of it to clean up the environment where we have a responsibility to clean up some of the worst waste in America on these military reservations and bases, to buy more weapon systems.

This is a big one, my colleagues. It is coming out of our hide one place or the other.

So if my colleagues got these poor people, if they got these children at risk, if they have got people who are concerned about their health and their welfare, if they got people who are concerned about the environment, if they have got in their district other weapons systems, if they are committed to other policies, understand that my colleagues are jamming a $27 billion weapon system into a budget that cannot stand it.

Now, Mr. Chairman, let me go further. On the B–2 program itself there were five, not four, not three, not two, not one, five independent studies that all said we cannot make a case for more B–2 bombers. We had one study in 1995, the heavy bomber force study by the Institute for Defense Analysis. It said, quickly, did not make the case for more B–2's, additional quantities of precision-guided standoff munitions are more cost effective than additional B–2's, planned upgrades to the B–1 are more cost effective than additional B–2's, planned bomber force with precision-guided standoff munitions can meet the requirements of the two major regional contingencies.

Second study, 1995, Commission on Roads and Missions, did not make a case for more B–2's. Additional B–2's are less cost effective than additional precision-guided munitions, on and on.

Third study, heavy bomber industrial capability study, because many Members said, gee, we have got to build B–2's because we are going to lose the industrial base. Do my colleagues know what the study pointed out? There is no such thing as a bomber industrial base. If someone can build a plane, they can build a bomber. The people that built the B–2 did not build the B–1. The people that built the B–1 did not build the B–2. There is no such thing as a bomber base.

Finally, from 1962 to 1986, from 1962 to 1982 we never built a bomber, 20 years. But do my colleagues know what? When we needed to build one, we built one. A bomber is just a plane, bigger, longer, or whatever. But it is just a plane. So that argument about bomber base does not make sense.

Now the question of the technology, we need stealth. Well, that stealth technology that we learned out of the B–2 is going into the F–22, the joint strike fighter, and it is also in our technology base.

Third study is the quadrennial defense review. They came up with the same notion. Forces with more B–2's cost more than currently planned forces, et cetera, et cetera, and then the deep strike weapons mix study also this year concluded, 1997, same thing. Forces with more B–2's were less capable in strike warfare than those traded off, et cetera. Forces traded off perform roles the B–2 cannot.

My colleagues will argue that, well, we can trade off some of these other weapons systems for B–2's because we urgently need them. Mr. Chairman, we are not going to have these nine B–2's for 10 years. So if it is all that important for us to have them, then what about these 10 years, what do we do? Do we go in a closet because we are fighting to death that we do not have these nine additional B–2's? We got 21. We have a silver bullet.

And remember, when we flew in the Persian Gulf, Mr. Chairman, we fought what President Bush said was the fourth largest army in the world. We never flew one B–2, we never flew one B–1, and within 24 hours we had air superiority; within 72 hours, diminish.

My colleagues may not know this; I think you do, Mr. Chairman, because I know of your position: We have greater accuracy in our standoff capability, more of that accuracy and more of it deployed than when we were in the Persian Gulf. Five studies.

Now one thing: When I was chairman of the committee 3 years ago, I walked in a room with Sam Nunn. He is the most articulate supporter of the B–2. They thought I was the most articulate opponent. They said if Sam Nunn and RON DELLUMS can walk in a room and work something out, everybody can live with it on a bipartisan, bicameral basis. We walked in, I shook hands with Sam and said, ''Let's do it fair, let's have an honest study, Mr. Chairman, an independent study. If you win, you win.''

Guess what? A lot of my colleagues, including the gentleman from Ohio, said ''RON, you just bought into a sucker bet. That study is going to come out, it is going to blow you away.''

Do my colleagues know what happened? The study came out and supported me, and that ended it for the most part, and Sam Nunn supported it at that point. He said, well, if the administration does not want it, the study does not support it, he started to walk away.

I put all my chips on the table with honesty and integrity, Mr. Chairman, and I said let the study determine it. If my arguments do not make sense, if no one else carries my argument, then maybe I am talking to myself.

But I was not. Five additional, five independent, studies pointed this out.

Now I could talk about the B–1. I hope someone else does. The B–1 carries more of these weapons, flies the same distance, but let us come down to the last point: Jobs.

Some people have argued that this is going to keep more people employed in these communities that are presently building B–2. Not true, Mr. Chairman. This is a restart, not industrial-based preservation. Air Force sources have estimated that the production capability for the B–2 right now as we speak is no more than 30 percent, 30 percent. Only 6 percent of the personnel required to produce nine B–2's are currently on the program. Not according to RON DELLUMS, not according to Mr. FOLEY, or Mr. KASICH or the Pentagon. Do my colleagues know whose data? The contractor's data.

Mr. Chairman, I am sorry, 16 percent.

Many vendors and suppliers began exiting the program early in 1992. When we make a contribution and have done it, we exit. People have been walking away from this program since 1992.

Summarize, Mr. Chairman. This is not an argument about B–2. We have 21 of them. We have got 95 brandnew shiny B–1's converted with the capability to destroy life beyond comprehension.

Mr. Chairman, this is a budget buster. Mr. Chairman, we cannot sell, we cannot rope-a-dope people, we cannot push $27 billion into a weapons system, into a budget and assume that it is not going to come out hurting somewhere, and if the people on the committee work it out and manage to buy each others B–2's and F–22's and joint strike fighters, I say to the gentleman from New York, ''Who do you think they are coming after after the end of 2 years?'' He knows. Jump on the other side of those fire walls and come after domestic programs, hurt us, hit us where we hurt across the board, and that is what this whole thing is about.

We cannot push this forward. No one wants this program except a few Members pushing it, the contractor and the subcontractor. Two Presidents did not want it, two Secretaries of Defense did not want it, Chairman of the Joint Chiefs did not want it, the CINC's do not want it. Who wants it? Why would we push a $27 billion program? If our warriors do not want it and we are not out there fighting wars, what makes us think we want to supplant them? We all know what this is about.

But the day is different now. This is a zero sum game. Make a deal, pay for it. Make a deal, the community pays for it. Make a deal, the constituency pays for it.

Mr. Chairman, I urge my colleagues to support this amendment. It is the right thing to do, it is the intelligent thing to do. It is assuming our fiduciary responsibilities. It is the economical thing to do.

Mr. Chairman, with those arguments I reserve the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I might consume.

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

Mr. SPENCE. Mr. Chairman, as a famous commentator recently said, ''Now it is time for the other side of the story.''

Mr. Chairman, I rise in opposition to the amendment to strike the B–2 funding from the bill. I oppose efforts to terminate the B–2 program as I did 2 years ago when the House twice rejected similar amendments. Although buying an additional nine B–2 bombers will not come inexpensively, the case for another squadron of these stealthy bombers that the Nation will rely on for the next 40 years is compelling.

This debate reminds me, I just listened to the gentleman refer to the fact that the President, the Chairman of the Joint Chiefs, the Secretary of Defense, all these people in the Pentagon do not want the B–2 bomber. Reminds me of another President, Jimmy Carter. We were debating this B–1 bomber the gentleman referred to at that time. And the same situation prevailed. The President, Chairman of the Joint Chiefs, the Secretary of Defense all of them were opposed to the B–1 bomber, and the Congress voted for it.

□ 1845

It was overturned by the President. He vetoed the bill and we did not get it. Then, later on, President Reagan was elected, and the same question came back up, and President Reagan held over the Chairman of the Joint Chiefs at that time, General David Jones, who sat down before the committee and said we do not want this B–1 bomber. But guess what? Under President Reagan, that same man who said we did not want it then said he wanted it, because President Reagan wanted it.

I have to make the point that these people in the administration have to carry water for the administration. They cannot very well take the opposing view from the President on matters of this kind.

As a supporter of the B–2, I would like to quote from a letter that retired Senator Sam Nunn wrote to the Committee on National Security earlier this year. Senator Nunn's letter stated, and I quote, ''I continue to believe that the 21 B–2 bombers will not constitute an adequate force level to deal with many likely future contingencies and crises, and that no other military systems in existence or on the drawing boards can adequately substitute for the capabilities that the B–2 bomber offers.''

While many share this view, unfortunately, as I said earlier, most current and former Clinton administration Secretaries of Defense do not. Consequently, the fate of the B–2 bomber, like the fate of the nuclear submarine, the conventional cruise missile, the F–117, and the V–22 before it, rests with Congress, for only Congress can intervene in these matters and has in the past.

It intervened, for instance, with Admiral Rickover, the father of the nuclear Navy, able to build the nuclear submarine because Congress dictated it; were options to build the conventional cruise missiles not negotiated away, thus protecting Tomahawk cruise missiles, whose performance in Desert Storm and in Bosnia were exceptional; a second squadron of F–117 Stealth fighters procured. The cancellation of the V–22 tiltrotor, the Marine Corps' future air transport, all of these things overturned because of Congress when the administrations were opposed to it.

Mr. Chairman, I only hope that the wisdom of Congress today and the wisdom Congress exhibited in reaching these historic decisions on these weapon systems will prevail here today on the B–2.

We will hear a lot of stories in this debate about the expense of buying more B–2's. We will hear that procuring nine more aircraft will cost $10 billion or $15 billion and that operating them for the next 20 years will cost another $10 billion to $15 billion. Even if these figures are correct, they need to be put in proper context.

Consider the capability the B–2 will provide this Nation well into the next century, and then consider the cost in the context of the funding that our country will spend on just three tactical aircraft programs: The F–22, the F/A–18E/F, and the Joint Strike Fighter. These three programs are slated to cost $350 billion, a figure which is not even adjusted for inflation, just to procure in the decades ahead. And they will probably cost a like amount to operate over their 20 or so year life spans. In this context, $20 billion to $25 billion to buy and operate another squadron of B–2's over the next 20 years seems small.

So while cost should be a critical variable in any debate over a major weapons system, I urge my colleagues to consider first the capability. If the B–2 provides a capability that the Nation needs, and I believe that it will for decades to come, we ought to be able to find the money in an annual defense budget of $250 billion to do it. If we do not believe that the Nation will want a more robust B–2 capability than the currently planned 21 aircraft in the decades ahead, then my colleagues should vote for this amendment.

I believe that another squadron of B–2's represents a prudent investment in our future, and therefore, I urge all of my colleagues to vote no on the amendment.

Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. HUNTER], the chairman of our Subcommittee on Procurement, control the remainder of the time in opposition to this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this issue is not about simply the defense of our country. This is not about short-changing the men and women who serve our military. This is not about military preparedness. This is about a discussion that needs to go forward on a weapons program, the B–2 bomber, that is clearly a very, very expensive budgetary item.

There will be a lot of rhetoric about the pros and cons of the B–2 bomber, and there is divided opinion. We read the editorial papers, we listen to defense experts, we listen to our colleagues, and one can come to the conclusion that the B–2 is the best thing we have ever invented, or that it is an extreme waste of money.

We have to start talking about the budget of this Nation like we talk to our families at home, about making priorities fit within the confines of money available.

Now, clearly, if we have an unlimited Treasury, which we have proven we do not, in fact, my side of the aisle has been one of the strongest proponents of balancing the Federal budget and saying no to other things that we cannot afford. Well, I think clearly, if we want to put something right on the table as

a meaningful attempt to save the taxpayers' dollars, the B–2 comes to the top of the list.

According to the Pentagon, again, I have to suggest that many in this body suggest let the experts decide, let sound science rule the day, and let those charged with determining the future success of our military operations be brought into the discussion and make recommendations. The current fleet of 21 B–2 bombers, according to the Pentagon, is sufficient to meet the two-war scenario, the ability to fight and win two wars at the same time.

The B–1 bomber was mentioned earlier, which offers a greater payload and essentially the same range and weapons suite as the B–2. It is a logical complement to the 21 B–2 bombers authorized under current law. Again, we have 21 B–2 bombers. It is not as if we are on the floor today to determine should we get a B–2 bomber. We have 21 B–2 bombers that we paid for.

Now, we received a letter. The gentleman from Ohio [Mr. KASICH] asked the Congressional Budget Office that was referred to by my colleague:

> At your request, the Congressional Budget Office has estimated the cost to acquire and operate nine additional B–2 bombers. CBO estimates that adding nine bombers to the currently-planned fleet and operating each of them for 20 years would cost about $27 billion.

Some may assume that today's budget item of $331 million is what we are talking about. We are not talking about $331 million; we are talking about a total outlay over 20 years of $27 billion.

Most importantly, we have to discuss the fact that there are 95 B–1's in the fleet already bought and paid for by the U.S. taxpayer. The massive deep-attack weapons mix study conducted by the Pentagon concluded that it would not be cost effective, not be cost effective, to buy more B–2 bombers.

The Dellums-Kasich-Foley amendment is important because it eliminates the $331.2 million in B–2 funding that would be allocated this year, but again, that figure is a mere fraction of the real cost. No money is programmed in any balanced budget plan to pay for the outyear cost, as was mentioned by the gentleman from California [Mr. DELLUMS] that would be forced by authorization of nine additional B–2's. Small down payment today, folks, to keep the line operating; the big ticket comes in the outyears. Can we face the taxpayers to tell them the bill is in the mail and it is on its way?

If Congress allows this fiscally imprudent spending to occur, we will be forced to confront untold trade-offs in the future. Balancing the budget is a very difficult task. We have seen it on the floor, we have read about it in the newspapers, we have heard from our constituents, so yes, we do have to make some spending decisions now, not later.

Let me tell my colleagues what we could buy for one B–2 bomber. One B–2 bomber costs about $1.5 billion. Now, the proponents of the B–2 say that is because we are not ordering enough of them and we can get the cost down on a relative per-unit cost if we can just buy a lot more of them. The argument is not about buying efficiency in weapons system, it is about do we even need them to begin with.

But let us go over what a B–2 bomber will provide the United States of America taxpayers as a trade-off for something else. Fifty-six thousand, six hundred and four elementary school teachers at $26,000 a year, that is what one B–2 bomber buys; 86,108 deputy sheriffs to patrol our streets at $17,420 per year; 57,692 clergymen to go out and spread the message of the Bible in our communities at $26,000 per year; 46,000 firemen to protect our buildings and our public safety. Here is one some may not agree with, but 47,928 newspaper reporters. We may not agree that we need that many, but they are there at $31,297 per year.

Thirty-six thousand, five hundred eighty six new prison beds to lock up our most violent offenders in prisons with the price of 1 B–2 bomber; not the fleet, one. Take those numbers forward and see what they will do for us. Buy 188,372 brand-new GEO economy cars. Buy groceries for 1 full year for 360,577 families. For one B–2 bomber, I am going to tell 360,577 families, no groceries for a year. Now, we can go to public education, 224,000 students for 1 full academic year at a public 4-year college.

Why do I mention these figures? Because it is about choices. It is about a parent sitting down with their children and saying yes, I want to take you to Disney World this summer, and yes, we are going to try hard, but, kids, if we do that, we are going to sacrifice a little bit this year. Maybe not go to the movies during the weekend, maybe not order the pizza from the delivery man, maybe sacrifice a few items in order to do what we would like to do as a family, go to Disney World.

Now, maybe this is a simple analogy, but I got elected to Congress from a small town in Florida. I used to drive a tow truck, I worked at a gas station pumping gas, I opened my own restaurant at the age of 20. I found that every cent mattered in my life, because for me to open up the following Monday my restaurant caused me to be economical in my pursuit of excellence in that restaurant, and I could not waste money.

I got to Washington, DC, and people talk about billions as if we are talking about somebody's walking around money. It is only $27 billion, or maybe less, maybe $20 billion. CBO says 27 billion, the proponents of the program may say it is only a couple billion dollars. Members decide. Members decide. Because April 15 every year when I ask people to send their money to the IRS to run this Government, part of those dollars they are sending, Mr. Chairman, is for things like the B–2 bomber.

Now, we can spend billions of dollars to build up our society in public education, in housing, in infrastructure. Imagine that, building and creating our roads in America, strengthening our bridges, fixing the potholes in Washington, DC. What a novel thought, to think the American taxpayers will actually see some of their dollars at work domestically rather than flying planes we cannot see over in the Middle East somewhere.

Let us talk about our personnel. I was on the floor proudly supporting the flag burning amendment, because our veterans, our military personnel, went to war and died for the symbol of our democracy, the flag. I went home and they said, that is just rhetoric. The Constitution gives us the right of free speech, so putting a constitutional amendment about flag burning is just a gesture. Men and women died for that flag, and the debate today is about do we treat them as human beings.

☐ 1900

Do we give them the housing they so richly deserve for protecting our Nation? Do we get our own personnel off of food stamps so they can proudly raise their own children? Do we give them the flight training and equipment up to standards that they desperately need? Or do we go off on a tangent and buy more weapons that the President and others have clearly said we do not need?

The Boston Globe, Pentagon's high tech delusions. The Pentagon insists on purchasing weapons systems that have little utility in a real crisis because they either are irrelevant to the threat or technologically wholly disproportionate to the threat or so costly that commanders are inhibited from using them. The B–2 stealth bomber is the obvious and controversial case in point.

Kansas City Star, hardware versus troops. Pentagon continues against all logic to insist no tough choices be made between the two.

Kansas City Star, again, with the cold war over, the need does not exist for all three fighters.

I can read from almost every editorial regarding this expenditure. Defense Secretary William Cohen, a Republican, is constantly being urged to kill sacred cows and must do so. Our own recommendation for cuts, including dropping the joint strike fighter and the B–2 bomber and cutting back the Marine Corps to free money for urgent needs particularly airlift and sea transportation.

Mr. Chairman, if we look at the facts, look at the groups supporting the Dellums-Kasich amendment, we will clearly come to the conclusion that while the B–2 is a very valuable weapons system, the fact remains we have 21. The fact remains we are equipped. The fact remains we have not shirked our duty to protect our Nation. The fact remains we are advancing technologically to develop weapons systems

that are more adequate for today's needs. We are looking at conflicts that are arising around the globe.

I just got back from Asia with the Speaker of the House. We talked to people in China about their defense capabilities. The average pilot in China trains 2 hours a month. Their equipment is antiquated. Their resources are limited. So who is the threat? I am not suggesting China is not a threat. Understand, there are components within China that could operate to our detriment. Russia is broke. Boris Yeltsin was at the summit. He is broke. They are broke. They do not have the money to put toward weapons systems. They are no longer a threat.

There are threats, I recognize that. I am not so naive to suggest that this is a perfect world. Iran, Iraq, other nations pose threats to us. But is the B–2 going to be called into service for those nations that may be hostile to us or will it be an F–22, which I do support? Will it be a more versatile, more mobile force?

Let me read a letter that went to the gentleman from South Carolina [Mr. SPENCE] from the Secretary of Defense on June 18, 1997. Let me just underscore one statement: The loss in combat capabilities from retiring current weapons systems to pay for additional B–2's, the loss due to forgoing investment in other needed capabilities and the additional cost of the B–2 far outweigh the benefits from adding more B–2 aircraft to the fleet.

I will read that once more. Bill Cohen, appointed by President Clinton, Republican Senator from Maine, a thought conscious, strong individual who has supported our military. The loss in combat capabilities, our young men and women on the front line, from retiring current weapons systems to pay for additional B–2's, the loss due to forgoing investment in other needed capabilities and the additional cost of the B–2 far outweigh the benefits from adding more B–2 aircraft to the fleet.

The only former Defense Secretary that I think they could find to sign the letter of support was Cap Weinberger under the Reagan administration. I may stand corrected and I would look forward to it if I am.

Mr. Chairman, the debate is significant. The debate is about providing moneys, supplies, necessary weapons to our troops to defend America's interests both here and abroad. We are going down a path of spending billions of dollars on a weapons system that we clearly do not need by most all recognizable experts.

I hope my colleagues will join on the side of the righteous, if you will, and support the Dellums-Kasich-Foley amendment. It is a financially significant opportunity to show both our support for the defense of this Nation and for the conservative principle of saving money in a time when our budget is extremely stressed.

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

Mr. HUNTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let us start with stealth because, that is an important part of the B–2 story. In Vietnam, we lost 2,300 aircraft. In fact, in the last phases of the war, when we threw B–52's against surface-to-air missile systems from Russia, then the Soviet Union, we lost 10 percent of our B–52 force that was used in that theater in 11 days. And America turned to her scientists and said, we may be on the verge of having our Air Force become obsolete if you do not figure out a way to beat those Soviet-made radar systems and surface-to-air missile systems.

And our scientists, the great scientists that we have in this country, responded. They came up with something developed by Democrat and Republican administrations, announced first by President Jimmy Carter, with what was known as stealth. Stealth is the ability to avoid enemy radar. That means very simply that a guy like the gentleman from Texas, Mr. SAM JOHNSON, who is sitting right here, who was a POW for a number of years in Hanoi, could fly an aircraft through a SAM missile battery without it acquiring him, without it seeing him and shooting him down. It gave survivability to American pilots. So we started developing stealth. And that is what the B–2 is.

My colleagues have talked about these wonderful ways to give quality of life to the people who serve in the Armed Forces. The way to give quality of life to the people who serve in the Armed Forces is to bring them back. And the way you bring them back is by letting them fly the best equipment.

Let me just put this argument in perspective in terms of cost. President Clinton has a program to buy short range aircraft over the next 20 years for $350 billion. Many Members here who are arguing on the other side have signed on at least initially to that program. We need those aircraft. That is short range theater aircraft.

President Clinton says we need $35 billion for short range aircraft and for long range aircraft, for bomber aircraft that can go from the United States to stop an armored invasion in another country thousands of miles away. He put down zero. Not a dime for long range aircraft. That is why the study that I think is the best study, the independent study, not a budget-driven study but the independent study by General Scowcroft recommends that we continue to build the B–2 line.

So here is what we are recommending today, what is in our budget, one thirty-fifth of the amount of money that is spent on short range aircraft of that $350 billion, that is about $12 billion for the construction, according to CBO, of B–2 bombers, one thirty-fifth of what we are spending for short range aircraft, let us spend it for long range aircraft so you have the ability to move from the United States to stop an armor attack halfway around the world.

I am a Navy guy. I come from a Navy town, San Diego. I am an advocate of carrier air power. However, it takes a long time to steam a carrier someplace. You cannot count on an enemy like Saddam Hussein being right out of central casting and waiting for you to build up in theater with these 200- and 300 mile airfields that are just a couple hundred miles away from your targets. You have to stop armor early.

Does the military want it? My colleagues, the gentleman from California [Mr. DELLUMS] and the gentleman from Florida [Mr. FOLEY], have said the military does not want that. Here is what President Clinton's chief of staff, General Fogleman says, at a hearing just a few weeks ago: More B–2's would be extremely valuable in the halt phase, that is when you stop his armor attack, and in fact in all phases, as we would go.

My question back, and would they save lives? General Fogleman, yes.

So to my friend the gentleman from Florida [Mr. FOLEY], if we want to give the best quality of life to a person in uniform, that is, to save his life, then you want to have B–2's.

Let us go back to the Clinton administration's proposal if this Congress does not act, does not keep our package intact. President Clinton had a problem. The problem is, how are we going to maintain our long range bomber force if we are spending $350 billion for short range aircraft and not a dime over the next 20, 30 years for long range aircraft. The answer was, we are going to fly B–52's. Those are the planes that were shot down easily by SAM batteries in 1968. We are going to fly them for 80 years. So the pilot that the gentleman from Florida [Mr. FOLEY] cares so much about is going to be flying an airplane that is older than his great grandfather.

We have talked about cost a little bit. Let us talk about bases. We had 81 bases for our short range aircraft in 1961. As the years went by, we lost those bases, sometimes because of political action, sometimes because we just could not afford to operate them.

We have gone from 81 major overseas U.S. air bases to 14. Let me tell you what is going to happen on the Korean peninsula. We all know this. It is in all the open reports. The North Koreans have the capability to put nerve gas on every single short range airfield on the Korean peninsula. Limited detoxification capability. The first crew that dies because of nerve gas on the runway at one of those tactical air bases is going to eliminate us as a tactical presence on the Korean peninsula.

Last week the Japanese started to hedge on our ability to base our fighter aircraft in Japan in a second Korean war. We Americans have to be able to rely on our technology to stop an enemy, to deter an enemy with a flight that comes out of the United States and goes to that particular area, wherever it is around the world.

So the Air Force does not want it. That is not what the Air Force says. General Fogleman says, more B–2's would be extremely valuable in the halt phase and in fact in all phases as we would go.

Last part of the cost argument, every Member of this House has voted just a few days ago on the reform package that reforms the Pentagon, that cuts the bureaucracy. CBO's estimate of that reform package is that we save in 5 years $15 billion. That means in 5 years we have saved $3 billion more than CBO says we would need to build this entire tranche of nine B–2's.

So, no, we are not going to take it out of Geo sales in America. We are not going to take it out of pay. We can afford to get by spending one thirty-fifth of what we are spending on short range aircraft by spending that $12 billion on long range aircraft and taking that from the reform package.

Mr. Chairman, let me just say that this will be the first time, if we do not keep the B–2 in the budget, this is going to be the first time that this Nation has had the technology to allow our pilots to survive in an adverse environment and we have not given it to them. Let us give it to them. Let us give them the very best.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman from California. I think it was a very thoughtful statement. I think all the statements this evening have been very well thought out.

I happen to agree with his statement. Let me also make another point. In the gulf war, for the first time we used the F–117. The Air Force wanted 27. Congress said no. We think you should buy more. You need 54. We are going to make you buy two squadrons. The Chairman tonight was one of the leading figures in that decision, and we went out and we bought 54.

In the first 14 days of the gulf war, they represented 2 percent of the assets, but because they were stealthy, because, as the gentleman pointed out, they could go into the target and come back out without that large package of aircraft, they destroyed 40 percent of the targets and all the most difficult ones. It proved that stealth works.

And what the B–2 gives us is a plane that goes five times as far, carries eight times as many weapons, and weapons, by the way, that are $13,000 apiece. JDAM's are $13,000. Sixteen of them are $208,000. That is one-sixth the cost of a cruise missile. What the gentleman from California suggests is that we rely on the old bombers that are not stealthy. That means we have to use these very expensive weapons.

But what would it allow us to do? Saddam stopped himself. He gave us the time to build up our forces and then we destroyed him with air power.

□ 1915

They came out and surrendered to a Marine Corps RPV. What the B–2 does is allow us to hit those same tanks, that same army that Saddam had from 41,000 feet, day and night, no matter what circumstances, no matter what the weather is. This is a revolutionary military capability. We can destroy a country, and we can destroy the army that it sends in the field by air power. We have never been able to do this before. What that does, to make this point, what that does is to allow us to save American lives.

To my friends on the Democratic side, what I believe this gives us is the potential of having a conventional deterrent. Think if we had had the B–2, which we did not have in the gulf war, and the President could have deployed it to the Gulf and said, Saddam, if you come south, I will destroy your division before you get into Kuwait; and we now have the military capability with centrifuged weapons to do just that. We could have not had to fight the war. We would not have had to send 500,000 kids to the Gulf. We could have saved $10 billion it cost us to move them out there and $60 billion to fight the war.

The B–2 gives us the potential, a revolutionary conventional potential, to have a deterrent; and that is a capability worth having. Yes, it is expensive. But it is not as expensive as losing American lives. I would guarantee my colleagues today that at some future date, if the proponents win this amendment tonight, there will be a circumstance in which we will not have the capability that we needed, and that will mean that we will lose more lives than had to be lost and that would be a tragedy.

The gentleman from California [Mr. HUNTER] is right; let us send them in our best. Stealth means survival. Stealth means survival.

And I will just tell my colleagues this. I have studied this issue. I was there when Harold Brown, a Democrat, came up. By the way, there is a letter here signed by Mel Laird, Jim Schlesinger, Donald Rumsfeld, Harold Brown, Cap Weinberger, Frank Carlucci and Dick Cheney saying, keep the B–2 program going. That is seven Secretaries of Defense, not one.

This is an important issue that demands the attention of this House.

Mr. HUNTER. Mr. Chairman, if the gentleman will yield, along with seven Secretaries of Defense, Gen. Chuck Horner, who ran the air war, if we are going to listen to the war fighters, to the warriors, who now is free to speak his mind because he does not have to do what the President tells him to do, has said very strongly that the B–2 should be supported. That is the guy who ran the air war in Iraq.

Mr. DICKS. Mr. Chairman, if the gentleman would yield, and 50 former generals of the Strategic Air Command also wrote the President saying, keep this capability alive, keep this line open. And they talk about building stealth bombers like it is just a piece of cake. I want my colleagues to know something. That is not true. I went to my friends at Boeing and they said it is very difficult, putting stealth into an aircraft is enormously difficult.

When we shut this down, we would have shut down the ability to build these kind of bombers, which is worth saving. This is something we need. What if a crisis occurs over the next 10 years? Then we have to come back to this. It will cost us $40 billion to pay for the R&D to do a B–3. So get the right number while the production line is open and it will save us money in terms of avoiding taxpayer cost.

So we save money that way, we save American lives, and we do the right thing. This is the most important conventional weapon that has ever been developed by any country anywhere, and it gives America an enormous advantage.

What we are going to do is not get the right number. The studies that were done by Rand, the studies that were done by Gen. Jasper Welch, say that the right number is significantly more than 21. We are here saying let us do at least three squadrons, three squadrons so that we could have 20 for the first major regional contingency and 10 for the second.

This a very reasonable proposal. And the gentleman mentions the numbers. The contractor says we can do it for about $9 billion. The Defense Department I think says $12 billion. And I think over a period of years, that is affordable. Any plane we buy has to have life cycle cost. And we may take out some of the older planes to offset and make room for it.

Mr. HUNTER. Mr. Chairman, if the gentleman would yield, even if we take the highest number, even if we take the CBO number, we are asking in the committee's package to spend 1/35, that is 3 percent, for long-range aircraft, that is our B–2, of what we are spending for short-range aircraft. At a time when our overseas bases have shrunk from 81 overseas bases to 14, that makes sense.

Mr. DICKS. Mr. Chairman, the gentleman from California mentioned something else called lockout. What if the enemy uses chemical and biological weapons on those tactical airfields so we cannot get the airlift in to set up the TAC air? Then we bought the wrong weapon system. We need something that can come from outside the theatre, assuredly, to be able to protect and stop the enemy before he gets there.

I think the possibility of lockout is something that we need to study, that the National Defense Policy Panel needs to study, because that is a very real potential. By the way, in the deep attacks weapons mix study, in every scenario in which there was lockout or very little warning, the B–2 was better than any other conventional weapon. And we lost some of the wars because we did not have enough B–2's.

So let us, at least, buy the nine additional we are talking about here. It will save lives and save money. I support the chairman in this. We need to keep this money in the budget. We need to keep this option alive.

Mr. Chairman, I include the following for the RECORD:

Congressman DUNCAN HUNTER,
Chairman, Military Procurement Subcommittee, House National Security Committee.

DEAR MR. CHAIRMAN: You requested that my colleagues and I provide your committee with an independent look at the adequacy of the nation's heavy bomber force. This is an important issue as we move into the new security era and we greatly appreciate the opportunity to offer our counsel to you and your committee.

In our review, we first examined the planned future of the bomber force, its role in supporting U.S. national security, and the potential offered by the B–2. We then examined the sources of Pentagon opposition to additional B–2 production and the recent series of studies the Department of Defense has sent to the Congress regarding the bomber force.

We reached two fundamental conclusions. First, long-range air power will be more important than ever in the decades ahead. Consequently, we do not believe that the planned force of 21 B–2s will satisfy foreseeable U.S. military requirements. Second, Pentagon opposition to further B–2 production is shortsighted and parochial. It reflects a consensus across the services that long-range air power can be safely abandoned in the long-run—a view with which we strongly disagree.

Based on these conclusions we offer a set of legislative recommendations regarding the bomber force.

The following contains an executive summary and the overall report.

Sincerely,

BRENT SCOWCROFT.

INDEPENDENT BOMBER FORCE REVIEW

I. INTRODUCTION

Whether the United States should retain enough modern, heavy bombers to support U.S. national security strategy is, foremost, a strategic choice. We believe strongly that the future of America's long-range bomber force should be decided fundamentally on the basis of what best serves the national defense. Unfortunately, the Department of Defense (DoD) has made this strategic choice on a de facto basis in light of short-term funding and force structure preferences. If this decision is allowed to stand, the end result will be a force structure that relies almost entirely on short-range air power.

Pentagon preferences for short-range instead of long-range air power raises a puzzling contradiction. The long-range bomber fleet is an element of the force structure that appears ideally suited to the demands of the new security environment and national military strategy. We also have a weapon system—the B–2—which is now in production and if produced in substantial quantities, could revitalize and sustain that force. Yet the DoD has consistently opposed continued B–2 production.

Our analysis addresses this contradiction to help the Congress make a vital decision over the future of the bomber force. We first examine the planned future of the bomber force, its role in supporting U.S. national security, and the revolutionary potential offered by the B–2. We then examine the sources of Pentagon opposition and how this opposition has manifested itself in the recent series of studies the DoD has put forth to the Congress. We then offer a set of recommendations regarding legislation.

II. THE FUTURE OF THE BOMBER FORCE

To put the matter simply, under current plans the bomber has no future. A de facto strategic choice has been made to rest the future of American air power on short-range fighters. Unless immediate corrective action is taken, the long-range heavy bomber will gradually disappear as a meaningful element of America's armed forces.

The clearest evidence of the bomber fleet's condition is its size and age. Since the late 1950s, the general trend has been for U.S. force structure to shrink, with capability sustained or improved with advancing technology. But in recent years, bombers have been reduced more than any other major force element (such as army divisions, aircraft carriers, and USAF fighters). There were 360 active bombers in 1980. The force dropped to about 300 in 1990. Under current plans, the operational bomber force in the year 2001 will consist of 130 aircraft: 44 B–52s, 70 B–1Bs, and 16 B–2s.

Unlike the fighter force, bomber force shrinkage is not being offset by substantial deployments of new planes and new models. So as the fighter force is improved, bomber force capabilities will inevitably decline over the long-term. The average bomber is already roughly twice the age of the average fighter, and current USAF plans are to maintain the remaining B–52s in service until they are at least 60 years old, and possibly as old as 100. We may soon be in the extraordinary circumstance where America's bombers will be older than America's oldest aircraft carriers.

The bomber's loss has been the fighter's gain. Although in Congressional testimony the distribution of Air Force procurement is frequently portrayed as a cycling among transports, bombers, and fighters, in reality fighters have consistently maintained a plurality of the budget, and will overwhelmingly dominate the budget over the next two decades.

TABLE 1: APPROXIMATE SHARE OF USAF PROCUREMENT BUDGET

[In percentages]

	Airlifters	Bombers	Fighters
1970's	<5	5	95
1980's	10	40	50
1990's	30	35	35
2000–2020	<5	<5	95

A corresponding indicator of fighter dominance is the steadily growing ratio of fighters to bombers in the USAF operational inventory. This ratio increases from about 4–1 in the 1950's, to 6–1 in the 1970's, to 10–1 in the 1990's, and trending toward about 14–1 in the near future.

With rare exceptions, Air Force actions on existing bomber programs illustrate an underwhelming amount of concern about the bomber's future. The B–1B bomber, which entered service in 1986, was not used in the Gulf War because of conventional mission deficiencies. Moreover, its upgrade program has been so stretched out that a 20-year gap between deployment and conventional upgrade is entirely likely (leaving only 10 years of expected system life until planned retirement). The B–2 fleet, which had been planned for 132 aircraft as late as 1990, was capped at 20 planes in 1992, with little Air Force dissent. Even more remarkable, the Air Force has actively resisted efforts by Congress to authorize production of additional B–2s. USAF leaders have even gone so far as to exclude bombers from their ''wish list'' of desired but unbudgeted items supplied to Congress every year. In 1996, for example, the Air Force included requests for re-engineering the RC–135 and the AWACS, and production of additional F–16 fighters, on the same wish list that omitted production of more B–2s.

The DoD has no plan to keep the bomber force viable in the long run. Every other major weapon system—fighter, submarine, destroyer, carrier, tank, etc.—has either a system in continuing production or a planned, programmed replacement. JSF will replace F–16. The New Attack Submarine will replace the Los Angeles (688) class attack submarine. But no new bomber model is planned in the numbers required to replace the B–52 or B–1B. The current, uncontested DoD plan will inexorably vitiate the bomber force through age, attrition, and obsolescence.

Furthermore, recent congressional testimony by Air Force Chief of Staff General Ronald Fogleman revealed that the Air Force has no plan for replacing the mission capabilities lost as the bomber force disintegrates. When questioned about bomber replacement General Fogleman said, ''between now and 2020, we have lots of things we're going to look at.'' But the General concurred that no replacement was actually in the Air Force plan—meaning no funding in either the Five Year Defense Plan (FYDP) or the Ten Year Plan. With no planned funding there will no more B–2s, and almost certainly no B–3.

In sum, all evidence indicates that bombers have no future:

The bomber force structure has been cut disproportionately.

Budgetary investment in bombers has shrunk almost beyond visibility.

All bomber production programs have been capped and terminated.

All Congressional efforts to initiate new bomber production programs have been actively opposed.

The Air Force has consciously excluded any new, future bomber type from both the FYDP and the ten year plan.

There is no plan of any kind to replace the bomber capabilities being lost by any other means.

The bomber force is aging, shrinking from attrition, and glaringly absent from future R&D and procurement plans. With no funding, no modernization plan, and no evident concern for their absence, the bomber force faces inevitable extinction. Whether by active choice or default, this evidence means that the DoD has indeed made the fundamental strategic choice to rely in the future almost exclusively on short-range fighter aviation. Unfortunately, emerging trends in the security environment identified by the Pentagon would seem to call for a renewed emphasis on long-range air power.

III. THE BOMBER FORCE IN THE NEW SECURITY ENVIRONMENT

During the Cold War, long-range heavy bombers proved to be vitally important assets to U.S. national security. Not only did these aircraft support nuclear deterrence as part of the ''triad'' of nuclear forces, but their flexibility also allowed them to also conduct conventional bombing missions in three separate conflicts (Korea, Vietnam, and Desert Storm). We believe that modern long-range bombers will be of increasing value in the coming decades. Many of the reasons are spelled out in the recent Quadrennial Defense Review (QDR), which provides a useful overview of the future security environment and national military strategy.

Through 2015, the QDR postulates that the United States will face a variety of regional dangers and ''foremost amongst these is the threat of coercion and largescale, cross border aggression against U.S. allies and friends in key regions by hostile states with significant military power.'' Beyond 2015, a ''near-peer'' global competitor could also emerge.

The QDR posits that three elements—shaping, responding, and preparing—define U.S. defense strategy. But boiled down to essentials, the QDR observed that the ''primary purpose of U.S. forces is to deter and defeat the threat of organized violence against the United States and its interests.'' If deterrence fails, ''the high end of the crisis continuum is fighting and winning major theater wars. This mission is the most stressing requirement for the U.S. military.''

The QDR offered a strong rationale for the need to deal with two near simultaneous regional conflicts. And in fighting such wars, the QDR strategy stated that two aspects deserved special attention—(1) stopping the enemy advance as quickly as possible; and (2) dealing with the ''likely conditions'' that future wars will involve ''the threat or use of chemical and biological weapons (CBW) * * * including in the early stages of war to disrupt U.S. operations and logistics.''[1] Forces best able to halt aggressors armed with weapons of mass destruction, then, should logically enjoy highest priority.

We would add that forces capable of executing this operation independent of theater bases and under conditions of surprise would be of even greater value. A range of powerful foreign and economic pressures will inevitably cause a further contraction in the U.S. overseas basing infrastructure and forward-based force levels. Indeed, planners should also assume that we will be taken by surprise in future conflicts; this was highlighted in the 1993 Bottom Up Review and is the recommendation of all analysts who have studied surprise attack in any detail. The wisdom of such a policy can be seen in the 1990 invasion of Kuwait and the two recent crises with Iraq (October 1994 and September 1996), all of which took us by surprise. The lessons from the two more recent crises are particularly relevant.

In 1994, Iraq rapidly mobilized forces near the frontier with Kuwait. Despite intensive intelligence focus on Iraq since the Gulf War, we not only failed to recognize this buildup early on, but also were unable to deploy sufficient forces until well after Iraq was in a strong position to attack. According to the Joint Chiefs of Staff, the United States and its allies faced at least a 2–3 day ''window of vulnerability'' through which Iraq could have invaded Kuwait and possibly threatened the Saudi oil fields.

In September of 1996, Iraq mobilized forces in its northern areas and pressed an attack into the Kurdish ''safe haven.'' Once again we were taken by surprise. Worse yet, for various reasons all members of the Gulf War Coalition denied immediate access to their bases for combat operations against Iraq, leaving our land-based fighters on the scene without suitable bases from which to strike the invading force. Carrier-based fighters located in the Gulf apparently did not possess the range to reach the scene of combat and the lack of stealthy carrier-based assets raised survivability concerns. In the end, we were reduced to largely symbolic strikes against Iraqi air defenses in the south using ill-suited cruise missiles launched from ships and B–52 bombers. Iraq was free to do as it wished in the north.

The lessons of these two crises in combination with the evolving security context reveal that bombers are ideally suited for the new era. They are the only force element capable of stopping surprise enemy aggression while operating outside the range of theater weapons of mass destruction. They do not require bases in the immediate combat theater (which also has the benefit of minimizing the number of Americans placed at risk). Finally, as explained below, bombers, though expensive when viewed on a per-unit basis, are extremely cost-effective compared to other force elements.

Bombers like the B–52, B–1B, and B–2 typically feature unrefueled ranges and payloads 5–10 times greater than fighters. Long range is a vital attribute for the new security era. Long range allows bombers to respond more rapidly than any other force element—from the CONUS if necessary—in the case of surprise aggression. Long range provides strategic agility; bombers can shift firepower from one theater to another. Long range also allows bombers to fight from beyond the range of adversary weapons, which will be of increasing importance as weapons of mass destruction proliferate. In the Gulf War, for example, Iraqi missiles in development or service outranged all of our land-based and sea-based fighter aircraft (whose operating locations were thus at risk). And just as long range provides a sanctuary to the bomber force, it denies any sanctuary to the enemy, who cannot base assets outside the reach of bombers. Finally, long range also greatly expands the number of basing options available to the force should we wish to deploy the bomber force forward to signal resolve (and increase sortie rates). The longer the range, the greater the number of potential bases that are available, and the greater the number of countries available for negotiating access to bases.

The large payload of bombers allows a small number of aircraft to assume a disproportionate amount of the warfighting burden. In Vietnam, for example, the bomber force comprised on average only 7 percent of the force and delivered 44% of the bomb tonnage. In the Gulf War, the B–52 force only represented 4% of the force, but delivered 32% of the bomb tonnage (more than twice as much as the entire carrier force combined).

Previously, a primary virtue of these massive bomber payloads was their shattering psychological effect on enemy forces; in the Gulf War, for example, General Schwarzkopf drew on his Vietnam experience with B–52 strikes to demand that Iraqi forces be exposed to the same kinds of heavy bombardments which had proven so devastating to North Vietnamese forces. In future wars, the advent of precision weapons will allow bombers to accurately strike many different targets on a single sortie, which dramatically increases the bomber's value to the warfighting commander. The Gulf War illustrated the revolution afforded by precision, which increases air power's lethality by several orders of magnitude compared to unguided weapons.

In an era of declining budgets, the nation must procure the most cost-effective weapons possible. The ability to deliver large payloads of precision weapons makes each bomber sortie extremely effective; the low life-cycle cost of bombers (compared to other force elements) makes them extremely cost-effective. Bombers are very expensive weapon systems; producing a new B–2 costs about $1 billion, roughly the cost of a DDG–51 destroyer. But like warships, bombers enjoy long useful service lives and can operate effectively for three decades or more; the initial investment in the force is thus spread over many more years than most other systems. In addition, bombers are not people-intensive to operate. Personnel costs are typically a driving force in determining life-cycle costs for military forces. The annual personnel costs of a B–2 wing are about half that of a fighter wing and substantially less than that of an aircraft carrier or division. Overall, a B–2 wing's 35 year life-cycle cost (that is, total personnel, operations, and procurement cost) is about the same as a fighter wing; about ⅓ that of an aircraft carrier battle group; and about ¼ that of a heavy division.[2]

Personnel issues are related to casualty considerations, which typically play a critical role in crisis decision-making (and accordingly should also play an equally important role in determining what sorts of forces the nation should invest in). Bombers from this standpoint also are very attractive assets, since they only place a small number of people in harm's way. For example, deploying a wing of fighters to a theater base can put 2,500 people or more at risk; a carrier battle group up to 10,000 people; a division 15,000 or more. Each member of these units is at risk to attack by enemy weapons. A chemical warhead delivered by a ballistic missile against a theater airbase or deployed division has the potential to kill thousands; as would a strike by a sea-skimming cruise missile against an aircraft carrier. In contrast, the 1,300 personnel associated with a bomber wing would typically be operating from bases well beyond the strike range of an adversary, thus exposing the lives of the aircrew only.

In this same light we should also recognize the nuclear capability of the bomber force. If American theater forces were to be attacked by weapons of mass destruction—and particularly if they were attacked by nuclear weapons—there are compelling reasons why the United States might have to reply in kind. Bombers are the weapon of choice for nuclear response because the weapons remain under strict human control up to the very moment of launch near the target, and because the variable payload of the bomber gives it the widest possible variety of weapon delivery options. Moreover, since strategic arms control with the former Soviet Union and with Russia strictly limits the size of our nuclear arsenal, bombers could be used in counter-strikes without depleting our far more limited, single-use ICBM and SLBM assets. Inasmuch as our plans must hedge against the eventual emergence of a ''near-peer'' competitor, preservation of our remaining nuclear forces is a relevant consideration. Looking to the longer term, and understanding that no other nuclear-capable delivery systems are in production or planned, the bomber's dual capability (both conventional and nuclear) would allow a strengthened bomber force to sustain the nation's nuclear capability as other nuclear force elements inevitably age and retire.[3]

Overall, bombers appear uniquely well-suited to satisfy America's strategic requirements in the future security environment.

IV. SPECIFIC ADVANTAGES OF THE B–2

In looking at the bomber force, we need to discuss one additional, but revolutionary characteristic that the B–2 brings to the bomber force: stealth. Stealth shrinks the effective detection distance of a variety of sensors, particularly radar, and the basic physics involved in this set of technologies argues against the development of effective affordable counters. The B–2 thus combines four key characteristics—range, payload, stealth, and precision—in one platform. Range, payload, and precision allow a single B–2 sortie to strike with the effectiveness of multiple fighter sorties; stealth opens the door to a military revolution.

The traditional operational style that we have developed for the employment of air power relies upon large force packages to suppress enemy air defenses and shoot down enemy fighters. Stealth reduces the need for such support packages, which has a number of important effects. First, it greatly increases the cost-effectiveness of stealth platforms. Analysis conducted for the Commission on Roles and Missions (CORM) showed that the 42 F–117 sorties (which combined

Footnotes at end.

both stealth and precision capabilities) flown on the opening night of the Gulf War were almost equivalent in terms of target coverage to the rest of the land-based air-strike forces combined.[4] Another way to look at this is that each F–117 sortie was worth 16 non-stealth sorties.[5] The Air Force illustrated this same point after the Gulf War by showing that one or two B–2s can do the job of 60 fighters and 15 tankers.[6] This greatly reduces the costs of executing the mission; according to CORM analysis of the Air Force data, a B–2 would be seven times more cost-effective than the 75-aircraft force package.[7]

Stealth enables appropriately configured B–2s the potential to operate autonomously, which places this aircraft in a totally different category than the B–52 and B–1B. These older bombers must be supported with theater-based fighters until enemy air defenses are eliminated or equipped with expensive cruise missiles that can be fired from outside the range of enemy air defenses. Dependence on land-based fighters makes the non-stealthy bombers dependent on the United States gaining base access in a timely manner and raises a whole host of political and operational constraints. Cruise missiles, though valuable, suffer from a variety of operational constraints (targeting flexibility, ability to deal with relocatable targets, warhead size, etc.) and are too expensive to rely on to fight a sustained conflict (the conventional Air Launched Cruise Missile carried by the B–52 force, for example, is over 100 time more expensive than a Joint Direct Attack Munition delivered by a B–2).

This autonomous capability puts the B–2 in an entirely new class as of weapon system. It is truly the nation's only ''modern'' bomber and the nation's only global precision strike asset. Indeed, we believe that the B–2 has the potential to revolutionize this nation's very approach to strategy making and force structuring. As General Michael Loh, then the commander of Air Combat Command, stated in late 1994: ''I see the B–2 as the centerpiece of an emerging national security strategy that places increasing importance on projecting immediate, responsive power from the U.S. to a regional crisis anywhere in the world. The B–2's qualities of range, payload, stealth, and sense of immediacy are uniquely applicable to be the centerpiece of this strategy.''

A substantial force of B–2s would allow the United States to project overwhelming and decisive power against any adversary anywhere on the planet. To put matters in perspective, the addition of one more B–2 squadron (8 operational aircraft) would give the B–2 force sufficient punch to strike the same number of aimpoints as those targeted by over 1,200 combat aircraft over the first 24 hours of the Gulf War. Clearly, procuring even greater numbers would open up new strategic avenues. As former Air Force Secretary Dr. Donald Rice has written, such a force would ''allow the nation to seize this rarest of opportunities: a revolutionary leap in military capability, and with it, long term global military pre-eminence—American style.''[8] No nation could confidently launch an armored assault on its neighbors. No dictator could think that his most prized strategic assets were immune to attack. No target would be more than a few hours away from attack. No defense could be counted on to protect key targets. In response to heightened tensions, the mere possession of a substantial force of B–2s could provide a new way to manage crises. Instead of going through the complex and risky steps of gaining base access, deploying forces, and escalating tensions, the President could simply order B–2s in the United States to be placed on higher alert. Even under the prevailing conditions of surprise and base access denial, a substantial force of B–2s could have made an enormous difference in the Iraq crisis of 1994 and 1996.

The first job of the American military is to provide our political leadership with tools for deterrence and coercion so the nation does not need for fight wars. Preventing wars is far superior to fighting wars. A substantial force of B–2s would have a unique conventional deterrent capability. As two noted scholars of deterrence have written:

''If U.S. national military strategy is designed with regional deterrence in mind, forward presence and/or rapid crisis response become key elements in this strategy. . . . Optimally, this . . . means stationing all the forces necessary between the adversary and his objective, but even the United States lacks the resources to meet such a requirement in more than a few cases simultaneously. Therefore, strong incentive exists for the United States to explore capabilities that . . . are so rapidly deployable into an area as to be 'virtually' stationed there.[9]

This is the potential capability offered by the B–2. And that is the potential vision that the Pentagon is turning its back on my making the fundamental strategic choice to rely on short-range fighter aviation.

V. WHY DOES THE PENTAGON OPPOSE ADDITIONAL B–2S?

If additional B–2 bombers could make a revolutionary contribution, why does the Pentagon oppose them? Basic principles of bureaucratic politics go far in explaining the Pentagon's position. We believe there is such strong opposition to the B–2 precisely because it is so revolutionary—because supporting the B–2 would imply far reaching changes in core organizational interests, such as manpower, budget roles, missions, and autonomy. It is helpful to begin with the perspective of the service that develops the B–2.

The B–2 is an Air Force system and one might imagine that the Air Force would be predisposed to support is continued production and improvement. The oppose is true. In any large bureaucracy, interests and programs tend to be identified with a particular organizational entity or bureaucracy. Historically, Strategic Air Command (SAC) was the heart and strength of bomber advocacy in the Air Force. Through the 1960s and into the 1970s, SAC influence in the Air Force R&D and procurement budgets. Accordingly, ''bomber generals'' often held top service positions.

When SAC and Tactical Air Command (TAC) were nominally ''merged'' into Air Combat Command in 1992, it was in reality much more akin to a hostile corporate takeover: TAC absorbed SAC. With the dissolution of SAC, the institutional foundation for bombers disintegrated. Consequently, bomber advocacy within the Air Force has virtually collapsed, and no funds have been budgeted to support any major new bomber program. Furthermore, as in the corporate world, management personnel from the leasing entity discovered that they had little power. In the words of retired Air Force General Chuck Horner, bomber-oriented officers have been ''funneled out of the Air Force.[10] Today the top service positions are typically held by ''fighter generals,'' with hardly a bomber general to be found.

The roots of ''fighter'' opposition to the bomber force are complex. First, many officers with predominantly fighter backgrounds simply do not believe that the B–2 can perform as advertised. Having served all their lives in an Air Force where bombers were basically old, vulnerable and obsolete, they find it difficult to accept that the B–2 is different—that it can truly penetrate safety through defenses, or that it can strike targets at least as accurately as fighters. Their skepticism is reinforced by intense personal attachment to fighters and fighter operations. At a time when the Air Force budget has been in decline for more than a decade and so many fighters are on the verge of retirement, accepting the B–2 revolution might in their minds mean cutting fighter procurement programs. It might also mean accepting an entirely new approach to warfare in which the fighter sometimes might not even be relevant, let alone the dominant air instrument. Thus the number of fighter aircraft, fighter squadrons and wings—ultimately fighter pilots could be substantially reduced.

It is crucial to understand the USAF ''fighter opposition'' to the B–2 is well meaning. Everyone, Air Force officers included, have a powerful human tendency to trust in what they know, in what they have invested their careers, and in what has worked in the past. For the current Air Force leadership, this means a strong predisposition to trust in fighters.

The failure of the bomber revolution to succeed in the Air Force precluded any possibility of wider acceptance in the Pentagon. The inevitable consequence of an expanded role for bombers is an expanded bomber budget, and the new funds could come only by diversion from other existing military accounts. More bluntly, for bombers to receive increased funding, the non-bomber Air Force, the Army, the Navy, and Marines believes they may have to accept less. If the Air Force has not yet accepted changes in air power strategy implicit in the B–2, how much more would the Navy and Army refuse the even greater changes which a revolutionary bomber force would mean for broader national military strategy, and hence for their budgets?

The Army continues to maintain its traditional view that the decisive battles of any war are fought on the ground. Victory is achieved through mass troop deployments and close-in engagements, with the Air Force providing ''support.'' If the Air Force doesn't believe in long-range strike, arguing instead for the importance of air superiority and the primacy of air-to-air platforms, one certainly can not expect the Army to believe that air power has become the decisive combat arm (with the army providing ''support'' in consolidating the victory). An Air Force dedicated to air superiority and strikes near the forward edge of battle will remain dedicated to supporting the army.

In like manner, the Navy continues to believe that ''presence'' in an irreducible Navy mission, and that carriers will generally be first on the scene and first to fight in any theater conflict. The Navy has no reason to relinquish this view so long as the Air Force insists on making war with fighter assets that take weeks to months to deploy, and so long as the bomber force is so small and feeble that it provides no meaningful alternative for performing ''carrier missions.'' And the Navy is right. Unless the Air Force builds more bombers and changes its strategy, the Navy must continue to have full responsibility for fulfilling all of its traditional missions.

Seen from this perspective there is in fact an inter-service consensus on which to resist the B–2 revolution. An Air Force that believes in applying air power using short-range fighters must have forward access, forward basing, and extensive logistical support. This in turn requires a massive ground presence, and inherently perpetuates a ground-warfare strategy. It also requires a massive sea-borne logistical tail, inherently perpetuating traditional navy views on sea control and sea power.

Overall the bomber force and the B–2 in particular has suffered from two major problems. First, it has lost any institutional, bureaucratic advocate with the demise of Strategic Air Command. Support for the B–2 means that something else must suffer—and no institutional champion or leader has emerged to lead that struggle. Second, support for the B–2 inherently means recognition of a revolutionary new form of warfare which threatens all other services and nonbomber interest groups. Affirming the B–2 ultimately implies major changes in strategy, in service budget shares, in service size and manpower, and in strongly held personal convictions. United Pentagon opposition to the B–2 is thus perfectly understandable.

VI. THE PENTAGON STUDIES

Understanding the institutional resistance to the B–2 within the Pentagon helps shed light on the recommendations of three studies recently conducted by the DoD on the B–2. These studies were not done willingly. The triggering event was congressional legislation in 1994 mandating that the Pentagon prepare an evaluation of the adequacy of the nation's bomber force. This action resulted in the three DoD studies that are evaluated below: (1) the DoD's 1995 Heavy Bomber Force Study; (2) the 1995 Heavy Bomber Industrial Capabilities Study; and (3) the 1997 Quadrennial Defense Review's study of the B–2 issue. In addition, we examined one additional study conducted by the staff of the Commission on Roles and Missions (CORM), entitled Future Bomber Force.

In examining the DoD studies, we would like to emphasize two points. First, the studies studiously ignored the fundamental strategic choice at hand: should we maintain a bomber force or go to a force structure based primarily on short-range air power? Second, in formulating scenario and modeling assumptions (which inherently drive study outcomes) the analysts had to go to extreme lengths to ensure that study results supported the status quo and recommend against additional B–2s.

Our overall assessment of the DoD studies is that Pentagon politics took precedence over analytical objectivity and national security concerns. The basic problem with the Pentagon studies is that they fly in the face of common sense. The following seems to be an appropriate analogy for the current situation. We must plan to face an adversary armed with a sawed off shotgun (a metaphor for weapons of mass destruction). Given a choice between short-range pistols and long-range rifles, the Pentagon studies try to argue that pistols are preferable, even though this choice requires that we move within shotgun range to shoot the adversary. We believe that striking the enemy promptly and accurately from a distance is the better choice in many scenarios, particularly since it appears the long-range option is cheaper over the long term.

The 1995 Heavy Bomber Force Study and its industrial base counterpart were carefully constructed to come up with the desired answer (no additional B–2s required). The CORM bomber study came up with the wrong answer (additional B–2s are very attractive) and was quietly shuffled aside. The 1997 study initially came up with the wrong answer (additional B–2s was the most cost-effective option available), and was reshaped to provide the desired answer (no more B–2s required).

THE 1995 HEAVY BOMBER STUDY

The 1995 Heavy Bomber Study was conducted by the OSD, the Joint Staff, and the Institute for Defense Analyses.[11] Following its chilly reception in Congress, the Department has so far proven reluctant to publish a final scripted report of the study. As noted by Dr. Glenn Buchan, a distinguished and experienced bomber analyst at the RAND Corporation,

''The fundamental problem with the heavy bomber study is . . . whoever framed the study cooked the books. They allowed a set of assumptions that led to a preordained outcome by essentially ruling out all the things that would have led them to other results.''[12]

Buchan also noted that once the assumptions were laid out,

''one could have concluded in somewhere between 30 seconds and, perhaps if one were very careful and thoughtful, two or three minutes, how this was going to come out, not necessarily having to go through all the computer runs and all the analysis.''[13]

The Heavy Bomber Study assumed the following scenario as its base case. The United States would receive approximately two weeks of strategic warning. Acting immediately on this warning, the United States would have these two weeks to deploy large numbers of fighters and aircraft carriers to the theater (without encountering any base access or logistical support problems). The enemy, having watched and waited as the U.S. deployed overwhelming force into the theater (at unprecedented rates) would then attack anyway. American fighters would then fly at sortie rates far beyond those achieved during the Gulf War to defeat these enemy forces.

To the thousands of fighters in combat, the analysts then added 20 additional B–2s to planned bomber force (for a total of 40 B–2s). Using a land war simulation, the analysts then assessed the impact of the additional B–2s (which were flown at lower sortie rates than that achieved by B–52s in the Gulf War) on the overall campaign. In other words, the capabilities of 20 B–2s, an approximately $25 billion investment over the next two decades, were compared to those of a force structure costing about $5 trillion over the same period. As Dr. Paul Kaminski, the study leader, observed in his briefing: ''. . . we have ten times more tactical aircraft than bombers. . . . After everything has arrived, the bomber results get lost in the overall aggregate.''[14]

The conclusion of the study was that the planned bomber force could meet all demands ''for anticipated scenarios and reasonable excursions.'' But testimony revealed that the excursions were carefully scripted. For example, one scenario was supposed to look at the effects of a no tactical air power case—that is, if we encountered difficulties in deploying fighters or were concerned that an adversary might strike our bases or carriers with weapons of mass destruction. But it was revealed in testimony that through some unexplained development, a wing of fighters were always assumed present to support B–52 and B–1B bombers. What would happen if those fighters weren't there? This case, dismissed as ''unreasonable'', was never considered.

Moreover, results that showed the B–2 in a favorable light were never considered in the decision-making process. For example, in testimony to the Senate Armed Services Committee, Senator Sam Nunn asked Dr. Kaminski about the likely results if the U.S. was taken by surprise and theater access was a problem. Kaminski replied: ''Then I am going to need a lot more bombers than I have in the current force.'' But this conclusion was never incorporated into the study recommendations.

The second major conclusion of the study was that it would be more cost-effective to invest in additional munitions, not additional B–2s, since additional weapons increased overall force effectiveness. This is an odd argument. By the same logic, one could argue that it would make more sense to invest in jet fuel stocks rather than fighter aircraft, since sufficient jet fuel is needed to make the force more effective.

What the study should have looked at was how an additional buy of B–2s compared to buys of other planned force elements. But this is something the Pentagon resisted. Simply discussing the tradeoffs ended up causing such internal friction in the Pentagon that the topic was removed from the study. An unbiased analysis would quickly illustrate the B–2's superior cost-effectiveness compared to other planned (and preferred) force elements—and thus would throw the careful balance of interests in the Department into disarray.

THE 1995 BOMBER INDUSTRIAL CAPABILITIES STUDY

The Bomber Industrial Capabilities Study was directed by Congress, chartered by the DOD, and conducted by The Analytic Sciences Corporation (TASC). The study concluded that additional B–2 production was not necessary to maintain the bomber industrial base because, with enough time and money, we could eventually recreate the capability to build B–2s in the future.

Eliminating time and money from consideration avoids the dominant real world issues. Obviously, with enough time and money, we can recreate anything. The real question is: how much time and money compared to the option under consideration by Congress—continued production. On that question, the industrial base study was entirely silent.

Although used to validate the decision against more B–2s, the TASC industrial study provides critical strategic data. The dominant Pentagon argument against the B–2 is affordability. Yet their own industrial study estimates that building a new bomber type, a B–3, could easily cost in excess of $35 billion for research and development alone (with unit flyaway costs about the same as a B–2) and raised questions about the affordability of such a program. If building more B–2s—with research and design already complete—is too expensive, then certainly the cost of a B–3 is prohibitive. Deciding against B–2 production is therefore a de facto decision against any future bomber production. It is a strategic decision to abandon the bomber force.

THE QUADRENNIAL DEFENSE REVIEW AND THE 1997 B–2 STUDY

Congress clearly had little confidence in the preceding Pentagon analyses, and in 1995 appropriated funds to resume B–2 production. In February 1996, President Clinton ordered these funds spent on bringing the original test B–2 (Air Vehicle 1) up to operational configuration. In addition, and at Congress' behest, he ordered the Pentagon to once again re-examine the B–2 issue. This time, the Pentagon was to compare the B–2's cost-effectiveness to that of other deep attack systems. The absence of such a cost-effectiveness comparison was widely viewed by critics as one of the 1995 Heavy Bomber Study's major failings.

The Pentagon, though receiving this direction in February 1996, conducted no specific B–2 analysis until March 1997. Over the space of several weeks, analysts from the Joint Staff, OSD, and the Institute for Defense Analyses—the same group that conducted the 1995 bomber force study—ran their computer models and developed a summary briefing. The analytic results of this study obviously caused alarm bells among the Pentagon hierarchy. Simply put, the results showed that B–2s were more cost-effective than any other force element.

Before proceeding further, let us examine the analysis. Four scenarios were developed:

a two conflict scenario with warning (allowing time for deployment), a similar scenario with short warning, a similar scenario with short warning and base-access problems; and a two conflict scenario with warning where one of the conflicts featured a ''near peer'' competitor.

The Pentagon then assumed the immediate retirement of the following forces: 2 fighter wings (plus 10 percent of Marine air); 4 fighter wings (plus 20 percent respectively of Marine air); 2 carriers and their air wings (though not the entire battle group); 3 carriers and their air wings; and all the B–1Bs.

With the funds freed up by these individual retirements over the next 20 years, the study then looked at how many B–2s could be purchased. In general, retiring a carrier would allow the purchase of 12–14 B–2s; a fighter wing about 8–12 B–2s.

Using a complex computer simulation, the analysts then looked at how many B–2s were needed to replace the various retired force elements in each of the four scenarios. In almost every case, savings enabled more B–2s to be purchased than were required to replace the retired systems' military capability in the conflict scenarios. In other words, B–2s proved more cost-effective than the planned forces.

These were not the desired answers. What the analysis showed in general was that very small numbers of B–2s could potentially replace large groups of planned—and thus preferred—forces (such as the entire B–1B fleet). And the cost of those B–2s was substantially less than the forces they were replacing. In the wrong hands, these results could be used to argue that a B–2-based force structure could support U.S. national security at lower budget levels—exactly what had been predicted by B–2 supporters in Congress after the Heavy Bomber Study debacle. Accordingly, arguments were developed to counter these results.

One tactic was to break up the warfighting results into two phases: (1) the halt phase; and (2) the counter-offensive. The halt phase—the period during which U.S. forces would stop an enemy offensive—was highlighted by the QDR strategy as being extremely crucial and the results once again showed the B–2s cost-effectiveness; very few B–2s were needed to replace carriers, fighters, or B–1Bs. For the counter-offensive (that is, the period when our ground forces had built up and had launched an offensive after months of aerial bombardment), the analysts calculated the number of weapons each force element could deliver compared to a cost-equivalent number of B–2s. These results showed that the other forces would be able to deliver more weapons in a given period of time (unlike the fighter forces, however, the B–2s were not allowed to deploy forward to increase their sortie rates).

But the counter-offensive results really showed how carefully the metrics had to be arranged to achieve the desired outcome. Weapons delivery potential after we have stopped the enemy advance, destroyed his army, ripped apart his strategic infrastructure, chopped up his lines of communication, attacked his leadership, and destroyed his air force and air defenses, hardly matters. The issue of winning or losing is no longer in doubt. Assuming performance in the counter-offensive to be as important as in the halt phase contradicts the QDR strategy that presents the halt phase as being absolutely vital to meeting national security objectives. In addition, if the analysis had used ton-miles as a metric instead of just tons, the B–2 would have proven superior. Ton-miles, which is calculated by taking tons of weapons delivered times miles flown, is a useful measure because it incorporates the important metric of range.

However, the most revealing illustration of the Pentagon's orchestration of the results was found in the ''capability gap'' charts, which emerged as the centerpiece of the arguments used against the B–2 since the quantitative results had proven so problematic. Here, the Pentagon claimed that retiring a single aircraft carrier, for example, would greatly reduce the nation's capability to do drug interdiction, peace enforcement, anti-ship warfare, the sea control, among others. Similar claims were made for the retirement of fighter wings. This line of argument raises more questions than it answers. First, the ''capabilities'' were completely undefined and the B–2s unjustifiably excluded as potential contributors. Why couldn't the B–2s contribute to some of these missions? For example, B–2s could destroy drug manufacturing facilities with precision bombs, provide sea surveillance, or fire anti-shipping missiles to assist in sea control. Second, it is unclear that a small reduction in the total force would have any effect on these missions. Indeed, but a small fraction of the force would be required to fly a few ''drug interdiction'' missions. Third, and most important, the missions selected are hardly core missions. What is more important, conducting drug interdiction or preventing the seizure of the Persian Gulf oil fields? What the Pentagon was trying to obfuscate was the fact that the B–2 was more cost-effective than the planned forces in fighting major theater wars. And that was an unacceptable answer.

The clearest illustration of the bias inherent in the 1997 study can be found in a closer examination of the ''capability gap'' issue. Specifically, not a single chart was dedicated to highlighting the capabilities currently missing from the current and planned force that would be generated by expanding the B–2 fleet. For example, we currently cannot halt a large-scale armored assault without tactical air forces in-theater prior to the outbreak of hostilities. How do we plan to do so in the case of a surprise attack? How do we plan on conducting a large-scale preemptive strike against an adversary's facilities for producing weapons of mass destruction? How do we plan on deploying forces in the face of chemical and biological attack—something the QDR says should be assumed? How do we plan on conducting a large-scale pre-emptive strike against an adversary's facilities for producing weapons of mass destruction? How do we plan on striking facilities that lie outside fighter range, such as terrorist camps in northwestern Iran? Nowhere in the briefing are the advantages of an expanded B–2 fleet articulated, much less highlighted. How could the Pentagon advertise this as an unbiased analysis if no consideration was ever given to the formidable advantages offered by the B–2? The lack of such consideration is the clearest evidence that the Pentagon planners preferred to stay rooted in the concepts and force structures of the past—and not consider the future.

THE 1995 CORM BOMBER STUDY

In 1994 legislation, the Congress also appointed a Commission on Roles and Missions (CORM). As one of their tasks, the CORM was asked to provide an opinion on the size of the B–2 force. The CORM sidestepped this issue in their final report—only stating that if one believed the assumptions of the Heavy Bomber Force Study study, one could believe its conclusions. But what the CORM staff did conduct was a most interesting study—primarily, it seems, because it was performed outside of the DOD's influence. Future Bomber Force, however, was filed away until published by the Air Force Association in 1996.

Future Bomber Force offered a fresh view of the B–2 issue. It was the only government study to provide empirical insights into the value of stealth technology. Like the QDR's quantitative results, it showed that B–2s were the most cost-effective weapon system available when compared to other preferred forces. However, it did so using simple ''spreadsheet'' calculations instead of complex computer simulations. Most significantly, Future Bomber Force was the only bomber study to show a grasp of the revolutionary potential offered by the B–2. Listed below is its ''Summary of Findings'':

''The synergy of advanced munitions with the range and payload of long-range bombers may be more important to the Department of Defense in the years ahead than at any time during the Cold War. Combined with the stealth of the B–2, precision munitions with long-range bombers have the potential to provide key capabilities not available from any other forces to meet critical future national security requirements. Specifically, these capabilities include:

''The potential to halt an armored force in a matter of days from long-range; the ability to survivably operate against an enemy from beyond reach of enemy weapons (particularly missiles armed with weapons of mass destruction); guaranteed responsiveness—independent from forward basing or carrier prepositioning; the ability to achieve strategic or operational surprise quickly, imposing wide-spread attack and paralysis upon an aggressor with minimum exposure of friendly personnel; the ability to swing survivable and effective force from one MRC to another rapidly; the psychological impact of strike without notice; the ability to induce enough uncertainty in a potential aggressor to deter hostile activity conventionally while the U.S. is militarily engaged elsewhere; and greatly reduced support assets, personnel, and basing requirements to achieve equivalent effects with non-stealth and/or smaller payload, shorter range aircraft.''

VII. CONCLUSIONS AND RECOMMENDATIONS

Our review of the bomber issue concludes that current plans for the long-range air power force are woefully deficient. We believe that the nation's long-range air power capabilities will be more important in the future than they have been in the past. Indeed, the changing shape of the security environment makes long-range air power ideally suited to the protection of American security interests in the decades ahead. Moreover, we believe that proper exploitation of the B–2 could radically change the way in which we think about and employ military power, leading ultimately to a much more affordable and effective military posture.

The only option for maintaining the viability of the bomber force over the long term is to continue production of the B–2 stealth bomber. Our review of the DoD's studies indicates that the B–2 issue has become so captive to Pentagon bureaucratic politics that the Department has made the wrong strategic choice. By following the DoD's recommendations, the bomber force itself becomes a wasted asset. The nation will be abandoning a weapon system that is becoming very cost-effective as precision weapons are introduced. This capability will become increasingly vital to supporting U.S. national security in this very challenging new era. This is not the way to conduct rational national security decision-making. By allowing organizational politics and short-term affordability concerns to dominate the B–2 debate, we will turn our backs on the future. Moreover, we will risk U.S. national security interests and the lives of thousands of young Americans.

We believe Pentagon opposition will eventually ameliorate once military planners gain greater appreciation of the advantages offered by the B–2. But until that time, the future of the bomber force and this revolutionary weapon system lies with Congress.

The situation is similar to that of the F–117 in the 1980s. The Air Force insisted that a single squadron of these revolutionary aircraft was all that was needed; Congress directed a doubling of the buy, an action that saved many American and allied lives in the Gulf War. Today, once again, only Congress can set in motion the steps needed to maintain production of the B–2.

Additional B–2s are affordable within planned budgets. The Pentagon plans to increase procurement spending approximately 50% by 2001 and those funds should be spent on the most cost-effective systems, such as additional B–2s. We make the following recommendations:

Fund at a minimum one additional B–2 squadron (9 aircraft), but keep open the possibility of increasing the production rate and planned force size;

Direct the Department of Defense to develop and provide to the Congress a five-year procurement plan that contains a full funding plan for one additional squadron of B–2s; and

Hold a hearing to assess whether to re-establish an operational command in the Air Force dedicated to long-range strike, headed by a four star general, who can ensure that bomber issues are given appropriate consideration in national security decision-making.

The fundamental strategic choice is up to you in Congress. An enhanced bomber force centered on a larger B–2 fleet could make revolutionary contributions to our national security. We urge you to take the steps necessary to make sure that the opportunity afforded by the B–2—a better, more effective, and more affordable military—becomes reality.

FOOTNOTES

[1] William S. Cohen, Report of the Quadrennial Defense Review, May 1997, p. 13.

[2] See Charles Perry, et. al, *Long-Range Bombers and the Role of Airpower in the New Century,* Institute for Foreign Policy Analysis, 1995, p. 57.

[3] An expanded version of the ''nuclear argument for bombers'' can be found in Stephen Cambone and Colin S. Gray, ''The Role of Nuclear Forces in U.S. National Security Strategy: Implications of the B–2 Bomber,'' *Comparative Strategy,* 15:207–231, 1996.

[4] *Future Bomber Force,* Commission on Roles and Missions, 1995, p. 3.

[5] Ibid.

[6] ''The Value of Stealth,'' Headquarters, United States Air Force, 1991.

[7] See *Future Bomber Force,* Commission on Roles and Missions, 1995, p. 11.

[8] Donald B. Rice, ''To B–2 or not B–2, That is the Question,'' *The Washington Times,* November 5, 1995.

[9] Ken Watman and Dean Wilkening, *Regional Deterrence Strategies,* RAND, 1995.

[10] Charles Horner, ''Unmatched Survivability,'' *The Washington Times,* June 13, 1995.

[11] For a detailed assessment, see Kurt Guthe, *A Precisely Guided Analytic Bomb: The Defense Department's Heavy Bomber Study,* National Institute for Public Policy, September 1996.

[12] Testimony to Military Procurement Subcommittee, House National Security Committee, September 12, 1996.

[13] Cited in Kurt Guthe, *A Precisely Guided Analytic Bomb: The Defense Department's Heavy Bomber Study,* National Institute for Public Policy, September 1996, p. 41.

[14] DoD Special Briefing, May 1995.

[15] Donald B. Rice, ''To B–2 or not B–2, That is the Question *''The Washington Times,* November 5, 1995.

Mr. HUNTER. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] has 4½ minutes remaining, the gentleman from Florida [Mr. FOLEY] has 7½ minutes remaining, and the gentleman from California [Mr. HUNTER] has 23½ minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield myself 30 seconds to make a response to the gentleman from Washington [Mr. DICKS], who just spoke.

Mr. Chairman, when the gentleman talked about conventional deterrents, it is not in the platform, it is in the weapons. And the weapons are standoff smart bombs and precision-guided missiles. Second, remember, we do not have zero, we have 21 of these planes. I think it is a flight into fantasy, it is a bit of hyperbole to think if we jump from 21 to 30, the world will tremble. If that is the case and we cannot see the Stealth bomber, tell the world we have a thousand of them. They cannot see it. How would they know? That would really be a deterrent and we would save a whole lot of money.

Mr. HUNTER. Mr. Chairman, I yield myself 30 seconds to respond to the comments of the gentleman from California [Mr. DELLUMS].

The standoff weapons, Mr. Chairman, are extremely expensive. They are over $1 million apiece. That is our air launch cruise missiles. In fact, closer to a million and a half apiece. That is compared to $23,000 for the short-range weapons once your bomber has penetrated.

Mr. Chairman, we are sending out our Navy ships that have missile tubes with no missiles in them because the Navy and the other services have not bought enough missiles. It is difficult to get these very expensive standoff weapons that the gentleman says we are going to be buying. The smart buy is the B–2 bomber.

Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. SKELTON], the ranking member of the subcommittee.

Mr. SKELTON. Mr. Chairman, I was sorry to hear a few moments ago the gentleman from Florida [Mr. FOLEY] say this is not about the defense of our country. It is about the defense of the young men and young women in uniform, those who are on the firing line, those who are nearing battle, those who may be called upon unless we have a weapons system that slows down or stops the enemy. The question is asked by my friend from California, who wants it? The young men and young women on the ground want it. Talk to the young soldiers who saw the bombardment and what the F–117's did to help them win in the Persian Gulf war.

Mr. Chairman, this is an important decision. It is not something we should take lightly. We should also be very careful in what we do this evening and not do something against the interest of America. Often, historically, this Congress has done that. We should not step into that hole once begin.

It is rather interesting that the replay of something back in 1925, a courageous Brigadier General by the name of Billy Mitchell spoke openly and forcefully for a bomber force. And here we are again, in 1997, saying the same thing, only with a more sophisticated bomber force that has stealth, that has long range, that can save American lives.

It is interesting that the second part of this amendment has not been alluded to, the $331 million that goes elsewhere. I say to my colleagues that the Senate in conference I think will invade this budget for $331 million for their programs because not one helicopter, not one truck, not one artillery piece is singled out for these dollars.

This Stealth B–2 bomber has a mission, it has an important mission to fulfill the strategy set forth in the recent quadrennial defense review of shaping, responding and preparing. Insofar as shaping the battlefield, the F–117, the Stealth, did work. It had short range. We had several air bases nearby. And as time goes by, as already has been mentioned, those will be fewer and fewer. This allows us to respond within hours rather than the days and the weeks it takes to get fighter bombers, to get aircraft carriers into position. We cannot count on local host airfields.

Mr. Chairman, long-range air power will be more important than ever in the decades ahead. Consequently, we do not believe that a mere force of 21 B–2's will satisfy foreseeable U.S. military requirements. The changing shape, the security environment makes long-range stealthy precision strike power ideally suited to the protection of American security interest in the decades ahead and that the Nation's long-range air power capabilities will be more important in the future than they have been in the past.

The B–2's ability to strike independently within hours anywhere in the globe from bases in the United States leaves it uniquely well-suited among all U.S. force elements for dealing with unexpected challenges. And we have had those in our history: Pearl Harbor, Kuwait. They are there.

The only realistic option for maintaining the viability of the long-range stealthy precision strike force over the long-term is to continue production of the B–2. The B–2 is there for a critical national asset which is uniquely capable of performing these vital missions. That is reality. That is reality, Mr. Chairman. Being able to strike the enemy promptly and accurately from a distance is the best choice in many scenarios, particularly since it is more effective and less costly than other options when all costs are considered.

Mr. Chairman, I urge a no vote on this amendment.

Mr. HUNTER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM], Navy top gun, my seat mate from San Diego.

Mr. CUNNINGHAM. Mr. Chairman, Shoeless John Kasich, tell me it is not so. Tell me an individual who is a caring individual would send our men and women off to combat. In Vietnam, we lost 10 percent of our bomber force in 11 days, B–52s. And that is what we are asking our kids to go forward in. Not with standoff weapons, like the gentleman says, but our kids are going to die.

Shoeless JOHN KASICH, put yourself in an airplane that is on fire, coming down, not knowing if you are going to die or you are going to be a prisoner of war. I cannot tell my colleague, I have been through that. And there is no Benson and Hedges in white scarf. When they told my mom I was shot down, they had to take her to the hospital; she had a nervous breakdown.

That is what we are talking about in these families. And why, why the B–52 in the first place? You take an F–22 which the Air Force is going to escort a bomber in, the SU–27, the SU–35, and the SU–37, which Russia is shipping all over the country today, with its big radar, can knock down our airplanes. That puts us inside the envelope when they shoot their AA–12, which outranks and outflies our RAM. Our kids are going to make it because the F–22 and the B–2 get in undetected before the MIG's, and they are going to die instead of ours.

□ 1930

But put them there with a B–52 and that thing is going to illuminate the whole sky. Everybody is going to know where your force is and they are going to attack it, and our kids are going to die.

Shoeless John Kasich, tell me it ain't so. Tell me that you would not put our kids in harm's way and put them out there where they are not going to come back.

The gentleman from Florida says he supports the flag. I appreciate that. But we damn near died for the flag, and I do not want our kids to die coming back in B–52's and antiquated B–51's, or B–1's. Give us a chance, Mr. Chairman.

Mr. FOLEY. Mr. Chairman, I yield 7½ minutes to the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, let me just suggest to all the people that talk about the fact that people's lives are being put at risk, I do not know whether my colleagues know it or not, but the military does not want this plane. They do not want it. If they wanted it, they would ask for it and they would make space for it. Why? Because they think there are other priorities that are going to protect people's lives, that there are other requests that ought to be honored, that are going to work to save people in time of conflict.

By attacking the people who do not support buying more planes, and to somehow bring into question the fact that there is some question about our commitment to the ability of the United States to succeed in war, is not just to attack us but to attack the military, the Pentagon, the ones that fight the war. They do not want the plane. They do not want it because they do not believe we can afford it and, frankly, a number of them believe that it is a cold war relic.

The B–2 was built. Its purpose was to fly inside the Soviet Union in the middle of a nuclear war to hunt down mobile targets. We could not find mobile targets in Iraq. Here we were to fly into the middle of the Soviet Union, in the middle of a nuclear war. That is why the plane was designed. That was its purpose. I was there when we first heard about what its purpose was. Any other new mission is a mission that was created here, in this House, by some people who were concerned about national security and some people who were concerned about jobs. I respect that, but I do not support jobs bills coming out of the Federal Government. I used to fight them up here. Jobs are to be created in the private sector. That is why we are trying to balance the budget and get lower interest rates.

The simple fact of the matter is it does not have a mission anymore. I will suggest to Members that I was engaged in the negotiations with our Secretary of Defense and with the people at the Pentagon and we signed up to an agreement, 20 planes. That is what they said they needed. I talked with our former Secretary of Defense, Mr. Cheney, who said, contrary to any letter he signed, ''I want 20.'' We made an agreement to build 20. We are going to spend $44 billion to buy 21 B–2's. Every time I look at the math, the math gets creative. We get creative math. ''Well, the next set is going to cost less.'' I know this. Show me the money. The money is, for 21 planes, we spent $44 billion, and we will have 21 of these planes that will function.

Second, the bombers. The last time I checked, the bombers worked pretty good in Iraq. In fact, the statement was it made the rubble bounce. They worked well.

We need standoff weapons. If we want to talk about putting people at risk, why would we want to develop a system where you fly over the enemy if you can actually stand outside, away from the enemy, and destroy the same targets? The response to that is, ''We can't afford those standoff weapons.''

Well, if we did not spend another $27 billion on a plane that the Pentagon does not want, maybe we could buy the standoff weapons. The last time I checked, there was a big report that came out that said we had a severe readiness problem that jeopardized the ability of the military to function effectively. In this bill, we have not significantly increased the amount of money for readiness. Some people argue we cut it. There was a study that just came out and said we were not ready.

I would suggest we take the $351 million we have and put it into readiness, help the guard, the reserve. Help them. Give them the money they need. The fact is, is that passing more B–2 bombers in my judgment undermines the ability to have a strong national defense because it puts our money in the wrong priority items.

I am a supporter of the F–22 for one reason: Air superiority. We need it. I am for it. I believe in it. I believe in the F–16. Did my colleagues see the number of F–16's that would have to be canceled over the lifetime of this to buy a weapon the Pentagon does not want? I know this in my career around here. When the Pentagon wants something, we give it to them. And when the Pentagon does not want something, we give it to them.

The simple fact is, is that my friend, the gentleman from California, I hold in the highest regard. He is absolutely committed to a strong national defense and I salute him for it. And I salute a lot of my opponents on this issue. I really do. I have high regard for the work that they do in the House. But this is really a matter of judgments and a matter of priorities, not a matter of who is more for us to win and be effective and provide for the security of our people.

We firmly believe that with the B–1's, with the 21 B–2's, and with B–52's that have not flown, that in fact there are appropriate missions for all of those bombers. Just this last week we defeated additional D–5 missiles that go in the submarines, that are another standoff weapon.

The age of the future is about technology, and it is about air superiority, and it is about mobility. But not necessarily mobility as it relates to a plane like the B–2, which the military itself says does not fit in their plans for mobility. The fact is we are going to move into the next century. The cold war is over, and the cold war relics that are associated with the cold war have to be put in their place.

Do we have a hedge? Do we have a hedge against some potential threats out in the future? The answer is yes. But what we should not do is undermine our ability to allow the Department of Defense in working with the Congress to set the right priorities for the next century, to have a military budget that right now cannot all be funded and not to stick another program in that costs $27 billion, that will in fact undermine our ability to have effective conventional weapons and our ability to have a high state of readiness for the American soldier and sailor and airman.

I would say to my colleagues, the debate is not over the 21 bombers. Mr. Chairman, I am not asking the House to kill the 21 B–2's that cost the $44 billion. I am asking the House to stay with the agreement. I am asking the House to reject the idea that we can afford another $27 billion to buy additional B–2's.

I am asking the House to cast a vote for national security, for national defense, and for the fighting men and women, so that in fact we can be more effective. Let us not undermine the ability to win the wars and to pursue a good national security strategy by putting too many things in a bill that the military itself says we do not need.

Mr. HUNTER. Mr. Chairman, I yield myself such time as I may consume, just to respond briefly to the remarks of the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, first, the gentleman from Ohio [Mr. KASICH], for whom I have great respect, said the cold war is over and the B–2 is a cold war relic.

The problem with the Soviet Union dissolving is they did not dissolve their SAM production. That is surface-to-air missiles. They are designed to do one thing, and that is kill American aircraft. That is how they shot down Scott O'Grady over Bosnia. Basically a little batch of teenagers in uniform with 3 weeks' training time in SAM missiles delivered from the Soviet Union, now Russia, were able to shoot down an American high-performance aircraft.

Mr. Chairman, the red on this map of the world denotes all of the nations that have SAM sites: Libya, Syria, North Korea, and China have lots of SAM sites. That means that if Americans drive nonstealth aircraft into those SAM sites as the gentleman from California [Mr. CUNNINGHAM] said, a number of them are going to die. Second, the gentleman from Ohio [Mr. KASICH] should be happy to know that we have saved in the reform part of this budget according to CBO $15 billion over the next 5 years. That is enough according to CBO to purchase the $12 billion buy of B–2's and, once more, it is 1/35th of what we are going to spend for short-range aircraft.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. The gentleman from Ohio [Mr. KASICH] says stealth does not matter. Stealth helped us win the gulf war. But this was after Saddam had already grabbed Kuwait. We then blew him out of the ground, in essence, with the F–117. What we are saying is with the B–2, we can stop him from getting Kuwait. That is the big difference.

Mr. HUNTER. The gentleman makes a good point. Saddam Hussein gave us 6 months to build airfields and acquire airfields. We cannot guarantee that in every situation.

Mr. DICKS. If we could stop him before he gets there, we could save billions of dollars and save many, many lives.

Mr. HUNTER. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN], a very articulate member of the committee.

Ms. HARMAN. Mr. Chairman, the gentleman from Ohio [Mr. KASICH] was talking about priorities. I rise in support of the B–2 and its priority role in American military strategy. This amendment offers us the wrong choices. This issue is not about the reserve components or about whether the B–2 is capable of doing what it is advertised to do. In future warfare, technology will be more important than manpower. Using large forces, whether for combat or to support forces engaged in combat, will be very risky given the lucrative target they present for weapons of mass destruction.

The reserve components are being drawn down, and that is an appropriate course of action given likely warfare scenarios. Trading the B–2, a vital asset for all parts of our strategy, to fund reserve component accounts that will be substantially reduced in the future does not make much sense. The question is not whether the B–2 does what is promised, as some would have us believe, or whether other platforms can do the same job, because B–2 performance exceeds standards. We have heard about its stealth, we have heard about how it can meet the QDR requirements of shape, respond and prepare. It is the only system that can fly great distances, penetrate hostile airspace and deliver massive amounts of munitions on key targets with acceptable, even minimal, risks.

During last week's debate on the defense authorization bill, I repeatedly stated my view that we can buy a better defense for less money. We can. We can and we must fund essential weapons systems including long-lead funding for 9 more B–2s. We can and we must cut outmoded weapons systems and excess infrastructure. That is the right trade. The trade in this amendment is the wrong trade.

I urge a ''no'' vote.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, this amendment cuts $331 million, a down payment on 9 B–2 bombers that we do not need, and it moves the money to the guard and reserve. It is simply that simple. But this is not about just $330 million. This will remove a $27 billion time bomb from the budget.

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In my view, this provision represents Congress at its very worst. It jams more weapons into this bill without having any way to pay for those weapons over the long term, it gives the contractors the goodies that they have lobbied for for so hard and long, but it does not cut out other low-priority items in order to pay for the long-term costs of the system, and we are not talking about loose change.

For the cost of just one of these bombers, we could pay for the undergraduate tuition for every single student at the University of Wisconsin for the next 11 years. Now that is not small potatoes. For the cost of just two of these bombers, we could double the cost of cancer research in this country.

Which investment do my colleagues think will protect more families from the threat that they really face? An investment in two more B–2 bombers or a doubling of cancer research in this country?

There have been five studies that have indicated that this weapon is not needed in preference to other weapons. There have been five studies which say do not go ahead with it. Secretary Cohen's quarterly defense review or quadrennial defense review said this in part in opposing the B–2: It said existing forces would have to be retired immediately to pay for the additional B–2's. Even then the savings from retiring the forces are not enough to offset the large upfront investment for the B–2's, and there would be a loss in war-fighting capacity during the decade or more between when the outgoing forces were retired and all the B–2's were delivered.

Mr. Chairman, that alone ought to tell my colleagues vote for this amendment.

Mr. HUNTER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON, former POW, great Thunderbird driver, and great pilot.

Mr. SAM JOHNSON of Texas. Mr. Chairman, as my colleagues know, we forgot what we are here for, and that is to protect the United States of America. The B–2 is expensive, but we know it is the only available system that can directly attack heavily defended areas anywhere in the world from the United States within hours. We do not have to deploy, we do not have to escort, we do not have to create a big force. It means that B–2 is likely to carry most of the burden in any war.

To say that we have 21 and that should be enough is naive and dangerous. That number was kind of pulled out of the air anyway, I think. The gentleman from California, Mr. DUNCAN HUNTER, mentioned earlier that 10 percent of our B–52's missions were destroyed in Vietnam.

I was in Vietnam. I was a POW there for nearly 7 years, and let me tell my colleagues something. I watched the missiles fired around us until we thought the sky was going to be like daylight. It was night. I watched three B–52's get hit in the air. Do my colleagues know what? That airplane is old. It cannot get in anywhere without getting hit. They exploded right there in the air, right in front of my eyes, and I saw some of our countrymen die on the spot, burn to death, and those that got out, bailed out, got to Earth, and do my colleagues know what? They got imprisoned just like I was, and one of the tail gunners had his leg cut off by a Vietnamese because they were mad at him.

Do we want that? I do not think so. I think we want to protect our men. We need to provide the equipment, the military equipment, the most modern equipment that we can provide for them so that if we ever get into any situation like that again, and it does not have to be like Vietnam, it can be as was stated before, a mission to destroy the tanks in a place like Iraq before they get moving.

We must protect our troops. Give them the airplane. Vote against this amendment.

Mr. HUNTER. Mr. Chairman I yield 2 minutes to the gentleman from California [Mr. MCKEON] a very articulate Member.

Mr. MCKEON. Mr. Chairman, I want to thank the gentleman for all the work he has done on this bill. As my colleagues know, I had a speech prepared, but I think we are to the point

on this debate after many years, that everything has been said and everyone has not said it yet, so I would like to say something a little different.

I had a new grandson born today, John Wells Morrison III, and as my colleagues know, my big concern is that when he is my age he is still here, and I am really concerned that when we determine that we can foresee 20 and 30 years out into the future and say that we no longer need this kind of equipment, I have real concern because it is not going to matter to me, I am not going to be here. But I am concerned about my 15 grandchildren, and I think that I have been where this plane is built, I have seen the capability of this plane. And then when we hear like the gentleman from Texas, Mr. SAM JOHNSON, who had to go to war, fly a mission that he was ill-equipped to fly, the plane was not the right plane for the mission, and yet he had to fly into harm's way and then spend 7 years in a prisoner-of-war camp, I think it is criminal that we would send our young people out with equipment that is not the best that we can provide them with.

Mr. Chairman, we need this plane, and we are talking about nine, nine planes. How many planes did we have flying in World War II? And in Vietnam? And in Desert Storm? We are talking nine planes to give us three wings, three divisions, that we can place around the world that would be a strong deterrent, strong help.

We need this. Defeat this amendment.

Mr. HUNTER. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. TIAHRT] a B–2 proponent and expert.

Mr. TIAHRT. Mr. Chairman, I appreciate the opportunity because I have kind of a unique perspective. I am probably the only Member in Congress, I believe I am the only Member in Congress, that actually came out of aerospace, and I worked on some of the specifications for the B–2 so I know that the mission was not just to fly over Russia. It was to fly anywhere globally and attack any target that was protected by surface-to-air missiles.

But the reason I support the B–2 is really twofold. No. 1, it is economical in terms of human risk. If my colleagues look at the initial strike in Desert Storm, there were in excess of a dozen targets. It took 75 aircraft, placing more than 140 servicemen at risk by those initial strikes, and yet that same group of tasks, those same targets, could have been accomplished by just two B–2's, placing only four pilots at risk. So in human terms of human risk, this is a very economical weapon to have in our inventory.

And the second one is just the pure cost of maintaining the 75-plus aircraft, the procurement, the maintenance, the keeping them up. If we balance that with the cost of B–2's, it is more economical.

So it may be costly, but yet it is economical, and vote no on the amendment.

Mr. HUNTER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. ROHRABACHER], my friend.

Mr. ROHRABACHER. Mr. Chairman, first of all let me say I respect my colleagues, the gentleman from California [Mr. DELLUMS] and the gentleman from Ohio [Mr. KASICH] but I disagree with them on this issue.

We are making a decision today of what options our leaders will have 20 years from now. That is what is important when the gentleman from California's, Mr. MCKEON's, grandson is around and we are not. Twenty years from now we do not want the option of our American political leaders just to be to go nuclear or to put hundreds of thousands of Americans at risk on the ground or to send in aircraft carriers with thousands of Americans on those and putting those people at risk.

I was in the White House when President Reagan was forced to bomb Libya. We put thousands of Americans on American aircraft carriers at risk. We had to fly out of American bases in England. We are not going to have those American bases in England throughout the world 20 years from now. We need weapon systems today for our leaders 20 years from now that will project power from the United States of America and put the fewest Americans at risk that can possibly be put at risk.

This is a cost-effective weapon when we look at the cost of this as compared to thousands of American lives in an aircraft carrier. We want to give future American leaders the option. I ask to defeat this amendment.

Mr. HUNTER. Mr. Chairman, I yield 1½ minutes to my friend, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I did not originally support the B–2. I once made a statement, ''Why build them? Tell the Soviets we have 500. They can't see them, they can't hear them; how are they going to know?''

The wisdom of this House built the B–2. B–2 is an advantage. B–2 gives us the edge. Yes, it is costly, but how do you quantify the value of the lives of our troops? How many more Scot O'Gradys, America, might experience those types of disasters?

But there is one other thing today because today's debate is not about money, it is maintaining the position of strength to negotiate.

Ronald Reagan said America must always negotiate from a position of strength. The B–2 maintains America's position of strength. That is the greatest deterrent we have in international possible conflict.

Now, yes, we must balance the budget, but our major job here is to protect the national security. And, my colleagues, America cannot do it with the Neighborhood Crime Watch. We have got to step up.

The time to kill B–2 was at the beginning. Congress went ahead. Now to kill the B–2 is not cost effective. The major production costs have already taken place. Now the copies can come forward.

We cannot protect America with the Neighborhood Crime Watch. We must negotiate from a position of strength. Ronald Reagan was right about that. B–2 gives us the edge. Take the edge.

I oppose the amendment.

Mr. HUNTER. Mr. Chairman, I yield 45 seconds to my friend, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I do not think I need 45 seconds to tell everybody to come over here and vote for this vital piece of weaponry that we need desperately in this country.

I associate my remarks with the gentleman from Ohio [Mr. TRAFICANT]. He makes more sense every day. I hope he does not run for Governor, I hope he stays here. But let me tell my colleagues something.

For those like my good friend from Florida, Mr. FOLEY, who sat in my office listening a few minutes ago, as my colleagues know, if they wonder, I suggest they put on a uniform every week and go and fly on those B–52 bombers that are in such bad condition that we do not know whether they are going to stay in the air from one day to the next. And my colleagues talk about young men and women serving in the military and giving the best money can buy. That is what we need to do right now is to come over here and vote for this B–2 piece of legislation.

Mr. HUNTER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], the majority whip.

Mr. DELAY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, we do have a very important choice to make tonight, and it is a choice between a policy that shortchanges the men and women that risk their lives in defense of our Nation or it is a policy that will provide those men and women with equipment and the tools that they need to ensure that our Nation remains the protector of democracy and freedom around the world.

Now we live in an age where when dictators are alive and well, they are busy stockpiling nuclear biological chemical weapons; and as leaders, we have to make sure that we send American soldiers into combat against these tyrants with the best possible chance of success.

And as Cap Weinberger noted, the Air Force has estimated that a B–2 with two crewmembers could conduct an attack normally involving 75 tactical aircraft and 147 crewmembers. The procurement and lifecycle costs of 75 tactical aircraft approaches $7.5 billion and the comparable costs for one B–2 is $1.1 billion.

Now clearly the B–2 provides us with the best opportunity to protect U.S. interests at the lowest costs with the best possible technology, and I just hope that my colleagues will make the

right choice tonight. A vote against keeping the B–2 line open and operational is a very shortsighted vote, and in this dangerous day and age we cannot afford to make such ill-considered and shortsighted choices. We need to make the right choice for our service men and women and for the future of this country.

So, Mr. Chairman, I urge a ''no'' vote on this amendment.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. SISISKY].

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Mr. SISISKY. Mr. Chairman, I do not have much time. I do not think I have to apologize to anybody for supporting weapons systems that protect our young men and women.

It is amazing what we are arguing about. Like we do not have any sophisticated weapons in our arsenal, that we do not have any plans to build any sophisticated weapons in our arsenal. I cannot believe what is going on. I have heard somebody say, and I do not know who it is, that we are going to pay for this by the reform package of $15 billion that we are going to save. My friends, that is why we are in trouble today. That is why we are in trouble today. We are already spending the money that we might save.

I want to tell my colleagues something. I thought that this weapons system saw its end. I am going to tell my colleagues what is at stake tonight. Either we stop it now, we stop it now, or we are not going to stop at 9, we are going to have 60 and we are going to be talking about $100 billion.

Vote ''aye.''

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the gentleman from Maine [Mr. ALLEN].

Mr. ALLEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, during the course of this debate there have been times when it seemed if the question was whether the B–2 was a valuable plane, whether stealth technology was a valuable technology. That is not the issue. Stealth technology proved itself during the gulf war. We have 21 B–2 bombers. We do not need more. We cannot afford anymore than we have right now. We have difficult choices to make here today and that is why we are here. Mr. Chairman, $27 billion we are looking at, not $331 million; $27 billion needed just for nine planes.

An earlier speaker said we need 20 B–2's for 1 major regional conflict and 10 for another. I submit that 20 is enough, it will do the job, it is a good technology, we do not need more, and what we need to do is make sure that we are investing in our training and equipment for our troops, that we are providing the other alternatives that will keep our forces strong, and that we are not robbing domestic programs to buy nine more B–2's.

Mr. HUNTER. Mr. Chairman, I yield myself the last 2 minutes of my time.

Mr. Chairman, let me just answer my friend that there are a number of experts who disagree that 20 B–2's is enough. Brent Scowcroft with the Scowcroft Study that the gentleman has a copy of is one of those leaders who believes that. General Chuck Horner who ran the air war in the Persian Gulf, who utilized stealth and utilized precision-guided munitions, is on the Hill visiting Members' offices because he believes very strongly in having enough B–2's.

Let us get straight what we are talking about because Members have gone over a lot of things. We are talking about maybe 2 months worth of Wal-Mart sales. We are talking about one thirty-fifth of the amount of money that we are spending on short-range aircraft.

Interestingly, we are moving to short-range aircraft as we lose our bases around the world. We are down to 14 bases. Nobody has an idea as to whether or not we are going to be guaranteed those bases in Japan, for example, in a second Korean conflict. Nobody knows exactly how we are going to detox the airfields because we do not have enough detoxification equipment.

This is going to be the first time in our modern history when we have had the ability to make our pilots survivable and we told them no, and ironically, we said we do not want a relic flying, so we are going to fly 80-year-old B–52's, older than the great-grandparents of the pilots who wear the uniform of the United States of America.

We have the money. We saved $15 billion in the reform bill. I know that the gentleman from California [Mr. DELLUMS] will be pleased with that, over 5 years. That more than pays for the entire B–2 program.

Finally, the National Guard, which was supposed to benefit by the money that would be cut out of the B–2, says that they have an excellent modification program because of what the committee and the Congress has given them. We have messages there from the National Guard for every Member if we want to look at that. There is no problem there. Let us give our pilots the very, very best because we care about them.

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

Mr. DELLUMS. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Pursuant to the rule, the gentleman, as the ranking minority member, is recognized for 5 minutes.

Mr. DELLUMS. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. OLVER].

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

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding. I rise in favor of the Dellums-Kasich-Foley amendment.

Mr. Chairman, restarting the B–2 bomber production line cannot be justified on any known grounds. The Joint Chiefs of Staff have testified that more B–2's are unnecessary.

Just last week, Defense Secretary William Cohen told us he opposes this astronomically expensive project. Further, the price tag for the B–2's in this bill is misleading.

The $331 million is just a small downpayment for nine additional bombers.

The Congressional Budget Office estimates that the cost of this project will explode to $27 billion in inflation adjusted dollars over 20 years—for each of those nine bombers, $1.5 billion for procurement and $1.5 billion for maintenance. We are told the CBO is a highly reliable unbiased body or is that only when CBO tells us what we want to hear?

For each additional B–2, we could fund prenatal care for 1½ million women or immunizations for nearly 10 million babies, or Head Start for 330,000 students or health care for ½ million children or summer jobs for more than a million teenagers.

If we cannot afford to give the proposed child tax credit to millions of poor working families who need help buying food, housing, and medical care, then how can we afford to waste $27 billion on B–2 bombers.

I urge my colleagues to save our limited resources for something of value—something we need.

Mr. DELLUMS. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, let me thank my friend from California, Mr. DELLUMS, for the marvelous job he has done on this bill not only this year, but in years in the past, and I hope tonight he is successful for all the efforts that he has made almost single-handedly at one time on this House floor to defeat the B–2, and we ought to acknowledge his efforts. I say to my friend, he has done a great job.

I come here as a strong supporter of domestic spending. We stood up this year and watched our housing cuts go by 25 percent. We have seen billions of dollars cut out of health care, WIC Program cuts, and fuel assistance cuts.

I am here to tell my colleagues that I believe that I would withstand all of those cuts and I would stand by the people that are in those programs who they themselves would give up those funds if they thought the national security of this country was at risk. If they thought we needed the B–2 bomber, they would vote for the B–2 bomber and they would be willing to spend the taxes to pay for it.

But this is not about the B–2 bomber, this is about a symbol. It is about a symbol of American might and freedom, it is about a symbol that is plain wrong. All we have to do is look at the Pentagon studies themselves to determine that the Pentagon is opposed to this. We ought to defeat the B–2 bomber and stand with the people of our country.

Mr. DELLUMS. Mr. Chairman, I rarely walk into the well; I generally speak from where the ranking member and the chair speak, but I choose to speak from the well because I want to speak to each and every one of my colleagues face-to-face.

First of all, for those of my colleagues who are the freshmen and the sophomore Members, that is half of this Congress, I would remind each and every one of them that they campaigned diligently on the integrity of balancing the budget. My colleagues were elected, Republican and Democrat, freshman and sophomore, on that basis.

This was not contemplated in the 5-year balanced budget agreement. This is not about B–2's. We have 21. All of this hyperbole, as if some way we are this Third World country technologically, is bizarre, extreme, absurd and ridiculous. We have 21 B–2 bombers. My colleagues leap quickly from the B–2 to the B–52, but they do not pause at the 95 B–1B bombers that you spent $20.5 billion building and billions of additional dollars giving them conventional capability.

Someone said the B–2 is the only long-range bomber. They know that is not true. The B–1 can fly as far as the B–2 flies. Both of them need tankers to refill them.

What is this about? It is not even about the $331 million that I transferred. I just made a transfer. It could have been transferred anyplace. The point I am making is that this is not about transfer. It is about trade-off. It is about $27 billion. We cannot go home saying we embrace a 5-year budget agreement that did not contemplate a $27 billion weapons system and push it into that budget and assume that we cannot push something out. We have to. We are going to have to push out other military priorities, and my colleagues know that is true. Integrity and truth demands that my colleagues answer yes to that.

For those of us who are not keenly interested in all of these issues, but are interested in domestic programs, with impoverished communities, at-risk children, undereducated people, underemployed, underhoused, inadequately fed, how can we say I voted for a $27 billion weapons system that no one wanted and 2 years down the road when the fire walls go down and they start raiding these budget programs, I hope someone gets up in the floor and points a finger and says how can we have that kind of hypocrisy.

We have to face it now. I am not coming back to the floor next year on this amendment, because this is it, folks. We have to stop it right now if we are going to stop it. I tell my colleagues, I bet every single thing that I have, and I am broke, that this will not come to just 30 planes. They will nickel and dime us to death and billion-dollar us to death. There will be 40 and 50 and 60, because once you start building these planes, the places where they get built, people do not want to stop them getting built. This is a $27 billion program.

Now, if we want to employ people, then let us go in the back room and dream up a $27 billion jobs program. I will show my colleagues how we can certainly put many more people to work than are presently working on these handful of B–2's. This is inappropriate, my colleagues, those of us who voted for a balanced budget, stand up with dignity and integrity and oppose this.

Mr. Chairman, no one wants it except the contractors and a handful of people. This is not about the balanced budget. That day is now over. There are no free rides. If we buy this, we are not going to buy something else, and it is either domestic or it is some of our other weapons systems. But the day of scratching each other's backs is over. I have lived long enough to see us being forced to the hard choices. Make me believe in this institution, make me believe in the integrity of the balanced budget. Oppose this B–2 and support this amendment.

Mr. SPENCE. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Pursuant to the rule, the gentleman from South Carolina, as chairman of the Committee on National Security, is recognized for 5 minutes.

Mr. SPENCE. Mr. Chairman, I yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding. Let me just say to all Members of the House, sure, after the Air Force Chief of Staff and the Joint Chiefs were told by the President that they would not support a B–2, they saluted and they came down and they sat before us and said, we do not have the B–2 in our budget. Then we asked the Air Force Chief of Staff, in the words that are over on the side of the room here, would B–2's be valuable in war, and he said, B–2's would be extremely valuable in the Hawk phase; that is, when we stop the enemy tanks from rolling. Then he hesitated and he said, and in all other phases. I asked him the question, would the B–2's save lives, and he said yes, they would save lives.

My friends, we are going through really what is kind of a microcosm of defense itself. We had the war to end all wars, I guess that is the post-cold-war world that my friend from California refers to in the early 1900's. We called it the war to end all wars, and we were unprepared for the Second World War, where we did not get the 2-week warning time that the study that he refers to says we should have. Then we threw away our weapons after World War II, went from a military of 9 million people to a group that could not hold a third-rate military as it pushed us down the Korean peninsula. And we were not able to stop those tanks. After the world war was over, we cut again.

We have cut and we have cut the defense budget on an annual basis by $140 billion, from $404 billion in 1985, real money, to about $268 billion today.

Within those confines of the $268 billion, with the reform package we put together, a real reform package, we have enough money, $15 billion over 5 years, to buy all of those B–2's. We are asking for basically Wal-Mart sales for 2 months so that our pilots do not have to fly under the Bill Clinton scenario, 80-year-old B–52's, older than their great-grandfathers. Vote ''no'' on this amendment.

Mr. SPENCE. Mr. Chairman, I yield to the distinguished gentleman from Georgia [Mr. GINGRICH], the Speaker of the House.

Mr. GINGRICH. Mr. Chairman, I thank my friend from South Carolina for yielding, and I thank my friend from California for the dignity and the way in which he has conducted this entire debate and the issue he is raising.

Mr. Chairman, I would like all of my colleagues to ask themselves a very basic question: Why do we buy weapons? In the end, as my friend said, it is not for pork, it is not for jobs; we have lots of ways to create jobs, and certainly the Congress, in its ingenuity over 200 years, has found many ways to do that.

Why do we buy weapons? We buy weapons to defend America. We buy weapons to prevent wars, when possible. We buy weapons to win wars, when necessary. We buy weapons to save American lives.

Now, in the 1920's and 1930's the Congress was antitechnology, antimilitary, consistently cheap, self-righteously certain; saw the world as one where there was no danger, and in 1941, 1942 at Pearl Harbor, Wake Island, Guam, the Philippines, Guadalcanal, we paid in blood, the blood of young Americans, because we were not ready.

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Then immediately after World War II, this Congress forgot every lesson. We stripped the military. We cut out procurement. We weakened the system. And in 1950, a bunch of young kids in a thing called Task Force Smith were put on the Korean peninsula in an emergency, and they were slaughtered. And we paid in blood.

But in 1990, with an appropriate military investment, with adequate military forces, we put the finest professional military in the world with the finest technology on the field. We won a decisive victory with 100,000 casualties on the enemy side and less than 200 Americans dying. And we won decisively.

Why would you build a B–2? Not for today, but for tomorrow. For a time not very many years from now when a B–1B is going to be in desperate trouble trying to penetrate a sophisticated ground-to-air system. By 2010, you are going to have to suppress that system with enormous firepower for a B–1B to be there. And the weapon you are going to use to suppress that system is either going to be a missile or a B–2.

What if we are not based in the region? Many of my friends who are going to vote yes on this amendment do not want us to be in the regions that they want a short-legged aircraft to defend in. What if we do not have time to

build up our force? We had from Labor Day until the spring of 1991, Labor Day of 1990 to the spring of 1991 to build up Desert Storm. But what if we have an opponent that studies our model and does not give us the time? What if we need to move decisively, quickly and win in a controlled manner? What if the President has the kind of threat that he says, I need something now, not in three months?

Here is the advantages of the B–2. It threatens a lot of current systems. The B–2 does not need a carrier battle group. It is less expensive per bomb delivered by any standard. The B–2 does not need an airfield close to the enemy. And it is less expensive than moving an airwing to the region by any standard. The B–2 does not need a huge complex air armada to surround it, to protect it, to suppress the ground-to-air missiles.

But finally, I would say to all of my friends, there is a good argument for voting yes for this amendment. There is a rational argument. I respect those who make it. If they are wrong and 10, 15, 20 years from now we do not have the weapons, we do not have the capability, we cannot project the power, either our allies could lose, we could lose, or the price of victory could be the blood of a lot of young Americans. If those of us who want to build a few extra aircraft are right, we will have saved those lives.

If we are wrong the truth is we will have wasted the money. Consistently in the history of this Congress, it is cheaper in the long run to build one more weapon and save American lives than it is to build too few weapons and run the risk. You decide which responsibility you want to answer. I would rather be wrong in favor of too good a defense with too good an airplane saving too many Americans, and I would rather vote in favor of giving our kids the best possible equipment.

Ms. FURSE. Mr. Chairman, I wish to insert into the RECORD an article that appeared in the May 27 edition of Defense Week. It details a new problem the $2.4 billion B–2 bomber is experiencing in actually being stealthy. Last October, Air Force officials ordered 6 days of repair time be performed for every flying day. In addition, 8 years of test data accumulated at Edwards Air Force Base indicates that it took at least 50 hours of maintenance for every flying hour.

Author Tony Capaccio serves the defense industry, as well as policymakers well in his investigative reporting work. This is a vital role we all count on members of the fourth estate to provide.

[From the Defense Week, May 27, 1997]

THE B–2'S STEALTHY SKINS NEED TENDER, LENGTHY CARE

(By Tony Capaccio)

Maintaining the $2.4 billion B–2 bomber's stealthy skins has proven so difficult that Air Force officials last October, directed six days of repair time be performed for every flying day, accordingly to test data made available to Defense Week.

The order was mandated to reduce a mounting backlog of low observable, or LO, repairs, at the 509th Bomb Wing, Whiteman AFB, Mo., the unit that earned worldwide publicity last month after its first six B–2s were declared ready for combat.

The extent of the B–2 maintenance problems went unpublicized. It could not be learned to what extent. if any, the LO maintenance problems have hampered the wing's current training operations.

''Maintenance is a concern due to both the time to repair LO discrepancies and the manpower required to effect LO repairs,'' The Pentagon's operational testing office said in a detailed May 13 statement.

The mounting backlog at Whiteman was in addition to eight years of test data accumulated at Edwards AFB, Calif., indicating that it took at least 50 hours of maintenance for every flying hour. The number seems high, but is within Air Force expectations at this stage of the program, said a Pentagon official.

About 19 of those hours were consumed making repairs to the aircraft's sensitive skin necessary to meet its military stealth, or LO low observable, requirements—the largest repair category, according to Air Force figures.

The data did not, however, indicate if the LO repair hours met or exceeded expectations. But the figure has been improved, according to a Pentagon official. He was not, however, aware of the current time to repair figure.

The data, which is the most current available, was based on 2,601 flight hours accumulated at Edwards when the first B–2 was delivered for development testing in July 1989 through May 1996.

THE PRICE OF STEALTH

The data indicates not a serious, unexpected design problem but more intense than expected efforts to maintain the $2.4 billion bomber's most relevant feature. To date, the most widely known fact about B–2 maintenance was that it is performed in special hangars.

[The price tag quoted here is the 20-year program life cycle cost. It includes everything from early development through two decades of operations, maintenance, support and eventual disposal.]

The U.S. will buy 21 bombers for about $44 billion. Thirteen should be delivered by year's end. The Quadrennial Defense Review last week reaffirmed the Pentagon's position that it cannot afford more than 21.

Aside from the LO repair problems, the aircraft has demonstrated good to exceptional reliability with electronics, its landing gear and door, the data shows.

The B–2 needs a baby-smooth skin to maintain its stringent, bumble-bee sized radar profile. A major driver of B–2 LO maintenance is the curve time for materials, including sealants used to fill gaps between panels, adhesives and tapes to cover joints.

Cure times for some materials exceed 72 hours. If successive layers of material are applied, cure times can take several hundred hours, according to test data.

SOLUTIONS IN THE WORKS

Both the Air Force and Northrop Grumman Corp. are crafting solutions, such as a faster curing time for radar absorbing tapes and chalking. And Northrop recently delivered to Whiteman a maintenance management system called a Low Observable Combat Readiness computer program for evaluating radar cross section degradation.

''The MC rate at Whiteman has improved as a result'' of introducing the computer program, said the Pentagon test office. ''In spite of the MC improvement resulting from [the computer program], the backlog of LO discrepancies at Whiteman is increasing.''

Asked to outline the backlog's extent and its operational significance, citing classification issues, the Air Combat Command declined May 16 to specify.

''However, let us say that as with any emerging weapon system, ACC is gaining experience as we field the Air Force's newest technology bomber,'' it said in a statement to Defense Week.

''We feel the B–2, which is on the leading edge of low observable technology, has not presented maintenance challenges beyond those associated with fielding any new system. The knowledge we've gained from fielding the B–2 has adjusted our maintenance approach accordingly and will continue to do so,'' said the ACC.

The Air Force wrote Sen. Dale Bumpers (D-Ark.) in March when he asked about maintenance problems that ''although low observable systems maintenance has affected mission capable rates, recent trends show an overall increase. The latest mission capable rate as of January is much greater than 20 percent.''

It also told Bumpers the 509th BW was flying low altitude B–2 missions but failed to note that six days of repairs were being executed for every flying day.

The planes' high-tech terrain following radar allows it to go that low. Given that capability and 6,000-mile unrefueled range, a B–2 can strike heavily defended Libyan, Iraqi and North Korean targets.

But the low flight profile also is exacerbating the LO maintenance woes, the testers said. ''Flight experience has shown that the durability of the LO is also related to the environment the B–2 is flown in,'' said the testers. ''Low level flight places the most demand on the LO materials.''

According to data compiled by Pentagon testers, during one snapshot, between December 1995 and February 1996, Whiteman B–2 mission capable rates was at a low 37 percent. If LO system readiness was not included, the readiness rates were a more acceptable 73 percent, the data showed. Acceptable B–52 and B–1B mission capable rates are over 80 percent.

MAINTENANCE AND READINESS

ACC claims notwithstanding, the test figures and detailed statement from the Pentagon's operational test office indicate that the upkeep of the B–2's primary selling point—its stealth—is proving difficult and has affected readiness.

''LO maintenance problems are the primary factors affecting B–2 readiness. The materials used are sensitive to the methods of application and to the temperature and humidity when applying them,'' said the May 13 Pentagon statement prepared in response to Defense Week questions.

''The high LO system failure rate indicates that material durability could be improved''. Concern has also recently arisen over the quality of the LO repairs that can be accomplished in the operational environment,'' the test office wrote.

''The large number of B–2 LO system unscheduled maintenance events, combined with LO maintenance difficulties, significantly reduce aircraft availability,'' the testers said.

Seven second-generation bombers are at Whiteman AFB. They can fly down to 600 feet above ground, pop up and drop a family of 500- to 2,000-pound satellite-guided bombs. Those bombs can fall within 20 feet of their intended aimpoints.

Concerning the October 1996 policy change directing six days of repair for one flying day, the statement noted ''as a result of LO maintenance difficulties and backlog, the 509th BW in the fall of 1996 had limited the sortie rates on its aircraft to permit more time for repairs.

''This reversed a previous policy aimed at maintaining high [pilot training] sortie rates

at the expense of deferring LO repairs,'' said the statement.

''To alleviate manpower problems, the Air Force has brought 18 Northrop Grumman workers to Whiteman to augment the Air Force LO maintenance personnel.'' the statement said.

Mr. DICKS. Mr. Chairman, I rise in opposition to the Dellums amendment to eliminate further production of the B–2 bomber. I believe this is the most important defense procurement vote of the decade.

The B–2 with smart conventional weapons gives us the potential for a conventional deterrent. The B–2 when fully equipped with smart conventional weapons will be able to devastate a country and an advancing army at the same time.

This bomber will give us a war-stopping capability. The war-stopping or preventing capability will save American lives. The B–2 can give us a huge technological advantage over potential enemies.

Twenty-one B–2 bombers is not enough. We need to keep the production line open to build nine additional B–2's. Every independent study indicates that additional B–2's are needed.

The Dellums amendment stops the production line, which is in California. We would need to spend billions to re-open this line once it is closed.

Gen. Brent Scowcroft, National Security Adviser to Presidents Ford and Bush, has written a devastating report on the lack of a bomber policy on the part of this administration. Let me quote from General Scowcroft's report:

The B–2's ability to strike independently within hours anywhere on the globe from bases in the United States leaves it uniquely well-suited among all U.S. force elements for dealing with unexpected challenges. The need for such a capability is basic to the national 2 Military Regional Conflict [MRC] strategy.

The only realistic option for maintaining the viability of the long range, stealthy, precision strike force over the long term is to continue production of the B–2. The B–2 is therefore a critical national asset, which is uniquely capable of performing these vital missions.

Under the U.S. Constitution, the Congress has the ultimate responsibility to fund and govern the military. Under article I, section 8, the Congress shall have power ''To raise and support Armies * * * To provide and maintain a Navy; To make Rules for the Government and Regulation of the land and naval Forces.''

In closing, I again want to quote from General Scowcroft's report:

Additional B–2s are fully affordable within planned budgets. The Pentagon plans to increase procurement spending approximately 50 percent by 2001. Those funds should be allocated to and spent on the most cost-effective systems, such as additional B–2's. The situation is similar to that of the F–117 in the 1980's. The Air Force insisted that a single squadron of these revolutionary aircraft was all that was needed; Congress directed a doubling of the buy, an action that saved many American and allied lives in the gulf war. Today, once again, only Congress can set in motion the steps needed to maintain production of the B–2.

Help us today and defeat the Dellums amendment.

Mr. GILMAN. Mr. Chairman, I rise today in opposition to the amendment brought to the floor by the honorable gentlemen from California, Ohio, and Florida. This amendment would eliminate $331.2 million from the B–2 Stealth Bomber Program and additionally would prohibit other funds from being used for advanced procurement or production line expenses for more aircraft beyond the 21 aircraft previously authorized.

The cost of this program as outlined in the National Defense Authorization Act for fiscal year 1998 would authorize $505.3 million to reestablish elements of the B–2 production line that have been shut down, for advance procurement, and for various support, training, and management costs. I believe that the cost of reestablishing these programs is justified in light of the military advantages the aircraft provides to our men and women in the Armed Forces.

The B–2 is the only heavy bomber currently in production or development. In fact, the Pentagon has no other plans for modernizing or supplementing our existing and aged bomber fleet of B–52's and B–1's. With the youngest B–52 bomber being 33 years old, many U.S. pilots are flying aircraft that are older than they are. Due to the time and extreme costs associated with designing another bomber, it is important that we retain our capability to produce bombers should events require them.

In addition, the stealth capabilities of the B–2 are unmatched, allowing this two person plane to operate without fighter or enemy air-defense suppression escorts, thereby limiting the total number of airmen placed in harm's way. The B–2 can also strike multiple targets from heights out of range of anti-aircraft weapons with precision and accuracy. This combination of features will also minimize the risks both to noncombatants and to American bomber crews in the air.

Finally, some argue that in the post-cold war era, we no longer need aircraft of this kind. However, the U.S. cannot afford to let its guard down. The world is still a dangerous place, as Saddam Hussein proved a few years ago and as North Korea, in its quest for nuclear weapons, reminds us today. By introducing additional B–2s now, we are preparing ourselves for the next threat that we unfortunately are likely to face. Accordingly, I strongly urge my colleagues to rise in opposition to the Dellums, Kasich, and Foley amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DELLUMS].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 216, not voting 10, as follows:

[Roll No. 228]

AYES—209

Abercrombie	Berry	Capps
Allen	Blagojevich	Cardin
Andrews	Blumenauer	Carson
Archer	Boehlert	Castle
Baesler	Bonior	Chabot
Baldacci	Boswell	Christensen
Ballenger	Boucher	Clay
Barrett (WI)	Boyd	Clayton
Barton	Brown (CA)	Clement
Bass	Brown (OH)	Coble
Becerra	Burr	Coburn
Bereuter	Camp	Combest
Condit	Kind (WI)	Portman
Conyers	Kleczka	Poshard
Costello	Klink	Price (NC)
Coyne	Klug	Pryce (OH)
Cummings	Kolbe	Quinn
Danner	Kucinich	Rahall
Davis (FL)	LaFalce	Ramstad
Davis (IL)	Lampson	Rangel
DeFazio	Lantos	Regula
DeGette	Largent	Rivers
Delahunt	Latham	Roemer
DeLauro	LaTourette	Ros-Lehtinen
Dellums	Lazio	Rothman
Deutsch	Leach	Roukema
Dingell	Levin	Roybal-Allard
Doggett	Lewis (GA)	Rush
Doyle	LoBiondo	Sabo
Duncan	Lofgren	Sanders
Edwards	Lowey	Sanford
Ehlers	Luther	Sawyer
Engel	Markey	Scott
Eshoo	Mascara	Sensenbrenner
Evans	McCarthy (MO)	Serrano
Farr	McCarthy (NY)	Shays
Fattah	McDermott	Shuster
Flake	McGovern	Sisisky
Foglietta	McHale	Skaggs
Foley	McKinney	Slaughter
Ford	McNulty	Smith (MI)
Frank (MA)	Meehan	Smith, Adam
Franks (NJ)	Menendez	Smith, Linda
Furse	Miller (CA)	Snyder
Ganske	Miller (FL)	Spratt
Gejdenson	Minge	Stabenow
Gephardt	Mink	Stark
Goode	Moakley	Stenholm
Goodlatte	Molinari	Stokes
Goodling	Moran (VA)	Strickland
Greenwood	Morella	Stupak
Gutierrez	Nadler	Sununu
Gutknecht	Neal	Tanner
Hall (OH)	Ney	Tauscher
Hamilton	Nussle	Tierney
Hastings (FL)	Oberstar	Towns
Hilliard	Obey	Upton
Hoekstra	Olver	Velazquez
Hooley	Owens	Vento
Houghton	Pallone	Wamp
Jackson (IL)	Pascrell	Watt (NC)
Johnson (WI)	Pastor	Waxman
Kanjorski	Paul	Weldon (PA)
Kaptur	Payne	Wexler
Kasich	Pelosi	Weygand
Kennedy (MA)	Peterson (MN)	White
Kennedy (RI)	Petri	Wise
Kennelly	Pickett	Woolsey
Kildee	Pomeroy	Wynn
Kilpatrick	Porter	

NOES—216

Ackerman	Crapo	Granger
Aderholt	Cubin	Green
Armey	Cunningham	Hall (TX)
Bachus	Davis (VA)	Hansen
Baker	Deal	Harman
Barcia	DeLay	Hastert
Barr	Diaz-Balart	Hastings (WA)
Barrett (NE)	Dickey	Hayworth
Bartlett	Dicks	Hefley
Bateman	Dixon	Hefner
Bentsen	Dooley	Herger
Berman	Doolittle	Hill
Bilbray	Dreier	Hilleary
Bilirakis	Dunn	Hinchey
Bishop	Ehrlich	Hinojosa
Bliley	Emerson	Hobson
Boehner	English	Holden
Bonilla	Ensign	Horn
Bono	Etheridge	Hostettler
Borski	Everett	Hoyer
Brady	Ewing	Hulshof
Brown (FL)	Fawell	Hunter
Bryant	Fazio	Hutchinson
Bunning	Filner	Hyde
Burton	Forbes	Inglis
Buyer	Fowler	Istook
Callahan	Fox	Jackson-Lee (TX)
Calvert	Frelinghuysen	Jefferson
Campbell	Frost	Jenkins
Canady	Gallegly	John
Cannon	Gekas	Johnson (CT)
Chambliss	Gibbons	Johnson, E. B.
Chenoweth	Gilchrest	Johnson, Sam
Clyburn	Gillmor	Jones
Collins	Gilman	Kelly
Cook	Gingrich	Kim
Cooksey	Gonzalez	King (NY)
Cramer	Goss	Kingston
Crane	Graham	

Knollenberg	Packard	Smith (OR)
LaHood	Pappas	Smith (TX)
Lewis (CA)	Parker	Snowbarger
Lewis (KY)	Pease	Solomon
Linder	Peterson (PA)	Souder
Livingston	Pickering	Spence
Lucas	Pitts	Stearns
Maloney (CT)	Pombo	Stump
Manton	Radanovich	Talent
Manzullo	Redmond	Tauzin
Martinez	Reyes	Taylor (MS)
Matsui	Riggs	Taylor (NC)
McCollum	Riley	Thomas
McCrery	Rodriguez	Thompson
McDade	Rogan	Thornberry
McHugh	Rogers	Thune
McInnis	Rohrabacher	Thurman
McIntyre	Royce	Tiahrt
McKeon	Ryun	Torres
Meek	Salmon	Traficant
Metcalf	Sanchez	Turner
Mica	Sandlin	Visclosky
Millender-McDonald	Saxton	Walsh
	Scarborough	Waters
Mollohan	Schaefer, Dan	Watkins
Moran (KS)	Schaffer, Bob	Watts (OK)
Murtha	Sessions	Weldon (FL)
Myrick	Shadegg	Weller
Nethercutt	Shaw	Whitfield
Neumann	Sherman	Wicker
Northup	Shimkus	Wolf
Norwood	Skeen	Young (AK)
Ortiz	Skelton	Young (FL)
Oxley	Smith (NJ)	

NOT VOTING—10

Blunt	Maloney (NY)	Schumer
Cox	McIntosh	Yates
Gordon	Paxon	
Lipinski	Schiff	

□ 2037

Mr. ORTIZ and Mr. CALLAHAN changed their vote from ''aye'' to ''no.''

Mr. ARCHER and Mr. COBLE changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. COX of California. Mr. Chairman, I was necessarily absent for this vote for medical reasons.

The CHAIRMAN. Pursuant to section 5 of House Resolution 169, it is now in order to consider the amendment by the gentleman from Alabama [Mr. EVERETT] printed in section 8(c) of House Resolution 169.

AMENDMENT OFFERED BY MR. EVERETT

Mr. EVERETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment printed in section 8(c) of House Resolution 169 offered by Mr. EVERETT:

Strike out sections 332 through 335 (page 68, line 10 through page 77, line 21).

The CHAIRMAN. Pursuant to the rule, the gentleman from Alabama [Mr. EVERETT] and a Member opposed, the gentleman from South Carolina [Mr. SPENCE] each will control 30 minutes.

MODIFICATION TO AMENDMENT OFFERED BY MR. EVERETT

Mr. EVERETT. Mr. Chairman, I ask unanimous consent that the amendment be modified to correct the drafting error. The modification is at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. EVERETT:

The amendment as modified is as follows:

Strike out sections 333 through 335 (page 69, line 3 through page 77, line 21).

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. EVERETT. Mr. Chairman, I ask unanimous consent that 15 minutes of my time be controlled by the gentleman from Minnesota [Mr. SABO].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. EVERETT. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, my amendment, cosponsored by the gentleman from California [Mr. FAZIO], the gentleman from Wisconsin [Mr. KLUG], and the gentleman from Minnesota [Mr. SABO], relates to DOD's depot maintenance policy. This amendment simply strikes the depot maintenance provisions that were added to the bill by the depot caucus members in subcommittee.

□ 2045

Mr. Chairman, the result of the amendment will leave intact the current 60/40 policy that splits repair work between the public and private sectors.

Let me say in the beginning that those of us who opposed the language as reported out by the subcommittee come from differing viewpoints. My objection is to what I see as the vastly expansive new definition of ''core logistics capability'' and the redefining of ''workload,'' to name but a few.

The Depot Caucus says that their provisions simply block the President's disregard of the 1995 Base Closure Act at Kelly and McClellan Air Force Bases. I am in agreement with the caucus that the President violated at least the intent of BRAC 1995. However, the provisions go much further than Kelly and McClellan.

The bill redefines ''depot level maintenance'' to include ''interim contractor support'' and ''contractor logistics support'' and software maintenance which has principally been performed by contractors. The bill further defines ''core logistics activities'' to include all new weapons systems within 4 years of reaching their initial operating capability.

These provisions clearly go beyond the scope of Kelly and McClellan, and are not based on military requirements set out by the war fighter. These provisions will force DOD to place more repair and maintenance work in the public depot system without regard for military necessity or cost to the government. In other words, by forcing DOD to place more repair work in the public depots without regard to military requirements, DOD will be forced to take deeper cuts in personnel and training and in modernization of our weapons systems.

I support the need for an in-house public depot system to support the core repair and maintenance needs established by the military. However, if this work is not core and can be performed by the private sector, we should at least give the military leadership the ability to compete the work for best value and best price. The current provisions of this bill work against that philosophy.

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

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

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

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Alabama [Mr. EVERETT].

The supporters of this amendment will argue that by striking the provisions in the bill relating to depot policy, the amendment would merely ensure the continuation of current law under which the Nation's depot system would continue to be managed within the framework of the so-called 60/40 policy. The problem, however, which continues to preclude a meaningful discussion about the role and future of our public depots, remains the administration's politicization of the base closing process of 2 years ago.

Thus, the fundamental issue before the House is not the appropriate ratio of public to private workloads. Instead, the issue is the determined effort of the administration to politicize the base closure process for its own political benefit. If the President had not injected himself very directly into the BRAC process, it is unlikely the House would even be debating this amendment today.

The 1995 Base Closure Commission considered the question of the Air Force public depot system and came to a determination that 2 of the 5 Air Force depots should close. Those 2 depots were located at Kelly Air Force Base in Texas and McClellan Air Force Base in California. The Commission's recommendations were very clear: close the depots and consolidate their workloads at other public depots or at private sector commercial activities as determined by the Defense Depot Maintenance Council.

Contrary to the President's assertions during his campaign for a second term, the Commission did not recommend privatization-in-place and it certainly did not attempt to guarantee the jobs of thousands of workers at these 2 depots, depots located in 2 States with substantial numbers of electoral votes. Privatization-in-place was not an unknown concept to the Commission. In fact, the Commission recommended it in a limited number of instances, but those instances did not include Air Force depots.

The President's transparent attempt to circumvent the intent of the 1995 BRAC process for political reasons has caused grave harm to what had been essentially a nonpolitical process. By his actions, the President has undermined support in Congress for future

base closures and caused the committee to overwhelmingly recommend the provisions which the Everett amendment proposes to strike.

Congress has resisted all attempts over the years to overturn legislatively the results of the BRAC process. The President had a similar obligation to carry out faithfully the decisions of the BRAC Commission which are now the law. Depot workloads at these two facilities may be competed in the private marketplace, but the President cannot, I repeat, cannot rig the competition to ensure electoral political advantage.

I urge my colleagues to support the committee and oppose the Everett amendment.

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

Mr. SABO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I rise in support of the amendment. I am not one who automatically supports privatization. In some cases it does not make sense. In other cases it does. If it involves trying to switch jobs from people who have benefits to people who do not have benefits, I have deep concern.

However, here we are talking about competition between the private and public sector, where both have highly skilled, well paid employees with decent benefits, health and pension benefits. As we try to squeeze ever-increasing demands into restricted dollars, this is a case where competition between private and public sector clearly makes sense. I hope my colleagues vote ''yes'' on the Everett amendment.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. I thank the gentleman for yielding me this time.

Mr. Chairman, this language which is in the bill and which the amendment would remove was placed in the bill in the Subcommittee on Military Readiness of which I am the chairman. I cannot tell my colleagues that this is the provision that I would have written had I been given the grace to have articulated the best, wisest policy with reference to depot maintenance. This provision in the bill is not, in my view, the wisest and the best. It does reflect the will of the subcommittee by an overwhelming vote. It also reflects changes from the original proposal of the Depot Caucus which they made, at my request, in order to improve what is in the bill. Looking at this very difficult issue in balance, I would ask the committee to support the bill as it comes to the floor and to reject the amendment that has been offered.

This issue is one of the most contentious issues which will be dealt with in the conference that is coming between this body and the other body. Certainly I hope and believe that this will be improved upon as we go through that process. I can assure my colleagues that I will be working to do that but in a way which protects the legitimate concerns of those who represent areas which have government-owned and operated maintenance depots. I do not represent such a depot, but I can tell my colleagues that it is my very firm belief that the national security interests of this country require a robust capability in the government-owned and operated depots, and that ability to serve our national security must be safeguarded. It must be met. For those reasons, I would urge a ''no'' vote on the amendment.

Mr. EVERETT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BONILLA].

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

Mr. BONILLA. Mr. Chairman, everyone in this Chamber should understand that this has absolutely nothing to do with the base closing process. In Texas, we are willing to take our medicine. We felt that our depot should stay open at Kelly Air Force Base, but we were chosen to be closed and we must now face the music and deal with reality.

But what is wrong, and I appeal to the people in this body who have any sense of fiscal conservatism, or any sense of competition and supporting private sector involvement in government contracts, what is wrong with having us set up shop at the former base, to invite private contractors to come in and bid for business? What is wrong with that? And if the depots that are surviving this process do indeed come forward with a lower bid, then they win. What is more American than having competition out there to bid for business in this country? That is what we are talking about.

I can appreciate the parochial interest of the States that have the remaining depots. They want it all. And they want the law to say they will get it all without any competition. But I say to any Member in this body who believes in fiscal conservatism, fiscal responsibility, free enterprise or competition, they must see our plan on this and support what we are trying to do.

If Members stand with those who want to save money for the Air Force, with those who believe in free enterprise, with those who believe in competition, with those who stand with the United States Air Force at trying to control costs, they will support, as I will, the Everett amendment. I thank the gentleman from Alabama for offering this amendment, and we certainly hope it succeeds.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. HANSEN].

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

Mr. HANSEN. Mr. Chairman, I hope my colleagues here will realize that what we are looking at is the integrity of BRAC that was passed by the gentleman from Texas [Mr. ARMEY], now our majority leader. The law is very clear of what we can and cannot do. The President of the United States had 15 days, an up or down. There was no privatization in place. The idea that Members can find themselves in a position to say that we are saving money here is amazing to me. I cannot imagine anyone saying that.

Here is something called the GAO report. The Air Force by their own admission says the amendment by the gentleman from Alabama would cost $689 million a year. It is impossible to accept that.

Mr. Chairman, let me point out, the issue before us today comes down to this: Can the President hide his politically motivated job program behind the shield of privatization and trick enough of us to look the other way? Each side is going to have their share of letters and quotes to support their argument. I would ask my colleagues all to stay focused on the central question: Does it make sense for the Air Force to continue to operate 5 depots at under 50 percent capacity when the closure and consolidation of the 2 least efficient will save over $689 million per year?

I would hope that each and every one of us would give some real thought to what this really does and does not do. I wrote this language. I think I can speak with authority on this thing. It does not prevent anyone from bidding on non-core work.

Do you want to bid on all the core work? What do we tell the big companies of the world when we have another Persian Gulf? Get into a C–141 and go over there? Hey, if you want to privatize everything, there are a whole bunch of Soviet pilots that do not have jobs anymore. Let us see if we can get them to fly our F–22s for us. We have got to get down to the point where we draw the line between core and noncore and talk about privatization. Everyone can bid on it. All we are doing is distinguishing between the two issues. I would hope my colleagues would vote ''no'' on the Everett amendment and save the taxpayers a whole bunch of money.

☐ 2100

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman for this time.

The Secretary of Defense has made it very clear that the modernization and the readiness of our Armed Forces will be paid for by base restructuring. So the realignment process must be conducted in a way that will save the most money, and the best way to do this is through the public-private competition that is currently under way.

History has shown that competition saves money. The ongoing public-private competition will guarantee the best defense for the dollar.

And so, Mr. Chairman, I urge my colleagues to support the military, support the taxpayer and support the Everett-Sabo amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Texas [Mr. ORTIZ].

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

Mr. ORTIZ. Mr. Chairman, let me say that I have a lot of respect for the Members who happen to be on the other side of this issue, but I would just like to tell my colleagues something on these two charts that I have. Do my colleagues see these 2 charts here? It has got the names of all the bases that were shut down by the BRAC Commission during the past 4 years.

And my question is this: ''Did some of your bases that you had, did they get a second chance to keep those jobs open?'' I am not against contracting out when it makes sense. But what we are seeing here debated does not make sense.

As my colleagues know, what about the workers at these facilities? Did they get a second chance? No, they did not. Will this amendment save money? No, this amendment will not save any money.

Now let us look and see as to how much money this amendment will cost the taxpayers. The Air Force estimates that the Everett amendment will cost the taxpayers $689 million annually. The GAO estimates that it will cost $468 million. In Ohio, at a base where privatization in place is occurring, the Air Force estimated that it will cost $40 million more annually, same work, same place, same equipment.

We cannot afford the Everett amendment.

What about the workers of both bases? Kelly? What about Sacramento? I have letters to show my colleagues that they do not support this amendment. These are workers who at one time or another served our country in the front lines. They know the kind of equipment that is needed. They know that they need well-maintained equipment. What better than to have these veterans to work on this maintenance that is required?

Vote against the Everett amendment. It will be a great vote.

Mr. EVERETT. Mr. Chairman I yield 1½ minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank my colleague for yielding this time to me.

Mr. Chairman, this amendment is about competition. It is about saving American taxpayers billions of dollars. Language currently contained in the defense authorization bill is anti-competition. It would prohibit any military facility that was closed by BRAC in 1995 from entering into any private contract for depot level work. This wastes taxpayers' money.

Fiscal responsibility requires that we allow the competitive process to determine the most effective and efficient depot while maintaining the highest level of national security. Should the American taxpayer pay for maintenance work at one depot when the work can be done at another for 20 to 30 percent less?

Mr. Chairman, competition saves money. In the next 5 years the Air Force alone will need almost $97 billion to modernize its equipment and force structure. Where is that money going to come from? This amendment savings will help pay for future military modernization.

Mr. Chairman, I urge my colleagues to vote for competition and savings. Vote yes on this much needed amendment.

Mr. SPENCE. Mr. Chairman I yield 2 minutes to the gentlewoman from Jacksonville Florida [Mrs. FOWLER].

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

Mrs. FOWLER. Mr. Chairman, I rise to strongly oppose the Everett-Fazio amendment.

The 1995 Base Closure Commission voted to close the depots at Sacramento and San Antonio. As their report noted, the commission found that the significant excess capacity and infrastructure in the Air Force depot system requires closure of both Sacramento and San Antonio. But President Clinton, concerned about the impact of these closures on his 1996 campaign, instead sought privatization in place at these 2 bases. By his actions he undercut the integrity of the BRAC process to achieve political gain.

Was privatization in place a valid option for these bases? The BRAC report specifically did not authorize this approach for San Antonio or Sacramento despite doing so for two other bases. No commission vote was held, and when the GAO looked at this issue, it concluded that privatizing these operations would cost the Air Force $468 million a year more than transferring this work to other depots or privatizing it elsewhere. Subsequently, the Air Force's own Materiel Command projected that the cost of privatizing these facilities in place would actually be $689 million a year.

Now, Mr. Chairman, the language adopted by the Committee on National Security would require the President to abide by the BRAC. I do not support Secretary Cohen's call for additional BRAC rounds, but if we are going to have them, we must first restore integrity to the BRAC process.

The proponents of this amendment are asking us to flush $689 million a year of hard earned taxpayer money down the drain rather than spending it to modernize our forces or to provide better family housing for our military dependents. Oppose the Everett-Fazio amendment.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. SANCHEZ].

Ms. SANCHEZ. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, as many of my colleagues will tell us, it is rare that I rise to talk in this House, but I felt a need to do that today to express my strong support for the Fazio-Everett amendment.

This amendment simply strikes the unprecedented and reaching Hansen language that was adopted during the markup of the defense authorization bill. I join with the distinguished ranking member of the full committee, as well as Secretary of Defense William Cohen, in supporting this amendment.

If we approve the current language in the defense bill, it would allow a government monopoly on depot maintenance work. It would also require the government to make overwhelming new capital investments in government facilities which would simply duplicate what exists in the private sector today.

Now, I am on the Committee on National Security, and I have been looking and listening to the testimony. I have looked at the discussions that have gone on before. I end by saying that I urge my colleagues to join me in voting in favor of this amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Chairman, I am the ranking member of the Subcommittee on Military Readiness, and I work with the gentleman from Virginia [Mr. BATEMAN] and those that represent depots for 3 years. We have tried to maintain a balance between public and private depots and at the same time to protect our national security industrial base.

I am from Hampton Roads, Virginia, the largest naval base in the whole world. I have the largest public yard in the country, I have the largest private shipyard in the country, so I think I understand the public-private competition.

And the word is competition. In 1993, 4500 Americans were told at the Naval Air at Norfolk that they were out of a job, the BRAC commission, we could not save them. We tried valiantly to save them.

Now I am a little sensitive about that because of what happened in the BRAC committee. Why did we privatize? A million and a half square feet right in the middle of the Norfolk Naval Base, which by the way is still empty and we did not privatize. But let me tell my colleagues what we did privatize. Very interesting enough, last year the 2 depots that they do, and by the way it does not take a rocket scientist to understand instead of 2 overheads you got 4 overheads, but they privatize Louisville. In Louisville, privatization in place took place at the Naval Surface Waterfront Depot in Louisville, where they work on five-inch guns.

Now BRAC said the exact same thing about Louisville and guess what? They offered a contract with no competition, no cost data, and I hate to tell my colleagues what they are losing now. I had to stop them almost, threatened to go to court to do it, but they stopped it. In two-three weeks they got some cost data that they brought back.

This is about competition. I implore my colleagues to vote against this

amendment and keep the BRAC commission from politicization as it is.

Mr. EVERETT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DOOLITTLE].

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

Mr. DOOLITTLE. Mr. Chairman, I listened. I have friends on both sides of this debate, and I happen to be on one of the sides, but it is almost as if we were debating two completely different sets or had two different sets of facts because the representations are so dramatically opposite.

I would just observe, if my colleagues think about it, when has not privatization resulted, or competition, in a lowering of costs? I mean, we know that has been the case in the electricity industry. We know it has been the case in a number of other industries, transportation. We have seen it dramatically displayed, and countries all across this world are racing toward competition and privatization.

But I am reminded when I hear the opponents oppose this amendment, all this amendment does is strike out some bad language that was inserted in the underlying bill. We know that privatization and competition result in a lowering of costs. Indeed, the Pentagon's own Defense Science Board has estimated that public-private competition will produce taxpayer savings of 20 to 30 percent regardless of whether public depots or private industry win the competition.

McClellan and Kelly have already been slated for closure. The vote has been taken, they are in the process of closing. So they will not be Federal depots, but they are vast reservoirs of technology and of technological expertise in the employees that work there. Contractors can come in; we can have competition, and the Pentagon's own Defense Science Board says we will cut costs 20 to 30 percent. Why is that important? It is important obviously for the Federal Treasury, but specifically for defense it is important because the defense sector of the Federal budget is shrinking and has been for some time.

So we will have to do more with less. How do we do that? Competition. Privatization. That is what the Everett amendment represents.

I would just like to point out the Governor of our State which represents areas with closed depots like Sacramento and areas with healthy vibrant depots like San Diego and Twenty-nine Palms. He has just sent out in a letter dated June 19 his support for this amendment. He is the Governor of the whole State. Populationwise, it is probably greater than the existing depot areas and in the Sacramento area, but the fact of the matter he points out that this is important. He also observes, ''The existing bill may also involve hundreds of millions of dollars in hidden costs to the taxpayers because the 3 installations targeted for growth would have to undergo military construction upgrades to meet the 80 percent goal that is in this legislation.''

□ 2115

So, Mr. Chairman, this is a very important amendment. It is an amendment that will lower our costs, that will be for the benefit of the military and the benefit of the taxpayers, and I urge people to approve it.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Chairman, on Thursday of last week, the White House threatened to veto H.R. 1119, the defense authorization bill, if it included language that will force the President to obey the Base Realignment and Closure Commission, the BRAC law. This law mandates the closure of Kelly Air Force Base in Texas and McClellan Air Force Base in California, mandates the closure of those two facilities.

Now, according to the GAO, their reports say that the continued operation of these two bases will cost us around $468 million. Now, the Air Force's very own internal report said that the continued operation of these two bases will cost us about $689 million.

At the same time, the President maintains that the defense budget and the number of soldiers must be reduced in size beyond the hollow force that he is currently creating, but President Clinton offers no explanation, none, for this obvious contradiction, and he denies that he is in violation of the law.

The President is wrong on both counts. Congress must vote to preserve the fairness and nonpartisanship inherent in the BRAC process that the President would destroy. The only way to preserve the fairness of the BRAC process is to vote against the Everett-Fazio amendment to H.R. 1119.

I ask my colleagues to vote for fairness in the base closing process, vote to preserve our national security, and vote no on the Everett-Fazio amendment.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Chairman, the question before us is quite simple. It is whether we will allow the Department of Defense to implement a base closure recommendation in the manner it deems most effective. Opponents of the Everett amendment claim it will undermine the BRAC process, but the recommendations of the Commission regarding both McClellan and Kelly Air Force Bases is absolutely clear.

In calling for the closure of these facilities, the Commission directed the DOD to either consolidate the workloads of other DOD depots or to allow private sector commercial activities. It is very clear what the language says.

Let no one in this Chamber be misled. As the gentleman from California [Mr. DOOLITTLE] said, McClellan and Kelly Air Force Bases will be closed as of July 2001, and they will no longer be Air Force facilities. Nothing in the Everett amendment will change that.

What this amendment will do, however, is to strike a provision in the underlying bill that disallows the conducting of competition for some of the work now at Kelly and McClellan Air Force Bases.

Let me just respond, if I may, to the GAO study that has been talked about time and time again by the opposition. In fact, the last speaker from Oklahoma talked about the $468 million that will be lost if, in fact, these bases do not close. These bases will close. The issue is whether or not to allow competition.

This will save money. The GAO study is totally irrelevant to this discussion, because these bases will close. In fact, it will cost more if we disallow private competition in this situation, because these employees, the mission, will have to be moved to these other bases, whereas if, in fact, we allow private competition, many of these employees that have the technical skills that go back 20, 30 years will be able to stay at these particular bases in a private sector capacity, not in a public sector capacity. These bases are in fact going to close. We all know that.

Mr. Chairman, I urge support of the Everett amendment.

Mr. Chairman, the question before us is quite simple. It is whether we will allow the Department of Defense to implement a base closure recommendation in the manner it deems most effective.

Opponents of the Everett amendment claim it will undermine the BRAC process. However, the recommendations of the Defense Base Closure and Realignment Commission regarding both McClellan and Kelly Air Force Bases are absolutely clear. In calling for closure of these facilities, the Commission directed DOD to either ''[c]onsolidate the remaining workloads to other DoD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council.''

Let no one in this Chamber be misled. McClellan and Kelly Air Force Bases will close. As of July 2001, they will no longer be Air Force facilities. Nothing in the Everett amendment will alter that fact in any way.

What this amendment will do, however, is strike provisions of the underlying bill that prevent the Department of Defense from conducting competitions for some work now performed at McClellan and Kelly. The Air Force is currently seeking detailed bids from public depots and private industry for this work. Public-private competition will allow the Air Force to accurately determine which of its options under the 1995 BRAC law makes the most sense for our national security.

Without the Everett amendment, the DOD would be barred from privatizing, even if that course proves to be the best value for the taxpayer. Ironically, while the opponents of this amendment accuse us of subverting the BRAC process, it is the language of this bill itself that does so. Despite the clear direction of the Commission that privatization was an acceptable course of action for McClellan and Kelly workloads, the Congress would be effectively foreclosing this option. We must not take

the precedent-setting step of limiting DOD flexibility in its implementation of a BRAC recommendation.

Many experts—including the 1995 BRAC Commission itself—have concluded that our national security would be best served by allowing the private sector a larger role in defense industrial activities. The Commission's Report to the President noted: ''Privatization of [DoD industrial and commercial] functions would reduce operating costs, eliminate excess infrastructure, and allow uniformed personnel to focus on skills and activities directly related to their military missions.''

Yet the Department is not moving blindly to privatization based on the many voices that have called for it in the past. It will take that step only if competition proves that the private sector will produce savings and protect readiness for the workload in question. Even the December 1996 General Accounting Office report, so often cited by opponents of the Everett amendment during this debate, concluded by calling for the use of ''competitive procedures, where applicable, for determining the most cost-effective source of repair for workloads at the closing Air Force depots.''

In a recent letter to Speaker GINGRICH on this issue, Secretary of Defense William Cohen wrote, ''Our initiatives to increase competition and free funds for modernization are vital to our national security.'' If we do not pass the Everett amendment, we will be denying DOD a critical tool in controlling its costs. This body would be taking the untenable position of commanding our armed forces to manage their assets with complete disregard for the national interest. I urge my colleagues to reject that course and to support this important amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. JONES].

Mr. JONES. Mr. Chairman, I rise in strong opposition to the Everett amendment. Let there be no mistake, this vote is on the integrity of the BRAC process. A vote for the Everett amendment will only serve to improve the profits of the defense industrial base at the expense of military readiness.

As a Commandant of the Marine Corps, General Krulak has said time and again, depots are a critical element in Marine Corps combat readiness. The depots are the Nation's only ready and controlled source providing our war fighters with the highest quality maintenance and repair, on time and at least cost, wherever and whenever needed.

Let us not forget that the defense contractors who have come to us asking to get more of the workload now done by the depots are the same defense contractors that say that cost should not be an issue when it comes to providing their product. Why would their way of doing business change now? Can we afford this way of doing business?

A vote for the Everett amendment will destroy the BRAC process. It would cost the taxpayers millions of dollars each year, and it will cost the United States their national security.

Please vote ''no'' on the Everett amendment.

Mr. EVERETT. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. POMBO].

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Everett amendment. This amendment embodies many of the ideas that we all claim to stand for: open competition and smaller government. While this amendment does not require privatization, it merely ensures that the competition process remains on a level playing field between private industry and public military depots.

I believe the provisions of this bill specifically target Sacramento's McClellan Air Force Base in my home State of California and Kelly Air Force Base in Texas. As currently drafted, this bill prevents the public-private competitions that are now taking place at McClellan and Kelly.

Secretary of Defense Cohen has stated unequivocally that the significance of privatization is part of DOD's efforts to save taxpayer dollars. In addition, these provisions would be anticompetitive and would frustrate the integrity of the BRAC process. Furthermore, privatization at McClellan and Kelly is fully consistent with the BRAC recommendations.

I urge the support of the Everett amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. CHAMBLISS].

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

Mr. CHAMBLISS. Mr. Chairman, I thank the gentleman for yielding me this time.

Unlike my friend from Minnesota for whom I have such great respect, I do support privatization. I think we have got to look for areas of our operation of the Federal Government to seek to privatize in ways that we can save money. But I do not support privatization when it affects the readiness of our military might, nor when it injects politics into an issue which must not be political if it is going to work, such as the BRAC process.

Now, the Everett amendment is about two issues. The first issue is whether or not privatization in place should be allowed at Kelly Air Force Base and McClellan Air Force Base, and whether or not that was provided for in the BRAC process.

Last year, during the defense authorization bill, the current Secretary of Defense, the Honorable William Cohen, who was a Senator at that point in time, a gentleman who was a great Senator and who is doing an excellent job as Secretary of Defense, stated the following in the RECORD, and I quote. ''The BRAC did not recommend or authorize privatization in place at Kelly or McClellan.'' He is right. He is absolutely right. It is not authorized.

Second, this amendment is about one other issue: Does privatization in place save the taxpayers money?

In December 1996, the General Accounting Office did a report; this is it right here. In this report it cites the Air Force's own numbers wherein the Air Force has stated itself that the privatization in place initiative that the administration supports at Kelly and McClellan will cost the American taxpayers $700 million a year.

Folks, we are in tight, tight times with respect to budgets. We have been arguing about balancing the budget around here for the 2½ years that I have been here. We cannot afford to spend $700 million on politics. $700 million will buy us somewhere around 8, 9, or 10 F–22's. $700 million will add a lot of pay increases for our military personnel. That is where the money should be spent. I ask my colleagues to vote ''no'' on this amendment.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. RODRIGUEZ].

Mr. RODRIGUEZ. Mr. Chairman, I thank the gentleman for yielding me the time.

We have before us an amendment, and basically one of the things that it does is it allows to preserve the existing law. There are some discussions that are out there regarding the privatization in place, but let me set my colleagues straight. The bids are out in San Antonio. We have both the private and the public sector participating, and I ask my colleagues, why are they afraid of that? We have the bids that are out there and it does not call for privatization in place; it just asks to see what the best bid is. Why are my colleagues so afraid of doing that? So what we have before us is an attempt to get the language and clean up the language.

There is some discussion by some of the Members regarding the integrity of the BRAC process. The chairman, when he first started, read out what the process said, and I am going to read it to my colleagues again. It said, consolidate the workloads to other DOD depots or to private sector commercial activities as determined by the Defense Department.

We have both options of doing the private sector or the depot, whichever is the most cost effective. It is pretty straightforward and pretty democratic. But now we come through the legislative process and since we have the bids that are out there, we want to say no, we do not want to play that game, we want to get the contract without having to go out for the bids.

Well, I say to my colleagues, we have an opportunity to vote for the Everett amendment and we have the opportunity to withhold the integrity of the BRAC process by voting ''no'' on the Everett amendment.

I also want to share with my colleagues that in the process, the discussions about Kelly and about San Antonio and Sacramento, they have been closed, and in some cases in San Antonio some of the projects have been realigned. That is going to happen. That

is going to occur. Out of the five depots, there are only three left. San Antonio is closed and Sacramento is closed. What we have before us is an opportunity to make sure that the integrity of BRAC is taking place by voting for the Everett amendment; No. 2, by assuring that we have the most cost-effective method of making sure that we put that into effect.

Secretary Cohen has talked about the importance of readiness, as some of the Members have mentioned here, and he has talked about the fact that some of the existing laws like this one is detrimental for the process of readiness and to assure that our troops have the resources. So it becomes really important that my colleagues vote, and I would ask my colleagues to vote in favor of the amendment.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. RILEY], a new and very able member of our committee.

Mr. RILEY. Mr. Chairman, this debate is not about depots, it is not about 60/40, it is not about privatization, it is not about competition. This debate is a debate on fairness. This is a vote on restoring the integrity to the BRAC process. This is a vote on taking politics out of the BRAC process.

Mr. Chairman, our national defense is too important to trust the politicians. That was the very reason we set up the BRAC process in the first place.

Mr. Chairman, a few minutes ago, the ranking minority member, before the B–2 vote, asked us to vote for integrity, to vote for trust, and vote for fairness. That is what this debate is about, returning trust, integrity, fairness to the process. I agree with the ranking minority member, and that is the very reason I will vote ''no'' on the Everett amendment.

□ 2130

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

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

Mr. STEARNS. Mr. Chairman, I thank the distinguished chairman for yielding me the time.

To be prepared for war is one of the most effectual means of preserving peace. These words were uttered some 200 years ago by George Washington. They are just as poignant today as they were then. The issue is one of national security. In other words, regardless of the rhetoric that we are going to hear, the truth of the matter is that America simply cannot afford this amendment. Here is why.

Under current law, all core duties and no less than 60 percent of the annual depot maintenance workload must be performed by Federal employees. This amendment proposes elimination of this requirement so that more maintenance work can be contracted out to private firms. It sounds like a good idea. However, the 60–40 rule ensures that the Department of Defense has an in-house capability to maintain America's readiness, crucial in times of national emergency. Our security cannot depend on private companies subject to the whims of the market. This is an extremely important point, and a point that cannot be forgotten.

Doing away with the 60–40 rule is a misguided proposal which could adversely affect the abilities of the Naval Aviation Depot in Jacksonville, the employer in my home district of 3,900 Floridians. I am opposed to this amendment not just because I am worried about local jobs, but as a veteran I am concerned about our national security.

Mr. Chairman, here we are debating tonight an amendment offering a solution to a problem that does not exist. It sounds neat, sounds plausible, but it is wrong. I urge my colleagues to oppose this amendment.

Mr. EVERETT. Mr. Chairman, I yield myself 15 seconds to remind my friend from Florida that this does not, my amendment does not repeal 60–40, reverse the current law.

Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, let us try to put this all in perspective for a minute, if we can, because I think if we are listening to the debate in this Chamber, it is a little hard exactly to figure out what is at issue. Opponents of this amendment, I think, have quite correctly characterized the President interfered in the BRAC Commission situation and essentially tried to keep open two bases for political reasons.

I will concede that. But let me argue that I think what opponents of this amendment are trying to do is to simply close down two bases in the country so that we can then ship work to other bases to keep those depots open. This is in its fundamental perspective, I think, a battle over not whether we are going to privatize work done by the United States armed forces or whether we are going to create and guarantee make-work in order to keep government jobs working.

I am astonished to hear my good friend from Florida talk about the idea of exposing the Defense Department to the whims of the marketplace. That is what Republicans are supposed to argue for, that we think we can save money. And the gentleman from California [Mr. DOOLITTLE] is exactly right that privatization always does save money. Now, if we do not strike this language that is in the report done by the committee, what it will essentially say is that a billion and a half dollars worth of work is off the table. One cannot compete for it. One cannot privatize it. It is government workers who have to do it.

If we continue to follow this line of thought, we are going to take $15 billion in depot work and essentially say it is off limits; it is only government workers who can get it done, which I think is an absolutely astonishing position for members of the Republican Party to argue.

Who supports this idea of what we are talking about? Here is what the United States Chamber of Commerce said in sending a letter to the other body: As a matter of policy, the U.S. Chamber favors privatization of tasks performed by the Government in order to provide new business opportunities to the private sector and to take advantage of cost efficiencies afforded through modern business practices.

In brief, the U.S. Chamber thinks privatizing depot operations will save United States taxpayers money.

Here is what the BRAC Commission said: This Commission believes reducing infrastructure by extending privatization to other DOD industrial and commercial activities will reduce the cost of maintaining and operating a ready military force.

Those are dollars that can be saved for the United States taxpayers. Those are dollars that can be spent on other weapons systems, on other kinds of training programs for our troops on readiness. In short, we save money and make the United States military even better prepared in the event of war, which is what the gentleman from Florida [Mr. STEARNS] was arguing about.

This I think is an extraordinarily bad precedent because, if the President made a mistake, we in this body are going to repeat a mistake tonight if we do not follow forward and pass the Everett amendment because what we are going to say is that $15 billion in potential privatization contracts are off the board. Make no mistake about it. This is not about trying to save two places last year and whether the President made a mistake. I think he did make a mistake. But what we are going to do with this amendment is to set the hurdle so high that we will protect other bases and guarantee that privatization will never ever happen.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I have got friends on both sides of this issue. I am a Californian. Let me tell Members why I am opposed to this amendment.

First of all, remember that every BRACC base closed is for privatization. Every one closed. That is what we are saying. We are closing them. We do not want the Federal Government to take care of them. We initially had six Air Force and six Navy depots. In the first BRACC round the Navy closed down three. The Air Force did not close any. So there was three and six in the next round, the Air Force closed three. So there was three and three. And yet there is still a 50 percent overhead or excess, so that we are operating at only 50 percent capacity. And now we want two other depots to come in and privatize. That is going to cost $700 million a year to compete against the ones

that have and that is core military. Let me tell my colleagues why from personal experience.

During the Vietnam war, we privatized because we could not do the work to build F–14 or FB4's to F–4N's. Six months before we got ready to go, four airwings of Phantoms could not go to Vietnam because they found wing cracks. If we would have flown those airplanes, our pilots would have been killed. That never would have happened in a depot. Not in a military depot. It would not have got through.

So it is not only readiness, the core capability that we need to fight the war, and this is wrong. It is just as wrong to privatize this as it is to give the Communist Chinese Long Beach Naval Shipyard to control. That is privatization but it is wrong. It is bad policy. It is bad economics. And it is bad for national security. I would ask my colleagues on both sides of the aisle and, yes, those from California, my colleagues, oppose this amendment.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair would advise that the gentleman from Minnesota [Mr. SABO] has 7 minutes remaining, the gentleman from Alabama [Mr. EVERETT] has 2 minutes remaining, and gentleman from South Carolina [Mr. SPENCE] has 5 minutes remaining and has the right to close.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Chairman, I rise to oppose this amendment.

As a member of the Subcommittee on National Security of the Committee on Appropriations, I know firsthand our defense budget is inadequate. Training for our men and women in uniform, purchase of modern weapons systems, research and development to hold our technological knowledge in the military, proper facilities for our troops, all these and more are underfunded.

Every dollar for defense is precious. So when the General Accounting Office reports that we will pay an extra $468 million each year if we fail to do both of two things, if we fail both to close those depots in Texas and in California and also transfer the work to the surviving three depots, if we do not do both of them, we lose the $468 million a year.

The work has to be shifted. Why? Very simple: Three overheads are cheaper than five. And if we do not transfer the work, we are paying for more overhead multiple times. If we pass this amendment, we are playing politics and more, wasting 468 million badly needed dollars for defense.

What does it mean? For example, each year it is 18 F–16 fighters we cannot buy. Each year it is 58 M–1 main battle tanks that we cannot upgrade. Each year we cannot get the upgrades of 56 Kiowa Warrior helicopters. We cannot buy those. We cannot upgrade other military facilities. We cannot take care of the troops. We cannot supply proper facilities, all because people wanted excess overhead and undercut our military's ability to get the most bang for our buck.

Mr. Chairman, it also means less training, less preparedness and less readiness for national defense. A vote for the amendment is a vote to waste this money. I ask my colleagues to join me and vote no.

Mr. SABO. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. FAZIO].

The CHAIRMAN. The gentleman from California [Mr. FAZIO] is recognized for 7 minutes.

Mr. FAZIO of California. Mr. Chairman, I rise today in strong support for the Everett-Sabo amendment. I want to go right to the heart of the matter, because I know that many of my friends and colleagues on the floor here are torn over the facts of this case.

McClellan and Kelly Air Force Bases are closing. Nothing we do in this bill is going to change that. It is a done deal. As McClellan closes, 15,000 jobs will disappear from the Sacramento economy. That is on top of thousands of other jobs we have lost from two prior Base Closing Rounds, recent BRACC rounds.

I think it is safe to say that no community has been more adversely impacted by the Base Closing Commission than Sacramento has. But that is not why we are offering this bipartisan amendment. It is more than that, and I would say much more than that.

The reason Republicans and Democrats, liberals and conservatives are joining here is to restore competition and preserve the integrity of the Base Closing Commission and, at the same time, ensure that the Department of Defense saves millions of taxpayers' dollars and protects our Nation's military readiness through competition.

There has been a lot of misinformation tossed around about the politics of the Base Closing Commission in the past hour. But the facts are indisputable.

This amendment is explicitly following the Commission's recommendation. Read Chairman DIXON's letter to Secretary White. It expressly says, BRACC gave DOD the flexibility to privatize at McClellan and Kelly.

Also look at what the experts say. It is overwhelming. The list is endless. Make no mistake about it. Our amendment simply maintains the status quo. Unlike the language put forth by the depot caucus in this bill, our amendment does not affect the 60–40 calculation that is so important to so many of our colleagues in this body.

Contrary to the gentleman from Florida [Mr. STEARNS], the committee language changes the 60–40, we do not. The depot caucus language, if adopted, would eliminate public-private competition, sole source billions of dollars worth of contracts to public depots without the benefits of competition and, finally, force the military to pay huge construction costs to accommodate the workload from the closing installations.

Let me give my colleagues an example of what I mean. For Warner Robbins Air Logistics Center in Georgia to take away the C–5 work at Kelly without competition, as this amendment would have it, more than $100 million worth of new military construction will have to be undertaken at the Georgia facility. That is right. The American taxpayer will have to pick up a multimillion dollar tab for a new hanger and a paint shop. It seems to me that is a colossal waste of money.

Let us put it into modernizing weapons systems, increasing military readiness or some other pressing needs.

There are two other issues I want to address. Labor: Some Members on my side of the aisle have made much of the AFG's opposition to this amendment. They of course, the union, are interested in not just preserving but expanding government jobs. But when Newark Air Force Base in Ohio and the Naval Air Warfare Center at Indianapolis were privatized in 1995, AFG organized the workers there. No union jobs were lost.

And while we are on the subject of labor, the Hansen language in the bill will pull jobs from the private sector and put them in a government-run facility. Jobs that are being held by aerospace workers, machinists, for example, would be in jeopardy. And that is why the machinists union supports the Everett-Sabo amendment. That is another reason why both the minority leader, the gentleman from Missouri [Mr. GEPHARDT], and the ranking member of the Committee on National Security, the gentleman from California [Mr. DELLUMS] oppose this amendment offered by the committee and support the Everett amendment.

□ 2145

I also want to know, why is it okay to privatize the House beauty salon but no non-corps depot work done by defense contractors that build the same weapons system? They simply want to maintain it after it is procured. I will tell my colleagues why.

One example is because the Speaker, the gentleman from Georgia [Mr. GINGRICH], who almost succeeded in precluding us from having this debate, is against this amendment. He is really, frankly, against privatization in Georgia, his home State.

The Speaker, the most prominent member of the privatization task force, is for competition and privatization, but not when it comes to his region. If there was an issue that I thought the House leadership would be for, it would be for competition, privatization, and saving American taxpayers millions of dollars. But pork barrel politics seem to be paramount whenever this issue comes up.

In the next several days, we will be debating how to achieve a balanced budget. With defense dollars being severely constrained for at least the next

several years, it is critical we spend every dollar prudently. And that is why the Secretary of Defense, William Cohen, and all defense sector organizations strongly support our amendment to strike this onerous and harmful language in this bill.

They know the GAO report is erroneous because they know these bases will not be open, as the GAO assumes, but will be closed. And all this rhetoric about the cost according to the GAO is not even on target. The question they answered was not even relevant. Do not put our military readiness at risk. Do not let a parochial issue take priority over our national defense.

Support the Nation's military leaders who made the tough choice. Support 60/40 as it has always been. And keep a decent balance of the workload between the private sector, that might yet have to ramp up in procurement, and also give those in the public facility their chance to live in the future. Let us not bias the decision by taking action on a bill like this. Let us leave it up to the Defense Department and commissions that have been assigned the role of making these judgments.

Join us and support the Everett-Sabo-Klug-Fazio amendment. Make sure you stand up for a BRACC process that has not been adulterated. And in more important terms, do not bias how work gets done. Let competition prevail. Let those who can do it for least cost and best quality benefit by getting the workload of the defense establishment in the future.

I urge my colleagues to support this amendment.

Mr. EVERETT. Mr. Chairman, I yield myself my final 2 minutes.

Mr. Chairman, my colleagues heard my colleague, the gentleman from Wisconsin [Mr. KLUG], say the U.S. Chamber of Commerce supports privatization between private sector and depot level maintenance.

Let me tell my colleagues who supports this amendment. Aerospace Industries Association, American Defense Preparedness Association of National Security, the Industrial Association, American Electronics Association, American Shipbuilding Association, Business Executives of National Security, Contract Services Association, Electronic Industries Association, Professional Services Council, and Shipbuilders Council of America.

Mr. Chairman, the last two amendments, without question, are truly the two hardest amendments this body has to debate. The debate on this amendment has moved across party lines, it has moved across philosophical views, and it has moved across lines of friendship. It is not easy to be on different sides of an issue with friends you trust and admire and who you know debate our true convictions.

Yet, my colleagues, I suggest that that is what this House is all about, a place where sincere people can hold different views and express them openly and freely. I offered this amendment not to get even with anyone; I offered this amendment because of what I see to be serious problems contained in the language of this bill. I have tried to make it clear to my colleagues on both sides of this issue that if this language simply calls for the closing of two of our Air Force bases, I would not be standing here tonight. But, in my opinion, it goes much farther than that.

I could ask no more than each Member to vote his conscience.

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

Mr. SPENCE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Ms. BROWN].

(Ms. BROWN of Florida asked and was given permission to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Chairman, I would like to enter my objection to this amendment, this provision, which is the beginning of the end of 60/40.

Mr. Chairman, this amendment is the beginning of the end for the 60/40 provision which protects national security interests by ensuring the majority of mission critical maintenance is conducted by government employees. Further privatization of depot work would restrict the maintenance capability available to our forces in times of crisis.

60/40 is an excellent example of private and public partnerships. Contractors benefit by being allowed to perform core work where they have a comparative advantage, and government employees offer their own acquired learning curve in addition to reliability in times of crisis.

If the Everett amendment passes it will open the door to full privatization in the military. Most of us know that privatization rarely benefits the middle class working family. Additionally, there is no evidence that shows that this type of privatization saves any money. I urge you to support the BRAC process, national security, and our hard working constituents and oppose the Everett amendment.

Mr. SPENCE. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman from South Carolina [Mr. SPENCE] for yielding me the time.

Mr. Chairman, this is a debate that I would much rather not find myself participating in. Any of my colleagues that were here in the legislative years of 1987 and 1988 will recall that I spent almost my entire time during those two years working on the base-closing legislation that resulted in the BRAC Commission. And I recall vividly that I spoke to every Member of the House during that period of time many times. And in each and every case, in each and every conversation, my job, as an advocate of base closures, was to convince the Members that the process would be apolitical, that nobody, no President would have the ability to intercede in the process on behalf of a base to be closed as a punishment against a Member or a base to be left open as a reward against a Member. No politics.

We had three rounds of base closing, and we are all very proud of the process because politics never intruded into the process. That ended in round four. And all of my colleagues knew at the time, and we know now, that the special conditions for McClellan and Kelly, California and my own State of Texas, where you might think I have a parochial interest, were in a political invention.

We talk about this being privatization. No, it is not. It is a new concept. It is privatization in place, created specifically for these two bases in an election year for no purpose other than politics. And that is an intrusion against the process that, if we allow to stand, might put in jeopardy any future base closures through a lack of confidence on the Members of Congress that it will be as it was intended to be, politically aloof and out of the control of people for politics, rewards, or punishments.

This amendment that is offered, that was put into the mark by the members of the committee, is the necessary response to that politicization of the process in the last round. It is not a perfect response and a response that we intend to work on to fix and repair. Because in another time and another part of my service here, I had the great honor of creating the privatization caucus.

I believe in privatization. I believe in full, objective, competitive privatization, not some creation that has a clear, precise, and mandatory geographic locale called privatization in place. So, on behalf of both the concept of privatization and the integrity of the base-closing process, I ask my colleagues to please vote no on the Everett amendment. Let the committee mark stand.

I have been assured by the members of the committee and each of those that wrote the amendment that we can do a perfecting of that language so that we can simultaneously preserve the integrity of base closing for future base-closing efforts and the integrity of the concept of privatization.

This is not a matter of what is best or desire for each and every one of us from a parochial point of view. This is certainly not a matter of me, as a Texan, taking care of my Texan interests. It is a matter of demonstrating that this Congress can build a process with integrity and, against even the most powerful influences in our government, can stand to preserve the integrity of that process for our children's future, for safer defense, for cost-ready defense, and a defense that will in fact will meet the needs of our Nation.

We have overcome old legislative barriers. We have overcome old politics to do what is right in the allocation of scarce defense dollars. Let us not lose that game now. Vote no on the Everett amendment. Let us fix the committee language in conference, and let us save this process for another round or two.

Mrs. CLAYTON. Mr. Chairman, I recognize that there are good people on both sides of this issue.

However, I rise in strong opposition to this amendment which would strike the bipartisan bill language on depot maintenance regulations.

As written the bill's language would:

Ensure that efficient capacity exists in both the public and the private sector to meet our depot maintenance needs,

Restore the integrity of the Base Realignment and Closure process,

Support the independent Base Realignment and Closure process.

The current provision of 60/40 has worked well during the harsh economic environment we experienced during the years of BRAC closure years.

The Everett amendment would erode the 60/40 provision and will only benefit private contractors and two Air Force bases.

The BRAC Commission found that closure of these two Air Force Bases would significantly improved utilization of the remaining depots and reduce DOD operating costs.

We must respect and abide by the BRAC process we cannot allow it to become corrupted. The BRAC closure process was meant to be insulated from political influence.

If you support the non-politicized, nonpartisan BRAC process vote no on this amendment.

[From the Wall Street Journal, June 20, 1997]

U.S. TRADE DEFICIT WIDENED IN APRIL, AS GAP WITH CHINA CONTINUED TO GROW

(By Christina Duff)

WASHINGTON.—American businesses imported lots of clothing, toys and sporting goods in April—mostly from China—which helped to expand modestly the U.S. trade deficit to a seasonally adjusted $8.36 billion from $7.76 billion in March.

The deficit with China was 41% higher in the first four months of this year than it was in the year-earlier period; in April, tat gap widened to $3.45 billion from $2.41 billion the year before. The year-earlier comparison is a more accurate gauge than month-to-month figures because country breakdowns aren't seasonally adjusted.

As Congress gets set to debate the extension of normal trade relations with Beijing, the widening trade gap with China is sure to incite the measure's opponents, such as organized labor. ''This will make the fight a little more fierce on the floor,'' said economist Brian Horrigan of Loomis Sayles & Co., Boston.

GAP WITH JAPAN WIDENS

The China gap is expected sometime this year to surpass the trade deficit with Japan, which swelled in April to $4.84 billion, the highest since last October. It widened even further in May, based on figures released earlier this week by the Japanese government. The once-contentious trade gap with Tokyo has begun widening again, after narrowing over the past few years mainly because a strong yen made U.S. exports to Japan more competitive and raised prices of goods Japan sells here. But the rise of the dollar against the yen, until two months ago, altered that balance.

Total imports increased 0.9% in April to a record $86.72 billion, following a 2% jump in March. Since consumer demand looks to have slowed in the second quarter, many of these imported goods may be ''winding up in inventory,'' said economist Mark Vitner of First Union Corp., Charlotte, N.C. As a result, retailers may have to cut back their orders.

Imports would have been stronger if not for a sharp drop in oil prices. In April, the average price per barrel of imported oil fell to $16.78 and is down $5.97 since January. The Labor Department reported yesterday, however, that petroleum prices climbed back up 1.2% in May. Excluding fuel, import prices slipped 0.1% in May, the fifth consecutive monthly drop, led by declining prices for capital goods and cars. Overall import prices were unchanged.

EXPORTS ALSO SET RECORD

Total exports, meanwhile, rose a slight 0.2% in April to $78.36 billion, also a record, after surging 5.1% in March. April's gain was driven by shipments of capital goods, including telecommunications equipment and industrial machinery.

All told, the April deficit was 14% below the first-quarter average of $9.7 billion. The better-than-expected rise in exports suggests that trade should add to second-quarter economic growth, after subtracting from it in the first quarter, said economist Cheryl Katz of Merrill Lynch & Co., New York. Ms. Katz is looking for growth this quarter of about 2% at an annual rate; in the first, the economy soared at a 5.8% rate.

Also yesterday, the Commerce Department said the deficit in the broadest measure of U.S. foreign trade totaled $40.97 billion in the first quarter, compared with a revised $36.87 billion in the final quarter of 1996. The quarterly current-account deficit is considered the most comprehensive gauge of trade performance because it measures not only trade in goods and services, but also investment flows between nations, as well as foreign aid.

TEN-YEAR REVISION

The first-quarter report included annual data revisions that show the U.S. current-account deficit was substantially smaller during the past 10 years than previously reported. The government revised the current-account deficit downward by $72.59 billion for the 10-year period. For all of 1996, the U.S. registered a revised $148.18 billion current-account deficit, down from the $165.10 billion shortfall previously reported.

Meanwhile, other sectors of the economy are easing. The Labor Department reported yesterday that the number of Americans applying for state unemployment insurance rose 8,000 last week to a seasonally adjusted 347,000, reflecting some slackening in the labor market.

The four-week moving average of jobless claims, considered a better gauge of labor-market conditions because it adjusts for weekly fluctuations, rose 6,250 in the latest week to 335,500, the highest level since early May.

PARTNERS IN TRADE

[U.S. merchandise trade balances by region; in billions of dollars, not seasonally adjusted]

	April, 1997	April 1996
Japan	−$4.84	−$4.47
China	−3.45	−2.41
Mexico	−1.40	−1.64
Canada	−0.97	−1.55
NICs [1]	−0.81	−0.37
So./Central America	−0.80	−0.09
W. Europe	−0.49	−0.69

[1] Newly industrialized countries: Singapore, Hong Kong, Taiwan, South Korea.

Source: Commerce Department.

Mr. LUCAS of Oklahoma. Mr. Chairman, I am concerned with the ramifications of this amendment. If this is approved, we will be endorsing the President's decision to contravene the 1995 BRAC law and giving the green light to future administrations to do the same thing in subsequent rounds of base closings.

We are engaged today in a regional battle because the President refused to implement the very law he signed. Congress must have the fortitude to stand up and force the President to abide by the law and not give special treatment to two bases which were to be closed under the last BRAC.

There is a lot of talk these days about forming BRAC-like commissions on a whole host of topics. The reason is that BRAC worked, or at least it used to work. Independent, objective, fair—these are words that were used to describe BRAC. Can we really apply these terms anymore?

I urge my colleagues not to give the President a free ride on this matter. You had to vote yes or no on BRAC without conditions. Don't hold the President to a lower standard. Vote No!

Mr. BISHOP. Mr. Chairman, I rise in strong opposition to the Everett amendment and urge my colleagues to support the depot maintenance provisions included in this bill. This amendment is an attempt to circumvent the independent BRAC process and put in place a privatization-in-place plan for two bases ordered closed by the BRAC. If we allow these bases to privatize-in-place rather than close, we will sustain a costly excess capacity within our depot system.

There has been a great deal of misinformation circulated about the language in the bill. I'll take this opportunity to make a few points of clarification for the body. This bill does not affect any current private contracts and does not require any work to be moved into the public sector; it does not increase the percentage of depot workload performed by the public sector; it does not require all maintenance on all new weapons systems to be performed in public depots; nor does it preclude the further downsizing of the government owned depots for future BRAC rounds.

The bill does allow us to move forward with the intentions and recommendations of the BRAC regarding excess capacity in the depot system. By complying with recommendations of BRAC, it also enables us to save the taxpayer's over $689 million a year. In tough budgetary times, we must act to achieve savings where we can.

Additionally, the bill clarifies what operations are included in the ''term depot maintenance'' and offers new flexibility by allowing core workload requirements to be performed by private sector employees in partnership with organic depots. It also restricts the Secretary of Defense's ability to privatize any workload currently performed in depots closed or realigned by BRAC at those depots unless the Secretary certifies that, at the time the contract is signed, each of the services depots is operating at an efficiency level of 80 percent, that the total cost to Government is less than continuing to consolidate the workload in existing depots, and that none of the workload is core. Finally, it directs the Secretary to establish policies to enable public private partnerships at our depots.

I urge my colleague to support the provisions of the bill. They provide much needed capabilities and enhance our military readiness while saving the money for the American taxpayer. Please vote no on the Everett amendment:

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Alabama [Mr. EVERETT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. EVERETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 145, noes 278, not voting 11, as follows:

[Roll No. 229]

AYES—145

Andrews	Granger	Pastor
Baldacci	Hamilton	Paul
Barrett (WI)	Harman	Pelosi
Barton	Herger	Peterson (MN)
Becerra	Hilleary	Pombo
Bentsen	Hinchey	Pomeroy
Berman	Hinojosa	Radanovich
Berry	Hooley	Rangel
Blagojevich	Hoyer	Reyes
Blumenauer	Jackson (IL)	Riggs
Boehlert	Jackson-Lee (TX)	Rodriguez
Bonilla	John	Roemer
Boyd	Johnson (WI)	Rogan
Brady	Johnson, Sam	Rothman
Brown (CA)	Kennedy (RI)	Roybal-Allard
Brown (OH)	Kennelly	Sabo
Burton	Kilpatrick	Sanchez
Campbell	Kim	Sanders
Capps	Kind (WI)	Sandlin
Cardin	Kleczka	Sawyer
Clay	Klug	Serrano
Clyburn	LaFalce	Sessions
Combest	Lampson	Sherman
Condit	Lantos	Skaggs
Costello	Levin	Slaughter
Cramer	Lofgren	Smith (TX)
Davis (FL)	Lowey	Smith, Adam
DeFazio	Luther	Snyder
DeLauro	Maloney (CT)	Spratt
Dellums	Manton	Stabenow
Dingell	Matsui	Stark
Dixon	McCarthy (MO)	Strickland
Doggett	McDermott	Stupak
Dooley	McHale	Tanner
Doolittle	McKeon	Tauscher
Duncan	Meehan	Thompson
Edwards	Millender-McDonald	Thornberry
Eshoo	Miller (CA)	Thurman
Everett	Minge	Tierney
Farr	Moakley	Torres
Fattah	Mollohan	Turner
Fazio	Moran (VA)	Velazquez
Foglietta	Nadler	Vento
Frank (MA)	Oberstar	Visclosky
Frost	Obey	Waxman
Furse	Owens	Wexler
Gejdenson	Pascrell	Weygand
Gephardt	Rangel	Wise
Gonzalez	Sabo	Woolsey

NOES—278

Abercrombie	Callahan	Deutsch
Ackerman	Calvert	Diaz-Balart
Aderholt	Camp	Dickey
Allen	Canady	Dicks
Archer	Cannon	Doyle
Armey	Carson	Dreier
Bachus	Castle	Dunn
Baesler	Chabot	Ehlers
Baker	Chambliss	Ehrlich
Ballenger	Chenoweth	Emerson
Barcia	Christensen	Engel
Barr	Clayton	English
Barrett (NE)	Clement	Ensign
Bartlett	Coble	Etheridge
Bass	Coburn	Evans
Bateman	Collins	Ewing
Bereuter	Conyers	Fawell
Bilbray	Cook	Filner
Bilirakis	Cooksey	Flake
Bishop	Coyne	Foley
Bliley	Crane	Forbes
Boehner	Crapo	Ford
Bonior	Cubin	Fowler
Bono	Cummings	Fox
Borski	Cunningham	Franks (NJ)
Boswell	Danner	Frelinghuysen
Boucher	Davis (IL)	Gallegly
Brown (FL)	Davis (VA)	Ganske
Bryant	Deal	Gekas
Bunning	DeGette	Gibbons
Burr	Delahunt	Gilchrest
Buyer	DeLay	Gillmor
Gilman	Lucas	Rohrabacher
Goode	Manzullo	Ros-Lehtinen
Goodlatte	Markey	Roukema
Goodling	Martinez	Royce
Goss	Mascara	Rush
Graham	McCarthy (NY)	Ryun
Green	McCollum	Salmon
Greenwood	McCrery	Sanford
Gutierrez	McDade	Saxton
Gutknecht	McGovern	Scarborough
Hall (OH)	McHugh	Schaefer, Dan
Hall (TX)	McInnis	Schaffer, Bob
Hansen	McIntyre	Scott
Hastert	McKinney	Sensenbrenner
Hastings (FL)	McNulty	Shadegg
Hastings (WA)	Meek	Shaw
Hayworth	Menendez	Shays
Hefley	Metcalf	Shimkus
Hefner	Mica	Shuster
Hill	Miller (FL)	Sisisky
Hilliard	Mink	Skeen
Hobson	Molinari	Skelton
Hoekstra	Moran (KS)	Smith (MI)
Holden	Morella	Smith (NJ)
Horn	Murtha	Smith (OR)
Hostettler	Myrick	Smith, Linda
Hulshof	Neal	Snowbarger
Hunter	Nethercutt	Solomon
Hutchinson	Neumann	Souder
Hyde	Ney	Spence
Inglis	Northup	Stearns
Istook	Norwood	Stenholm
Jefferson	Nussle	Stokes
Jenkins	Olver	Stump
Johnson (CT)	Ortiz	Sununu
Johnson, E.B.	Oxley	Talent
Jones	Packard	Tauzin
Kanjorski	Pallone	Taylor (MS)
Kaptur	Pappas	Taylor (NC)
Kasich	Parker	Thomas
Kelly	Paxon	Thune
Kennedy (MA)	Payne	Tiahrt
Kildee	Pease	Traficant
King (NY)	Peterson (PA)	Upton
Kingston	Petri	Walsh
Klink	Pickering	Wamp
Knollenberg	Pickett	Waters
Kolbe	Pitts	Watkins
Kucinich	Porter	Watt (NC)
LaHood	Portman	Watts (OK)
Largent	Poshard	Weldon (FL)
Latham	Price (NC)	Weldon (PA)
LaTourette	Pryce (OH)	Weller
Lazio	Quinn	White
Leach	Rahall	Whitfield
Lewis (CA)	Ramstad	Wicker
Lewis (GA)	Redmond	Wolf
Lewis (KY)	Regula	Wynn
Linder	Riley	Young (AK)
Livingston	Rivers	Young (FL)
LoBiondo	Rogers	

NOT VOTING—11

Blunt	Lipinski	Schumer
Cox	Maloney (NY)	Towns
Gordon	McIntosh	Yates
Houghton	Schiff	

□ 2214

The Clerk announced the following pair:

On this vote:

Mr. McIntosh for, with Mr. Blunt against.

Mr. FORD and Mr. GUTIERREZ changed their vote from ''aye'' to ''no.''

Messrs. BROWN of Ohio, STARK, and SESSIONS changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. COX of California. Mr. Chairman, I was necessarily absent for this vote for medical reasons.

□ 2215

The CHAIRMAN. Pursuant to section 5 of House Resolution 169, it is now in order to consider amendment No. 35 printed in part 2 of House Report 105–137.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, as the designee of the gentleman from New York [Mr. SOLOMON] I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. Rohrabacher: At the end of title XI (page 371, after line 18), insert the following new section:

SEC. 1112. PROHIBITION ON USE OF FUNDS FOR CERTAIN PURPOSES IN CASE OF TRANSFER OF MISSILE SYSTEM BY RUSSIA.

(a) IN GENERAL.—No fiscal year 1998 Cooperative Threat Reduction funds may, notwithstanding any other provision of law, be obligated or expended to carry out a Cooperative Threat Reduction program in Russia after the date on which it is made known to the Secretary of Defense that Russia has transferred to the People's Republic of China an SS–N–22 missile system.

(b) APPLICABILITY.—This section shall apply with respect to any transfer by Russia of an SS–N–22 missile system to the People's Republic of China that occurs on or after the date of the enactment of this Act.

The CHAIRMAN. Pursuant to the rule, the gentleman from California, Mr. ROHRABACHER, and a Member opposed Mr. DELLUMS, each will control 5 minutes.

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

Mr. ROHRABACHER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from South Carolina [Mr. SPENCE] for the purpose of an announcement.

Mr. SPENCE. Mr. Chairman, I would just like to inform the House that this vote on this amendment, I would just like to announce that after this amendment, a 10-minute amendment, there will be a vote, if called for, and that will be the last vote for the evening. Even though we will be considering the en bloc amendments, that would be the last vote after this one.

Mr. ROHRABACHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the SS–N–22 missile known as the Sunburn was created by the Soviet Union to attack American warships that are equipped with Aegis cruiser radar and battle management systems.

This missile system, the Sunburn system, is a system designed to kill American sailors. The supersonic sea skimming missile is extremely difficult to defend against, and a long-range version of the missile is a dangerous threat to our military personnel, especially those on aircraft carriers and other naval personnel.

In December 1996 a secret agreement was made between what was the Soviet Union, now it is Russia, and China to transfer from Russia to China this deadly American-killing weapon system. Basically, if the Chinese deploy this in the Straits of Taiwan, it will put our naval personnel in danger. Then if it is put in place to threaten our people in the Straits of Hormuz,

American naval operations there will be threatened because China is itself a supplier of weapons to the Iranians.

This deadly weapon system, if it is transferred from Russia to China, will have horrible implications for the safety of our naval personnel all over the world and terrible implications for the peace of mankind.

The amendment being offered by my friend, the gentleman from New York [Mr. SOLOMON] and I does not cut off the Nunn-Lugar funding. I want to stress that the GAO tells us that there is still more than $1 billion in the Nunn-LUGAR pipeline. At current spending rates, that should cover the program for the next 4 years.

If this amendment is adopted, it will not affect in the slightest the number of Russian nuclear weapons that will be dismantled in 1998; but what this amendment does do, it says that we will not add another $200 million to the pipeline if this deadly weapon system that the Russians now possess is transferred to the Chinese. We are basically saying that the Russians cannot expect to sell deadly weapons, high-technology weapon systems, aimed at killing Americans and expect us to add another $200 billion to the foreign aid pipe line.

I would ask my colleagues to vote ''yes'' on the Solomon-Rohrabacher amendment.

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

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I rise in strong opposition to the gentleman's amendment. This amendment would stop, stop any funds for the so-called Nunn-Lugar program from being spent if the Russians dare to sell the SS–N–22 antiship cruise missile to China. The Nunn-Lugar program, sometimes known as cooperative threat reduction, helps the Russians to smile at ballistic weapons and store their deadly components. Nunn-Lugar is not foreign aid, it is not a gratuity. Nunn-Lugar helps U.S. national security in very direct and substantial ways.

Listen to this list. So far Nunn-Lugar has helped deactivate 4,500 nuclear warheads, put over 200 ICBM silos out of operation, destroyed 20 heavy bombers, eliminated 64 submarine-launched ballistic missiles and sealed 58 nuclear testing tunnels. Nunn-Lugar has helped the three former nations of the Soviet Union, Ukraine, Belarus, and Kazakhstan totally denuclearize.

This is really one of the crowning successes of the post-cold-war world. It has not gotten nearly the attention and acclaim that it deserves, and there is much more that Nunn-Lugar has to do.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

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

Mr. SKELTON. Mr. Chairman, I think it is important to point out there is a difference between this and just general foreign aid. I am not sure that is clear.

Mr. SPRATT. This is not foreign aid. This is an investment in our own national security.

Here is what is left on the agenda. These are Nunn-Lugar projects on the agenda.

Dismantle 130 SS–19 heavy throw-weight ICBM's, dismantle 54 SS–24 mobile ICBM's, fill in 148 SS–18 silos in Kazakhstan, eliminate 492 SLBM silos, destroy 10 more heavy bombers, complete the construction of a facility in Siberia to safely store over 12,000 nuclear warheads, dispose of 100,000 metric tons of liquid propellants, scrap 916 ballistic rocket motors.

That is a concrete list, that is the work order.

Mr. SKELTON. If the gentleman would yield one more time, in other words this is in our national interests to do this.

Mr. SPRATT. These are the accumulated work orders for the Nunn-Lugar program ready to be executed if the gentleman does not stop the funds with this ill-considered amendment. For somewhere between $300 and $400 million a year we can destroy nuclear missiles that were targeted to us and could have destroyed us throughout 50 years of the cold war. That in my book is money well spent.

This amendment would have us cut off an investment in our own security if the Russians were to sell to the Chinese, listen to this, a cruise missile with a range of 60 nautical miles. This type of missile is already deployed by the Indian Navy. It cannot be ignored or dismissed. It is not state-of-the-art, however, by any means, and though it can be tipped with a small nuclear warhead, it more often carries a conventional warhead, and it does not constitute by any stretch of the imagination a strategic threat to the United States.

Russian ICBM's, however, and Russian SLBM's and the fissile materials that must be secured from nations hostile to the United States are a strategic threat. This is not a good amendment, it is not a good idea. I urge all Members to vote against the Solomon amendment. It is not in our national security interests.

Mr. ROHRABACHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just state for the record this does not cut off Nunn-Lugar funds. There are over a billion dollars of American taxpayer funds in the Nunn-Lugar channel in the pipeline. It does not touch that billion dollars. It simply says that if they sell this missile aimed at killing American sailors to the Chinese in order to kill American sailors, we will not add another $200 million to that fund.

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

PARLIAMENTARY INQUIRY

Mr. DELLUMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. DELLUMS. Mr. Chairman, as I understand the rule because we are standing in defense of the committee position, that we on this side, have the opportunity to close debate.

Is that not correct?

The CHAIRMAN. The gentleman is correct.

Mr. DELLUMS. Then I would suggest that the gentleman use the balance of his time. I have one more speaker.

Mr. ROHRABACHER. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, if I heard the last speaker correctly, he said that the sale of this kind of missile, the SS-N–22, poses no threat to American strategic concerns. I think that is what the gentleman just said.

Let me just say this. Remember the U.S.S. *Stark*. Ask any of the 37 dead sailors that were killed by a missile just like this.

Mr. Chairman, any Member around here who is concerned about missile proliferation should support this.

☐ 2230

I want my colleagues to make no mistake about it. China wants these missiles to intimidate and possibly sink American ships or kill American sailors. America is engaged in an extraordinary act of generosity, giving American taxpayers' dollars, and in spite of repeated anti-American Russian activities like this too numerous to mention, the Clinton administration has opted to maintain an uninterrupted flow of taxpayer money to Russia.

This time, the Russians have gone too far in selling this kind of deadly weapon to the Chinese, and if our aid cannot induce the Russian government to refrain from making this kind of a sale which is such a direct threat to American citizens, we obviously are getting nowhere.

Let me make the point clear. There is $1 billion in the pipeline. This does not cut that off; this simply says to Russia, sends them a message, $180 million more is not going to be forthcoming if you directly intimidate the United States and sell this kind of missile to China.

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

Mr. ROHRABACHER. Mr. Chairman, I yield the final 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I have the utmost respect for the gentleman from North Carolina and the gentleman from Missouri. I think it has been a good debate. But I want my colleagues to remember last year when China had missiles at Taiwan. Remember the minister when he said, you prefer Los Angeles or Taiwan when our ships start going through the straits? They can use this missile. It is very difficult to intercept a terminal supersonic missile coming inbound at a ship,

and our Air Force and Navy pilots have to intercept these and it cuts down their orders of doing that.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Texas [Mr. THORNBERRY] to close debate on this issue.

Mr. THORNBERRY. Mr. Chairman, I voted for the Rohrabacher amendment to the foreign affairs authorization bill a week or so ago. I think it is appropriate to use foreign aid as a carrot to try to get Russia to do what we want them to do. But the most important thing Members have to know about this amendment is it is not foreign aid. It is spending that is in our best national security interests. It is not a gift. It is money spent that will reduce the threat of nuclear weapons which could be used against us.

As the gentleman has already let us know, it has been used to eliminate missiles and silos and bombers and submarines aimed against us. It is being used to tighten security on nuclear warheads which could be used against us. It tightens security on nuclear materials which could be sent to other countries, which could also be used against us. It is used to help make sure the expertise on how to build these nuclear weapons is not spread throughout the world and could be used against us.

Now, which of those things is not in the national security interests of the United States? This money is spent for us, and it does not matter where else Russia sends missiles, this money is still spent for us.

It is cheaper and wiser to spend money now to prevent nuclear materials from spreading throughout the world and to keep them out of the hands of terrorists and rogue nations than to deal with the consequences after they already get them.

Of course there is no guarantee the Russians are not going to waste some of the money. Of course there is no guarantee they are not going to modernize their submarines at the same time, but there is a guarantee that if we do not do everything we possibly can now to contain the nuclear weapons and the nuclear materials that one day we will regret it.

I think this is a big mistake to cut off the money that needs to be done to do that, and I urge my colleagues to vote against the amendment.

Mr. DELLUMS. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. DELLUMS] is recognized for 5 minutes as the ranking minority member.

Mr. DELLUMS. Mr. Chairman, I yield to my distinguished colleague from California [Mr. FARR].

Mr. FARR of California. Mr. Chairman, I thank the gentleman for yielding. We have a clear choice tonight. We have a clear choice to continue along with cutting out the nuclear arsenal that the Soviet Union has built up. It would be foolish not to continue dismantling that.

This program is the cooperative threat for reduction. It funds support of physical elimination of hundreds of nuclear weapons and silos and bombers and submarines from which weapons can be launched. If we do not dismantle them, they stay there, and if they stay there, what can they be used for? This is an easy vote. It is a vote against this amendment to support the dismantling. If they are there, they can be sold and used for purposes that would not be in our national interests. Continue our national interests by opposing this amendment.

Mr. DELLUMS. Mr. Chairman, in the remaining time that I have, and I will move very quickly, first, a letter to the Speaker of the House from the Secretary of Defense, Mr. Cohen, I read in part:

> One of the administration's highest priorities is to prevent the proliferation of weapons of mass destruction, particularly from Russia and other states of the former Soviet Union. The CTR program is one of the most critical parts of that effort. Congress would do serious harm to our counter-proliferation programs if it denied DOD the use of CTR funds to reduce weapons of mass destruction in Russia that stem the threat of their proliferation because of Russia's short-range transfers. This does not mean that the administration condones such transfers. On the contrary, we are waging a vigorous campaign on all fronts to prevent weapons proliferation. However, it would be folly to respond to an instance of proliferation by removing an essential counter-proliferation tool.

Secondly, just to reiterate a point made by my distinguished colleague from South Carolina, nuclear warheads deactivated, 4,500; ICBMs destroyed, 81; ICBM silos eliminated, 125; bombers destroyed, 20; SLBM launchers eliminated, 64; nuclear warhead test terminals sealed, 58. Three states of the former Soviet Union denuclearized, Mr. Chairman. In 1991 the four states, nuclear states in the former Soviet Union had a total of 10,910 missiles. Today, there are 6,705.

Finally, the United States has a direct and powerful and urgent interest in assisting the Russians in continuing to dismantle their nuclear weapons and contain their nuclear materials. The CTR investment is a pennies on the dollar investment in enhancing U.S. national security.

Finally, Mr. Chairman, whatever policy objections we may have to the Russian PCR technical weapons transfers, it does not justify, nor warrant, terminating a successful program calculated to meet U.S. strategic objectives.

For all of those reasons and those enunciated by my distinguished colleagues who have spoken in opposition to this amendment, I urge my colleagues to oppose the amendment.

Mr. SPENCE. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Under the rule, the gentleman from South Carolina [Mr. SPENCE], as chairman of the committee, is entitled to 5 minutes.

Mr. SPENCE. Mr. Chairman, I will not use the whole 5 minutes. I yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I rise on behalf of the Solomon-Rohrabacher amendment. Let me just remind my colleagues, the reason why this is a reasonable amendment is simply this: All of the reductions in Soviet weaponry that the gentleman enumerated have been agreed to by the Soviet Union as part of our arms reductions talks. The Soviets agreed to do those reductions on their own with their own taxpayer dollars. They do not necessarily have a right to our money; we are giving them a great deal of money, which is perhaps a good thing, to effectuate these reductions.

In light of the money that we are giving the Soviet Union, the hundreds of millions of dollars, is it reasonable for us to ask them at the same time to refrain from giving a very effective ship-killing capability to China? I think, in light of the enormous dollars we have given them, this is a reasonable request to make to the Russians. And because of that, I strongly support the Solomon-Rohrabacher amendment. This is reasonable; this is judicious, let us do it.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 215, noes 206, not voting 13, as follows:

[Roll No 230]

AYES—215

Aderholt	Collins	Goode
Archer	Combest	Goodlatte
Armey	Condit	Goodling
Bachus	Cook	Goss
Baker	Cooksey	Granger
Ballenger	Costello	Greenwood
Barcia	Crane	Gutknecht
Barr	Crapo	Hall (OH)
Barrett (NE)	Cubin	Hall (TX)
Bartlett	Cunningham	Hansen
Barton	Danner	Hastings (WA)
Bass	Davis (VA)	Hayworth
Bilbray	Deal	Hefley
Bilirakis	DeLay	Herger
Bishop	Diaz-Balart	Hill
Bliley	Dickey	Hilleary
Boehner	Doolittle	Hobson
Bonilla	Dreier	Hoekstra
Bono	Duncan	Hostettler
Brady	Dunn	Hulshof
Bryant	Ehlers	Hunter
Bunning	Ehrlich	Hutchinson
Burr	Emerson	Inglis
Burton	English	Istook
Buyer	Ensign	Jenkins
Callahan	Everett	Johnson, Sam
Calvert	Ewing	Jones
Camp	Fawell	Kaptur
Campbell	Foley	Kasich
Canady	Forbes	Kelly
Cannon	Fowler	Kim
Carson	Fox	Kingston
Castle	Franks (NJ)	Klug
Chabot	Gallegly	Knollenberg
Chambliss	Ganske	LaHood
Chenoweth	Gekas	Largent
Christensen	Gibbons	Latham
Coble	Gillmor	LaTourette
Coburn	Gilman	Lazio

Leach	Pease	Shimkus
Lewis (CA)	Peterson (PA)	Skeen
Lewis (KY)	Petri	Smith (MI)
Livingston	Pickering	Smith (OR)
LoBiondo	Pitts	Smith (TX)
Lucas	Pombo	Smith, Linda
Manzullo	Portman	Snowbarger
McCollum	Poshard	Solomon
McCrery	Pryce (OH)	Souder
McHugh	Quinn	Spence
McInnis	Radanovich	Stearns
McIntyre	Ramstad	Stenholm
McKeon	Redmond	Stump
McNulty	Regula	Sununu
Metcalf	Riggs	Talent
Mica	Riley	Tauzin
Miller (FL)	Rogan	Taylor (NC)
Molinari	Rogers	Thomas
Moran (KS)	Rohrabacher	Thune
Myrick	Ros-Lehtinen	Tiahrt
Nethercutt	Roukema	Traficant
Neumann	Royce	Upton
Ney	Ryun	Walsh
Northup	Salmon	Wamp
Norwood	Sanford	Watkins
Nussle	Saxton	Watts (OK)
Packard	Scarborough	Weldon (FL)
Pappas	Schaefer, Dan	Weller
Parker	Schaffer, Bob	Wicker
Pascrell	Sensenbrenner	Wolf
Pastor	Sessions	Young (AK)
Paul	Shadegg	Young (FL)
Paxon	Shaw	

NOES—206

Abercrombie	Gephardt	Millender-McDonald
Ackerman	Gilchrest	Miller (CA)
Allen	Gonzalez	Minge
Andrews	Graham	Mink
Baesler	Green	Moakley
Baldacci	Gutierrez	Mollohan
Barrett (WI)	Hamilton	Moran (VA)
Bateman	Harman	Morella
Becerra	Hastert	Murtha
Bentsen	Hastings (FL)	Nadler
Bereuter	Hefner	Neal
Berman	Hilliard	Oberstar
Berry	Hinchey	Obey
Blagojevich	Hinojosa	Olver
Blumenauer	Holden	Ortiz
Boehlert	Hooley	Owens
Bonior	Horn	Oxley
Borski	Hoyer	Pallone
Boswell	Hyde	Payne
Boucher	Jackson (IL)	Pelosi
Boyd	Jackson-Lee (TX)	Peterson (MN)
Brown (CA)	Jefferson	Pickett
Brown (FL)	John	Pomeroy
Brown (OH)	Johnson (CT)	Porter
Capps	Johnson (WI)	Price (NC)
Cardin	Johnson, E.B.	Rahall
Clay	Kanjorski	Rangel
Clayton	Kennedy (MA)	Reyes
Clement	Kennedy (RI)	Rivers
Clyburn	Kennelly	Rodriguez
Conyers	Kildee	Roemer
Coyne	Kilpatrick	Rothman
Cramer	Kind (WI)	Roybal-Allard
Cummings	King (NY)	Rush
Davis (IL)	Kleczka	Sabo
DeFazio	Klink	Sanchez
DeGette	Kolbe	Sanders
Delahunt	Kucinich	Sandlin
DeLauro	LaFalce	Sawyer
Dellums	Lampson	Scott
Deutsch	Lantos	Serrano
Dicks	Levin	Shays
Dingell	Lewis (GA)	Sherman
Dixon	Linder	Sisisky
Doggett	Lofgren	Skaggs
Dooley	Lowey	Skelton
Doyle	Luther	Slaughter
Edwards	Maloney (CT)	Smith (NJ)
Engel	Manton	Smith, Adam
Eshoo	Markey	Snyder
Etheridge	Martinez	Spratt
Evans	Mascara	Stabenow
Farr	Matsui	Stark
Fattah	McCarthy (MO)	Stokes
Fazio	McCarthy (NY)	Strickland
Filner	McDade	Stupak
Flake	McDermott	Tanner
Foglietta	McGovern	Tauscher
Ford	McHale	Taylor (MS)
Frank (MA)	McKinney	Thompson
Frelinghuysen	Meehan	Thornberry
Frost	Meek	Thurman
Furse	Menendez	Tierney
Gejdenson	Torres	Watt (NC)
Turner	Waxman	Whitfield
Velazquez	Weldon (PA)	Wise
Vento	Wexler	Woolsey
Visclosky	Weygand	Wynn
Waters	White	

NOT VOTING—13

Blunt	Lipinski	Shuster
Cox	Maloney (NY)	Towns
Davis (FL)	McIntosh	Yates
Gordon	Schiff	
Houghton	Schumer	

☐ 1057

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. COX of California. Mr. Chairman, I was necessarily absent for this vote for medical reasons.

AMENDMENTS EN BLOC OFFERED BY MR. SPENCE

Mr. SPENCE. Mr. Chairman, pursuant to section 3 of House Resolution 169, I offer an en bloc amendment consisting of the following amendments printed in part 2 of House Report 105–137:

Amendments 2 and 3; Amendments 4 and 5 each as modified; Amendments 6, 7, 8, 9, 10, 11, 12 and 13; Amendment 14, as modified; Amendment 16 and 17; Amendment 18, as modified; Amendment 19; Amendment 20, as modified; Amendments 21 and 23; Amendment 24, as modified; Amendments 25 and 26; Amendment 27, as modified; Amendments 28, 29, 30; Amendment 31, as modified; Amendment 32; Amendment 33, as modified; Amendments 36, 37 and 38; Amendment 39, as modified; Amendment 40; and the Amendment printed in section 8(d) of House Resolution 169, as modified;

The CHAIRMAN. The Clerk will designate the amendments en bloc and report the modifications.

The Clerk designated the amendments and reported the modifications, as follows:

Amendments en bloc offered by Mr. SPENCE of South Carolina consisting of the following amendments in part 2 of House Report 105–137: Amendment 2, 3; 4, as modified; 5, as modified; 6, 7, 8, 9, 10, 11, 12, 13; 14, as modified; 16, 17; 18, as modified; 19; 20, as modified; 21, 23; 24, as modified; 25, 26; 27, as modified; 28, 29, 30; 31, as modified; 32; 33 as modified; 36, 37, 38; 39, as modified; 40; and the amendment in order under section 8(d) of House Resolution 169, as modified.

Amendments En Bloc to H.R. 1119, as Reported

Offered by Mr. Spence

of South Carolina

(Amdts in Part 2 of House Report 105–137)

Amendment #2
Amendment #3
Amendment #4, as modified
Amendment #5, as modified
Amendment #6
Amendment #7
Amendment #8
Amendment #9
Amendment #10
Amendment #11
Amendment #12
Amendment #13
Amendment #14, as modified
Amendment #16
Amendment #17
Amendment #18, as modified
Amendment #19
Amendment #20, as modified
Amendment #21
Amendment #23
Amendment #24, as modified
Amendment #25
Amendment #26
Amendment #27, as modified
Amendment #28
Amendment #29
Amendment #30
Amendment #31, as modified
Amendment #32
Amendment #33, as modified
Amendment #36
Amendment #37
Amendment #38
Amendment #39, as modified
Amendment #40
Amendment in order under section 8(d) of H.Res. 169, as modified

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. BARRETT OF NEBRASKA

(Amdt #2 in Part 2 of House Report 105–137)

At the end of title X (page 360, after line 8) insert the following new section:

SEC. 1060. STUDY OF UNITED STATES CAPACITOR AND RESISTOR INDUSTRIES.

The Secretary of Defense shall conduct a study to assess the capacitor and resistor industries in the United States in order to determine—

(1) the importance of such industries to the national defense and the defense mobilization base; and

(2) whether such industries are in danger of being critically weakened because of the removal of tariffs on imports under the Information Technology Agreement.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. BARTLETT OF MARYLAND

(Amdt #3 in part 2 of House Report 105–137)

Strike out section 217 (page 33, lines 13 through 23).

MODIFICATION TO THE AMENDMENT OFFERED BY MR. BEREUTER OF NEBRASKA

(Amdt #4 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title XII (page 379, after line 19), insert the following new section:

SEC. 1205. SENSE OF THE CONGRESS RELATING TO LEVEL OF UNITED STATES MILITARY PERSONNEL IN THE ASIA AND PACIFIC REGION.

(a) FINDINGS.—The Congress finds the following:

(1) The stability of the Asia-Pacific region is a matter of vital national interest affecting the well-being of all Americans.

(2) The nations of the Pacific Rim collectively represent the United States largest trading partner and are expected to account for almost one-third of the world's economic activity by the start of the next century.

(3) The increased reliance by the United States on trade and Middle East oil sources has reinforced United States security interests in the Southeast Asia shipping lanes through the South China Sea and the key straits of Malacca, Sunda, Lombok, and Makassar.

(4) The South China Sea is a vital conduit for United States Navy ships passing from the Pacific to the Indian Ocean and the Persian Gulf.

(5) Maintaining freedom of navigation in the South China Sea is a fundamental interest of the United States.

(6) The threats of proliferation of weapons of mass destruction, the emerging nationalism amidst long-standing ethnic and national rivalries, and the unresolved territorial disputes combine to create a political

landscape of potential instability and conflict in this region that would jeopardize the interests of the United States and the safety of United States nationals.

(7) A critical component of the East Asia strategy of the United States is maintaining forward deployed forces in Asia to ensure broad regional stability, to help to deter aggression, to lessen the pressure for arms races, and to contribute to the political and economic advances of the region from which the United States benefits.

(8) The forward presence of the United States in Northeast Asia enables the United States to respond to regional contingencies, to protect sea lines of communication, to sustain influence, and to support operations as distant as operations in the Persian Gulf.

(9) The military forces of the United States serve to prevent the political or economic control of the Asia-Pacific region by a rival, hostile power or coalition of such powers, thus preventing any such group from obtaining control over the vast resources, enormous wealth, and advanced technology of the region.

(10) Allies of the United States in the region can base their defense planning on a reliable American security commitment, a reduction of which could stimulate an arms buildup in the region.

(11) The Joint Announcement of the United States-Japan Security Consultative Committee of December 1996, acknowledged that ''the forward presence of U.S. forces continues to be an essential element for pursuing our common security objectives''.

(12) The administration has committed itself on numerous occasions to maintain approximately 100,000 troops in the region, most recently by the President in Australia, the Secretary of Defense in the Quadrennial Defense Review, and the Secretary of State in the Republic of Korea.

(13) The United States and Japan signed the United States-Japan Security Declaration in April 1996, in which the United States reaffirmed its commitment to maintain this level of 100,000 United States military personnel in the region.

(14) The United States military presence is recognized by the nations of the region as serving stability and signaling United States engagement.

(15) The nations of East Asia and the Pacific consider the commitment of the forces of the United States to be so vital to their future that they scrutinize actions of the United States for any sign of weakened commitment to the security of the region.

(16) The reduction of forward-based military forces could negatively affect the ability of the United States to contribute to the maintenance of peace and stability of the Asia and Pacific region.

(17) Recognizing that while the United States must consider the overall capabilities of its forces in its decisions to deploy troops, nevertheless any reduction in the number of forward-based troops may reduce the perception of American capability and commitment in the region that cannot be completely offset by modernization of the remaining forces.

(18) During time of crisis, redeployment of forces previously removed from the area might itself be deemed an act of provocation that could be used as a pretext by a hostile power for armed aggression within the region, and the existence of that possibility might hinder such a deployment.

(19) Proposals to reduce the forward presence of the United States in Asia or drastically subordinate security interests to United States domestic budgetary concerns can erode the perception of the commitment of the United States to its alliances and interests in the region.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should maintain approximately 100,000 United States military personnel in the Asia and Pacific region until such time as there is a peaceful and permanent resolution to the major security and political conflicts in the region.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. BRADY OF TEXAS

(Amdt #5 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title X (page 360, after line 8), insert the following new section:

SEC. ___. SENSE OF CONGRESS ON DEPLOYMENT OF UNITED STATES ARMED FORCES ABROAD FOR ENVIRONMENTAL PRESERVATION ACTIVITIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that United States Armed Forces should not be deployed outside the United States to provide assistance to another nation in connection with environmental preservation activities in that nation.

(b) SCOPE OF SECTION.—For purposes of this section, environmental preservation activities do not include activities undertaken for humanitarian purposes, disaster relief activities, peacekeeping activities, or operational training activities.

AMENDMENT TO H.R. 1119, AS REPORTED OFFERED BY MR. BUYER OF INDIANA

(Amdt #6 in Part 2 of House Report 105–137)

At the end of subtitle B of title VI (page 247, after line 13), insert the following new section:

SEC. 623. EXPANSION OF RESERVE AFFILIATION BONUS TO INCLUDE COAST GUARD RESERVE.

Section 308e of title 37, United States Code, is amended—

(1) in subsection (a), by striking out ''Under regulations prescribed by the Secretary of Defense, the Secretary of a military department'' and inserting in lieu thereof ''The Secretary concerned'';

(2) in subsection (b)(3), by striking out ''designated by the Secretary of Defense for the purposes of this section'' and inserting in lieu thereof ''designated for purposes of this section in the regulations prescribed under subsection (f)'';

(3) in subsection (c)(3), by striking out ''regulations prescribed by the Secretary of Defense'' and inserting in lieu thereof ''the regulations prescribed under subsection (f)''; and

(4) by adding at the end the following new subsection:

''(f) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under the jurisdiction of the Secretary of Defense and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.''.

AMENDMENT TO H.R. 1119, AS REPORTED OFFERED BY MR. COBURN OF OKLAHOMA

(Amdt #7 in Part 2 of House Report 105–137)

At the end of subtitle A of title X (page 320, after line 12), add the following new section:

SEC. 1008. UNITED STATES MAN AND THE BIOSPHERE PROGRAM LIMITATION.

No funds appropriated pursuant to this Act shall be used for the United States Man and Biosphere Program, or related projects.

AMENDMENT TO H.R. 1119, AS REPORTED OFFERED BY MR. EVERETT OF ALABAMA

(Amdt #8 in part 2 of House Report 105–137)

At the end of subtitle B of title II (page 34, after line 7) insert the following new section:

SEC. 219. COMANCHE PROGRAM.

The Congress supports the Army in its Comanche program technology transfer and acquisition efforts, which—

(1) offer potential RAH–66 Air Vehicle and T800 engine cost, schedule, and technical risk reduction; and

(2) include cooperative efforts with other Government agencies such as the National Guard (UH–1H engine technology insertion), the Defense Advanced Research Projects Agency, and other research and development programs of the military departments.

AMENDMENT TO H.R. 1119, AS REPORTED OFFERED BY MR. FALEOMAVAEGA OF AMERICAN SAMOA

(Amdt #9 in Part 2 of House Report 105–137)

At the end of title V (page 204, after line 16), insert the following new section:

SEC. 572. REPORT ON MAKING UNITED STATES NATIONALS ELIGIBLE FOR PARTICIPATION IN SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report on the utility of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(b) REQUIRED INFORMATION.—The Secretary shall include in the report the following information:

(1) A brief history of the prior admission of United States nationals to the Senior Reserve Officers' Training Corps, including the success rate of these cadets and midshipmen and how that rate compared to the average success rate of cadets and midshipmen during that same period.

(2) The advantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(3) The disadvantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(4) The incremental cost of including United States nationals in the Senior Reserve Officers' Training Corps.

(5) Methods of minimizing the risk that United States nationals admitted to the Senior Reserve Officers' Training Corps would be later disqualified because of ineligibility for United States citizenship.

(6) The recommendations of the Secretary on whether United States nationals should be eligible to participate in the Senior Reserve Officers' Training Corps program, and if so, a legislative proposal which would, if enacted, achieve that result.

AMENDMENT TO H.R. 1119, AS REPORTED OFFERED BY MR. FRELINGHUYSEN OF NEW JERSEY

(Amdt #10 in Part 2 of House Report 105–137)

At the end of title XXXVI (page 540, after line 3), insert the following new section:

SEC. ___. DETERMINATION OF GROSS TONNAGE FOR PURPOSES OF TANK VESSEL DOUBLE HULL REQUIREMENTS.

Section 3703a of title 46, United States Code, is amended by adding at the end the following:

''(e) For purposes of this section, the gross tonnage of a vessel for which a tonnage certificate was issued or accepted by the Secretary under this title before July 1, 1997, shall be the gross tonnage of the vessel stated on the most recent such certificate.''.

AMENDMENT TO H.R. 1119, AS REPORTED OFFERED BY MR. FARR OF CALIFORNIA

(Amdt #11 in Part 2 of House Report 105–137)

Page 411, in the table in section 2702(b) relating to extension of Army National Guard project authorizations, add an item, in the amount of $3,910,000, for the modify record fire range/maintenance shop construction project at Camp Roberts, California.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MRS. FOWLER OF FLORIDA

(Amdt #12 in Part 2 of House Report 105–137)

Page 377, after line 4, insert the following:

(4) Efforts by the People's Republic of China to enhance its capabilities in the area nuclear weapons development.

Page 377, after line 16, insert the following:

(7) Development by the People's Republic of China of capabilities in the area of electronic warfare.

Page 378, after line 12, insert the following:

(12) Efforts by the People's Republic of China in the area of telecommunications, including common channel signaling and synchronous digital hierarchy technologies.

(13) Development by People's Republic of China of advanced aerospace technologies with military applications (including gas turbine ''hot section'' technologies).

Page 379, after line 3, insert the following:

(17) Efforts by the People's Republic of China to develop its anti-submarine warfare capabilities.

Page 379, after line 6, insert the following:

(19) Efforts by the People's Republic of China to enhance its capabilities in such additional areas of strategic concern as the Secretary identifies.

(c) ANALYSIS OF IMPLICATIONS OF SALES OF PRODUCTS AND TECHNOLOGIES TO ENTITIES IN CHINA.—The report under subsection (a) shall include, with respect to each area for analyses and forecasts specified in subsection (b)—

(1) an assessment of the implications of sales of United States and foreign products and technologies to entities in the People's Republic of China; and

(2) the potential threat of developments in that area to United States strategic interests.

Redesignate the paragraphs of section 1203(b) accordingly.

Page 379, line 7, strike out ''(c)'' and insert in lieu thereof ''(d)''.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. FOX OF PENNSYLVANIA

(Amdt #13 in Part 2 of House Report 105–137)

At the end of section 1054 (page 348, after line 18), insert the following new subsection:

(j) DAILY DISPLAY OF FLAG AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.—In addition to the display required by subsection (a), the POW/MIA flag shall be displayed on, or on the grounds of, each Department of Veterans Affairs medical center on every day on which the flag of the United States is displayed.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. FOX OF PENNSYLVANIA

(Amdt #14 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of subtitle C of title III (page 67, after line 19), insert the following new section:

SEC. 323. VETERANS' PREFERENCE STATUS FOR CERTAIN VETERANS WHO SERVED ON ACTIVE DUTY DURING THE PERSIAN GULF WAR.

(a) DEFINITION OF VETERAN FOR PURPOSES OF PREFERENCE ELIGIBLE STATUS.—Section 2108 of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''or'' at the end of subparagraph (A);

(B) by inserting ''or'' at the end of subparagraph (B); and

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) served on active duty as defined by section 101(21) of title 38 in the armed forces during the period beginning on August 2, 1990, and ending on January 2, 1992;''; and

(2) in paragraph (3)(B), by inserting ''or (C)'' after ''paragraph (1)(B)''.

(b) ADDITIONAL POINTS.—Section 3309(2) of such title is amended by striking ''2108(3)(A)'' and inserting ''2108(3)(A)–(B)''.

(c) TECHNICAL AMENDMENTS.—Section 2108(1)(B) of such title is further amended—

(1) by striking ''the date of enactment of the Veterans' Education and Employment Assistance Act of 1976,'' and inserting ''October 15, 1976,''; and

(2) by striking ''511(d) of title 10'' and inserting ''12103(d) of title 10''.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. GALLEGLY OF CALIFORNIA

(Amdt #16 in Part 2 of House Report 105–137)

At the end of title X (page 360, after line 8), insert the following new section:

SEC. ___. STUDY OF TRANSFER OF MODULAR AIRBORNE FIRE FIGHTING SYSTEM.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Secretary of Agriculture, shall submit to Congress a report evaluating the feasibility of transferring jurisdiction over units of the Modular Airborne Fire Fighting System from the Department of Agriculture to the Department of Defense.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. GEKAS OF PENNSYLVANIA

(Amdt #17 in Part 2 of House Report 105–137)

Page 411, in the table in section 2702(b) relating to extension of Army National Guard project authorizations, add an item, in the amount of $6,200,000, for a barracks construction project at Fort Indiantown Gap, Pennsylvania.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. HALL OF OHIO

(Amdt #18 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title XXXI (page 493, after line 17), add the following new section:

SEC. 3152. TRANSFERS OF REAL AND PERSONAL PROPERTY AT CERTAIN DEPARTMENT OF ENERGY FACILITIES.

(a) TRANSFER GUIDELINES.—(1) The Secretary of Energy shall issue guidelines for the transfer by sale or lease of real and personal property at Department of Energy defense nuclear facilities in consultation with the community reuse organizations associated with the facilities and the local governments within whose jurisdiction the facilities are located. The Secretary shall issue the guidelines not later than 90 days after the date of the enactment of this Act.

(2)(A) The Secretary of Energy may not transfer real or personal property under the guidelines issued under paragraph (1) until—

(i) the Secretary submits a notification of the proposed transfer to the congressional defense committees; and

(ii) a period of 30 days of continuous session of Congress has expired following the date on which the notification is submitted.

(B) For purposes of subparagraph (A)(ii), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such 30-day period.

(b) INDEMNIFICATION.—(1) In the sale or lease of real or personal property pursuant to the guidelines issued under subsection (a), the Secretary of Energy may indemnify a transferee against an action for injury to person or property resulting from the release or threatened release of a hazardous substance or pollutant or contaminant as a result of Department of Energy activities. Before such a sale or lease, the Secretary shall notify the transferee that the Secretary has authority to provide indemnification to the transferee under this subsection. The Secretary shall include in an agreement for such a sale or lease a provision addressing indemnification for such an action.

(2) Nothing in this section shall be construed as affecting or modifying in any way section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).

(c) DEFINITIONS.—In this section:

(1) The term ''Department of Energy defense nuclear facility'' has the meaning provided by section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(2) The term ''transferee'' means a person to which real property is transferred pursuant to the guidelines issued under subsection (a).

(3) The terms ''hazardous substance'', ''release'', and ''pollutant or contaminant'' have the meanings provided by section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. HASTERT OF ILLINOIS

(Amdt #19 in Part 2 of House Report 105–137)

At the end of subtitle C of title X (page 326, after line 6), insert the following new section:

SEC. 1032. ANNUAL REPORT ON DEVELOPMENT AND DEPLOYMENT OF NARCOTICS DETECTION TECHNOLOGIES.

(a) REPORT REQUIREMENT.—Not later than December 1st of each year, the Director of the Office of National Drug Control Policy shall submit to Congress and the President a report on the development and deployment of narcotics detection technologies by Federal agencies. Each such report shall be prepared in consultation with the Secretary of Defense, the Secretary of State, the Secretary of Transportation, and the Secretary of the Treasury.

(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall include—

(1) a description of each project implemented by a Federal agency relating to the development or deployment of narcotics detection technology;

(2) the agency responsible for each project described in paragraph (1);

(3) the amount of funds obligated or expended to carry out each project described in paragraph (1) during the fiscal year in which the report is submitted or during any fiscal year preceding the fiscal year in which the report is submitted;

(4) the amount of funds estimated to be obligated or expended for each project described in paragraph (1) during any fiscal year after the fiscal year in which the report is submitted to Congress; and

(5) a detailed timeline for implementation of each project described in paragraph (1).

MODIFICATION TO THE AMENDMENT OFFERED BY MR. HASTINGS OF WASHINGTON

(Amdt #20 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title XXXI (page 493, after line 17), insert the following new section:

SEC. 3152. REQUIREMENT TO DELEGATE CERTAIN AUTHORITIES TO SITE MANAGER OF HANFORD RESERVATION.

Section 3173(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2848; 42 U.S.C. 7274k) is amended—

(1) in paragraph (1), by striking out ''In addition'' and inserting in lieu thereof ''Except as provided in paragraph (5), in addition''; and

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

''(5) In the case of the Hanford Reservation, Richland, Washington, the Secretary

shall delegate to the Site Manager the authority described in paragraph (1). The Secretary may withdraw the delegated authority if the Secretary—

''(A) determines that the Site Manager of the Hanford Reservation has misused or misapplied that authority; and

''(B) the Secretary submits to Congress a notification of the Secretary's intent to withdraw the authority.''.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. HASTINGS OF WASHINGTON

(Amdt #21 in Part 2 of House Report 105–137)

Strike out section 3143 (page 484, line 10 through page 485, line 16) and insert in lieu thereof the following:

SEC. 3143. STUDY AND FUNDING RELATING TO IMPLEMENTATION OF WORKFORCE RESTRUCTURING PLANS.

(a) STUDY REQUIREMENT.—The Secretary of Energy shall conduct a study on the effects of workforce restructuring plans for defense nuclear facilities developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(b) MATTERS COVERED BY STUDY.— The study shall cover the four-year period preceding the date of the enactment of this Act and shall include the following:

(1) An analysis of the number of jobs created under workforce restructuring plans developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(2) An analysis of other benefits provided pursuant to such plans and through community reuse organizations.

(3) A description of the funds expended, and the funds obligated but not expended, pursuant to such plans as of the date of the report.

(4) A description of the criteria used since October 23, 1992, in providing assistance pursuant to such plans.

(5) A comparison of the benefits provided pursuant to such plans—

(A) to employees whose employment at facilities covered by such plans is terminated; and

(B) to employees whose employment at facilities where more than 50 percent of the revenues are derived from contracts with the Department of Defense is terminated.

(c) CONDUCT OF STUDY.—(1) The study shall be conducted through a contract with a private auditing firm with which the Department of Energy has no other auditing contracts.

(2)(A) The Secretary of Energy may not enter into the contract for the conduct of the study until—

(i) the Secretary submits a notification of the proposed contract award to the congressional defense committees; and

(ii) a period of 30 days of continuous session of Congress has expired following the date on which the notification is submitted.

(B) For purposes of subparagraph (A)(ii), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such 30-day period.

(3) The Secretary of Energy shall ensure that the firm conducting the study is provided access to all documents in the possession of the Department of Energy that are relevant to the study, including documents in the possession of the Inspector General of the Department of Energy.

(d) REPORT ON STUDY.—The Secretary of Energy shall submit a report to Congress on the results of the study not later than January 30, 1998.

(e) FUNDING.—In addition to amounts available pursuant to the authorization of appropriations in section 3103(6), the Secretary of Energy may use an amount not exceeding $44,000,000 for implementation of the workforce restructuring plans for contractor employees, to be derived from excess unobligated and available funds.

(f) REVISIONS TO DEFENSE NUCLEAR FACILITIES WORKFORCE RESTRUCTURING PLAN REQUIREMENTS.—

(1) REVISION OF PERIOD FOR NOTIFICATION OF CHANGES IN WORKFORCE.—Section 3161(c)(1)(B) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(1)(B)) is amended by striking out ''120'' and inserting in lieu thereof ''90''.

(2) REPEAL OF REQUIREMENT FOR SUBMISSION TO CONGRESS.—Subsection (f) of section 3161 of such Act is repealed.

(3) PROHIBITION ON USE OF FUNDS FOR LOCAL IMPACT ASSISTANCE.—None of the funds authorized to be appropriated to the Department of Energy pursuant to section 3103(6) may be used for local impact assistance from the Department of Energy under section 3161(c)(6) of such Act (42 U.S.C. 7274h(c)(6)) until—

(A) with respect to assistance referred to in section 3161(c)(6)(A) of such Act, the Secretary of Energy coordinates with and obtains approval of the Secretary of Labor; and

(B) with respect to assistance referred to in section 3161(c)(6)(C) of such Act, the Secretary of Energy coordinates with and obtains approval of the Secretary of Commerce.

(4) SEMIANNUAL REPORT TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—Every six months the Secretary of Energy shall submit to Congress a report setting forth a description of, and the value of, all local impact assistance provided under section 3161(c)(6) of such Act.

(g) EFFECT ON USEC PRIVATIZATION ACT.—Nothing in this section shall be construed as diminishing the obligations of the Secretary of Energy under section 3110(a)(5) of the USEC Privatization Act (Public Law 104–134; 110 Stat. 1321–341; 42 U.S.C. 2297h–8(a)(5)).

(h) DEFINITIONS.—In this section:

(1) The term ''defense nuclear facility'' has the meaning provided the term ''Department of Energy defense nuclear facility'' in section 3163 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274j).

(2) The term ''contractor employee'' means an employee of a contractor or subcontractor of the Department of Energy at a defense nuclear facility.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

(Amdt #23 in Part 2 of House Report 105–137)

At the end of subtitle C of title V (page 142, after line 3), insert the following new section:

SEC. 524. REPORT ON FEASIBILITY AND DESIRABILITY OF CONVERSION OF AGR PERSONNEL TO MILITARY TECHNICIANS (DUAL-STATUS).

(a) REPORT REQUIRED.—Not later than January 1, 1998, the Secretary of Defense shall submit to Congress a report on the feasibility and desirability of conversion of AGR personnel to military technicians (dual-status). The report shall—

(1) identify advantages and disadvantages of such a conversion;

(2) identify possible savings if such a conversion were to be carried out; and

(3) set forth the recommendation of the Secretary as to whether such a conversion should be made.

(b) AGR PERSONNEL DEFINED.—For purposes of subsection (a), the term ''AGR personnel'' means members of the Army or Air Force reserve components who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training their respective reserve components.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. METCALF OF WASHINGTON

(Amdt #24 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title VII (page 288, after line 21), insert the following new section:

SEC. ___. SENSE OF CONGRESS CONCERNING GULF WAR ILLNESS.

(a) FINDINGS.—Congress makes the following findings:

(1) Americans served in the Persian Gulf Conflict of 1991 in defense of vital national security interests of the United States.

(2) It was known to United States intelligence and military commanders that biological and chemical agents were in theater throughout the conflict.

(3) An undetermined amount of these agents were released into theater.

(4) A large number of United States military veterans and allied veterans who served in the Southwest Asia theater of operations have been stricken with a variety of severe illnesses.

(5) Previous efforts to discern the causes of those illnesses have been inadequate, and those illnesses are affecting the health of both veterans and their families.

(b) SENSE OF CONGRESS.—It is the sense of Congress that all promising technology and treatments relating to Gulf War illnesses should be fully explored and tested to facilitate treatment for members of the Armed Forces and veterans who served the United States in the Persian Gulf conflict and are stricken with unexplainable illness.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. PICKETT OF VIRGINIA

(Amdt #25 in part 2 of House Report 105–137)

At the end of subtitle B of title II (page 34, after line 7), insert the following new section:

SEC. 219. LAND ATTACK STANDARD MISSILE.

Of the amount provided in section 201(2) for research, development, test, and evaluation for the Navy—

(1) the amount available for program element 63695N for the Land Attack Technology program is increased by $10,000,000, to be available for flight test demonstration and risk reduction activities for the Land Attack Standard Missile;

(2) the amount available for program element 62317N (Air Systems and Weapons Advance Technology) is reduced by $5,000,000; and

(3) the amount available for program element 63508N (Ship Hull Mechanical and Electrical Technology) is reduced by $5,000,000.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. PICKETT OF VIRGINIA

(Amdt #26 in part 2 of House Report 105–137)

At the end of title VIII (page 303, after line 2) insert the following new section:

SEC. 824. ALLOWABILITY OF COSTS OF EMPLOYEE STOCK OWNERSHIP PLANS.

(a) PROHIBITION.—Under section 2324 of title 10, United States Code, the Secretary of Defense may not determine the allowability of costs of employee stock ownership plans under contracts with the Department of Defense in accordance with the rule described in subsection (b).

(b) RULE.—The rule referred to in subsection (a) is the rule that was—

(1) proposed by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council on November 7, 1995, and referred to as FAR Case 92–024, Employee Stock Ownership Plans (60 Federal Register 56216); and

(2) withdrawn by such Councils on April 3, 1996 (61 Federal Register 14944).

MODIFICATION

TO THE AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. RILEY OF ALABAMA

(Amdt #27 in part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of subtitle B of title II (page 34, after line 7) insert the following new section:

SEC. 219. REPORT ON OPERATIONAL FIELD ASSESSMENTS PROGRAM.

(a) FINDING.—Congress recognizes the potential value that the Department of Defense Operational Field Assessments program, which is managed by the Director of Operational Test and Evaluation, provides to the commanders of the Unified Combatant Commands with respect to assessment of the effectiveness of near-term operational concepts and critical operational issues in quick-response operational tests and evaluations.

(b) REPORT.—Not later than March 30, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the Operational Field Assessments program.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the Operational Field Assessments program which describes the goals and objectives of the program, assessments by the program conducted as of the date of the submission of the report, and the results of those assessments.

(2) A description of the current management and support structure of the program within the Department of Defense, including a description of how program responsibilities are assigned within the Office of the Secretary of Defense and a description of the roles of the Joint Staff, the commanders of the Unified Combatant Commands, and the military departments.

(3) A description of future plans for the program and funding requirements for those plans.

(4) Recommendations regarding additional statutory authority that may be required for the program.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. SAXTON OF NEW JERSEY

(Amdt #28 in Part 2 of House Report 105–137)

Strike out title XXIX (page 442, line 15, through page 457, line 13), and insert in lieu thereof the following new title:

TITLE XXIX—SIKES ACT IMPROVEMENT

SEC. 2901. SHORT TITLE.

This title may be cited as the ''Sikes Act Improvement Amendments of 1997''.

SEC. 2902. DEFINITION OF SIKES ACT FOR PURPOSES OF AMENDMENTS.

In this title, the term ''Sikes Act'' means the Act entitled ''An Act to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations'', approved September 15, 1960 (16 U.S.C. 670a et seq.), commonly referred to as the ''Sikes Act''.

SEC. 2903. CODIFICATION OF SHORT TITLE OF ACT.

The Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting before title I the following new section:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Sikes Act'.''.

SEC. 2904. INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.

(a) PLANS REQUIRED.—Subsection (a) of section 101 of the Sikes Act (16 U.S.C. 670a) is amended to read as follows:

''(a) INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.—

''(1) PLANS REQUIRED.—The Secretary of Defense shall carry out a program to provide for the conservation and rehabilitation of natural resources on military installations. To facilitate the program, the Secretary of each military department shall prepare and implement an integrated natural resources management plan for each military installation in the United States under the jurisdiction of the Secretary, unless the Secretary determines that the absence of significant natural resources on a particular installation makes preparation of such a plan inappropriate.

''(2) COOPERATIVE PREPARATION.—The Secretary of a military department shall prepare the integrated natural resources management plans for which the Secretary is responsible in cooperation with the Secretary of the Interior, acting through the Director of the Fish and Wildlife Service, and the head of the appropriate State fish and wildlife agency or agencies for the State in which the military installation involved is located. The resulting plan for a military installation consistent with paragraph (4) shall reflect the mutual agreement of the parties concerning conservation, protection, and management of fish and wildlife resources.

''(3) PURPOSE OF PLANS.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, the Secretaries of the military departments shall carry out the program required by this subsection to provide for—

''(A) the conservation and rehabilitation of natural resources on military installations;

''(B) the sustained multipurpose use of these resources, to include hunting, fishing, trapping, and nonconsumptive uses; and

''(C) subject to safety requirements and military security, public access to military installations to facilitate these uses.

''(4) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed as modifying or repealing the provisions of any Federal law governing the conservation or protection of fish and wildlife resources, nor as enlarging or diminishing the responsibility and authority of the States for the protection and management of fish and resident wildlife. Except as elsewhere specifically provided in this section and section 102, nothing in this Act shall be construed as authorizing the Secretary of a military department to require a Federal license or permit to hunt, fish, or trap on a military installation.

(b) CONFORMING AMENDMENTS.—Title I of the Sikes Act is amended—

(1) in section 101(b)(4) (16 U.S.C. 670a(b)(4)), by striking out ''cooperative plan'' each place it appears and inserting in lieu thereof ''integrated natural resource management plan'';

(2) in section 101(c) (16 U.S.C. 670a(c)), in the matter preceding paragraph (1) by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(3) in section 101(d) (16 U.S.C. 670a(d)), in the matter preceding paragraph (1) by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans'';

(4) in section 101(e) (16 U.S.C. 670a(e)), by striking out ''Cooperative plans'' and inserting in lieu thereof ''Integrated natural resource management plans'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(6) in section 103 (16 U.S.C. 670c), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resource management plan'';

(7) in section 106(a) (16 U.S.C. 670f(a)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans''; and

(8) in section 106(c) (16 U.S.C. 670f(c)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resource management plans''.

(c) CONTENTS OF PLANS.—Section 101(b) of the Sikes Act (16 U.S.C. 670a(b)) is amended—

(1) by striking out ''Each cooperative plan'' and all that follows through paragraph (1) and inserting in lieu thereof the following:

''(b) REQUIRED ELEMENTS OF PLANS.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, each integrated natural resources management plan prepared under subsection (a)—

''(1) shall, where appropriate and applicable, provide for—

''(A) fish and wildlife management, land management, forest management, and fish and wildlife-oriented recreation;

''(B) fish and wildlife habitat enhancement or modifications;

''(C) wetland protection, enhancement, and restoration, where necessary for support of fish or wildlife;

''(D) integration of, and consistency among, the various activities conducted under the plan;

''(E) establishment of specific natural resource management objectives and time frames for proposed action;

''(F) sustained use by the public of natural resources to the extent such use is not inconsistent with the needs of fish and wildlife resources management;

''(G) public access to the military installation that is necessary or appropriate for the use described in subparagraph (F), subject to requirements necessary to ensure safety and military security;

''(H) enforcement of natural resource laws and regulations;

''(I) no net loss in the capability of military installation lands to support the military mission of the installation; and

''(J) such other activities as the Secretary of the military department considers appropriate;''

(2) by striking out paragraph (3);

(3) by redesignating paragraph (4) as paragraph (3); and

(4) in paragraph (3)(A) (as so redesignated), by striking out ''collect the fees therefor,'' and inserting in lieu thereof ''collect, spend, administer, and account for fees therefor,''.

SEC. 2905. REVIEW FOR PREPARATION OF INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.

(a) REVIEW OF MILITARY INSTALLATIONS.—

(1) REVIEW.—The Secretary of each military department shall, by not later than nine months after the date of the enactment of this Act—

(A) review each military installation in the United States that is under the jurisdiction of that Secretary to determine the military installations for which the preparation of an integrated natural resource management plan under section 101 of the Sikes Act, as amended by this title, is appropriate; and

(B) submit to the Secretary of Defense a report on those determinations.

(2) REPORT TO CONGRESS.—The Secretary of Defense shall, by not later than 12 months after the date of the enactment of this Act, submit to the Congress a report on the reviews conducted under paragraph (1). The report shall include—

(A) a list of those military installations reviewed under paragraph (1) for which the Secretary of the military department concerned determines the preparation of an integrated natural resource management plan is not appropriate; and

(B) for each of the military installations listed under subparagraph (A), an explanation of the reasons such a plan is not appropriate.

(b) DEADLINE FOR INTEGRATED NATURAL RESOURCE MANAGEMENT PLANS.—Not later than two years after the date of the submission of the report required under subsection (a)(2), the Secretary of each military department shall, for each military installation for which the Secretary has not determined under subsection (a)(2)(A) that preparation of an integrated natural resource management plan is not appropriate—

(1) prepare and begin implementing such a plan in accordance with section 101(a) of the Sikes Act, as amended by section 2904; or

(2) in the case of a military installation for which there is in effect a cooperative plan under section 101(a) of the Sikes Act on the day before the date of the enactment of this Act, complete negotiations with the Secretary of the Interior and the heads of the appropriate State agencies regarding changes to that plan that are necessary for the plan to constitute an integrated natural resource plan that complies with that section, as amended by section 2904.

(c) PUBLIC COMMENT.—The Secretary of each military department shall provide an opportunity for the submission of public comments on—

(1) integrated natural resource management plans proposed pursuant to subsection (b)(1); and

(2) changes to cooperative plans proposed pursuant to subsection (b)(2).

SEC. 2906. ANNUAL REVIEWS AND REPORTS.

Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

''(f) REVIEWS AND REPORTS.—

''(1) SECRETARY OF DEFENSE.—The Secretary of Defense shall, by not later than March 1 of each year, review the extent to which integrated natural resource management plans were prepared or in effect and implemented in accordance with this Act in the preceding year, and submit a report on the findings of that review to the committees. Each report shall include—

''(A) the number of integrated natural resource management plans in effect in the year covered by the report, including the date on which each plan was issued in final form or most recently revised;

''(B) the amount of moneys expended on conservation activities conducted pursuant to those plans in the year covered by the report; and

''(C) an assessment of the extent to which the plans comply with the requirements of this Act.

''(2) SECRETARY OF THE INTERIOR.—The Secretary of the Interior, by not later than March 1 of each year and in consultation with State agencies responsible for conservation or management of fish or wildlife, shall submit a report to the committees on the amount of moneys expended by the Department of the Interior and those State agencies in the year covered by the report on conservation activities conducted pursuant to integrated natural resource management plans.

''(3) COMMITTEES DEFINED.—For purposes of this subsection, the term 'committees' means the Committee on Resources and the Committee on National Security of the House of Representatives and the Committee on Armed Services and the Committee on Environment and Public Works of the Senate.''.

SEC. 2907. TRANSFER OF WILDLIFE CONSERVATION FEES FROM CLOSED MILITARY INSTALLATIONS.

Subsection (b)(3)(B) of section 101(b) of the Sikes Act (16 U.S.C. 670a(b)), as redesignated and amended by section 2904, is further amended by inserting before the period at the end the following: '', unless that military installation is subsequently closed, in which case the fees may be transferred to another military installation to be used for the same purposes''.

SEC. 2908. FEDERAL ENFORCEMENT.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended—

(1) by redesignating section 106, as amended by section 2904(b), as section 109; and

(2) by inserting after section 105 the following new section:

''SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.

''All Federal laws relating to the conservation of natural resources on Federal lands may be enforced by the Secretary of Defense with respect to violations of those laws that occur on military installations within the United States.''.

SEC. 2909. NATURAL RESOURCE MANAGEMENT SERVICES.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting after section 106 (as added by section 2908) the following new section:

''SEC. 107. NATURAL RESOURCE MANAGEMENT SERVICES.

''The Secretary of each military department shall ensure, within available resources, that sufficient numbers of professionally trained natural resource management personnel and natural resource law enforcement personnel are available and assigned responsibility to perform tasks necessary to comply with this Act, including the preparation and implementation of integrated natural resource management plans.''.

SEC. 2910. DEFINITIONS.

Title I of the Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting after section 107 (as added by section 2909) the following new section:

''SEC. 108. DEFINITIONS.

''In this title:

''(1) MILITARY INSTALLATION.—(A) The term 'military installation' means any land or interest in land owned by the United States and administered by the Secretary of Defense or the Secretary of a military department (except civil works lands). The term includes all public lands withdrawn from all forms of appropriation under public land laws and reserved for use by the Secretary of Defense or the Secretary of a military department.

''(B) The term does not include any lands otherwise covered by subparagraph (A) that are subject to an approved recommendation for closure under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) STATE FISH AND WILDLIFE AGENCY.—The term 'State fish and wildlife agency' means an agency or agencies of State government that is responsible under State law for managing fish or wildlife resources.

''(3) UNITED STATES.—The term 'United States' means the States, the District of Columbia, and the territories and possessions of the United States.''.

SEC. 2911. COOPERATIVE AGREEMENTS.

Section 103a of the Sikes Act (16 U.S.C. 670c–1) is amended—

(1) in subsection (a) by striking out ''Secretary of Defense'' and inserting ''Secretary of a military department'';

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

''(b) Funds appropriated to the Department of Defense for a fiscal year may be obligated to cover the cost of goods and services provided either under a cooperative agreement entered into under subsection (a) or through an agency agreement under section 1535 of title 31, United States Code, during any 18-month period beginning in that fiscal year, without regard to whether the agreement crosses fiscal years.''.

SEC. 2912. REPEAL OF SUPERSEDED PROVISION.

Section 2 of the Act of October 27, 1986 (Public Law 99–651; 16 U.S.C. 670a–1), is repealed.

SEC. 2913. CLERICAL AMENDMENTS.

Title I of the Sikes Act, as amended by this title, is amended—

(1) in the heading for the title by striking out ''MILITARY RESERVATIONS'' and inserting in lieu thereof ''MILITARY INSTALLATIONS'';

(2) in section 101(b)(3) (16 U.S.C. 670a(b)(3)), as redesignated and amended by section 2904—

(A) in subparagraph (A), by striking out ''the reservation'' and inserting in lieu thereof ''the installation''; and

(B) in subparagraph (B), by striking out ''the military reservation'' and inserting in lieu thereof ''the military installation'';

(4) in section 101(c) (16 U.S.C. 670a(c))—

(A) in paragraph (1), by striking out ''a military reservation'' and inserting in lieu thereof ''a military installation''; and

(B) in paragraph (2), by striking out ''the reservation'' and inserting in lieu thereof ''the installation'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(6) in section 103 (16 U.S.C. 670c)—

(A) by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(B) by striking out ''such reservations'' and inserting in lieu thereof ''such installations''.

SEC. 2914. AUTHORIZATIONS OF APPROPRIATIONS.

(a) PROGRAMS ON MILITARY INSTALLATIONS.—Subsections (b) and (c) of section 109 of the Sikes Act (as redesignated by section 1408) are each amended by striking out ''1983'' and all that follows through ''1993,'' and inserting in lieu thereof ''1983 through 2000,''.

(b) PROGRAMS ON PUBLIC LANDS.—Section 209 of the Sikes Act (16 U.S.C. 670o) is amended—

(1) in subsection (a), by striking out ''the sum of $10,000,000'' and all that follows through ''to enable the Secretary of the Interior'' and inserting in lieu thereof ''$4,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of the Interior''; and

(2) in subsection (b), by striking out ''the sum of $12,000,000'' and all that follows through ''to enable the Secretary of Agriculture'' and inserting in lieu thereof ''$5,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of Agriculture''.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. SAXTON OF NEW JERSEY

(Amdt #29 in Part 2 of House Report 105–137)

Strike out section 2839 (page 434, line 9, through page 435, line 3) and insert in lieu thereof the following new section:

SEC. 2839. LAND CONVEYANCES, FORT DIX, NEW JERSEY.

(a) CONVEYANCES AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the Borough of Wrightstown, New Jersey (in this section referred to as the ''Borough''), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately

39.69 acres located at Fort Dix, New Jersey, for the purpose of permitting the Borough to develop the parcel for economic purposes.

(2) The Secretary may convey, without consideration, to the New Hanover Board of Education (in this section referred to as the ''Board''), all right, title, and interest of the United States in and to an additional parcel of real property (including improvements thereon) at Fort Dix consisting of approximately five acres for the purpose of permitting the Board to develop the parcel for educational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the survey in connection with the conveyance under subsection (a)(1) shall be borne by the Borough, and the cost of the survey in connection with the conveyance under subsection (a)(2) shall be borne by the Board.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. SISISKY OF VIRGINIA

(Amdt #30 in Part 2 of House Report 105–137)

At the end of title VII (page 288, after line 21), insert the following new section:

SEC. 747. COMPTROLLER GENERAL STUDY OF REQUIREMENT FOR MILITARY MEDICAL FACILITIES IN NATIONAL CAPITAL REGION.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the requirement for Army, Navy, and Air Force medical facilities in the National Capital Region (as defined in section 2674(f)(2) of title 10, United States Code). The study shall—

(1) specifically address requirements with respect to geography, facilities, integrated residencies, and medical environments; and

(2) provide specific recommendations with respect to how medical and health care provided by these facilities may be better coordinated to more efficiently serve, throughout the National Capital Region, members of the Armed Forces on active duty and covered beneficiaries under chapter 55 of title 10, United States Code.

(b) SUBMISSION OF REPORT.—Not later than six months after the date of the enactment of this Act, the Comptroller General shall submit to Congress and the Secretary of Defense a report containing the results of the study required by subsection (a).

MODIFICATION TO THE AMENDMENT OFFERED BY MR. SKELTON OF MISSOURI

(Amdt #31 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of subtitle D of title X (page 327, after line 6), insert the following new section:

SEC. 1043. REPORT ON ANTI-TERRORISM ACTIVITIES.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report, in classified and unclassified form, describing—

(1) the programs designed to carry out anti-terrorism activities of the Department of Defense;

(2) any deficiencies in those programs; and

(3) any actions taken by the Secretary to improve implementation of such programs.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. SKELTON OF MISSOURI

(Amdt #32 in Part 2 of House Report 105–137)

At the end of title V (page 204, after line 16), insert the following new section:

SEC. 572. COMMUNITY COLLEGE OF THE AIR FORCE.

(a) LIMITED EXPANSION.—Paragraph (1) of subsection (a) of section 9315 of title 10, United States Code, is amended to read as follows:

''(1) prescribe programs of higher education for enlisted members described in subsection (d) designed to improve the technical, managerial, and related skills of those members and to prepare them for military jobs which require the use of those skills; and ''.

(b) ELIGIBLE MEMBERS.—Such section is further amended by adding at the end the following new subsection:

''(d) Subsection (a)(1) applies to the following members:

''(1) Enlisted members of the Air Force.

''(2) Enlisted members of other armed forces attending Air Force training schools whose jobs are closely related to Air Force jobs.

''(3) Enlisted members of other armed forces who are serving as instructors at Air Force training schools.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to enrollments in the Community College of the Air Force after March 31, 1996.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. SKELTON OF MISSOURI

(Amdt #33 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title X (page 360, after line 8), insert the following new section:

SEC. 1060. OVERSIGHT OF COUNTER-TERRORISM AND ANTI-TERRORISM PROGRAMS AND ACTIVITIES OF THE UNITED STATES.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) establish a Government-wide reporting system with respect to the budget and expenditure of funds by executive departments and agencies for the purpose of carrying out counter-terrorism and anti-terrorism programs and activities; and

(2) collect information on—

(A) the budget and expenditure of funds by executive departments and agencies during fiscal years 1995 through 1997 for purposes of carrying out counter-terrorism and anti-terrorism programs and activities; and

(B) the specific programs and activities for which such funds were expended.

(b) REPORT REQUIREMENT.—Not later than March 1st of each year, the Director of the Office of Management and Budget shall submit to the President and to Congress a report, in classified and unclassified form, describing, for each executive department and agency and for the executive branch as whole—

(1) the amounts proposed to be expended directly for counter-terrorism and anti-terrorism programs and activities for the fiscal year beginning in the calendar year in which the report is submitted;

(2) the amounts proposed to be expended directly for counter-terrorism and anti-terrorism programs and activities for the fiscal year in which the report is submitted and the amounts that have already been expended for such programs and activities for that fiscal year;

(3) the amounts proposed to be expended directly and the amounts actually expended directly for counter-terrorism and anti-terrorism programs and activities for the three fiscal years preceding the fiscal year in which the report is submitted; and

(4) the specific counter-terrorism and anti-terrorism programs and activities being implemented, any priorities with respect to such programs and activities, and whether there has been any duplication of efforts in implementing such programs and activities.

AMENDMENT TO H.R. 1119

OFFERED BY MR. SPRATT OF SOUTH CAROLINA

(Amdt #36 in Part 2 of House Report 105–137)

At the end of title VIII (page 303, after line 2), insert the following new section:

SEC. 8___. EXPANSION OF PERSONNEL ELIGIBLE TO PARTICIPATE IN DEMONSTRATION PROJECT RELATING TO ACQUISITION WORKFORCE.

(a) AMENDMENT TO PURPOSE OF PROJECT.—Section 4308(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) is amended by adding before the period at the end the following: ''and supporting personnel assigned to work directly with the acquisition workforce''.

(b) AMENDMENT TO ELIGIBLE WORKFORCE.—Section 4308(b)(3)(A) of such Act is amended by inserting before the semicolon the following: ''or involves a team of personnel more than half of which consists of members of the acquisition workforce and the remainder of which consists of supporting personnel assigned to work directly with the acquisition workforce''.

(c) COMMENCEMENT OF PROJECT.—Section 4308(b)(3)(C) of such Act, as redesignated by subsection (b)(2), is amended by striking out ''this Act'' and inserting in lieu thereof ''the National Defense Authorization Act for Fiscal Year 1998''.

(d) LIMITATION ON NUMBER OF PARTICIPANTS.—Section 4308 of such Act is amended by adding at the end the following:

''(d) LIMITATION ON NUMBER OF PARTICIPANTS.—The total number of persons who may participate in the demonstration project under this section may not exceed the number that is equal to the total number of persons who are members of the acquisition workforce.''.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. THUNE OF SOUTH DAKOTA

(Amdt #37 Part 2 of House Report 105–137)

At the end of part III of subtitle D of title XXVIII (page 439, after line 6) add the following new section:

SEC. 2864. LAND CONVEYANCE, ELLSWORTH AIR FORCE BASE, SOUTH DAKOTA.

(a) CONVEYANCE REQUIRED.—The Secretary of the Air Force may convey, without consideration, to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota (in this section referred to as the ''Corporation''), all right, title, and interest of the United States in and to the parcels of real property located at Ellsworth Air Force Base, South Dakota, referred to in subsection (b).

(b) COVERED PROPERTY.—(1) Subject to paragraph (2), the real property referred to in subsection (a) is the following:

(A) A parcel of real property, together with any improvements thereon, consisting of approximately 53.32 acres and comprising the Skyway Military Family Housing Area.

(B) A parcel of real property, together with any improvements thereon, consisting of approximately 137.56 acres and comprising the Renal Heights Military Family Housing Area.

(C) A parcel of real property, together with any improvements thereon, consisting of approximately 14.92 acres and comprising the East Nike Military Family Housing Area.

(D) A parcel of real property, together with any improvements thereon, consisting of approximately 14.69 acres and comprising the South Nike Military Family Housing Area.

(E) A parcel of real property, together with any improvements thereon, consisting of approximately 14.85 acres and comprising the West Nike Military Family Housing Area.

(2) The real property referred to in subsection (a) does not include the portion of real property referred to in paragraph (1)(B) that the Secretary determines to be required for the construction of an access road between the main gate of Ellsworth Air Force Base and an interchange on Interstate Route 90 located in the vicinity of mile marker 67 in South Dakota.

(c) CONDITIONS OF CONVEYANCE.—The conveyance of the real property referred to in subsection (b) shall be subject to the following conditions:

(1) That the Corporation, and any person or entity to which the Corporation transfers the property, comply in the use of the property with the applicable provisions of the Ellsworth Air Force Base Air Installation Compatible Use Zone Study.

(2) That the Corporation convey a portion of the real property referred to in paragraph (1)(A) of that subsection, together with any improvements thereon, consisting of approximately 20 acres to the Douglas School District, South Dakota, for use for education purposes.

(d) REVERSIONARY INTEREST.—If the Secretary determines that any portion of the real property conveyed under subsection (a) is not being utilized in accordance with the applicable provision of subsection (c), all right, title, and interest in and to that portion of the real property shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(e) LEGAL DESCRIPTION.—The exact acreage and legal description of the property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. TRAFICANT OF OHIO

(Amdt #38 in Part 2 of House Report 105–137)

At the end of subtitle A of title VIII (page 299, after line 16) add the following new section:

SEC. 810. AUDIT OF PROCUREMENT OF GOODS BY MILITARY INSTALLATIONS IN THE UNITED STATES.

(a) AUDIT REQUIREMENT.—Not later than September 30, 1998, the Inspector General of the Department of Defense shall perform a random audit of the procurement of goods by military installations during fiscal years 1996 and 1997 to determine the extent to which such installations procured goods made in a country other than the United States during those fiscal years.

(b) DEFINITION.—For purposes of this section, the term ''random audit of the procurement of goods by military installations''—

(1) means an audit of the procurement of goods (not including goods obtained from the Defense Logistics Agency) by not less than four and not more than twelve military installations in the United States;

(2) shall include an audit of the procurement of goods by a military installation of each of the Army, Navy, Air Force, and Marine Corps.

(c) REPORT.—Not later than October 31, 1998, the Inspector General of the Department of Defense shall submit to Congress a report on the results of the audit performed under subsection (a).

MODIFICATION TO THE AMENDMENT OFFERED BY MR. TRAFICANT OF OHIO

(Amdt #39 in Part 2 of House Report 105–137)

The amendment as modified is as follows:

At the end of title VIII (page 303, after line 2), insert the following new section:

SEC. ___. TIME FOR SUBMISSION OF ANNUAL REPORT RELATING TO BUY AMERICAN ACT.

Section 827 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 41 U.S.C. 10b–3) is amended by striking out ''120 days'' and inserting in lieu thereof ''60 days''.

AMENDMENT TO H.R. 1119, AS REPORTED

OFFERED BY MR. WAMP OF TENNESSEE

(Amdt #40 in Part 2 of House Report 105–137)

At the end of subtitle E of title X (page 360, after line 8), insert the following new section:

SEC. 1060. ARMAMENT RETOOLING AND MANUFACTURING SUPPORT INITIATIVE.

(a) EXPANSION OF PURPOSES OF INITIATIVE.—Section 193(b) of the Armament Retooling and Manufacturing Support Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by adding at the end the following new paragraph:

''(10) To allow for the use of ammunition manufacturing facilities by other entities for the purpose of modernization, development, and restoration of the facilities.''.

(b) AUTHORITY TO ENTER INTO AGREEMENTS.—Section 194(a) of such Act is amended—

(1) by striking out ''and'' at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ''; and''; and

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

''(3) to enter into agreements (which may include contracts, leases, or other arrangements for a period of not more than 99 years) with other entities with respect to the ammunition manufacturing facility, or a part of such facility.''.

(c) REPORTING REQUIREMENT.—Not later than January 1, 1998, the Secretary of the Army shall submit to Congress a report on progress with respect to the implementation of the amendments made to the Armament Retooling and Manufacturing Support Act of 1992 by this section.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. WELDON OF PENNSYLVANIA

(Amdt in order under sec. 8(d) of H. Res. 169)

The amendment as modified is as follows:

At the end of title XII (page 379, after line 19), insert the following new section:

SEC. ___. SENSE OF CONGRESS ON NEED FOR RUSSIAN OPENNESS ON THE YAMANTAU MOUNTAIN PROJECT.

(a) FINDINGS.—Congress finds as follows:

(1) The United States and Russia have been working in the post-Cold War era to establish a new strategic relationship based on cooperation and openness between the two nations.

(2) This effort to establish a new strategic relationship has resulted in the conclusion or agreement in principle on a number of far-reaching agreements, including START I, II, and III, a revision in the Conventional Forces in Europe Treaty, and a series of other agreements (such as the Comprehensive Test Ban Treaty and the Chemical Weapons Convention), designed to further reduce bilateral threats and limit the proliferation of weapons of mass destruction.

(3) These far-reaching agreements were based on the understanding between the United States and Russia that there would be a good faith effort on both sides to comply with the letter and spirit of the agreements, that both sides would end their Cold War competition, and that neither side would seek to gain or maintain unilateral strategic advantage over the other.

(4) Reports indicate that Russia has been pursuing construction of a massive underground facility of unknown purpose at Yamantau Mountain and the city of Mezhgorye (formerly the settlements of Beloretsk-15 and Beloretsk-16) that is designed to survive a nuclear war and appears to exceed reasonable defense requirements.

(5) The Yamantau Mountain project does not appear to be consistent with the lowering of strategic threats, openness, and cooperation that is the basis of the post-Cold War strategic partnership between the United States and Russia.

(6) Russia appears to have engaged in a campaign to deliberately conceal and mislead the United States about the purpose of the Yamantau Mountain project, as shown by the following:

(A) General and Bashkortostan, People's Deputy Leonid Akimovich Tsirkunov, commandant of Beloretsk-15 and Beloretsk-16, stated in 1991 and 1992 that the purpose of the construction there was to build a mining and ore-processing complex, but later claimed that it was an underground warehouse for food and clothing.

(B) M.Z. Shakiorov, a former communist official in the region, alleged in 1992 that the Yamantau Mountain facility was to become a shelter for the Russian national leadership in case of nuclear war.

(C) Sources of the Segodnya newspaper in 1996 claimed that the Yamantau Mountain project was associated with the so-called ''Dead Hand'' nuclear retaliatory command and control system for strategic missiles.

(D) Then Commander-in-Chief of the Strategic Rocket Forces General Igor Sergeyev denied that the facility was associated with nuclear forces.

(E) R. Zhukov, a Deputy in the State Assembly, in 1996 claimed that the Yamantau Mountain facility belonged to ''atomic scientists'' and posed a serious environmental hazard.

(F) Russia's 1997 federal budget lists the project as a closed territory containing installations of the Ministry of Defense, while First Deputy Defense Minister Andrey Kokoshin recently stated that the Ministry of Defense has nothing to do with the project.

(7) Continued cooperation and progress on forging a new strategic relationship between the United States and Russia requires that both nations make transparent to one another major projects underway or plans under consideration that could alter the strategic balance sought in arms control agreements or otherwise be construed by the other side as an important new potential threat.

(8) The United States has allowed senior Russian military and government officials to have access to key strategic facilities of the United States by providing tours of the North American Air Defense (NORAD) command at Cheyenne Mountain and the United States Strategic Command (STRACOM) headquarters in Omaha, Nebraska, among other sites, and by providing extensive briefings on the operations of those facilities.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that—

(1) the Russian government should provide to the United States a written explanation on the principal and secondary purposes of the Yamantau Mountain project, specifically identifying the intended end user and explaining the heavy investment in that project;

(2) the Russian government should allow a United States delegation, including officials of the executive branch, Members of Congress, and United States experts on underground facilities, to have access to the

Yamantau Mountain project to inspect the facility and all rail-served buildings in the southern and northern settlements located near Yamantau; and

(3) the Russian government should direct senior officials responsible for the Yamantau Mountain project to explain to such a United States delegation the purpose and operational concept of all completed and planned underground facilities at Yamantau Mountain in sufficient detail (including through the use of drawings and diagrams) to support a high-confidence judgment by the United States delegation that the design is consistent with the official explanations.

Mr. SPENCE (during the reading). Mr. Chairman, I ask unanimous consent that the modifications be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. Pursuant to the rule, the gentleman from South Carolina [Mr. SPENCE] and the gentleman from California [Mr. DELLUMS] each will control 10 minutes.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Idaho [Mrs. CHENOWETH] for the purpose of a colloquy.

Mrs. CHENOWETH. Mr. Chairman, I rise to engage the chairman of the Committee on National Security in a colloquy. Our soldiers need dependable, high resolution flat panel technology in order to display the rapidly growing quantity of battlefield information. These displays are an essential interface between man and machine to permit rapid, efficient transfer of information. Without adequate displays, the objective of digitization will never be achieved.

Mr. SPENCE. Mr. Chairman, will the gentlewoman yield?

Mrs. CHENOWETH. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, the gentlewoman is correct.

Mrs. CHENOWETH. Mr. Chairman, H.R. 1119 provides funding to continue the development of field emission, full color, high resolution flat panel display technology for military applications. It also provides funding to the Army for integration of that technology into the Abrams tank and other Army ground combat vehicles. The Armed Services recognize that this technology holds the promise of providing significantly improved displays that are less expensive than current military models. As the committee report noted, ''Field emission flat panel display technology is of increasing importance as the Army incorporates digitization technology into its fleet of vehicles. The committee strongly supports development of this technology.

I firmly believe that it is critical for us to provide funding for this technology that will allow development to be completed and will permit testing of these displays for the Abrams tank in fiscal year 1999. I would urge the distinguished gentleman from South Carolina [Mr. SPENCE] to help ensure that this program is appropriately funded during the conference process.

Mr. SPENCE. Mr. Chairman, I thank the gentlewoman from Idaho [Mrs. CHENOWETH] for her observations and agree that this technology is of great importance to the success of defense modernization. I will continue to work to ensure that the appropriate level of funding is provided for these efforts.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, I at this time wish to discuss very briefly amendments 32, 32 and 33. The first: In an effort to collect, evaluate, and assess the efforts of the U.S. Government to combat international terrorism, the amendment requires the director of the Office of Management and Budget to submit to Congress an appropriate report regarding the programs and funding levels throughout the Federal system. The full report, due no later than 120 days from the date of enactment, should assess the amount of duplication or gaps in the overall effort. The amendment would also establish an annual reporting requirement.

Regarding the second amendment, it is aimed at ensuring the safety and security of our personnel. It directs the Secretary of Defense to report to Congress about achievements and findings to date regarding our effort to protect our forces abroad and our anti-terrorism initiatives therefor.

My third amendment deals with the authority of granting degrees to individuals participating in the programs of the community college of the Air Force. With this language, all participants can receive an associate degree.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, I simply want to rise to commend the full committee chairman and the ranking member for this en bloc amendment. There are a number of very significant and important items that are covered. I would like to comment on a number of them, but we do not have the time. But I would like to single out one that was accepted through a bipartisan agreement on the floor, and that deals with a project in the Ural Mountains in Russia.

Mr. Chairman, as most of my colleagues know, I take great effort at working with the Russian Government and, in fact, under some serious pressure, voted against two recent amendments, one which was just voted on, that I felt went too far with Russia; and proactively, my goal is to foster a better relationship with the Russian Government and the Russian military and the Russian people.

However, Mr. Chairman, it has come to my attention over the past 5 years that a major project is underway in the Ural Mountains that we need to have more transparency on. This project is one that has been very secretive. There have been hundreds of millions, if not billions, of dollars spent mining out a huge operation in Yamantau Mountain, formerly known as Beleretz 15 and 16.

As recently as a month ago, I was in Moscow and met with the Minister of Natural Resources, Orlov; the Minister of Atomic Energy, Mikhaylov; the Deputy Defense Minister, Mikoshin; and number two Chief of the General Staff, General Melov. And I expressed to them our concern about what is happening in this project.

They all encouraged me to proceed to President Yeltsin to get more transparency on this initiative. I have since written to him and asked for him to allow a bipartisan delegation to visit this site to better understand what Russia is, in fact, accomplishing.

One of the amendments in this en bloc series which I introduced, in fact, calls for Russia to be more transparent. As a sense of the House resolution, it says that we need to understand more clearly what Russia is doing in Yamantau Mountain to make sure it is not a destabilizing project and one that will not upset the balance of our relationship.

So I thank both the chairman and ranking member for accepting this amendment and the spirit that I bring to the floor of one of cooperation with Russia. I hope that Russia will respond positively and allow our people and our leaders to better understand what their ultimate objectives are at Yamantau Mountain.

Mr. DELLUMS. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Samoa [Mr. FALEOMAVAEGA].

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

Mr. FALEOMAVAEGA. Mr. Chairman, I certainly want to commend the gentleman from South Carolina [Mr. SPENCE], the chairman of the Committee on National Security, and my good friend, the gentleman from California [Mr. DELLUMS], the ranking Democrat, for their support and endorsement of this Amendment No. 9.

I also want to thank my good friend, the chairman of the Subcommittee on Military Personnel of the Committee on National Security, the gentleman from Indiana [Mr. BUYER], and the ranking Democrat of that subcommittee, the gentleman from Mississippi [Mr. TAYLOR] for their endorsement and bipartisan support of this amendment.

Mr. Chairman, American Samoa over the years has established a very active Junior Officer Reserve Training Corps program among our high schools. Many thousands of high school students have had the opportunity to experience a facet of military training early enough in their lives to enable them to make informed decisions on whether to pursue the armed services as a career.

Thousands of American Samoans have gone through the junior ROTC program in Samoa, and some of these have gone on to a senior ROTC program in the United States and then on to become excellent military officers.

Mr. Chairman, most of my colleagues know that the U.S. territories have consistently had very high rates of enlistment in our Armed Forces. I know of at least 10 Samoans who should achieve the rank of E–9, command sergeant majors, the highest enlisted rank in all of our armed services. I am also very aware of a couple recipients of the Silver Star for valor and bravery in the Korean and Vietnam conflicts.

Mr. Chairman, my amendment is very simple. It directs the Secretary of Defense to study again the issue of making U.S. nationals. We have the distinction of being the only people under the American flag that are classified as U.S. nationals. It means that we owe permanent allegiance to the United States but we are neither citizens nor aliens.

Congress has not yet established a law to allow us to become U.S. citizens. I do not know when, if ever, that is going to happen, Mr. Chairman. But at this point, this time, this amendment just simply allows the Secretary of Defense to study the issue again, making U.S. nationals eligible for the senior ROTC program, and then issuing a report and recommendation to the Congress. I thank both the chairman and the senior ranking member for allowing me to speak on this issue.

Mr. Chairman, as most of my colleagues know, the U.S. territories have consistently had very high rates of enlistment in our armed forces, and many of these service members have served with distinction over a period of decades including in all of our major conflicts since World War I.

I know of at least ten Samoans from American Samoa who have achieved the rank of E–9, the highest enlisted rank in either the Army, Navy, Air Force, or Marine Corps. I am also aware of a couple of recipients of the Silver Star for valor and bravery in the Korean and Vietnam conflicts.

Mr. Chairman, among those who have served with distinction from the Island of Guam is retired Gen. Ben Blaz, who received his commission in the U.S. Army upon graduation from the ROTC program at Notre Dame, and rose to the rank of Brigadier General. General Blaz also served as Guam's delegate to this House from 1985–1992.

Mr. Chairman, until 1996 the residents of all the insular areas were eligible to participate in the Senior ROTC program, but in that year a judge advocate in the U.S. Army issued an opinion that resulted in U.S. nationals no longer being considered as eligible for scholarships in the program. This determination is based on statutes which appear to limit eligibility to U.S. citizens. Persons born in American Samoa whose parents are not U.S. citizens are given U.S. national status by our government, and American Samoans are the only persons given this status. Persons born in all the other U.S. insular areas are U.S. citizens. I believe that the status of U.S. nationals was not considered when the laws governing the ROTC program were drafted.

This amendment would direct the Secretary of Defense to study the issue of again making U.S. nationals eligible for the Senior ROTC program and then issue a report, with recommendations to Congress within 180 days.

Mr. Chairman, this is a compromise from my original amendment which would have changed the law to make it clear that U.S. nationals are eligible to participate in the Senior ROTC program.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

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

Mr. GEKAS. Mr. Chairman, I thank the chairman for yielding. It is with gratitude to the chairman and to the ranking member for inclusion of my specific amendment in the en bloc amendments that I rise on this occasion.

Fort Indiantown Gap, in Pennsylvania, has an ongoing academic complex program whereby about 4,000 soldiers are trained and educated every year in every aspect of our military defense. There is an authorization that ends on September 30 for completion of the barracks complex to house these individuals who receive this special training.

What my amendment does, and which the chairman and the ranking member have graciously accepted, would extend the authorization to permit the completion of the barracks complex, thus ensuring that the trainees will have the adequate billeting space and quality to pursue the studies.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. STRICKLAND], my distinguished colleague.

Mr. STRICKLAND. Mr. Chairman, I rise to engage the chairman of the Committee on National Security in a colloquy.

Mr. Chairman, our military vehicles need dependable, high-powered economical engines to support the increasing requirements for mobility on the modern digitized battlefield.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STRICKLAND. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Chairman, as the chairman of the Subcommittee on Research and Development of the Committee on National Security, I agree with the gentleman.

Mr. STRICKLAND. H.R. 1119 provides funding to support a unified effort by academic, commercial, and governmental entities administered by the National Automobile Center to develop and assess promising alternative vehicle propulsion technologies that provide innovative improvement for military applications.

The Army has recognized that Giesel technology holds the promise of significantly improved propulsion. I firmly believe it is critical for us to provide funding for this technology that will allow development to be completed and will permit testing of these engines.

I would urge that an appropriate portion of these funds be used for further development of the Giesel.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STRICKLAND. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. I thank the gentleman from Ohio [Mr. STRICKLAND] for his observations and for his leadership and agree that improved engines are of great importance to the success of defense modernization. And I promise that I will continue to work to ensure that appropriate level of funding is provided for such efforts in the future.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, I thank the chairman of the Committee on National Security, Mr. SPENCE, and also the gentleman from California, Mr. DELLUMS, for their leadership in bringing this important defense authorization bill to the floor.

I also would like to say a few words on behalf of my amendments that I have included in the manager's en bloc amendments. My first amendment would call for the POW/MIA flag to be flown in all Departments of Veterans Affairs medical centers. This flag, as my colleagues know, serves as a reminder. We have yet to receive a full accounting of our all of our Nation's prisoner-of-war and missing-in-action soldiers. There are currently 2,123 Americans still unaccounted for from the Vietnam War. The flag also represents our commitment to obtaining that full accounting of the whereabouts of our missing soldiers.

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I believe that we owe it not only to them but to our veterans who did return home safely, to reaffirm that commitment. The POW/MIA flag already flies above the VA Medical Center in Coatesville, PA. I believe that it has a positive impact on the veterans who are treated there. I am proud to fly the flag outside my own office here on Capitol Hill.

The second amendment, Mr. Chairman, would extend veterans preference points to reservists who served on active duty during Operation Desert Storm. There are many fine men and women who were a large part of the success of the overall operation that did not receive veterans preference points because they were not in the theater of operation through no fault of their own. To exclude them from the benefits of service is an injustice, and this amendment will address that in a positive way. There is precedence, I would remind my colleagues, for this extension from the Vietnam era.

In the 102d Congress, this measure was introduced by Representative Tim Penny, and we are proud to move forward on this legislation to make sure that it becomes accomplished.

I want to thank the gentleman from Florida [Mr. MICA] and the gentleman from Indiana [Mr. BUYER] for their assistance with this particular amendment. I believe it is in the best interests of our veterans.

I want to again thank the gentleman from South Carolina [Mr. SPENCE], the chairman, and the gentleman from California [Mr. DELLUMS] for all their work for our House and for this defense authorization bill which is definitely in the public interest and in the interest of defense in our country.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BRADY], a new Member of this body.

Mr. BRADY. Mr. Chairman, should America further weaken its national defense strategy by deploying our military to guard rain forests and endangered species in foreign countries as the State Department recently proposed? The answer is clearly no. At a time when our defense forces are being reduced, when we lack the resources to protect our service men and women from terrorist attacks abroad, as our military bases close while those remaining face shortages in everything from base housing to training ammunition, at a time when our armed forces are called upon to keep peace throughout the world and to help fight the war on international drug trafficking, we cannot afford to divert our precious military resources for frivolous environmental crusades in foreign countries.

The environment is important, but the unique mission of America's armed forces, first and foremost, must always be military readiness dedicated to protect the freedom and security of our Nation. The amendment by the gentleman from California [Mr. POMBO] and myself included in the amendments en bloc preserves that priority. I thank the chairman and the ranking member for its inclusion and I urge its passage.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding and for including my amendment as part of his en bloc amendment.

Mr. Chairman, my amendment closes an unintended loophole in the Oil Pollution Act of 1990 big enough to sail an oil tanker through. After the *Valdez* oil spill, Congress passed comprehensive oil spill legislation requiring that single-hull tankers, based on their age and tonnage, be phased out of operation in U.S. waters. That law required the construction of new environmentally safe double-hulled tankers. Since enactment of the double-hull requirement, some ship owners and operators have searched for ways to get around this existing requirement.

One method being used to extend the life of a single-hull tanker is to adjust the vessel's gross tonnage allowing it to fall under a lower size category and be able to operate past its scheduled phase-out date. For example, some vessel owners have had their vessels remeasured to exclude certain spaces originally included in the vessels existing measurement—such as water ballast tanks, certain machinery spaces, and spacing between frames of the hull. Once a vessel is measured by a classification society, that measurement is submitted to the Department of Transportation for a new tonnage certificate.

My amendment requires that an existing tank vessel's gross tonnage is that listed on its tonnage certificate as of July 1, 1997, for purposes of the double-hull phase-out date. This amendment would uphold the integrity of the double-hull law, protect our environment, and ensure that those owners who have complied with the law by building doubled-hulled tankers are not placed at a competitive disadvantage.

I urge my colleagues to support this amendment.

Ms. McCARTHY. Mr. Chairman, I rise today in support of the amendment to the Defense Authorization bill which I am offering with Mr. HASTINGS, Mr. CRAPO, Mr. SKAGGS, and Mr. HALL, and which was included in the set of en bloc amendments from National Security Committee Chairman SPENCE. The Hastings amendment will reinstate the funds which were cut for the operation of the Department of Energy's Office for Worker and Community Transition. This amendment will restore much of the funding requested by the President, while requiring the Department of Defense to employ a private contractor to examine the impact of the program and to suggest changes which will make the program more efficient. The funding from the program will come from excess administrative funds which the Secretary will set aside for this use instead of being taken from military procurement.

This essential program provides workers who have been displaced by military downsizing with the training that they will need to make the transition to the private sector. In Kansas City, Allied Signal has downsized early 3,000 positions in the span of the last few years and later this year will be required to lay off up to 700 additional workers. Those who will lose their jobs are more than just statistics, they are men and women with families who have dutifully served our Nation.

The men and women who work at the Kansas City plant in my district ensure that the United States utilizes the most advanced technology on the planet. They are a highly skilled, award-winning, quality workforce. The quality assurance program consistently ranks the Kansas City plant at the top of the Department of Energy's operation. Years of training and investment have helped produce the quality and experience that exists there, and it would be wasteful to ignore the valuable contributions that this special workforce could make. In these ever-changing economic times, we must recognize the opportunities to direct our human resources through a smooth transition to the most productive and appropriate use. Not only am I confident that their skills could be used elsewhere within the Department, but feel certain that, with the proper assistance, they will be a productive part of the private sector economy in my District, and to the Nation as well.

Mr. Speaker, I urge my colleagues to support this important amendment. We must carefully prioritize our funding decisions and guard against sacrificing these individuals in our quest to achieve a budget target.

Mr. CRAPO. Mr. Chairman, today, I rise in support of Worker and Community Transition Program language contained in the en bloc amendment. The amendment would change the language pertaining to the Worker and Community Transition program in the National Defense Authorization Act for fiscal year 1998. The amendment restores $44 million to this program, keeping a commitment to help the workers and communities who sacrificed to produce our nuclear arsenal during the cold war.

Mr. Chairman, the Worker and Community Transition Program, commonly called 3161, provides former Department of Energy nuclear weapons production workers preference for new Department of Energy cleanup jobs. It is important to recognize the contribution that these workers have made in defeating our enemies during the cold war and provide them with job preference protection during the transition of the Department of Energy mission from bomb-making to nuclear waste cleanup.

Over the last 5 years, the Department of Energy has reduced its prime contractor work force by more than 40,000 employees, from about 150,000 to less than 110,000. These reductions save taxpayers approximately $2.5 billion each year. While this is good, we must not forget the human impact that restructuring is having on real people.

The Worker and Community Transition Program has assisted approximately 15,000 workers directly affected by changes in the nuclear weapons production mission. In addition, the program has been very helpful in assisting communities, including my home town of Idaho Falls, in reducing their economic dependence on Department of Energy work by moving toward a more diversified economic base.

In its current form, the National Defense Authorization Act for fiscal year 1998 would reduce the Worker and Community Transition Program by nearly $50 million from the President's request. The bill would also terminate the program effective September 1999, and would also prohibit the use of worker and community transition funds for local economic impact assistance.

It is upon this last provision that I want to focus the remainder of my remarks. Under the landmark nuclear waste agreement between the State of Idaho and the Department of Energy, $30 million dollars is to be spent for community transition purposes. These funds have in the past come from the worker and community transition program by way of payment from the Department of Energy to the State of Idaho. This money is currently being paid to the State of Idaho in annual installments of $6 million. The Department of Energy is contractually obligated to make these payments. Both the Governor of the State of Idaho and I expect the Department of Energy to continue making these payments—either through the 3161 funds or by other means. If the Department of Energy decides to continue making these payments through 3161, the language contained in H.R. 1119 must be changed to reflect the Worker and Community Transition language contained in this amendment.

Mr. Chairman, since the Department of Energy has not clarified their intent as to which budget area they intend to make these payments through, I ask your support for this amendment which simply provides another avenue by which the Department of Energy can meet its contractual agreements.

Mr. Chairman, I urge my colleagues to support the workers and the communities who

helped the United States win the cold war by supporting this amendment.

Mr. EVERETT. Mr. Chairman, I rise in support of the en bloc amendment which includes my amendment relating to the Comanche helicopter program. This should have been included in the report accompanying the bill, but the language did not fit neatly within the parameters of one subcommittee since it involves procurement, R&D, and National Guard issues.

By way of background, the Army's Comanche program has been restructured four times over the past 10 years purely for budgetary considerations. As a result of pushing the program off to the right, the development of the T–800/801 engine has outpaced that of the airframe. This production gap will give the Army a unique opportunity to initiate a number of risk reduction and cost avoidance initiatives. By placing the Comanche engine into Army Guard Huey's (UH–1's), the Army can validate logistics support and operational data of the engine. This effort will also sustain the T–800/801 industrial base until the Comanche comes on line, which is estimated to save $107 million. The second feature of this effort is that it provides the National Guard with the ability to procure a light utility helicopter [LUH] that is far superior to the current Huey's in range, payload, and performance.

My amendment is very straight forward and involves no additional funding; it merely states support of the Army's efforts to minimize costs and technical risks of the very important Comanche program.

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

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

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from South Carolina [Mr. SPENCE].

The amendments en bloc were agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. TAYLOR of North Carolina) having assumed the chair, Mr. YOUNG of Florida, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1119) to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair will now put the question de novo on the motion to suspend the rules and pass the bill, H.R. 1532, on which further proceedings were postponed earlier today.

The Chair announces that further proceedings on the motion to suspend the rules and agree to House Concurrent Resolution 102 will be postponed until Wednesday, June 25, 1997.

VETERANS' CEMETERY PROTECTION ACT OF 1997

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and passing the bill, H.R. 1532, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 1532, as amended.

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

The title of the bill was amended so as to read: ''A bill to direct the United States Sentencing Commission to provide sentencing enhancement for offenses against property at national cemeteries.''

A motion to reconsider was laid on the table.

ANNUAL REPORT ON FEDERAL ADVISORY COMMITTEES, FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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 Government Reform and Oversight:

To the Congress of the United States:

As provided by the Federal Advisory Committee Act, as amended (Public Law 92–463; 5 U.S.C., App. 2, 6(c)), I am submitting my third *Annual Report on Federal Advisory Committees*, covering fiscal year 1995.

Consistent with my commitment to create a more responsive government, the executive branch continues to implement my policy of maintaining the number of advisory committees within the ceiling of 534 required by Executive Order 12838 of February 10, 1993. As a result, my Administration held the number of discretionary advisory committees (established under general congressional authorizations) to 512, or 36 percent fewer than the 801 committees in existence at the time I took office.

During fiscal year 1995, executive departments and agencies expanded their efforts to coordinate the implementation of Federal programs with State, local, and tribal governments. To facilitate these important efforts, my Administration worked with the Congress to pass the ''Unfunded Mandates Reform Act of 1995'' (Public Law 104–4), which I signed into law on March 22, 1995. The Act provides for an exclusion from the Federal Advisory Committee Act (FACA) for interactions between Federal officials and their intergovernmental partners while acting in their official capacities. This action will directly support our joint efforts to strengthen accountability for program results at the local level.

Through the advisory committee planning process required by Executive Order 12838, departments and agencies have worked to minimize the number of advisory committees specifically mandated by statute. There were 407 such groups in existence at the end of fiscal year 1995, representing a 7 percent decrease over the 439 at the beginning of my Administration. However, we can do more to assure that the total costs to fund these groups, $46 million, are dedicated to support high-priority public involvement efforts.

My Administration will continue to work with the Congress to assure that all advisory committees that are required by statute are regularly reviewed through the congressional reauthorization process and that remaining groups are instrumental in achieving national interests. The results that can be realized by working together to achieve our mutual objective of a better, more accessible government will increase the public's confidence in the effectiveness of our democratic system.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 23, 1997.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

COMMEMORATING 25TH ANNIVERSARY OF TITLE IX

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

Mr. BONIOR. Mr. Speaker, I want to take a moment at the outset to thank the gentlewoman from Hawaii [Mrs. MINK] for all the work she has done on title IX. The gentlewoman from Hawaii [Mrs. MINK] was here in 1972, and was involved in title IX from its very beginning. She has made a big difference in the lives of women throughout this country. I respect her both for her leadership and for her determination.

We are here gathered today to commemorate the 25th anniversary of title IX, the landmark civil rights legislation that has opened the doors for young women in our Nation's high schools, colleges and universities.

I was on an athletic scholarship in 1963 to the University of Iowa, on a

football scholarship. Back then we did not have one woman who was on an athletic scholarship. They were on the sidelines. Back then young women, because of their gender and despite their talent, were denied access to the game. Women were discouraged from playing catch or mixing it up or from clinching the title. In 1963 that was the reality for women.

Today we are in a new world. Today young girls are turning out in droves to see the Silver Bullets, hungry to watch women play baseball. Seventy-six thousand fans pack a stadium in Athens, GA to watch the U.S. women's Olympic soccer team defeat China for the gold. The daughters of women who were relegated to half-court, 3-dribble basketball just began just this week their inaugural season of the WNBA, a women's professional basketball league.

Everywhere in this country girls are playing sports with an intensity their mothers did not have the opportunity to learn. The lessons they are learning, that growing sense of physical power, is strengthening the rest of their lives.

We are all familiar with the cliches that we want our daughters to grow up so they can be doctors and lawyers and Presidents of the United States, and now basketball players. But that is really what this law and this struggle is all about.

We have spent the last 25 years not only fighting barriers, bringing down walls and opening doors, but also trying to establish a norm. With every freshman class, with every graduation, young women are establishing another layer of accomplishments, another layer of firsts and another layer for younger girls to see, so that by the time their turn comes, they feel not fortunate to be given a chance, but that it is their right to have a chance.

We are reaching a crucial point where young girls are not only being given the resources they need to succeed but also can look to role models, people like the Mia Hamms and Sally Rides and Sheryl Swoopes, and then look inside themselves and wonder if they have those same abilities.

Before title IX in 1972, only 9 percent of the medical degrees went to women, only 1 percent of the dental degrees went to women, only 7 percent of the law degrees. Now women are receiving 38 percent of medical and dental degrees and 43 percent of law degrees.

Title IX has opened doors and allowed our daughters to entertain big dreams. For many girls these dreams are evolving into reality. But while we are getting there, we are not there yet. There is still a wage gap. There are still too many doors closed to young women today.

There are still too many places where title IX is not enforced. Twenty-five schools are now under scrutiny by the Women's National Law Center for being out of compliance. And even though in the last 5 years women's sports participation at the collegiate level has soared to 37 percent, women are still only getting 23 percent of the operating expenditures.

Oftentimes we can get lost in those statistics, but if we think of these not as statistics but as our daughters, and if we think of the wage gap not as a pie chart but as a message of worth, and if we think of the operating expenditures not as numbers on a ledger but as the tools and the support our daughters need to succeed, then we can begin to understand where we are today, why it is not good enough, why we have to move forward.

Today millions of girls play on the soccer fields, are involved in little leagues and compete in gymnastics. They do not know that title IX is the reason that they have these opportunities, but title IX was passed for them. From the field and from their games and from their meets, they will learn lessons about commitment and concentration and energy which they will use throughout their lives. In the next 25 years, may we help our daughters use these lessons to continue laying the foundation for a better tomorrow.

With that, Mr. Speaker, I am just pleased to join my colleagues, the gentlewoman from Hawaii [Mrs. MINK] and the gentlewoman from New Jersey [Mrs. ROUKEMA] in offering today a bipartisan resolution which not only celebrates the 25th anniversary of title IX but also looks to the future with a promise to uphold and enforce this legislation in order to ensure equal opportunity for all Americans.

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

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

SUPPORT H.R. 1984 TO LIMIT POWER OF EPA

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

Mr. KLINK. Mr. Speaker, I rise tonight to beg of my colleagues on both sides of the aisle to join me in an effort, and I have spoken on this during the last several weeks. We have a bill called H.R. 1984. That is the number. I thought it was very unusual that we end up with the No. 1984, because there are those of my colleagues who remember the George Orwell novel about Big Brother peering into our lives. This really is to deal with Big Brother peering into our lives in the form of the Environmental Protection Agency.

All of us agree with the goals, I believe, of the EPA and, that is, that we should have clean water to drink and to use and we should have clean air to breathe, and we have all been working to that end. However, many of us are concerned that at a time when States across this Nation are working to clean the air, when the Clean Air Amendments of 1990 and the Clean Air Act itself are showing themselves to be working, than here comes the EPA, about to change the finish line in the middle of this race. We fear that they are about to propose a tightening of the standards for something called particulate matter. Particulate matter is a fancy word for the soot that comes out of the smokestacks of this Nation or for the dust that blows off of fields in agricultural areas. And also for changing the standards for something called ozone which is nothing more than smog.

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Now you see the problem is that industries in this Nation, that locales and States are implementing plans aiming at hitting the targets that have been set since 1987 in some instances, and now at a time when we are about to come into compliance, when many counties across this great Nation are beginning to come into compliance, the EPA is about to take a action we feel that will throw 400 counties out of compliance.

Now what happens if your county, Mr. and Mrs. Congressman, is one of those counties or the counties in your region are those counties well, what happens is first of all that your State that is about to implement a plan to clean up the air says wait a minute, we are going to stop, we are not going to take the action to clean up the air, and as a result we will have dirtier air for a longer period of time. The other result is if you are out of compliance the day these new regulations will take effect it will be harder for the local governing body, whether it is the county commissioners, whether it is a city, a township, a bureau, would not be able to issue building permits to industries that want to expand or new industries that want to locate in your region, and so the dramatic impact, even if they said let U.S. Put these new regulations on the book but we are not going to enforce them today, does not matter because the day those regulations are put on the books industries and local government leaders are going to have to begin to react to them in ways that will cost jobs across this Nation, in ways that will cause local governing bodies to spend more money, industry to spend more money.

And so this bill that I am talking about that I would like to encourage my colleagues to join me on is a bipartisan bill. The gentleman from Michigan [Mr. UPTON] on the Republican side, myself on the Democratic side, along with the gentleman from Virginia [Mr. BOUCHER] have introduced H.R. 1984 that says simply this: Rather than spending billions of dollars and really ending up having dirtier air for a longer period of time and costing a million jobs or more, let U.S. Authorize the expenditure of $75 million a year over the next 5 years, and during

that period of time we will ask that we build the new PM monitors that will measure the air across this Nation.

Right now for this particulate matter there are only 50 monitors that exist across the whole country. Let U.S. Build enough monitors that we can get the scientific data and that we can then analyze it.

The reason the EPA is moving in this direction is that they were sued by the American Lung Association that said every 5 years under the act you are supposed to go back and take a look at this. Does not mean you have to change the standards, does not mean you have to tighten the standards, but every 5 years you have to go back and review the standards, and they said, EPA, you have not done this since 1987, and now we are in 1997, so it has been 10 years. And what we are saying is that until you build those new monitors, until you deploy those monitors across this Nation, gather the data, another 5 years will pass.

Why do we want to spend billions of dollars changing the target of clean air in the middle of this race to achieve it? It makes no sense at all.

And so, Mr. Speaker, I would request that our colleagues join me and say for 5 years let U.S. Not implement the new regulations, let U.S. Get good science, let U.S. Study the issue, let U.S. Deploy these monitors, and then after 5 years we will take a look at this issue again and the health and the air of this Nation will be much better for it.

REPORT ON THE ACTIVITIES OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE DURING THE 104TH CONGRESS

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

Mr. GOSS. Mr. Speaker, I am pleased to transmit herewith, pursuant to clause 1(d) of rule XI of the Rules of the House of Representatives, a report on the activities of the Permanent Select Committee on Intelligence during the 104th Congress.

REPORT

This report covers the activities of the House Permanent Select Committee on Intelligence during the One Hundred Fourth Congress. Larry Combest (Republican, Texas) served as Chairman; Norman D. Dicks (Democrat, Washington) served as Ranking Democratic Member.

In carrying out its mandate from the House regarding oversight of U.S. intelligence and intelligence-related activities, the Committee created two subcommittees:

SUBCOMMITTEE ON HUMAN INTELLIGENCE, ANALYSIS AND COUNTERINTELLIGENCE

Jerry Lewis (Republican, California), Chairman
C.W. Bill Young (Republican, Florida)
Porter J. Goss (Republican, Florida)
Bud Shuster (Republican, Pennsylvania)
Bill McCollum (Republican, Florida)
Michael N. Castle (Republican, Delaware)
Ronald D. Coleman (Democrat, Texas)
Bill Richardson (Democrat, New Mexico)
Julian C. Dixon (Democrat, California)
David E. Skaggs (Democrat, Colorado)

SUBCOMMITTEE ON TECHNICAL AND TACTICAL INTELLIGENCE

Robert K. Dornan (Republican, California), Chairman
James V. Hansen (Republican, Utah)
Jerry Lewis (Republican, California)
Bud Shuster (Republican, Pennsylvania)
Bill McCollum (Republican, Florida)
Michael N. Castle (Republican, Delaware)
Nancy Pelosi (Democrat, California)
Norman D. Dicks (Democrat, Washington)
Robert G. Torricelli (Democrat, New Jersey)
David E. Skaggs (Democrat, Colorado)

The stated purpose of H. Res. 658 of the 95th Congress, which created the House Permanent Select Committee on Intelligence, was to establish a committee ''to oversee and make continuing studies of the intelligence and intelligence-related activities and programs of the United States Government and to submit to the House appropriate proposals for legislation and report to the House concerning such intelligence and intelligence-related activities and programs.''

H.Res. 658 also indicated that the Committee ''shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the executive and legislative branches to make sound decisions affecting the security and vital interests of the Nation. It is further the purpose of this resolution to provide vigilant legislative oversight over the intelligence and intelligence-related activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States.''

REPORT

SCOPE OF COMMITTEE REVIEW

U.S. intelligence and intelligence-related activities under the jurisdiction of the Committee include the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP) and the Department of Defense Tactical Intelligence and Related Activities (TIARA).

The National Foreign Intelligence Program consists of activities in the following departments, agencies or other intelligence elements of the government: (1) the Central Intelligence Agency (CIA); (2) the Department of Defense; (3) the Defense Intelligence Agency (DIA); (4) the National Security Agency (NSA); (5) the National Reconnaissance Office (NRO); (6) the Departments of the Army, Navy and Air Force; (7) the Department of State; (8) the Department of Treasury; (9) the Department of Energy; (10) the Federal Bureau of Investigation (FBI); (11) the Drug Enforcement Administration; and (12) the National Imagery and Mapping Agency (NIMA).

The Joint Military Intelligence Program (JMIP) was established in 1995 to provide integrated program management of defense intelligence elements that support defense-wide or theater-level consumers. Included within JMIP are aggregations created for management efficiency and characterized by similarity, either in intelligence discipline (for example, Signals Intelligence, Imagery Intelligence) or function (for example, satellite support or aerial reconnaissance). The programs comprising JMIP also fall within the jurisdiction of the National Security Committee.

The Department of Defense Tactical Intelligence and Related Activities (TIARA) are a diverse array of reconnaissance and target acquisition programs that are a functional part of the basic military force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and the Secretary of Defense, include those military intelligence activities outside the defense intelligence program that respond to requirements of military commanders for operational support information as well as to national command, control, and intelligence requirements. The programs comprising TIARA also fall within the jurisdiction of the National Security Committee.

INTELLIGENCE AUTHORIZATION ACTS FOR FISCAL YEARS 1996 AND 1997

During the 104th Congress, the Committee authorized funding and personnel levels for fiscal years 1996 and 1997. This activity was carried out at the full Committee level, rather than through a separate subcommittee, as had been the practice in past years.

The Committee conducted detailed and extensive reviews of the President's fiscal year 1996 and fiscal year 1997 budget requests for intelligence and intelligence-related activities. These reviews included substantive and programmatic hearings member briefings and numerous staff briefings. The Committee conducted hearings organized across functional lines within the Intelligence Community rather than by agency. This permitted the Committee to take a broader view of each of the issues and analyze how the various intelligence functions relate to one another.

Testimony on the President's budget submission was taken from the Director of Central Intelligence; the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (CI); the Directors of the DIA, NSA and the FBI; and major intelligence program managers.

The Committee began its review of these budget submissions with the view that the Committee's recommended authorization levels for the past several years had been driven to some degree by political considerations as to an ''acceptable'' intelligence budget level. For the fiscal years 1996–1997, the Committee emphasized the future needs and requirements of the Intelligence Community, believing firmly that the U.S. must start building now for the Intelligence Community we will need in the 21st century.

Four themes were central to the Committee's budget deliberations: (1) evaluating each budget line solely on the merits of that program; (2) eschewing the practice of establishing an arbitrary budget ceiling and then forcing program trade-offs to remain within the ceiling; (3) giving increased emphasis to ''downstream'' activities (the processing, exploitation and dissemination of intelligence data and analysis) in order to create a better balance between these activities and collection; and (4) thinking about longer term intelligence priorities.

As a result of these themes and its detailed reviews, the Committee recommended very modest increases for both fiscal years in order to reverse the decline of past years and to create some stability in which intelligence program managers could make necessary and appropriate plans for the future.

AREAS OF SPECIAL INTEREST

The following issues were of special interest to the Committee during the 104th Congress:

IC21: The Intelligence community in the 21st century

IC21 was a major focus of the Committee's activities during the 104th Congress—a review of the roles, functions, missions and capabilities of the Intelligence Community with an emphasis on how well suited these were to likely national security concerns in the 21st century. IC21 started from the premise that the United States continues to need a strong, highly capable and increasingly flexible Intelligence Community and

that this need has not diminished with the end of the Cold War. IC21 emphasized *opportunity*—a propitious time for us to undertake such a review and to implement recommended changes, not reform. All facets of the Intelligence Community were subject to scrutiny; there were no preconceptions as to the ''right answer'' to this study.

The IC21 effort was buttressed by a significant intellectual underpinning. Over 40 current and former national security officials, academics and intelligence veterans were queried in order to shape the initial inquiry. It was decided that a functional approach (requirements; the management of resources, collection, production; systems development, the various collection disciplines; analysis; infrastructure; evaluation) to intelligence was preferable to an agency-by-agency review. The committee believed that an agency-by-agency review would more likely lead to either a confirmation or rejection of the *status quo* without providing a basis for projecting future intelligence needs and how best to meet them.

IC21 was, to the fullest extent possible, an open and public process. The Committee held seven open hearings and one closed hearing that has since been declassified. Witnesses included the Director of Central Intelligence (DCI) and six of his eight predecessors, representing a wealth of professional experience; experts in future technologies; and former senior policy and intelligence officials. The Committee also drew upon the extensive work that had been done for the fiscal year 1996 and 1997 intelligence budgets. Committee staff also conducted dozens of interviews and held several staff panels with other intelligence experts.

Majority staff used this functional approach as a template for 14 staff studies, which were published in April 1996. The IC21 staff studies included 87 findings and 105 recommendations. Chief among them was the need for a more ''corporate'' Intelligence Community, *i.e.,* an Intelligence Community in which all components understand that they are part of a larger coherent process aiming at a single goal: the delivery of timely intelligence to policy makers at various levels.

The staff studies also identified continued shortcomings in and recommended strengthening the authorities (versus responsibilities) of the DCL, particularly in the areas of budget and personnel, where individual program managers often appear to have greater independence. The study also recommended designating the Director, DIA as the Director of Military Intelligence (DMI) and supporting him with a DMI Staff, in order to improve corporate thinking in that major part of the Intelligence Community.

Among the more controversial proposals were several in the area of intelligence collection, including the creation of a Technical Collection Agency (TCA), combining signals intelligence imagery intelligence and measurement and signatures intelligence in a single agency so as to break down the ''stovepipes'' in which these collection disciplines are often bound and the creation of a Technology Development Office (TDO), to be responsible for all research and development of collection-related technology. IC21 also recommended that the Clandestine Service be organizationally separated from the CIA, giving the DCI direct authority over that service.

The concept of a TCA was in contrast to the proposal made by the DCI to create a National Imagery and Mapping Agency (NIMA) that would combine all imagery assets, including collection, processing, exploitation and analysis in a single Defense Department combat support agency. A majority of the Committee did not support NIMA, citing concerns about the ability of a Defense combat support agency to serve all national customers. Similarly, concerns about the possibility of tactical intelligence needs overwhelming competing national needs for imagery was a key consideration in the Committee's opposition to the creation of NIMA. There were also concerns about putting imagery analysts within the collection agency and the NIMA would reinforce the concept of separate and competing collection ''stovepipes,'' rather than a more corporate and cooperative system. Despite the opposition of a majority of this Committee, NIMA was created as part of the FY1997 Defense Authorization Act.

As reported by the Committee in June 1996, the IC21 bill advanced more modest changes in six main areas: (1) improving the support structure for the DCI to carry out his Community-wide responsibilities, including a second Deputy DCI for Community Management and an enhanced Community Management Staff; (2) limited increases in the SCI's authority to transfer personnel and money within the National Foreign Intelligence Program; (3) establishing the Director, DIA as the DMI, with a DMI Staff; (4) improving executive guidance and direction, creating two committees on the National Security Council, Foreign Intelligence and Transitional Threats; (5) creating a Civilian Intelligence Personnel Management System in the Defense Department; and (6) authorizing the DCI and Secretary of Defense to undertake a study on the future of intelligence collection, including the concepts put forward in the IC21 study.

The IC21 staff study also recommended changes in the House rules for this Committee. Specifically, it recommended that the system of rotating membership on this Committee be ended and that membership be made permanent, although still selected by the Speaker and the Minority Leader.

The Senate Select Committee on Intelligence incorporated its own proposals for ''intelligence community reform and renewal'' in its version of the FY1997 Intelligence Authorization Act. The conference over these bills then became the venue in which final decisions ere made about IC21 issues and alternative Senate proposals.

H.R. 3259 enacted the following provisions related to Intelligence Community management and structure:

Created National Security Council Committees on Foreign Intelligence and on Transnational Threats;

Created a Deputy DCI for Community Management, subject to confirmation by the Senate;

Under this new Deputy DCI, created three Assistant DCIs: Collection; Analysis & Production; Administration. Each will be subject to confirmation by the Senate;

Strengthened the evaluation function of the National Intelligence Council;

Enhanced the DCI's authority over Intelligence Community budget and personnel;

Made the General Counsel of the CIA a statutory position, subject to Senate confirmation;

Required the concurrence of the DCI in the appointment of the Directors of the National Security Agency, the National Reconnaissance Office and the National Imagery & Mapping Agency; and

Required consultation with the DCI in the appointment of the Director of the Defense Intelligence Agency; the Assistant Secretary of State for Intelligence & Research; and the Assistant Director of the FBI for the National Security Division.

The main thrust of these provisions is to enhance of the DCI's ability to carry out his Community-wide responsibilities either directly or through the enhanced Community Management function.

The National Reconnaissance Program

In perhaps no area did the Committee have greater success in meeting its goal of shaping a 21st century Intelligence Community than in the National Reconnaissance Program (NRP), which is responsible for the development, launch and operation of spaceborne collection systems.

Beginning with its work on the fiscal year 1996 intelligence budget, the Committee raised serious questions about current management practices of the NRO and the future of collection systems. Although the Committee approved 99% of the funds requested for the NRP in that fiscal year, these funds were significantly redistributed, a reordering that was not without controversy on the Committee.

The Committee and, ultimately, Congress also mandated in the fiscal year 1996 Authorization Act that the DCI create a panel to assess the feasibility of moving to smaller satellites in the future. In asking for this report the Committee was not advocating an immediate shift to such satellites. Rather, the Committee believed the time was ripe to look at the feasibility of such a step in the future, with the clear understanding that if a panel of experts advised against it, then it would not be an option. Nonetheless, the Committee was gratified when the panel reported to the DCI in May 1996 ''that now is an appropriate time to make a qualitative change in the systems architecture of the nation's reconnaissance assets.'' The panel stated that capabilities currently exist to build an imagery satellite 75% lighter but with 50% more capacity than the currently planned systems. The Committee agrees with the DCI that much more work and study need to be done on the transition to such systems. However, this change offers the prospects of satellite systems that will be more flexible and less expensive in terms of launch costs—both of which will be important contributors to an improved Intelligence Community.

Guatemala

The Committee undertook an extensive review of allegations concerning CIA involvement in certain activities in Guatemala, especially the murder of U.S. citizen Michael DeVine and the disappearance of Efrain Bamaca, a Guatemalan guerrilla. The Committee also investigated allegations of the destruction of documents by U.S. Army officers purported to prove U.S. human rights violations in Guatemala, and a possible circumvention of U.S. laws relating to the cutoff of assistance to Guatemala via intelligence liaison relationships. Many of these allegations were raised publicly by Representative Torricelli.

A draft report of the results of the investigation was prepared by Committee staff but not considered by the Committee during the 104th Congress. The draft report concluded that there was no evidence to support these allegations. There was no evidence that U.S. Government personnel played any role in either the death of DeVine or the disappearance of Bamaca, or that the U.S. Government concealed any action that might have constituted a violation of U.S. law. Further, the allegations concerning document destruction by two Army officers appear to have been fabricated by the person who provided them to Representative Torricelli. This fabrication remains under investigation by the U.S. Attorney in Baltimore, Maryland. The draft report also concluded that the U.S. did not use intelligence channels to unlawfully compensate Guatemala for the cutoff of overt assistance.

Finally, although there was no evidence that any U.S. government employee knowingly misled Congress's intelligence oversight committees, the draft report concluded

that the CIA failed in its obligation under 50 U.S.C. 413 to keep those committees ''fully and currently informed.'' The President's Intelligence Oversight Board which also conducted a review of these activities, made note of this failure in its report.

The draft report will be reviewed and released, as appropriate, at the beginning of the 105th Congress.

Haiti

The Committee undertook an investigation as to whether intelligence collection and reporting on Haiti was being politicized by policy officials. The Committee heard testimony from a variety of witnesses, including representatives of CIA, DIA and the State Department. A report has not been prepared pending further investigation and the completion of an inquiry on Haiti by the Inspector General of the Department of State.

Iran/Bosnia

In April 1996, press articles asserted that the Clinton administration had not objected to the shipment of arms from Iran into Bosnia. Specifically, the U.S. ambassador, when asked by Croatian government officials for the U.S. position regarding such shipments, was ordered by senior State Department and NSC officials to respond to the Crotians that he had ''no instructions.'' The Committee voted to investigate ''those aspects of the transfer of arms to Bosnia that fall within the committee's responsibilities to conduct oversight of the intelligence activities of the United States Government.'' Specifically, the Committee's investigation focused on the following issues:

How was the ''no instructions'' policy implemented?

How did the State Department, National Security Council (NSC) and CIA react to this policy?

What effect did the CIA's lack of understanding of the policy have on events in the region and on relations within the embassy itself?

Did the implementation of this policy constitute a covert action?

The Committee will review the findings of the investigation and issue a report in the 105th Congress.

The Ames espionage case

The Committee continued to work on issues that arose as a result of the espionage of Aldrich Ames. One issue, identified in the Committee's 1994 report on this case, was the failure of the CIA to keep the oversight committees fully and currently informed of the 1985–86 losses of assets and of important developments in its efforts to determine the cause of those losses. This failure was made more egregious by the fact that, in several instances prior to Ames' arrest, members of the Committee had asked pointed questions about ongoing counterintelligence problems.

Acting DCI Admiral William Studeman stated that the CIA had failed to meet its obligation under Section 502 of the National Security Act, requiring that Congress be informed of all intelligence activities including ''any significant intelligence failure.'' The Committee then investigated whether this failure to notify was intentional. The Committee, as a result of the inquiry, did not find that any senior CIA official ever directed the withholding of information from Congress. The investigation did reveal, however, that CIA officials did not consider bringing the issue of espionage problems to the attention of Congress. Not all CIA officials understood the requirement of Section 502. Congress does not have to ''ask the right questions'' in order for information to be conveyed the Intelligence Community must be forthcoming.

A second issue relating to Ames' espionage concerned whether intelligence reporting that may have come from controlled Soviet sources influenced U.S. decision making. The Committee's investigation revealed management problems in the dissemination of certain reports and the degree to which these were conveyed to policy makers with accurate and proper caveats. However, neither this Committee, the Defense Department nor the CIA were able to discover any U.S. decisions that were influenced by controlled-source reports. Indeed, given the inherent complexity of Defense acquisition decisions, it would be highly unusual—if not impossible—for this process to be influenced solely by such reports alone, whether accurate or controlled.

Finally, the Committee asked the Inspector General of the Department of Justice to conduct a review of the FBI's performance in the Ames case. The Department of Justice agreed to do this in February 1995. However, by the end of the 104th Congress the Justice IG had not yet finalized what has been described as a voluminous and weighty report that the Committee expects to be of great value in its review of the Nicholson and Pitts espionage cases.

CIA drug trafficking investigation

In August 1996, the San Jose Mercury News published a series of articles regarding the introduction, financing, and distribution of crack cocaine into communities of Los Angeles. The articles alleged that one of the drug trafficking rings responsible for introducing crack cocaine to Los Angeles was operated by a Nicaraguan who used some of his drug profits to provide lethal and non-lethal assistance to the Contras. Furthermore the Mercury News articles implied that the CIA either backed, or at least condoned, the drug trafficking activity. In September 1996, the Committee began a formal investigation into these allegations. Separate investigations were also begun by the Inspectors General (IG) of the Department of Justice and the CIA.

The scope of the Committee's investigation focuses on the following questions:

Were any CIA operatives/assets involved in the supply or sale of drugs in the Los Angeles area?

If CIA operatives or assets were involved, did the CIA have knowledge of the supply or sale of drugs in the Los Angeles area by anyone associated with the Agency?

Did any other U.S. Government agency or employee within the Intelligence Community have knowledge of the supply or sale of drugs in the Los Angeles area between 1979–1969?

Were any CIA officers involved in the supply or sales of drugs in the Los Angeles area since 1979?

Did the Nicaraguan Contras receive any financial support, through the sale of drugs in the United States, during the period when the CIA was supporting the Contra effort? If so, were any CIA officials aware of this activity?

What is the validity of the allegations in the San Jose Mercury News?

The Committee, in keeping with past practice, also stated that it would await the completion of the two IG investigations and review the results as part of the Committee's inquiry into this matter before issuing a report.

Since the beginning of its investigation, the Committee has engaged in many activities to gather information, including: tasking the Congressional Research Service for background data related to the Iran-Contra investigations; taking the IGs of the Department of Justice and CIA to provide access to all material that they compile in the course of their investigations conducting several interviews in Washington, Los Angeles, and attending and participating in two ''town hall'' meetings in South Central Los Angeles.

The Committee's investigation will continue into the 105th Congress, with much more data to be reviewed and interviews to be conducted. For example, the CIA IG has identified over 6000 documents available for Committee review. The Committee also anticipates additional travel related to this investigation, including additional trips to California and Nicaragua. As previously mentioned, the Committee will not complete its investigation until it has had the opportunity to review the results of the two separate IG investigations that will likely not be completed until the end of 1997.

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

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

URGING PASSAGE OF THE NATIONAL DEFENSE AUTHORIZATION ACT

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

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to urge the adoption and final form of the National Defense Authorization Act for fiscal year 1998. The challenge we have is to protect U.S. interests in an uncertain world, Mr. Speaker. The continued decline in defense spending and ongoing reductions in the size of U.S. armed forces combine that increasing pace of operations especially in peacekeeping and humanitarian relief missions are compelling the U.S. military to do more with less. Managing budgetary military and strategic risks in this environment requires the defense program that balances the imperatives to maintain forces ready to deploy and fight today to sustain a decent quality of military life and to prepare now for these certain challenges of the future.

H.R. 1119 helps restore a measure of balance to the Nation's defense program by doing the following: Sustain the readiness of U.S. combat forces safeguarding the resources and the training required for victory in high intensity combat which is what makes U.S. troops the best in the world, providing a decent quality of life to service members and their families to ease the men and problems associated with the high level of activity and numerous operations for an all-volunteer military that is 65 percent married, striving for adequate modernization to insure today's technological edge for the U.S. troops on tomorrow's battlefields and implementing real defense reform by downsizing unnecessary defense bureaucracy and making defense business practices more efficient.

I believe this legislation, Mr. Speaker, helps to restore balance to America's defense program essential for managing the risks to U.S. national security in an uncertain world. I am especially pleased that certain amendments have been included within this bill not least of which is the veterans preference which was adopted earlier in a voice vote that I offered and as well the recognition, remembrance to the POW/MIA's from the Vietnam war, as well as the resolution and amendment from the gentleman from Indiana [Mr. BUYER] and the gentleman from Rhode Island [Mr. KENNEDY] to improve the Department of Defense and Department of Veterans Affairs' investigation of Persian Gulf illnesses and the treatment of ill gulf war veterans. Specifically, the amendment will authorize $4.5 million to establish a cooperative DOD-VA program of clinical trials to evaluate treatments which might relieve the symptoms of gulf war illnesses, require the Secretaries of both departments to develop a comprehensive plan for providing health care to all veterans, active duty members and reservists who suffer from the symptoms of the gulf war illnesses.

And finally, Mr. Speaker, the gentleman from Alabama [Mr. BACHUS] and I worked together on an amendment to deny military benefits to any person who has been convicted of a State or Federal crime where death is a possible punishment or sentenced to imprisonment without parole, and this of course is in the case of Timothy McVeigh, where you have seen someone who caused the tragic deaths of so many people in Oklahoma, over 168, and this is certainly not someone who is fitting to have a military funeral and a military burial befitting a hero, and this legislation will certainly address that particular oversight.

I submit to you this legislation to help our defense is appropriate, it will keep U.S. at the cutting edge of technology and will correctly and properly make sure that we care for and attend to the needs of our servicemen and women who are doing so much in the defense of this country.

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

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

SUPPORT MFN FOR CHINA

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

Mr. DREIER. Mr. Speaker, in about 15 hours we will be casting one of the most important national security, trade, foreign policy votes of this year, and I am referring of course to the vote which will call for ending normal trade relations with the People's Republic of China. It is very important this year because, as we sit here on the verge of the reversion of Hong Kong to China, the termination of a 99-year-old lease, it seems to me that we have a responsibility to recognize the plight of the people of Hong Kong.

It is very fascinating to observe the message which has emerged from Hong Kong. There is no more respected fighter for political pluralism, human rights and economic freedom than Martin Lee. Martin Lee has been an outspoken advocate, having fought diligently in Hong Kong for all of these things, and he has sent a very strong message on this vote which we are going to face tomorrow. He said, ''The nonrenewal of MFN would hurt U.S. Badly. This is something we cannot afford when we are already undergoing a critical transition.'' No one, no one is fighting on the front line for human rights and those things which we as Americans feel so strongly about than Martin Lee.

The Governor of Hong Kong, Chris Patten, has said, ''I say to you on behalf of the whole community in Hong Kong that you will not help U.S. by damaging our economy and damaging confidence in our future. The best way to help U.S. is by renewing MFN and continuing the policy of engagement towards China.''

Now these are two people who are right there on the scene. It is very easy for the U.S. to sit here in Washington, DC and do what makes the U.S. feel good rather than doing good. The fact of the matter is there are people there and there are people here in this House who fortunately understand how important it is.

Today in the Wall Street Journal there was a great piece written by some extraordinarily patriotic Americans. Ronald Reagan's Ambassador to the United Nations Jeane Kirkpatrick, our former colleague and former HUD Secretary Jack Kemp, former Defense Secretary Donald Rumsfeld, former presidential candidate and great business leader Steve Forbes, the former Secretary of Education Lamar Alexander; in today's Wall Street Journal they wrote:

> China has undergone significant liberalization and reform that have resulted in greater freedom for the Chinese people, and we believe that China is well on the road to major development, modernization and fuller participation in the processes of the democratic and law-abiding nations of the world. We know it is not there yet. The U.S. debate should focus on what policies we should follow to enhance, and not hinder, these favorable trends, and on what policies are most effective in dealing with problem areas.

Now, Mr. Speaker, that is why today the gentleman from Pennsylvania [Mr. FOX], my colleague, has joined along with the gentleman from Illinois [Mr. PORTER], chairman of the Human Rights Caucus, the gentleman from California [Mr. MATSUI] from the other side of the aisle, the gentleman from Arizona [Mr. SALMON], someone who came up with many of the great ideas, the gentleman from Arizona [Mr. KOLBE], in putting together legislation that we will be introducing called the China Human Rights and Democracy Act, geared toward that last sentence that I mentioned in the Wall Street Journal piece that appeared today.

We should look at positive ways. We have been dealing with Members who have opposed MFN like the gentleman from New York [Mr. SOLOMON], the gentleman from New Jersey [Mr. SMITH], and others. I am hoping that they will join as cosponsors of this legislation when we introduce it because all it is, is positive movement by increasing funding for the National Endowment for Democracy which has played a role in encouraging village elections, where 800 million Chinese have participated with secret ballots, with noncommunist candidates in generating and selecting their own leaders, and we also called for increasing that very important message which we have all fought for through Radio Free Asia and the Voice of America.

So I hope that many will join this legislation that the gentleman from Illinois [Mr. PORTER] and I and others are introducing, and let me close, Mr. Speaker, by addressing an issue which has gotten a great deal of attention.

There is a view that religious leaders in this country stand en masse opposing normal trade relations with China. Well, I was very pleased last week to have received a letter from the Great Reverend Billy Graham who does not want to get involved in the MFN debate and he made that very clear. But he did say the following in his letter to me.

> I am in favor of doing all we can to strengthen our relationship with China and its people. China is rapidly becoming one of the dominant economic and political powers in the world, and I believe it is far better to keep China as a friend than to treat it as an adversary.

Mr. Speaker, I hope very much that my colleagues will join tomorrow by voting no on the resolution of disapproval.

THE 25th ANNIVERSARY OF TITLE 9 OF THE EDUCATION ACT AMENDMENTS

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

Mrs. MINK of Hawaii. Mr. Speaker, today marks the 25th anniversary of Title 9 of the Education Act Amendments of 1972 which prohibits sex discrimination in educational institutions receiving Federal funds. To commemorate the 25th anniversary of Title 9 the gentleman from Michigan [Mr. BONIOR], the gentlewoman from New Jersey [Mrs. ROUKEMA] and I along with 61 other cosponsors have introduced a concurrent resolution which celebrates the accomplishments of Title 9 supporting efforts to continue pursuing the goals of educational opportunity for women and girls. I will

ask that the resolution be printed at the end of my special order this evening.

Since its enactment Title 9 has opened the doors of educational opportunity to literally millions of girls and women across the Nation. Title 9 helped tear down inequitable admission policies, increase opportunities for women in nontraditional fields of study such as math and science, law and medicine, improve vocational educational opportunities for women, reduce discrimination against pregnant students and teen mothers, protect female students from sexual harassment in our schools and increase athletic opportunities for girls and women.

□ 2345

As a member of the Education and Labor Committee in 1972, I helped to craft Title IX and worked diligently throughout the years to promote this law and fight against efforts to weaken its impact. I certainly consider Title IX one of my most significant accomplishments while I served in Congress from 1965 until 1977.

We have heard so much in recent years about the accomplishments of Title IX, particularly in the area of athletics, and many do not realize the history of this legislation and the battles that were fought to keep this law intact. On the occasion of the 25th anniversary of Title IX, I thought it would be appropriate to share this history and to recount its origins, its battles and its achievements.

The origins of Title IX began with a series of hearings on the House Education and Labor Committee beginning in the late 1960s and in 1970. In particular, there was a hearing conducted by Congresswoman Edith Green who was the chair then of the Special Subcommittee on Education which dealt with higher education matters.

In June of 1970 the subcommittee held a hearing on legislation introduced by the chair Edith Green, H.R. 16098 to amend Title VI of the Civil Rights Act of 1964, which included a prohibition against sex discrimination in any program or activity receiving Federal financial assistance.

We have to put this initiative in the context of the times. It was right around that time that there was this big push for ERA, the Equals Rights Amendment. The women's movement was very active, pursuing all avenues to gain equal rights and protections in the law. Representative Green's bill would have provided that protection under the Civil Rights Act.

At the hearing on July 3, 1970, Assistant Attorney General for Civil Rights, Jerris Leonard, testified before the subcommittee stating that quote, ''while we are not able to support this language, we suggest an alternative.'' He suggested that the committee should not amend Title VI of the Civil Rights Act, but enact separate legislation to prohibit sex discrimination in education only. This is the genesis of Title IX.

The House Education and Labor Committee had a large body of evidence of discrimination against girls and women in our educational system. Since the time I came to Congress in 1965 we began systematic hearings on textbooks to illustrate the discrimination against girls, women, and also the ethnic minorities.

We scrutinized the textbooks. We looked at the films and the books and other kinds of brochures that were being produced by yes, our U.S. Department of Education, Office of Education. We scrutinized the admission policies and vocational education courses which taught girls home economics, and essentially there were cooking courses to prepare girls for homemakers, while the boys learned skills in order to enter into careers and to sustain their future ambitions. We had to fight in all areas to open up opportunities for women. We had to fight for equal participation in the poverty program, in the Job Corps Center.

So the proposal of the Assistant Attorney General to focus legislation to prohibit discrimination in education was a logical step for the committee to take. We had considerable debates. The Committee on Education finally reported the legislation in 1971, which then led to negotiations with the Senate and the conference committee that finally yielded Title IX, which is in its historic celebration today for its 25th anniversary.

CELEBRATING THE 25TH ANNIVERSARY OF TITLE IX

Mr. Speaker, today marks the 25th anniversary of title IX of the Education Act Amendments of 1972, which prohibits sex discrimination in educational institutions receiving Federal funds.

To commemorate the 25th anniversary of title IX, Congressman DAVID BONIOR, Congresswoman MARGE ROUKEMA, and I, along with 61 other cosponsors are introducing a concurrent resolution which celebrates the accomplishments of title IX and support efforts to continue pursuing the goal of educational opportunity for women and girls.

I ask unanimous consent that resolution be printed in the RECORD.

Since its enactment, title IX has opened the doors of educational opportunity to literally millions of girls and women across the Nation. Title IX helped tear down inequitable admissions policies, increase opportunities for women in nontraditional fields of study such as math and science, improve vocational education opportunities for women, reduce discrimination against pregnant students and teen mothers, protect female students from sexual harassment in our schools, and increase athletic opportunities for girls and women.

As a member of the Education and Labor Committee in 1972, I helped to craft title IX and worked diligently throughout the years to promote this law and fight against efforts to weaken its impact. I consider title IX one of my most significant accomplishments while in the Congress and take special pride and pleasure tonight in recognizing the accomplishment of title IX.

We have heard so much in recent years about the accomplishments of title IX, particularly in the area of athletics, but so many don't really know the history of this legislation and the battles that were fought to keep this law intact. On the occasion of the 25th anniversary of title IX I thought it would be appropriate to share the history of this landmark law, and recount its origins, its battles and its achievements.

The origins of title IX began in a series of hearings on sex discrimination in the House Education and Labor Committee in 1970, led by Congresswoman Edith Green, who was chair of the Special Subcommittee on Education at that time.

In June 1970 the subcommittee held a hearing on legislation introduced by Congresswoman Green, H.R. 16098, to amend title VI of the Civil Rights Act of 1964 to include a prohibition against sex discrimination in any program or activity receiving Federal financial assistance.

We have to put this initiative in the context of the times. This was right around the time of the big push for the equal rights amendments. The women's movement was activated and pursuing avenues to gain equal rights protection in the law. Representative Green's bill would have provided such protection through the Civil Rights Act which had been passed six years prior to this time, but only covered race, color, and national origin.

On July 3, 1970, Assistant Attorney General for Civil Rights Jerris Leonard testified before Green's subcommittee stating that ''while we are not able to support this language * * * we suggest an alternative.'' He suggested that the committee should not amendment title VI of the Civil Rights Act, but enact separate legislation to prohibit sex discrimination in education only. This is the genesis of title IX.

The House Education and Labor Committee had a large body of evidence of discrimination against girls and women in our education system. Since I came to the Congress and the committee in 1965 the committee had been involved in hearings related to equal educational opportunities for girls and women. We scrutinized textbooks which only portrayed successful men, admissions policies which excluded women from graduate and professional schools, and vocational education courses.

Consideration of amendments to the Higher Education Act in 1971 provided us with an opportunity to pursue language on sex discrimination in schools. Edith Green and I worked on language to include in the House bill (H.R. 7248) which would prohibit discrimination on the basis of sex in any educational program receiving Federal funds.

This provision which was initially title X of H.R. 7248 included the sex discrimination prohibition, authorized the Civil Rights Commission to investigate sex discrimination, removed the exemption of teachers from the equal employment coverage of the 1964 Civil Rights Act and eliminated the exemption of executives, administrators and professions from the Equal Pay Act.

The bill was reported out of the House Education and Labor Committee on September 30. The committee report filed on October 8 and the bill was considered by the full House beginning on October 27, 1971.

During consideration by the full House Rep. John Erlenborn offered an amendment to exempt undergraduate admissions policies of

colleges and universities from the prohibition on sex discrimination in title X. The amendment won by a 5-vote margin of 194 to 189.

A provision (section 1007) which authorized the Civil Rights Commission to investigate the problem of sex discrimination was eliminated during the floor debate on a point of order by House Judiciary Committee Chairman Emanual Celler, who objected to the provision because it came under the jurisdiction of his committee.

The Senate was also working on amendments to the Higher Education Act in 1971. The Senate Committee on Labor and Public Welfare reported out its bill (S. 659) without any provisions prohibiting sex discrimination.

However, during the Senate floor debate on August 6, 1971, Senator Birch Bayh offered an amendment along with Senators KENNEDY and Hart to ban sex discrimination in any public higher education institutions or graduate program receiving federal funds. Senator McGovern also submitted an amendment prohibiting sex discrimination in education, but did not offer his amendment and supported the Bayh amendment.

A point of order was raised against the Bayh amendment by Senator STROM THURMOND, on the grounds that the Bayh amendment was not germane. The point of order was sustained by the Chair, who ruled that the amendment was not germane because ''The pending amendment deals with discrimination on the basis of sex. There are no provisions in the bill dealing with sex.'' A 50-to-32 rollcall vote sustained the ruling of the Chair that his amendment was not germane.

The Senate reconsidered its Higher Education legislation in early 1972, because the House had included provisions prohibiting the use of Federal education funds for busing which the Senate objected. Again, the bill coming out of committee did not include provisions banning sex discrimination in schools.

However, during the Senate floor debate which began on February 22, 1972, Senator Birch Bayh offered an amendment to prohibit sex discrimination in educational institutions receiving federal funds. The Bayh amendment exempted the admissions policies of private institutions, and a Bentsen amendment to the Bayh amendment provided an exemption for public single sex undergraduate institutions. Both amendments passed by voice vote.

The House Senate Conference was held in the spring of 1972. The conferees retained provisions prohibiting sex discrimination, reconciling the differences between the House and Senate version. The final version of the Education Act Amendments of 1972 included title IX which prohibits sex discrimination in all Federal education institutions receiving Federal funds, except for undergraduate admissions policies of private higher education institutions and public institutions of a traditional single-sex policy. The conference report was filed in the Senate on May 22 and in the House on May 23. The Congress approved the bill on June 8 and President Nixon signed the bill on June 23, 1972—25 years ago today.

Most people recognize the accomplishments of title IX in the area of athletics. Certainly, one of the most spectacular achievements of title IX has been the increased athletic opportunity for girls and women at every level of the educational experience. However, the impact of title IX in the sports arena was not controversial at first. The most controversial items during the original title IX debate centered around admissions policies.

It wasn't until a few years later that college athletics began to experience the impact of title IX that we had our first big challenge to the law. When the coaches, and male athletes realized that they would have to share their facilities and budgets with the women, they became outraged.

In 1975, opponents of title IX's impact on athletics proposed an amendment to the education appropriations bill to prohibit the Department of Health, Education and Welfare from promulgating the title IX regulations as it applies to athletics in colleges and universities.

They paraded a number of college and professional athletes through the Committee room to testify that title IX hurt men's athletics. At the time women athletes were so few and unknown, that the only well-known athlete we had to testify was Billy Jean King. The fact that there were virtually no prominent women athletes in our country was a testament in itself of the necessity of title IX.

The amendment was included in the House appropriations bill (H.R. 5901), but stricken in conference. On July 12, 1975, I managed the House debate against a motion by Rep. Casey to insist on the House position. In the midst of the vigorous debate on the issue, I was sent word from the cloakroom that my daughter was in a life threatening car accident while in college in New York. I left the floor immediately to go to my daughter. The Casey motion carried on a vote of 212 to 211. The newspapers reported that I had left the floor ''crying'' in the face of defeat. But in reality I was facing a tremendous family crisis.

The next day Speaker Carl Albert took the floor and explained the circumstances of my departure from the floor. Congressman Flood offered a motion to reject the Casey position which carried by a vote of 215 to 178, preserving the regulations and title IX's application to athletes.

Mr. Speaker, as I have recounted this experience, you can see that the pursuit of title IX and its enforcement has been a personal crusade for me. Equal educational opportunities for women and girls is essential for us to achieve parity in all aspects of our society. For the last 25 years title IX has been the great defender of equity, let us celebrate its accomplishments and continue to work toward its goal of equal educational opportunity for all women and girls.

H. CON. RES.—

Whereas 25 years ago, on June 23, 1972, title IX of the Education Act Amendments of 1972 was signed into law by the President of the United States;

Whereas title IX prohibits discrimination on the basis of sex in the administration of any education program in any educational institution receiving Federal aid;

Whereas remarkable gains have been made to ensure equal opportunity for girls and women under the inspiration and mandate of title IX;

Whereas title IX serves as the nondiscrimination principle in education;

Whereas title IX has moved this Nation closer to the fulfillment of access and opportunities for women and girls in all aspects of life;

Whereas title IX has increased educational opportunities for women and girls, resulting in improved graduation rates, increased access to professional schools and nontraditional fields of study such as math and science, and improved employment opportunities;

Whereas title IX has increased opportunities for women and girls in sports, leading to greater access to competitive sports, and building strong values such as teamwork, leadership, discipline, work ethic, self-sacrifice, pride in accomplishment, and strength of character;

Whereas 25 years of progress under title IX is widely acknowledged, but there is still much work to be done if the promise of title IX is to be fulfilled: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress celebrates—

(1) the accomplishments of title IX of the Education Act Amendments of 1972 in increasing opportunities for women and girls in all facets of education; and

(2) the magnificent accomplishments of women and girls in sports.

Mr. TOWNS. Mr. Speaker, I rise today to join my colleagues in celebrating the 25th anniversary of title IX of the Education Act Amendments of 1972.

With the passage of this landmark civil rights law, millions of women and girls in our Nation have enjoyed increased social and economic opportunities. There is no doubt that Title IX has made it possible for them to become important players in the world of sports and in other arenas. Today, 2.4 million American girls participate in high school sports, a tenfold increase from two decades ago. It is much better today, and it will be much better 25 years from now.

However, we must not forget that the struggle continues. Sexual harassment and discrimination against women in our schools has not been obliterated. Yes, we still have much to accomplish—as a recent NCAA report made abundantly clear—and we must aggressively continue to pursue equality. Give women fair playing time and opportunity and the trends indicate they will show the same levels of desire and ability in athletics as men.

Mr. Speaker, as Members of Congress, we must continue to support title IX. Our future generations are counting on us to uphold the mantle of equal rights for all Americans.

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

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) for today, on account of personal reasons.

Mr. MCINTOSH (at the request of Mr. ARMEY) for today, on account of official business.

Mr. COX of California (at the request of Mr. ARMEY) for today, on account of medical reasons.

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. KLINK) to revise and extend their remarks and include extraneous material:)

Mr. BONIOR, for 5 minutes, today.

Mr. KLINK, for 5 minutes, today.

Mr. PASCRELL, for 5 minutes, today.

Mr. RANGEL, for 5 minutes, today.

Mrs. Mink of Hawaii, for 5 minutes, today.

(The following Members (at the request of Mr. DREIER) to revise and extend their remarks and include extraneous material:)

Mr. PAUL, for 5 minutes each day, on June 24 and 25.

Mr. UPTON, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, on June 24.

Mr. FOX of Pennsylvania, for 5 minutes, today.

Mr. DREIER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mrs. KELLY.

Mr. RADANOVICH.

Mr. EWING.

Mr. PITTS.

Mr. WICKER.

Mr. PACKARD.

Mr. KNOLLENBERG.

Mrs. LINDA SMITH of Washington.

Mr. BOB SCHAFFER of Colorado.

Mr. GINGRICH.

(The following Members (at the request of Mr. KLINK) and to include extraneous matter:)

Ms. DANNER.

Mr. POSHARD.

Mr. TORRES.

Mr. DAVIS of Florida.

Mr. CAPPS.

Mr. BARRETT of Wisconsin.

Mr. RAHALL.

Mr. KLINK.

(The following Members (at the request of Mr. FOX) and to include extraneous matter:)

Mr. POMEROY.

Mrs. KELLY.

Mr. BALLENGER.

Mr. PACKARD.

Mr. MEEHAN.

ADJOURNMENT

Mr. FOX of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 24, 1997, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3906. A letter from the Secretary of Defense, transmitting notification that the Department proposes to obligate FY 1997 funds to implement the Cooperative Threat Reduction (CTR) Program under the FY 1997 Defense Appropriations Act, Public Law 104–208, pursuant to 22 U.S.C. 5955; to the Committee on National Security.

3907. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Maryland 1990 Base Year Emission Inventory; Correction [MD033–7157; FRL–5844–3] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3908. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plan; Indiana [IN79–1A; FRL–5848–4] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3909. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's Final Rule—Correction of Implementation Plans; American Samoa, Arizona, California, Hawaii, and Nevada State Implementation Plans [AS-AZ-CA-HW-NV–000–0002; FRL–5847–8] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3910. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Thermally Processed Low-Acid Foods Packaged in Hermetically Sealed Containers; Technical Amendment [Docket No. 75N–0333] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3911. A communication from the President of the United States, transmitting his supplemental report on the deployment of combat-equipped U.S. Armed Forces to Bosnia and other states in the region in order to participate in and support the North Atlantic Treaty Organization-led Stabilization Force (SFOR), and on the beginning of the withdrawal of the NATO-led Implementation Force (IFOR), which completed its mission and transferred authority to the SFOR on December 20, 1996; (H. Doc. No. 105–100); to the Committee on International Relations and ordered to be printed.

3912. A letter from the General Counsel, Federal Retirement Thrift Investment Board, transmitting the Board's final rule—Periodic Participant Statements [5 CFR Part 1640] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3913. A letter from the General Counsel, Federal Retirement Thrift Investment Board, transmitting the Board's final rule—Thrift Savings Plan Vesting [5 CFR Part 1603] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3914. A letter from the Chairman, President and Chief Executive Officer, National Railroad Passenger Corporation (Amtrak), transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1996, through March 31, 1997; and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3915. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Scup Fishery; Commercial Quota Harvested for North Carolina [Docket No. 960805216–7111–06; I.D. 061797B] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3916. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; Western Pacific Crustacean Fisheries; 1997 Harvest Guideline [Docket No. 970612136–7136–01; I.D. 060297B] (RIN: 0648–AJ61) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3917. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Spearfish, SD, Black Hills—Clyde Ice Field; Correction (Federal Aviation Administration) [Airspace Docket No. 97–AGL–6] (RIN: 2120–AA66) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3918. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Santa Ynez, CA (Federal Aviation Administration) [Airspace Docket No. 97–AWP–19] (RIN: 2120–AA66) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3919. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 340B and SAAB 2000 Series Airplanes (Federal Aviation Administration) [Docket No. 97–NM–76–AD; Amendment 39–10052; AD 97–13–06] (RIN: 2120–AA64) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3920. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Gulfstream American (Frakes Aviation) Model G–73 (Mallard) Series Airplanes Modified in Accordance with Supplemental Type Certificate (STC) SA2323WE (Federal Aviation Administration) [Docket No. 96–NM–282–AD; Amendment 39–10049; AD 97–13–03] (RIN: 2120–AA64) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3921. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 340B and Model SAAB 2000 Series Airplanes [Docket No. 96–NM–177–AD; Amendment 39–10048; AD 97–13–01] (RIN: 2120–AA64) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3922. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28922; Amdt. No. 1801] (RIN: 2120–AA65) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3923. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28923; Amdt. No. 1802] (RIN: 2120–AA65) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3924. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; General Electric Company GE90 Series Turbofan Engines (Federal Aviation Administration) [Docket No. 97–ANE–22–AD; Amendment 39–10046; AD 97–12–04] (RIN: 2120–AA64) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3925. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; General Electric Company GE90 Series Turbofan Engines (Federal Aviation Administration) [Docket No. 97–ANE–23–AD; Amendment 39–10047, AD 97–12–05] (RIN: 2120–AA64) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3926. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E5 Airspace; Utica, NY and Establishment of Class E5 Airspace; Rome, NY (Federal Aviation Administration) [Airspace Docket No. 95–AEA–16] (RIN: 2120–AA66) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3927. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Manitowish, WI, Manitowish Waters Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–7] (RIN: 2120–AA66) received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3928. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property [Rev. Rul. 97–27] received June 20, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3929. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update [Notice 97–35] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3930. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Special Rule for U.S. Permanent Residents Receiving Compensation or Pensions from the Government of France [Announcement 97–61] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3931. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Changes in accounting periods and in methods of accounting [Rev. Proc. 97–30] received June 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COBLE: Committee on the Judiciary. H.R. 1581. A bill to reauthorize the program established under chapter 44 of title 28, United States Code, relating to arbitration (Rept. 105–143). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. H.R. 1866. A bill to continue favorable treatment for need-based educational aid under the antitrust laws (Rept. 105–144). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. H.R. 1901. A bill to clarify that the protections of the Federal Tort Claims Act apply to the members and personnel of the National Gambling Impact Study Commission (Rept. 105–145). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. H.R. 1902. A bill to immunize donations made in the form of charitable gift annuities and charitable remainder trusts from the antitrust laws and State laws similar to the antitrust laws (Rept. 105–146). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 849. A bill to prohibit an alien who is not lawfully present in the United States from receiving assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; with an amendment (Rept. 105–147). Ordered to be printed.

Mr. KASICH: Committee on the Budget. H.R. 2014. A bill to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998 (Rept. 105–148). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASICH: Committee on the Budget. H.R. 2015. A bill to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998 (Rept. 105–149). 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. CAPPS (for himself and Mr. GILMAN):

H.R. 2009. A bill to amend the Social Security Act to waive the 24 month waiting period for Medicare coverage of individuals disabled with amyotrophic lateral sclerosis [ALS], to provide Medicare coverage of drugs used for treatment of ALS, and to amend the Public Health Service Act to increase Federal funding for research on ALS; to the Committee on Ways and Means, 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. DICKEY:

H.R. 2010. A bill to designate the bridge over lock and dam numbered 4 on the Arkansas River as the ''Lawrence Blackwell Memorial Bridge''; to the Committee on Transportation and Infrastructure.

By Mr. HUTCHINSON:

H.R. 2011. A bill to impose certain sanctions on the People's Republic of China, and for other purposes; to the Committee on International Relations, and in addition to the Committees on Banking and Financial Services, Ways and Means, and the Judiciary, 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. SANDERS:

H.R. 2012. A bill to amend the National Labor Relations Act, to establish the National Public Employment Relations Commission, and to amend title I of the Employment Retirement Income Security Act of 1974 to provide for joint trusteeship of single-employer pension plans; to the Committee on Education and the Workforce.

By Mr. WEYGAND:

H.R. 2013. A bill to designate the facility of the U.S. Postal Service located at 551 Kingstown Road in South Kingstown, RI, as the ''David B. Champagne Post Office Building''; to the Committee on Government Reform and Oversight.

By Mrs. MINK of Hawaii (for herself, Mr. BONIOR, Mrs. ROUKEMA, Mr. ABERCROMBIE, Mr. BLAGOJEVICH, Ms. CARSON, Ms. CHRISTIAN-GREEN, Mrs. CLAYTON, Mr. CONYERS, Mr. DAVIS of Illinois, Ms. DEGETTE, Mr. DELAHUNT, Mr. DELLUMS, Mr. DIXON, Mr. DOOLEY of California, Mr. ENGEL, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FILNER, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. GEPHARDT, Mr. GREEN, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. JACKSON, Mr. JEFFERSON, Mrs. KENNELLY of Connecticut, Ms. KILPATRICK, Mr. LANTOS, Mr. LEWIS of Georgia, Mrs. LOWEY, Mrs. MALONEY of New York, Mr. MARTINEZ, Mr. MATSUI, Ms. MCCARTHY of Missouri, Ms. MCKINNEY, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mr. MILLER of California, Mrs. MORELLA, Mr. NADLER, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. PALLONE, Mr. PASTOR, Mr. PAYNE, Ms. PELOSI, Mr. REYES, Mr. ROMERO-BARCELÓ, Mr. RUSH, Ms. SANCHEZ, Mrs. THURMAN, Mr. TOWNS, Ms. VELÁZQUEZ, Ms. WATERS, Ms. WOOLSEY, Mr. WYNN, Mr. YATES, Mr. KILDEE, Mr. TORRES, and Mr. RANGEL):

H. Con. Res. 103. Concurrent resolution celebrating the accomplishments of title IX of the Education Act Amendments of 1972, and recognizing the need to continue pursuing the goal of educational opportunities for women and girls; to the Committee on Education and the Workforce.

By Mr. TRAFICANT:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress relating to the elections in Albania scheduled for June 29, 1997, and the admission of a free and democratic Albania to the North Atlantic Treaty Organization [NATO]; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mrs. TAUSCHER.

H.R. 145: Mr. WISE, Mr. OBEY, Mr. LOBIONDO, and Mr. LUTHER.

H.R. 195: Mr. CRAPO.

H.R. 197: Mr. SOUDER.

H.R. 230: Mr. ETHERIDGE, Mr. THOMAS, Mr. CALVERT, Mr. GALLEGLY, and Mr. BONO.

H.R. 614: Mr. POSHARD.

H.R. 679: Mr. EHRLICH.

H.R. 695: Mr. BRADY, Mr. SMITH of New Jersey, Mrs. CHENOWETH, Mr. COBURN, Mrs. CUBIN, and Mr. JONES.

H.R. 699: Mr. PICKERING.

H.R. 789: Mr. PALLONE and Mr. WHITE.

H.R. 804: Mrs. THURMAN.

H.R. 849: Mr. MANZULLO, Mr. FOLEY, Mr. SOUDER, and Mr. SHERMAN.

H.R. 907: Mr. STUMP.

H.R. 953: Ms. ESHOO, Mr. HORN, Mr. OLVER, Mrs. TAUSCHER, and Mr. WYNN.

H.R. 978: Mrs. THURMAN and Mr. SESSIONS.

H.R. 992: Mr. ARCHER, Mr. LEWIS of Kentucky, Mr. BARTON of Texas, Mr. PAUL, and Mr. BRADY.

H.R. 1060: Mr. YOUNG of Alaska, Mr. DOYLE, Mr. SESSIONS, Mr. RODRIGUEZ, Mr. BRADY, Mr. EHRLICH, Mr. ROYCE, and Mrs. MALONEY of New York.

H.R. 1114: Mr. ALLEN and Mr. BROWN of Ohio.

H.R. 1147: Mr. HAYWORTH.

H.R. 1165: Mr. MCGOVERN, Mr. DEFAZIO, and Ms. SLAUGHTER.

H.R. 1371: Mr. STUMP.

H.R. 1413: Mr. LOBIONDO.

H.R. 1437: Mrs. KELLY.

H.R. 1450: Mr. ENGEL.

H.R. 1456: Mr. MCINTYRE.

H.R. 1532: Mr. DAN SCHAEFER of Colorado.

H.R. 1534: Mr. BONILLA, Mr. COMBEST, Mr. HOLDEN, and Mr. RIGGS.

H.R. 1632: Mr. FROST, Mr. THOMPSON, Mr. DAVIS of Illinois, Mr. FALEOMAVAEGA, Mr. MCGOVERN, Mr. DELLUMS, Mr. EVANS, Mr. ANDREWS, and Ms. LOFGREN.

H.R. 1689: Mr. NORWOOD.

H.R. 1715: Ms. STABENOW, Mr. BARTON of Texas, Mrs. MYRICK, Mr. RODRIGUEZ, and Mr. MATSUI.

H.R. 1719: Mr. HAYWORTH.

H.R. 1763: Mr. FILNER.

H.R. 1802: Mr. TOWNS, Mr. ROHRABACHER, and Mr. PETERSON of Minnesota.

H.R. 1814: Mr. MINGE, Ms. WOOLSEY, Mr. HINCHEY, Ms. MCKINNEY, Ms. VELÁZQUEZ, Mr. CONYERS, Mr. NADLER, Ms. RIVERS, Mr. VENTO, and Ms. SLAUGHTER.

H.R. 1822: Mr. ETHERIDGE, Mr. JOHN, Ms. WOOLSEY, Ms. VELÁZQUEZ, and Ms. PELOSI.

H.R. 1839: Mr. DAN SCHAEFER of Colorado.

H.R. 1902: Mr. GALLEGLY, Mr. SESSIONS, and Mr. MORAN of Virginia.

H.R. 1951: Mr. OLVER, Mr. COYNE, Mr. MILLER of California, Mr. VENTO, Mr. DELLUMS, and Ms. FURSE.

H.R. 1970: Mr. JEFFERSON.

H.R. 1983: Mr. MILLER of California.

H.R. 1984: Mr. WISE, Ms. DANNER, and Mr. MCINTOSH.

H.R. 1989: Mr. YOUNG of Florida, Mr. WELDON of Florida, and Mrs. THURMAN.

H.J. Res. 26: Mr. KIM.

H. Con. Res. 89: Mr. MANTON and Mr. MCNULTY.

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, MONDAY, JUNE 23, 1997 *No. 89*

Senate

The Senate met at 10 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:

Gracious Lord, we commit this day to making other people happy. So often our prayers are for what we need You to do to make us happy. Now in this quiet time, inspire us to think imaginatively about how we can bring happiness to those with whom we work and those whose friendship we enjoy.

Lord, our tendency is to think of some big, grand thing we could do and then because of the immensity of it, we never get it done. Help us forgo these grandstanding feats of herosim and do something that simply makes life more of a joy to the people in our lives. We want to make this a day free of uncreative, unproductive criticism. Today, we will not be a nagging, fault-finding source of distress. Whatever we do that causes anxiety, help us to change.

We confess that often it is what we fail to do that causes unhappiness. We know people need encouragement and affirmation. Today we give up the control we get by withholding the attitude or the words of approval not just of what people are tying to do, but what they are striving to become. May the end of this day be a time for remembering the happy memories we gave others. That's what it's all about, and that's what we're going to be about today. In the name of Him who called us to serve others. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the Senator from Wyoming [Mr. ENZI] is recognized.

SCHEDULE

Mr. ENZI. Mr. President, for the information of all Senators, today the Senate will be in a period of morning business until the hour of 12 noon. By previous consent, at 12 noon, the Senate will begin consideration of S. 947, the budget reconciliation bill. Amendments will be offered to the reconciliation bill today. However, no rollcalls will occur during today's session of the Senate. All votes ordered today with respect to amendments to the reconciliation bill will be stacked to occur on Tuesday, June 24, beginning at 9:30 a.m. Senators should, therefore, be prepared for a series of stacked votes beginning at 9:30 a.m. tomorrow.

Under the rules, the budget reconciliation bill is limited to 20 hours for debate, and it is the majority leader's hope that the two leaders will be able to reach an agreement to yield back some of that time.

Once the Senate completes the action on the first reconciliation bill, we will begin consideration of the second reconciliation bill, which is also limited to 20 hours for debate.

The leader has stated for the past several weeks that Senators should be prepared for a busy week of session. It is the leader's intention to remain in session until both reconciliation bills are completed. The Senate will adjourn for the Fourth of July recess once we finish our business this week. But the majority leader warns his colleagues that we will remain in session into the evening throughout this week and into the weekend, if necessary, until the reconciliation process is completed.

I thank all Senators for their attention.

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

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 12 noon, with Senators permitted to speak therein for up to 5 minutes each. The Senator from Wyoming is recognized to speak for 60 minutes.

Mr. THOMAS. Thank you, Mr. President. Don't be alarmed, I expect to have some of my associates here to share in that time.

TAX RELIEF

Mr. THOMAS. Mr. President, we do want to talk this morning, however, about an item of great importance to all of us—the citizens and to all of us as Members of the Senate—and that is taxation, the question that will be before the Senate this week, as the Finance Committee has completed their work on the reconciliation bill, and we will now be addressing that.

We will be talking about tax relief, which I suspect is perhaps one of the most important topics we will talk about this entire year, not only because of the tax aspect of it because, as you go into the budget process, it seems to me that budgets are much more than just numbers, they are much more than various spending proposals, they sort of set the parameters of what we will be doing in Government for at least the coming year; in this case, at least 5 years.

These decisions will frame the size of the Government over time. If you prefer smaller governments or larger governments—I happen to prefer smaller ones—the budget has to do with that. The budget has to do with the kinds of priorities that we will set among programs, among the kinds of things that

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

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we do. Of course, if we are going to be responsible, as we should be, over time to pay for what we want—which we haven't done for 25 years—and seek to balance the budget, then revenues and expenditures and tax relief are all part of this package, and probably, in the broad sense, are the most important decisions that we will make with respect not only to taxpayers, but program recipients and everyone else over this next 5 years.

(Mr. ROBERTS assumed the chair.)

Mr. THOMAS. So, Mr. President, we will be talking about the taxes that are generally going to be in the reconciliation bill, such as some relief on the cost of education, in terms of deductions, in terms of credits for parents who have youngsters in school. We will be talking also about the family credit, the $500-per-child credit, so that families can retain and then use that money in their own way to raise their children. We will be talking, hopefully, about capital gains tax relief, the idea that investments would not be taxed at as high a level as they have been, the idea of encouraging investments so that we create jobs and so that we strengthen the economy, and capital gains has a good deal to do with that.

Hopefully, we will also be talking about estate taxes, the kind of taxes that are levied on property and assets that people have worked their entire life to accumulate and then, in many cases, have to spend more than 50 percent of the value of those assets in taxes and are unable, often, to pass them on to their families. They are particularly important, I think, Mr. President, in areas such as your State of Kansas and my State of Wyoming, where small business and agriculture is very prominent. Often the assets of families, small businessmen, ranchers, farmers, are tied up in fixed assets, such as land and so on, and they have to sell their property in order to pay the taxes.

So these are the kinds of decisions with which we will be dealing. I look forward to it, frankly. It has been a very long time, it has been a very long time since we have had a fundamental reduction in taxes.

The concept in this place, in this Senate, in this Government, until the last couple of years, is let's have more taxes, let's have more money, let's have more Government, and now we have an opportunity to seek to start to turn that around and, hopefully, over time reduce the size of Government, move more and more functions to the State where they belong and can be best implemented, and then give taxpayers a break.

We will be caught up, Mr. President, as we go into this over the next week or more, in great details, as we should be. But I hope we don't forget the concept of what we are seeking to do. We will be caught up in details. We will be caught up in the great political spin that goes on, seemingly has gone on with more fervor in the last year or two than I ever recall. Everything is sort of couched in terms that are designed to package it and sell it. It is not really basic stuff. It is all fluff. We shouldn't do that.

For instance, we will hear the idea that every tax reduction is a tax break for the rich. Well, now, that isn't the case. If it is, then there are an awful lot of us who apparently are rich and didn't know it. People at $40,000 get some kind of tax break, and it is termed then as a tax break for the rich. That is not true.

We need to talk a little bit about really what the facts are. There is a notion that will be talked about, that, ''Well, we don't need any tax reductions, we need to keep the revenue coming so we can continue to spend and spend more,'' and that has been the philosophy. It is not the principle philosophy of this country. The country was to have a constitutional government that does those things that are provided in the Constitution, and those things that are not provided in the Constitution should be done by the States or by the citizens. That is what the Constitution says.

Rather than talk about the facts and philosophy of government, we will be talking about political aspects of it. We will be talking about spin. We will be talking about the message that has come over the last months from the White House with the message merchants that are the result of the polling experts. I hope we can cut through that and just talk like we do in Wyoming, frankly. I was there yesterday. Those folks don't spin it, they just say, ''Hey, let's just talk about what it really is,'' and that is what we ought to do here.

One of the things we ought to understand as we take a look at taxes and tax burden for working Americans is that it is higher than it has ever been. It, as a matter of fact, represents over 30 percent of GDP—over 30 of gross domestic product in taxes. I don't think we imagined that that would be the case in this country with limited government. It is three times as high as the highest tax burden during Roosevelt's New Deal—three times as high. So we ought to be talking about some kind of tax changes philosophically.

We will talk about income tax relief. That is what we are basically talking about, income tax relief. We are talking about people who pay it. You are not going to get income tax relief unless you pay taxes, and there is this idea that whenever we want to do anything to relieve the burden on those people who pay taxes, that somehow it is a big tax break for the rich. Everybody, of course, wants to help folks who need help to help themselves. That is not the issue here. We are not talking about how you do that. We are not talking about welfare; we are not talking about those kinds of things. We are talking about tax relief.

We ought to talk about that. It is very legitimate to talk about helping those who need help, and we should do that and we do that. But we ought not to tie everything together and not be able to clearly look at what we are talking about. We are talking about tax relief. We are talking about tax fairness. We are talking about opportunity. We are talking about encouraging investment to create jobs. Those are the things that we are talking about.

Tax relief is designed to allow people who work hard, people who, because they work hard, are successful to keep more of what they earn. We are talking about the incentive to work harder, the incentive to invest, the incentive to invest to strengthen the economy and to create new jobs. That is what we are talking about. So we ought to strip the other stuff away and really think about it a bit.

Tax relief is part of, it seems to me, a historical American philosophy of limited government, of allowing people to keep what they earn after they have paid the necessary costs of the services they want from government. That is a philosophy that I think is strong.

President Clinton in Denver this weekend boosted, as he should, about this economy, about the growth of a market economy, the growth of a free-enterprise economy, and yet, often the White House ignores the very thing that allows this economy to be stronger than the economies you see around the world, because it is an incentive-driven-private-enterprise-market economy. That is part of what we are talking about when we talk about taxes, when we talk about the level of taxes and when we talk about tax relief.

It is tax relief from that 30 percent of GDP that is collected in taxes. Keep that in mind. Every family pays nearly 40 percent of their income in taxes. That is very hard. I am not opposed, nor is anyone I know of opposed, to taxes. If we are going to have a government which is legitimate, if we are going to do the things in government that needs to be done, we have to pay for it. That is what taxes are for. We raise revenues to pay for those legitimate functions of government and, if we are responsible, we will do that.

We have not been as responsible as we should have been over the years. When we wanted some programs, when we wanted some services, when we wanted something to be done for us, rather than pay for it, we put it on the old credit card, and the credit card is now maxed out, of course. So you have to pay for it. There is nothing wrong with that. But there is a concept of taxation that I hope we will consider, that I hope we will take a look at. Taxation ought to generally be for the purpose of creating revenues to do the things that we are supposed to do to be responsible in government. Let's pay for it.

Unfortunately, over a period of time, it seems to me—and we continue to do that—tax policy is designed as much to influence behavior as it is to raise revenues, so that each tax relief has a

great deal of conditions attached. ''If you will do this, then we will give you tax relief.'' ''If you behave in this way, we will give you some tax relief.'' So we have created then a complicated and inefficient and, frankly, unfair tax system which brings about, of course, a great deal of debate about how we simplify the tax system.

We are not going to talk about that much this week. That is OK. That is OK. We are dealing with the short term. We are dealing with something we have not talked about for years, and that is tax relief. We ought to do that. And I am pleased with what has been done in the budget.

I am pleased with what has been done in the Finance Committee to move in that direction. That is not as far as we ought to go. Our next step then ought to be to take a broader look at how we simplify taxes. I do not have a favorite way of doing it. There are a number out there that are possible, whether they be flat taxes, whether they be sales taxes, whatever. But we ought to do that. We ought to see if we cannot move away from this idea that taxes are designed to impact and direct behavior and get to something that is much more simple, much more collectible, much more less intrusive on people's lives. But, as I said, that is not the issue that will be before us this week.

The issue is to seek to get some tax relief for taxpayers in this country. You say, well, that sounds pretty simple. What is so complicated about that? Just listen over this week and you will hear all kinds of things about tax breaks for the rich, about those people do not need it, we should not have tax breaks because we ought to have more programs. And you will see all that, hear that coming from the White House and hear that coming from all over. And so it is not easy. It is not simple. The idea of tax relief, which sounds very simple, is not.

Most everyone agrees there ought to be some progressiveness in the tax system. And there is. Today's Code is more progressive than it was in 1950. The lower half of taxpayers pay less than 5 percent in total taxes. And 25 percent of the taxpayers pay 80 percent of the taxes. Those that have over $42,000 in income are in that category. So we do have a progressive tax system. And we should have. And we will continue to. But we ought not to confuse tax relief with all of the other kinds of issues that happen.

As I mentioned, the typical family of four forfeits nearly 40 percent of their income, more than they spend on food, shelter and clothing combined. So it is tough. It is tough to raise a family. It is tough to send your kids to school. It is tough to save for retirement. Nearly 3 hours out of every 8-hour workday are spent financing Government—money that is spent on Washington's priorities, not yours.

More taxes, more government—that is one of the things that causes us to take a look at how you make government more efficient, that you require more efficiency, makes us take a look at the idea of private contracting rather than having an increased size of government because it is more efficient, because it costs less, but unless you have some reason to do that, the government continues to get larger.

So we need to balance the budget, but keep in mind that you can balance the budget by raising revenues, that that is not what we ought to do. We ought to balance the budget while controlling and reducing the size of government. That is the challenge. And that is the challenge that we need to undertake.

Unfortunately, we have not balanced our budget. But we now are in a position to do that. We now have a budget in place that will do that over 5 years. We will also allow for some tax relief. And that is what we will be talking about this week.

I think there is a considerable amount of history that we ought to take into account. As we do it, we ought to talk about how long it has been since we have talked about tax relief. It has been a number of years. We ought to keep in mind the fact is, over the last several years that the movements in taxes have been simply to raise them. We ought to keep in mind the fact that there are ways to reduce spending.

We have accomplished a good deal in the last little over 2 years. We have moved to change welfare from an entitlement. We moved to cause it to be moved back to the States where it can be more effectively handled. We have done something about the entitlement of agriculture and farm programs. The Presiding Officer was the Senator who had the most leadership and impact on the changes in the farm bill. That is a fundamental change that we have made over a period of time.

We have talked in the last 2 years, and now, having moved toward essentially balancing the budget—we have not done that for a very long time—this Congress and last year's Congress have caused that movement to where we are now talking about how we balance the budget and when we balance the budget. Prior to that time, there was no talk about balancing the budget.

So we have made a lot of progress. We have made a great deal of progress in the last 2½ years. Does it go fast enough to suit everyone? Of course not. Will this tax bill suit everyone? Of course not.

There will be arguments about whether there is enough in there for capital gains. There will be arguments if there is enough in estate taxes. There will be arguments as to why we do not do something else. I had a call from a lady yesterday in Cheyenne who is retired whose home is valued so it already comes under the estate taxes. She says, ''I sent my kids to college and I didn't get a credit.'' She says, ''There's nothing really in there for me much.'' Well, there are a few things.

But it is true, it is true, it will not suit everyone. But I say to my colleagues, let us move forward with this great opportunity for the first time in several decades that really makes some meaningful kind of adjustments in tax relief, to pursue the idea that Americans should be able to keep their hard-earned money, to pursue the idea that we ought to reduce the size of government and therefore the demand on taxes, to pursue the idea that being able to keep more of the money that you work for and earn is part of the incentive in this system.

So, Mr. President, this will be a very important week, and the week after, when we really decide the direction that we will take on budgets and tax relief and how it will be adjudicated.

Mr. President, I am pleased to be joined by my friend and associate from Nebraska.

I yield the floor to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, thank you.

I wish to offer my thanks to my friend and colleague from across the prairie from the great State of Wyoming.

People in Wyoming and Nebraska and all over America, I think, rather plainly understand and sense what we are doing this week in this body in this Congress; and that is addressing their issues.

You know, Mr. President, I am amused at much of the debate that has been raging in the Congress the last few months on the budget and taxes. And, you see, I define this down rather simply. Whose money is this? Whose money are we talking about? Is it the President's money? Is it my money? Is it the distinguished Presiding Officer's money? Is it Congress' money? No. No.

You see, this is about the people's money. This is about the hard-earned money of taxpayers. The Government should be accountable to the people. Our taxpayers, our citizens should not be accountable to government. And we are living at a time when we are taxed as highly as at any time, except in World War II, in the history of this country. We are living during a time when we are taxed that highly. A median family of four, total tax paid out, over 40 percent. These struggling young families are paying more in taxes than they are in combined efforts to ensure that they have enough for shelter or clothes or food and other necessities.

At some point, Mr. President, we will not only bankrupt our country, but we will surely bankrupt the opportunities for our young people. These young people starting out in life in our country, a country of promise, of hope, of opportunity—always has been—are looking at a very bleak future unless this Congress steps up and honestly deals with

the challenges that take us into this bold new great century.

And it does start with tax cuts. It starts with real tax relief. And what we will be debating this week is tax relief for families, for lower middle-income people, people who need tax relief, people who pay the bills in this country. But let us not also be unmindful of what else is attached to what we will be debating.

Real budget cuts, putting this country on the trajectory for fiscal responsibility, we have an opportunity here for the first time in 30 years to agree to a balanced budget, a budget that would be in balance within 5 years, put this country on a course to balance our budget as far out as the eye can see. We also have an opportunity to cut government.

Government is too big. Government is unresponsive. Government cannot possibly do everything we have asked government to do. We have overloaded our circuits, Mr. President. Not government's fault. But we have asked government over the last 30 years to do everything.

And who has paid the bill? Who has paid the bill? Well-intentioned programs, but this is an era of prioritizing our resources. And we start with giving our people, our taxpayers, the people who have been doing the heavy lifting and paying the bills in this country the last 30 years, especially, a break, give them some of their money back.

My goodness, they understand how to spend their money better than government does. Let us decentralize power. Let us put power back where the people are. Let us make government accountable and make it responsible. So all of this is a total package.

Mr. President, I serve on the Foreign Relations Committee. Before I came to this body, I was a businessman. I started my own companies, international/national companies. And the opportunities that lay ahead for this country, for our people, and the world, if we are wise enough to understand and seize the moment, the potential for our people is unlimited if—if—we are wise enough to cut our taxes, to cut our spending, to balance our budget, and take the burden of government off the backs of our people who produce.

Oh, we will be able to get along for the next 5, 10 years. But we are entering a time like no other in the history of man. It is a time full of hope; but it is a time of great competitiveness. This next generation coming in behind us will have to compete in a complete global economy. And as we look all around the world, on every continent—and it is not just Asia—South America, Eastern Europe, the former Soviet Republics, all of the areas in the world are doing well and will continue to explode with opportunity. They are disciplined. They are focused. And the movement of most of the governments in the world today is less government.

The countries in trouble today are in trouble because of the burden of taxes and the burden of government. We have an opportunity here, as my distinguished colleague from Wyoming said earlier, to change that. Imperfect? Yes. Do the taxes go deep enough, far enough? No. But it is a beginning. It is a start. It is tangible. It is real.

We can build on that. And we can show America that, in fact, we can govern and lead and do the people's business, that we do not get all tangled up in esoterics, in tactics and nonsense that goes on in this town. But, in fact, we can stay focused and clear-headed and do the people's business, and do what we are required to do on behalf of the people of this country.

Mr. President, I want to also address for a moment some of the weekend television on this issue of tax cuts. I was a little amused that I saw our distinguished Secretary of the Treasury, Bob Rubin, who is a great public servant, who is dedicated, who has done a good job as Secretary of the Treasury, talk about the White House modeling of our proposed tax cuts that show most of the benefits going to the higher income and the wealthy. That is just not true, absolutely not true.

I note here, for example, a press release sent out on Friday from one of the big six accounting firms, Deloitte & Touche. In the first paragraph it talks about:

> Families with household incomes between $20,000 and $50,000 are the biggest beneficiaries on a percentage basis under the Senate tax plan, according to a new analysis by Deloitte & Touche.
>
> The big winners are middle-class families with kids.

And it goes on and on.

The scoring, the methodology, the models that the Members used are the same models that the Congressional Budget Office uses, that we use, that most everybody uses. I want to take issue with my friend, the Secretary of the Treasury, when he talks about some scoring model he referred to over the weekend. That, in fact, is rather bizarre. It imputes income from unrealized capital gains. It talks about rent back income. If you own your house and you actually put that house on the market for rent—that is just nonsense. What we are talking about here is real tax relief for real people. If we do this right, we can give the American public, for the first time in 16 or 17 years, a tax cut, a real tax cut that we can build on.

Mr. President, in my final comments, I will reference my weekend back in Nebraska. I was, on Saturday, in North Platte, NE, the home of Buffalo Bill. Being a good Kansan, Mr. President, you probably understand that and have probably been across the border and paid homage to Buffalo Bill's home ranch. It was amazing to me, all day in North Platte, NE, farmers, ranchers, small business people, and families would come up to me during the day and talk about this issue. Farmers, ranchers, and small business people asked me, ''Senator, do you think I consider myself rich because I support capital gains tax or inheritance tax relief? You see I don't think I am very rich. I have an income of $50,000, $40,000, or $60,000, but I would like to leave my children something. Why is it fair, Senator, for the Government to take these big chunks out of an estate that the Government did not do anything to produce? I paid my taxes, and my father and mother paid their taxes all along the way. Yet in the end, the Government automatically comes in and gets half.''

Mr. President, being the former chairman of the House Agriculture Committee, you understand what it has done to agriculture in this country, what it has done to devastate farms being passed along from generation to generation, ranches, and small businesses. It is unfair and wrong.

Anybody who has an asset is going to deal with a capital gains tax. You do not have to be a millionaire. It is a sense of fairness, a sense of getting ahead in this country, a sense of doing the right thing. We have a Tax Code in this country that essentially penalizes success. We give disincentive to savings and investment.

Now, are we going to change the Tax Code this week? I doubt it. But this is surely a darn good start. It is a very tangible, real beginning for the people of this country who deserve it most. I hope my colleagues during the debate this week will rivet in on this debate because it will be, as Senator THOMAS said, one of the most important debates not only of this Congress but, I think, of the last 10 years and into the next century because we have an opportunity to truly shape and mold the future of this country, the future for our young people.

We cannot leave them the mounds of debt that we are now leaving them, the burden of regulation, the burden of big Government, the burden of high taxes, and think they are going to succeed. They will not. We must get at it. This is a good start. I strongly support what we have done so far and what has been produced out of the Finance Committee and over in the House Ways and Means Committee.

With that, I yield back my time to Senator THOMAS of Wyoming.

Mr. THOMAS. Mr. President, I just want to say the three of us here, and probably whoever else joins us, have not been in the Senate very long, a couple of years. Most of us came in 1994. I want to say I am very proud of what has happened in these last 2 years, not because of us entirely, but we have been here to see a substantial change in the direction that this Congress has taken. One of the reasons has been people coming, I think, in real close contact with the folks at home who want to see some change, who want to see some change in the Tax Code, who really have been able to communicate the needs that have to take place if we are going to realize the successes that we want.

So I have been very proud of the commitment of the freshman and the sophomore class in this place over the last couple of years. We hope to continue to do that, and one of the areas is the size of government, the cost of government, the opportunity for people to keep the money that they have earned. We are pleased to be a part of that.

One of the persons who has been very effective in doing that over these 2 years is the Senator from Arizona. I am delighted he is here to join us this morning. I yield the floor to Senator KYL.

Mr. KYL. Mr. President, I thank my colleague for organizing this session this morning for us to talk about the importance of tax cuts and the activity that the Senate is about to engage in finally providing the tax cuts to the American people.

Throughout my campaign in 1994, that was one of the central features of every meeting that I attended—people calling for tax cuts. I will get back to that in a moment.

I was reminded, when the Senator from Nebraska was talking about being in North Platte, NE, this weekend and hearing from his constituents there, that I flew over North Platte, NE yesterday. That is what the pilot of the airplane said, and it reminded me that I had just been to a meeting in Colorado where people from all over the country were saying the same thing. Nebraska is my State of birth, and I literally flew right over the area where I was born. It does not matter whether you are from Kansas, Nebraska, or Wyoming, people around this country have galvanized around a couple of central thoughts these days, one of which is that the Government is taking too much of their money and they would like a little bit more freedom as to how they spend their own money.

It is interesting that the announcement last week by the American Taxpayers Union, a group that identifies a day called Tax Freedom Day, the day that we finally begin working for ourselves and our families rather than the Government, that day has now been moved back. It was April 29 back when I entered the Congress. It is now May 9. What that means is that the average family has to work until May 9 to pay the Federal Government everything it owes, and after that it can begin paying the State governments and other governments and eventually begin working for itself.

It is high time, Mr. President, that the Congress initiate the action and that the President support the action to reduce taxes for hard-working American families. I think we find that throughout the country, whatever State we are from, that is what our constituents are telling us.

Now, we had tax cuts in 1981 and in 1986, but we had big tax increases in 1990 and 1993. Those two tax increases were ostensibly for the purpose of balancing the Federal budget. What we found is that the tax increases did not help to balance the Federal budget at all. What has really helped to move us toward a balanced budget are two things. One, a robust economy producing wealth, producing jobs, and producing revenues to the Treasury, and also a Congress that has been more willing to hold the line on spending. Through a combination of those two things we can achieve a balanced budget, and that is what the budget agreement was all about.

Unfortunately, we are not spending enough of that revenue generated by a robust economy on the tax relief that should be provided to American families. As a result, the budget agreement only provides for $85 billion over a period of 5 years in tax relief to American families, not nearly enough to do the job we should be doing. That represents about 1 percent of the $8.6 trillion that will be coming into the Federal Treasury during this 5-year period. So, clearly, we could use more of the increase in revenues to offset the tax burden on the American family.

But at least the negotiators who put this together in the Finance Committee, which has put together a good package of tax relief for American families, has recognized that a thriving economy is one of the keys to not only continued economic growth but also getting rid of the deficit, that the economy producing wealth also translates in revenues to the Treasury that will enable us to achieve a balanced budget. What they have also recognized is it will enable us to provide tax relief.

Now, there is another aspect of good news in this, Mr. President. Not only does a thriving economy bring in more revenue and therefore enable us to balance the budget and provide tax relief, but that very tax relief helps to fuel the economy to grow even more, produce even more jobs, produce even more wealth, and therefore more revenues to the Treasury. So, it is a very positive and constructive cycle—tax relief can assist the economy to continue to thrive to produce more wealth to produce more revenue to the Treasury.

Therefore, we ought to consider that this is just the beginning of tax relief. For those of us who have been preaching this for a long time, I think we should at least get a little bit of credit for the theory that has resulted in the good situation that we are in right now, and that perhaps those who said no, the only way you can have a balanced budget is by raising taxes, will now acknowledge that those of us who have been proposing cutting taxes have had something to say for these last several years.

The original budget agreement here that we are trying to implement calls for $85 billion in tax relief over a 5-year period. That is not enough to do everything that everyone would like. As a matter of fact, the original Republican plan called for a reduction in capital gains taxes, estate tax relief, $500 per child tax credit, and some educational and IRA benefits to American taxpayers. That would cost about $188 billion over the 5-year period if you do not count increased revenues that would be produced as a result of capital gains reductions. So you can see from a program that would theoretically cost the Treasury $188 billion, trying to squeeze all of that into $85 billion is going to mean that this tax relief is not as robust as we would like it to be, and that is a fact.

But I do compliment the Finance Committee for making the most out of the $85 billion it was provided. I think, as we will see as this is debated on the floor this week, the benefits to the American taxpayers, as the Senator from Nebraska has pointed out, are significant. Most of them go to working families. There are some that go to the risk-takers in our society, but after all, if there is not some reward for risk-taking in our economy, people are not going to take risks, they will not make those investments that eventually produce the great companies that hire the people that produce the wealth and end up creating revenues for the Treasury.

So it is a combination of providing most of the tax relief for American working families and, in addition to that, some reward for the risk-takers in our society.

The American Council for Capital Formation has estimated that the capital gains relief that is provided for in our bill would reduce the cost of capital by at least 8 percent. What that would do is permit the creation of 150,000 new jobs each and every year. So that is one of the benefits of this capital gains reduction we are talking about, Mr. President. It is to enable capital to be more efficiently used in our economy. Instead of having $7 trillion in pent-up assets that nobody wants to sell or dispose of because they will have to pay a big tax on it of 28 percent, if we reduce that to 20 percent for higher bracket taxpayers and 10 percent for lower bracket taxpayers, that is an incentive for them to finally sell that asset that they have been holding on to, and by that sale we actually not only help to put the money into more productive enterprises but also eventually create more revenue to the Treasury as a result of the tax that is paid every time one of those assets sells.

A lot of economists today will criticize the current capital gains policy because what it has done is to tie up capital in older industries, in businesses that were created a long time ago. People do not want to sell when they have to pay the capital gains tax on it and invest it in a more contemporary kind of business. But America has led the world in enterprise, in new businesses—in our high tech computer industry, for example—and if we are going to continue to maintain that lead, we need to have the capital to invest in these new and emerging industries. The only way that will be possible is if there is an incentive for people to get rid of the investment in the

older industry or business and invest that in one of the new emerging businesses.

Interestingly enough, this American Council for Capital Formation notes that the cost of capital would be reduced by 8 percent, which would create new jobs. It will also help the Treasury. It should be noted, between 1978 and 1985, the top margin of tax rate on capital gains was cut by almost 45 percent—it went from 35 percent down to 20 percent—but total individual capital gains receipts tripled, from $9.1 billion to $26.5 billion annually.

Obviously, a capital gains tax cut is a winner for investors, for job seekers, as well as for the U.S. Treasury. That is why we believe that the capital gains components of tax relief, as the Senator from Nebraska pointed out, has to be one of the critical components and will benefit all American families as well as the U.S. Treasury.

We have talked about the other aspects of this tax proposal, my colleagues have, but I wanted to specifically single out the capital gains tax because it does not help just the wealthy, as some folks say, but will provide benefits to all taxpayers in this country and all workers.

One last word, Mr. President. I have sponsored the bill to repeal the estate tax, or the so-called death tax. My bill has more cosponsors than any of the other bills relating to the estate tax in the Senate and, likewise, the corresponding bill in the House. The Senator from Nebraska, the Senator from Kansas, and the Senator from Wyoming have all been very supportive because of the impact on farms and small businesses in their States. It is the same throughout the country. We need to do something about this.

Unfortunately, because of the original budget agreement limiting the tax cuts to only $85 billion over the 5-year period, or 1 percent of tax revenues, the administration made sure that there wasn't too much tax relief in the agreement. The Senate leaders were trying to push for more, but because there was an agreement we are not going to be able to do everything we should. All we are going to be able to do on estate tax relief is very, very modest relief. I regret that. All of us do.

Basically, what we are doing is raising the exemption from $600,000 up to a million dollars over a 10- or 11-year period. Inflation alone will mean that not even this legislation will keep pace with inflation. So that is totally inadequate. In order for us to do what we do in the other areas, I guess we are going to have to be willing to accept that. What it means, Mr. President, is that there is still going to be a big incentive for those people concerned about the estate tax to come in with a second round of reforms, beginning next year.

As a result of an amendment I was able to get passed in the budget, and which stayed in the budget, we are not precluded from offering additional tax relief beginning next year. One of the first things I am going to do—and I think my colleagues will support me on this—is get additional estate tax relief beyond that which is agreed to in this bill. We all recognize that it is totally inadequate in this bill. We support the tax relief, but we don't, for a minute, contend that it is adequate.

So those are the two points I wanted to make—first, that the capital gains relief in this legislation will be enormously beneficial to working families, to the risk-takers in our society, and even to the Treasury, which will enable us to continue to be on a track to balance the Federal budget.

Second, this whole package is just the beginning. We begin the process of reducing the tax burden on working Americans, but even beginning next year we will have proposals to continue that process. It is the right thing to do. It is what our constituents asked us to do, and for future generations it is the only thing we can do to fully comply with our obligation to leave this country a better place than we found it. I thank the Senator from Wyoming for the time.

Mr. THOMAS. Mr. President, we are joined by the Senator from Alabama, who is also new here. I yield the remainder of our time to the Senator from Alabama, Senator SESSIONS.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Thank you, Mr. President. It is an honor to be here to talk about one of the most important issues facing this country, and that is the tax burden on working Americans. Many people think that it is just a political gimmick when we talk about the need to reduce taxes. They think that is just a gimmick to get votes, that we are trying to appeal to the people in a way that somehow is less than honest and forthright, or that we are seeking to buy votes by promising a tax cut. Mr. President, it is much, much deeper than that.

The problem in this country is that we are reaching a tax burden that is unacceptable. An excessive tax burden has the capacity to diminish our competitiveness in the world, while an easing of that tax burden has the potential to increase our productivity as a nation. All we have to do is let people keep more of their hard-earned money. Taxes are, in a way, a penalty, a punishment on hard work. If you want to reduce something, you tax it. If you want to encourage something, you subsidize it. One of the problems with our country is that we have been penalizing good behavior. We have been penalizing people who work hard—husbands and wives who have jobs, or maybe they have two jobs each. They work and make money to take care of their children. We are taxing them to a degree that we have never taxed them before. We have diminished their strength and hurt those families that are struggling to get by. We subsidize people that don't work, give money to people who choose not to work, and we have wasted money on programs that are actually counterproductive. The U.S. Government is not an efficient entity. We do not use dollars wisely. But families do. They are struggling to get by.

Let me ask you, how bad is the situation we are currently dealing with? First of all, I don't think anybody would be surprised to know that this Government brings in more money today than it ever has in its history. Every month, every year that goes by, we bring in more money than the month and the year before. That will not change, even when we pass these tax breaks for working Americans. So we are bringing in more money. We are not trying to shut down this Government. We are going to allow it to bring in more money. We are going to allow this Government to bring in more money, even with these tax cuts. So this is not an extreme position.

What you may not know is this: When President Clinton took office in 1992, 19 percent of this Nation's gross domestic product went to the Government. That is a very large sum, no doubt about it. Since that time, and since his 1993 tax increase—the largest tax increase in history—we have gone from, last year, 20.9 percent of the gross domestic product—the gross domestic product is the total of all goods and services produced in this Nation—going to government, to, this year, over 21 percent. This 21 percent is paid by the taxpayers and working citizens of this Nation to the Government in the form of taxes.

I think it is important, Mr. President, for us to think about this in historical terms. What does this mean?

Bruce Bartlett of the National Center for Policy Analysis wrote recently about this. He made this point: Never in the history of this Nation have we reached the point where 21 percent of the Federal gross domestic product is paid to this Government in the form of taxes—not during the height of World War II did we reach that level, not during the Korean war did we reach that level, not during the Vietnam war did we reach that level, and not during the recessions when the economy has slowed down did we reach that level; none of those times have we reached the point where we paid the highest level in history—21 percent of the gross domestic product—to this country.

Last year, when I ran for office and I asked people for their support, I talked to them about the future and the direction this country ought to take. They expressed to me their desire to have less Government, a return to local government, and a reduction in the power and influence and waste and mismanagement of the Federal Government. The trends are clear, and the trends are not good.

What this tax proposal does is, it says to this giant bureaucracy of the Federal Government that we want to bring you under control. We don't want 22 percent of GDP going to the government next year, 24 the next, 26 the

next, and 28 the next and, finally, a third, or even a half of our money going to the Federal Government. That is not the way to keep this Nation strong. We need to do better.

Taxes are too high. We are not claiming they are too high because we are trying to get people's support by promising some political tax gimmick. This is a fundamental, governmental policy change. That is what I was sent here to do, to be a part of that. I wish that the tax cuts that have been proposed and are being pushed by my Republican colleagues could be bigger. But we know we have to have bipartisan support and be able to overcome a Presidential veto. As a result, we have had to work hard and compromise to reach a significant tax cut. This is significant tax cut, but I wish it were bigger. It is a good tax cut; we need to have it and we need to proceed with it.

One complaint that has been made, Mr. President, is that this is a tax cut for ''rich'' people. It doesn't help the poor people. Well, a tax cut can only be applied to those who pay taxes. This is a tax cut, not a welfare program. We have welfare programs. We still have our Food Stamp Program. We still have our Aid to Families With Dependent Children. We are going to provide more money this year than ever and provide health insurance for those who don't have it. We are going to continue Medicare and strengthen that and make it a sounder policy to help poor people in America. This is not a welfare program. We are talking about a tax cut for people that are working and paying taxes. That is who needs a break right now—middle America. We need to be right up front about it. This is not a welfare program. It is a tax cut for people who are paying more taxes than they ought to pay.

Federal income taxes are graduated. The highest income people do pay more taxes. A family of four making $20,000 does not pay income taxes. Most families of four will not pay any taxes with a $20,000 income. Our idea is to allow those middle-class Americans, who are working and struggling to get by, to keep more of their money.

I have traveled Alabama in the last few years and I have talked to people. I have seen studies and all of the economic data that we get around here. I have served on the Joint Economic Committee of the Senate and the House, where we have dealt with economic reports from the Department of Labor and various other departments of the Government. We have analyzed those figures, and what my instincts tell me, and what I have learned from campaigning throughout Alabama, as well as from what the statistics show, is that middle-class, working families are struggling to a degree they have never struggled before.

In 1950, 70 percent of a middle-class, average family's income was shielded from Federal income tax. They paid no taxes on 70 percent of the money they earned. Today, only 30 percent is shielded. The percentage that you pay on the amount that you earn is higher. Taxes have gone up. In 1950, the average working family only paid 2 cents out of every dollar to the U.S. Government in the form of taxes—2 cents. Today, it is 25 cents. That is a dramatic change in American policy. I submit to you, Mr. President, that it is unacceptable.

I think it is time for us to be frank with ourselves, to be honest, to realize that we can't keep increasing tax burdens so that we politicians here in this Senate and this Congress can pass programs and pass out money and claim we are heroes. It is not our money we are passing out. It is money that we took from some family that needed that money.

Let's think about this $500 per child tax credit. A family of three, at $1,500 per year, can divide that up per month and it will be over $100 per month, tax free. Tell me a family making $30,000 can't use an extra $100 per month. Frankly, I am concerned about the idea that we ought to mandate in later years, at age 13 or 14, that they be required to apply that tax credit toward college savings. I am telling you that is not realistic. Working families in America today are concerned about getting by; they are not always concerned about college. They have a car that needs tires on it. They might need to fix the muffler. The children might need to go on a school trip. Where are they going to get the money for that? This could provide that. I think we ought to trust the families with these decisions and let this be their tax cut. We, in Congress, should not try to manage what they are going to do with it. A lot of kids don't go to college. A lot of kids work their own way through college. Maybe that family desperately needs that money now for personal items just to get by. That is who we ought to be supporting.

So, Mr. President, I feel very strongly about this. I am most proud to be associated with a group of Senators who are committed to realistically reducing the tax burden on America.

I was so proud to be associated with Senator KYL from Arizona who spoke previously. Senator KYL has been a champion for estate tax reduction. And I was pleased to join with him as an original cosponsor on his bill to eliminate this estate tax. I think that is an unfair tax. The estate tax only brings in about 1 percent of the Federal Government's income. Considering the amount of money it brings in compared with the cost of administering that program and the great gymnastics that people go through to try to avoid it, the estate tax is just inefficient and unfair. We could eliminate that tax and make this country and this economy more healthy.

Total Federal Government and State government taxes now amount to over 30 percent of the gross domestic product. In my opinion, measuring the tax rate to the growth domestic product is a good and just way to determine just how significant our tax burden is.

Finally, Mr. President, I want to share this story. I think it is a very important story. I serve on the Joint Economic Committee. Alan Greenspan, Chairman of the Federal Reserve System, testified at one of the first committee hearings I attended. It appeared he was about to raise interest rates, and everyone was most anxious. The economy was going along well. We were all pleased about the growth of the economy. There were a number of discussions about why the economy was doing so well. Some joked that it was President Clinton, and some said it was Mr. Greenspan. It was just a lighthearted conversation.

When it came my time to ask him questions, I asked him about an article that I had read in USA Today. They interviewed business people from Germany, England, and Japan. They asked them why the American economy was doing better than the economies of those three nations. When you boiled it down, those representatives from those three nations gave three reasons. They said the American economy is stronger because we have lower taxes, less regulation, and a greater commitment to the market economy, to the free market.

I asked Mr. Greenspan if he agreed with that. He said, ''Yes, I absolutely agree with that.'' He said that without hesitation.

Those are the cornerstones of a strong and vibrant economy. We cannot keep raising our taxes every year so that we take a larger and larger portion of our gross domestic product. We will end up like Germany with unemployment over 12 percent instead of around 5 percent. That is what we will be heading to.

So this drive, this imperative to reduce taxes is not just to see if we can buy votes for letting people have more money; it is to try to invigorate and maintain the competitive capacity of this Nation. That is why we are doing better than the rest of the world.

I don't know who you could say deserves credit for this economy. We could have a lot of different ideas. But I would say that the Republican Party and Presidents Reagan and Bush, who spent a whole career fighting to reduce regulations and to contain the growth of taxes, even reduce taxes, played an important role in this economy. We need to remember that and maintain our historical position as a nation that will fight to keep its tax burden from going up.

So, Mr. President, I am pleased to be here today to express my excitement and primacy of support for legislation that will allow Americans who work hard every day to keep more of their money. They can spend it on the things they want to spend it on and not on something that somebody in Washington wants to spend it on. It will be good for them. It will be good for their families, and it will be good for the

competitive and productive capacity of this Nation.

I think this is an extremely important issue. We should not minimize it. Lower taxes will make us a stronger and more competitive Nation. We will have a greater increase in our economic growth. And out of that growth, we will have the capacity to serve those who are less fortunate. If we kill the goose that laid the golden egg, if we continue to tax this economy to the degree that it drives its growth down, we will not have that strength and that capacity to meet the challenges of our Nation.

Just look at the economies of Europe and Japan. You will see what can happen to us if we are not careful.

I am excited about what is happening. I look forward to having the opportunity to vote on many of these issues. I hope that the result will be that this economy will be free from further taxation, that we will have more growth and more productivity, and that we will be more competitive in the world.

Thank you, Mr. President.

I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, June 20, 1997, the Federal debt stood at $5,331,587,514,810.20. (Five trillion, three hundred thirty-one billion, five hundred eighty-seven million, five hundred fourteen thousand, eight hundred ten dollars and twenty cents)

One year ago, June 20, 1996, the Federal debt stood at $5,108,536,000,000. (Five trillion, one hundred eight billion, five hundred thirty-six million)

Twenty-five years ago, June 20, 1972, the Federal debt stood at $426,219,000,000 (Four hundred twenty-six billion, two hundred nineteen million) which reflects a debt increase of nearly $5 trillion—$4,905,368,514,810.20 (Four trillion, nine hundred five billion, three hundred sixty-eight million, five hundred fourteen thousand, eight hundred ten dollars and twenty cents) during the past 25 years.

THE PROBLEM OF GLOBAL CLIMATE CHANGE

Mr. BYRD. Mr. President, on Thursday, June 19, I appeared before the Subcommittee on International Economic Policy, Export and Trade Promotion to testify on Global warming and on behalf of my sense-of-the-Senate resolution on the same matter which now has 61 cosponsors including myself.

I was pleased to appear on the same panel with my good friend, Congressman JOHN DINGELL. I ask unanimous consent that my testimony and that of Congressman DINGELL on that occasion be printed in the RECORD at this point.

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

STATEMENT OF SENATOR ROBERT C. BYRD

Mr. Chairman, I thank you for the opportunity to appear before the subcommittee to discuss the critically important issue of the negotiations aimed at signing a protocol during the third session of the Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change, which is scheduled to be held in December in Kyoto, Japan. I am concerned that the protocol that results from these negotiations could have a serious impact on American industry and on our economy, while at the same time failing to address a looming threat to the global environment.

On June 12, I introduced a Sense of the Senate Resolution, together with Senator Hagel and a bipartisan group of my colleagues, which addresses the conditions for U.S. agreement to revisions to the United Nations Framework Convention on Climate Change. The resolution has been cosponsored by 60 Senators from both sides of the aisle. This resolution states the Sense of the Senate that the developing world must fully participate in the treaty negotiations and commitments and play a meaningful role in effectively addressing the problem of global climate change.

In essence, the resolution accepts the thesis, which is still the subject of some dispute, that the increasing release of carbon dioxide (CO_2) and its accumulation in our atmosphere are causing a very gradual heating of the globe, which has many adverse consequences for us all. I believe the Administration should be commended for its efforts on this issue, and I commend this subcommittee for its attention to this matter. If substantial steps are going to be taken to influence carbon dioxide and other greenhouse gas emissions, we need to accelerate new technologies, anticipate new developments, and encourage public/private sector participation.

President Bush signed the United Nations Framework Convention on Climate Change, the so-called Rio Pact, in 1992, which was subsequently approved by the Senate, and calls on the industrialized nations to aim to reduce their greenhouse gas (GHG) emissions to their 1990 levels by the year 2000, a goal which will not be achieved by the U.S. nor by the vast majority of the industrialized nations unless further steps are taken.

The parties to the Framework Convention met in Berlin in 1995 to discuss the future direction of the treaty in light of this projected failure to meet the voluntary objectives, agreeing that any new commitments would be binding upon the signatories. Specifically excluded from any new commitments, however, would be the countries that comprise the developing world. The rationale for the so-called Berlin Mandate was that it is the industrialized OECD (Organization for Economic Cooperation and Development) nations that have been the major emitters of greenhouse gases in the past, and will continue to be in the next decade.

There are two intrinsic problems with the Berlin Mandate. First, while the industrialized world is the primary contributor to the current problem, that will not be the case in only a few years. As this chart demonstrates, the emissions of the developing world are rapidly increasing on a sharp, upward slope. These emissions will actually surpass those of the industrialized OECD nations by the year 2015. In short, the developing world is rapidly becoming a clone of the OECD nations.

Let us assume that the current negotiations for a new protocol, which are to be concluded in Kyoto this December, result in a binding commitment that the OECD nations must reduce their emissions to 1990 levels by 2010. This chart demonstrates that under such a scenario the OECD nations will sharply reduce our emissions of greenhouse gases. The price we will pay in order to achieve these reductions is open to debate, as estimates differ. Nonetheless, the key point is that this responsibility will not be shared because of the Berlin Mandate, for the chart clearly shows that the emissions of the developing world continue on their inexorable upward track, even as we in the OECD group make the painful and costly adjustments necessary to force down our emissions.

This demonstrates the second problem with the Berlin Mandate, which is that we gave away the store, and we received nothing in return. Many of the biggest emitters of greenhouse gases in the developing world have refused to even discuss, let alone seriously consider, taking any emissions limitations commitments upon themselves. In what can only be viewed as an act of environmental irresponsibility, the developing nations have adamantly refused to recognize that they will, over the next two decades, become the primary cause of the problem, in terms of annual emissions.

The refusal of the developing world to discuss any future emissions limitations commitments has become a central issue, for any attempt to bring them into the process is labeled by some as a ''treaty killer.'' I have a different perspective. My resolution is not a treaty killer. It is, in fact, a treaty enhancer. It calls upon the Administration not to agree to a protocol, unless it includes new commitments to limit or reduce greenhouse gases emissions for developing country parties within the same compliance period. My resolution improves the treaty. For any treaty that does not include emissions limitations provisions for the developing world is inherently unsound and ineffectual on its face. Environmentally, we are all in the same global boat. What good does it do for the United States and other developed nations to work feverishly to plug the holes in the boat, if the developing nations are drilling holes at the other end just as fast as we plug them? Be assured that the global boat will sink just as rapidly and we are all going to be in for a long, long swim.

Bringing the developing world in under the climate change tent, as part of any future treaty, will not only increase the prospects of Senate ratification, it will also be enormously beneficial for the international environment. Let me further clarify that point. This chart shows the world of 1995, in terms of world carbon emissions in millions of metric tons of carbon. The United States and OECD nations, shown in red, are responsible for a little over half of that total. The next chart projects the world as it might be after the currently proposed treaty is adopted, with only the developed world taking action to reduce greenhouse gas emissions. The difference is startling. The developing world, shown in purple, has assumed the U.S. and OECD nations' place as the biggest global polluters. The problem remains the same, only the names have changed. And again, because of the flawed Berlin Mandate, all of these emissions from the developing world will be completely uncontrolled, and free to increase even further. From this perspective, it is the Berlin Mandate—and the fact that it lets the developing world off the hook scott-free—that will seriously harm the global environment in future years.

Finally, let us examine the role of China. Despite possessing a strong and growing economic and industrial base, despite possessing the ability to launch satellites into orbit, China is still counted among the family of developing nations. But its industrial growth is matched by its growing contribution to global pollution. This chart compares China's contribution to global carbon emissions to the contribution made by the United States. On the left, we can see that based upon current trends, China will surpass the

United States in carbon emissions by 2015. On the right, we can see that if current proposals are adopted, under which we would reduce our carbon emissions to 1990 levels, while imposing no requirements upon the developing world and China, China all by itself will greatly exceed the United States in metric tons of carbon emitted.

I find it disturbing that despite its future role as the world's leading contributor to the problem of carbon emissions, China has indicated steadfast refusal to apply any type of binding obligations upon its own economy and industries. I believe that if the treaty we are negotiating today does not equally commit developing nations like China to binding commitments, there will be no incentive for China and the other nations of the developing world to make responsible and environmentally sound choices as they develop. You can be sure that after China assumes its role as a leading carbon emitter, she will not be very eager to make the tough and costly corrections to retrofit her industries to reduce emissions of greenhouse gases. Indeed, she may expect to benefit from a treaty in which she escapes binding commitments, because it may allow her to import industries from OECD nations that would choose to relocate there rather than change their ways and clean up their acts at home.

My message to U.S. negotiators is that all nations, but particularly those that are making and will make a significant contribution to greenhouse gas emissions, need to (1) make commitments at Kyoto that unequivocally demonstrate an action program to tackle this problem, and (2) to start with aggressive efforts to act on those commitments immediately and not settle for vague promises to return to a future negotiation to get serious. Finally, while countries have different levels of development, each must make unique and binding contributions of a pace and kind consistent with their industrialization. The developing world must agree in Kyoto to some manner of binding targets and commitments which would begin at the same time as the developed world in as aggressive and effective a schedule as possible given the gravity of the problem and the need for a fair sharing of the burden.

In closing, I note that my resolution states than any treaty presented to the Senate be accompanied by a ''detailed explanation of any legislation or regulatory actions that may be required to implement the protocol or other agreement and should also be accompanied by an analysis of the detailed financial costs and other impacts on the economy of the United States which would be incurred by the implementation of the agreement.'' There surely will be costs if the United States is to make the changes to our existing industrial base and to our existing lifestyle necessary to meet the goals of this treaty. Our smokestacks must be cleaner and our automobiles more efficient. There are many ways to achieve these goals. We must be able to tell the American people what will be required to meet any proposed commitment.

Politically, I believe that there needs to be a strong consensus between the President and Congress about any plan of action. The Administration's policy of follow-on multilateral negotiations to deepen the impact of the Rio Pact requires very substantial consensus-building with the Congress, and broad educational activities to bring the American public along. To impose effective, legally-binding measures on the U.S. economy, will mean having the strong support of the Senate. We Senators need to be deeply concerned over the alarm that has been expressed to us by a very broad range of American industry and labor over the impacts on our economy of a treaty which commits the United States to deep emission reductions, and which does not spread the burden of responsibility equitably across the globe. These assessments by bedrock American industry must be taken seriously. I hope that this hearing will result in new Senate attention to the progress of these negotiations, and that this Committee will serve to interact regularly with the State Department and Administration policy-makers as our negotiating strategy is developed and refined.

The resolution that Senator HAGEL and I introduced, and which has won the support of a majority of sixty Senators, is aimed at that negotiation, and beyond. Since carbon and other greenhouse gases can accumulate in the atmosphere and persist for long periods, we will not as a community of nations get a handle on these threats to our global climate unless everyone participates and does their share to solve the problem. We all share our earth in common. We breath the same air, and we are exposed to the same global climate system. We must all accept our share of the responsibility for the global climate. We must keep this fragile boat afloat, together, and the sooner we have commitments from all its passengers to work together in that effort, the better.

TESTIMONY OF THE HONORABLE JOHN D. DINGELL, SENATE FOREIGN RELATIONS COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, EXPORT AND TRADE PROMOTION, JUNE 19, 1997

Mr. Chairman, I appreciate your holding this hearing. I consider it a great honor to testify beside my good friend and highly respected colleague from West Virginia, Senator Byrd.

I do not appear before this Subcommittee as a critic of the idea that we are engaged in climate change negotiations and that we are moving forward. I'm critical of the idea that we are negotiating without the full and proper information that we need.

With respect to the climate change negotiations, I have several questions to which I have yet to receive satisfactory answers.

One: Have we overreached on the science?

The State Department has concluded that current science proves that global warming is ''dangerous'' and requires immediate emissions reductions. But the official U.N. scientific body has gone only so far as to identify a link between human activity and warming, but their own document on the science states, and I quote, ''our ability to quantify the human influence on global climate is currently limited.'' In other words, we don't know with any degree of precision how big the problem is, we don't know how fast it's moving, or how it can be mitigated.

My friend and former colleague Tim Wirth, who will testify later this morning, agrees on this point. At a public forum this February he said there is ''no doubt about the theory'' of climate change and that ''we don't know where, how much or how fast.''

Two: Is what we're seeing here a classic example of mission creep?

We've seen a shift from voluntary to mandatory policies. Initially, the Administration's policy was based on voluntary agreements with industry and reliance on ''joint implementation'' of mutually beneficial partnerships between U.S. industry and developing countries. For instance, U.S. companies would get credit for helping developing countries build clean power plants. But sometime early in 1996, the tone changed. Mandatory emissions reduction became the goal.

Three: Who is representing America's interests? Are we setting ourselves up for an economic fiasco?

In a letter to me in 1995, President Clinton promised not to agree to anything which would adversely affect U.S. competitiveness. But the State Department has signed onto agreements that are procedurally and substantively disadvantageous. The outcome may be an agreement late in 1997 in Kyoto imposing mandatory emissions reductions on developed countries, and at best only voluntary steps for developing nations.

We've already committed ourselves to steps to control emissions and potentially harm our competitiveness. The developing countries are scot-free. We've gotten not a single, solid, binding commitment from them.

My friends in the Administration argue that they are being hard-nosed because they have rejected the more extreme proposals advanced by groups such as the Association of Small Island States, or AOSIS. But I find scant reason to congratulate our negotiators for refusing the chance to submit our unconditional surrender.

Four: Even if you disagree that climate change is a problem, is the Administration really doing anything to protect the environment?

The theory of global warming holds that greenhouse gases have an effect no matter where in the world they are emitted. This is not like the debate over acid rain or ozone, where emissions from one part of the country were thought to cause problems in another, identifiable region. China will surpass us in terms of emissions early in the next century. If you accept the theory of global warming, those emissions will cause as much harm to the climate as emissions from the developed countries today.

Five: How is all this going to work?

I've yet to see a proposed negotiating text that includes specific dates and numbers. Those are important matters, but there are some other fundamental issues at hand: Who will have to do what? Who will enforce the agreement, and how timely would enforcement be? If we establish a trading system, is China or any other developing country going to be allowed to keep credits for themselves as a country? Or will companies be allowed to use them to offset operations elsewhere in the world? Does anyone seriously believe China, or any other country for that matter, will act on altruistic motives?

This leads me to my sixth and final question. Why are we doing this before we have the most basic information about how climate change policies will affect our economy? In short, has the Administration bothered to do its homework?

We were supposed to have the vaunted analysis and assessment of the impact of climate change policies on the U.S. economy by the end of last year. It has not been completed yet, despite repeated promises to Congress and industry that it would be available before important policy decisions are made. But the State Department formally proposed a cap-and-trade negotiating position in January. In short, the analysis is self-evidently too late to inform the process, and likely will be used to justify what the Administration has already decided to do. Just as clearly, public participation and comment on the analysis and assessment is irrelevant. And the Department of Commerce official in charge of the analysis and assessment has moved on to pursue other career opportunities.

I have asked the Administration whether, when they go to Kyoto next December, they will refuse to sign any agreement that binds the U.S. to new emissions obligations unless it holds our economic competitors in the developing world to equivalent obligations. I cannot in all truth say that I have received a reassuring answer.

My concerns very closely parallel those of American labor, and I am delighted that you

will be hearing from Secretary-Treasurer Trumka of the AFL-CIO. I commend to you the resolution on climate change adopted by the AFL-CIO Executive Council, as well as the Senate resolution offered by Senator Byrd.

Let me close by noting again that I am not opposed to our being part of international negotiations on climate change. But I would approach those negotiations the way I would approach a high-stake poker game: with an open mind, but not with a blank check.

CHARLES BEATTY'S DEDICATED SERVICE TO THE SENATE

Mr. BYRD. Mr. President, I would like to commend a fellow West Virginian, Charles E. (''Chuck'') Beatty for his significant contributions to the Senate on the occasion of his recent retirement from the Bell Atlantic Telephone Company after more than 32 years of service.

During the past 11 years, Chuck has faithfully served this institution. He was assigned to the Senate in 1986 when he was involved in the digital telephone switch installation. He has worked diligently and tirelessly throughout these years on any project required by the Senate, regardless of the deadline. Some of his other major accomplishments include overseeing the installation of telecommunications service for the last three Presidential Inaugurations and implementation of the state-of-the-art rewiring of the Russell Senate Office Building, which is nearly completed. No job was ever too big or too small or required too quickly. Chuck always provided the Senate whatever was needed as soon as necessary.

Chuck was born in Cheat Neck, West Virginia, outside of Morgantown, where his parents still reside. He frequently returns to a cabin near Moorefield to enjoy the West Virginia scenery and air as well as canoeing on the North Fork of the Potomac River.

I want to take this opportunity to thank Chuck for his dedicated service to the Senate and wish him well in his future endeavors.

SMALL BUSINESS LOANS FOR INNER CITY

Mr. ALLARD. Mr. President, recently, the Rocky Mountain News reported on a new program in Colorado, the Community Entrepreneurial Program, which provides small business loans to inner city Denver entrepreneurs.

The Community Entrepreneurial Program uses private and nonprofit funds, not government money, to fund these micro-loans. It is part of an international effort to set up small businesses around the world, Enterprise Development International, headquartered in Arlington, VA.

As we continue to find ways to help people help themselves, this program is leading the way in helping individuals with the initiative and drive to start a small business.

To quote Wil Armstrong, a Denver business leader who is very active in the Community Entrepreneurial Program, ''We're backing one little business at a time, trying to make a difference for just one person or one family at a time.''

I ask unanimous consent that the Rocky Mountain News story be printed in the RECORD.

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

[From the Rocky Mountain News, May 25, 1997]

MICRO-LOANS AID DENVER POOR

(By Al Lewis)

Micro-loans have long been heralded as a solution to Third World economic woes. Now a handful of micro-lending organizations are bringing them to Denver.

''We call ourselves the investment banker to the ghetto,'' said Stephen Rosenburgh, chief executive officer of Arlington, Va.-based Enterprise Development International. ''We seek to enable the poorest of the poor.''

Since 1985, his group has helped 660,000 people set up small businesses around the world. It has helped first-time entrepreneurs purchase everything from rickshaws to trucks, hand tools to laptops.

Now the group is contributing to a $240,000 loan pool that will finance small start-ups in low-income areas of Northeast Denver.

The Community Entrepreneurial Program, launched last week, will make 16 to 20 loans of up to $15,000 to entrepreneurs in the Whittier, Five Points, Park Hill and City Park East neighborhoods, said Bill Bridges of Belay Enterprises.

''A lot of inner-city people find it hard to connect with a bank,'' Bridges said. ''But with welfare reform on the horizon, home-based businesses and self-employment are going to become very important.''

Belay received $20,000 from Enterprise Development International to launch the program. it also received $20,000 from Agape Christian Church, Church in the City, Jubilee Community Church and Loving Saints Christian Church; and it received $40,000 from a statewide organization called Colorado Capital Initiatives.

The $80,000 from the various groups will be used to secure $240,000 worth of loans from Northwest Bank Colorado.

The three-year loans carry interest rates of just one point above the prime lending rate.

They will help start businesses ranging from painting and carpentry contractors to home-based medical billing and mortgage brokerage services, Bridges said. Loan candidates will be referred by participating churches.

Micro-lending programs like Belay's may be the wave of the future for corporate charity.

Business people sometimes scoff at the idea of a handout, but they are usually happy to donate money to programs that cultivate an entrepreneurial spirit in beneficiaries, Rosenburgh said.

They also offer their time and expertise.

''I want to use business in a way that impacts others,'' said Wil Armstrong, vice president of Cherry Creek Mortgage Co. Inc.

Armstrong, who once volunteered at Mother Teresa's home for the destitute in India, is director of Enterprise International. His father, former Colorado Republican Sen. William Armstrong, serves on the group's international advisory board, which is chaired by Jack Kemp.

''Mother Teresa was out to change the world for one person at a time,'' Armstrong said. ''In a lot of ways, that's what I believe Enterprise does. We're backing one little business at a time, trying to make a difference for just one person or one family at a time.''

Mr. ALLARD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

BALANCED BUDGET ACT OF 1997

The PRESIDING OFFICER. The Senate will now proceed to the consideration of S. 947, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 947) to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for the fiscal year 1998.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I suggest the absence of a quorum, and I ask that the time be equally divided.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Parliamentary inquiry, Mr. President. I understand we are on the reconciliation bill?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Time has been running?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. How much time has run?

The PRESIDING OFFICER. Thirty minutes.

Mr. DOMENICI. I understand that the leadership has indicated there will be no votes today, which does not mean there will not be amendments offered. We hope that we will take a few amendments and debate them and then put them over in some stacked regime for tomorrow.

I also understand there are 20 hours of debate equally divided on this bill. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. And that there is also an agreement between the leaders that we will use 10 hours of that 20 today before we recess. So I think that sort of sets the stage for those who are interested in attempting to modify the bill before us.

I have a couple of technical consents.

Mr. President, I ask unanimous consent that the presence and use of small electronic computers be permitted on the floor during the debate and discussions on this measure.

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

PRIVILEGE OF THE FLOOR

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following staff of the Budget Committee be permitted to remain on the Senate floor during consideration of S. 947 and the list be printed in the RECORD. This list contains both the majority and minority staff.

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

The list is as follows:

MAJORITY STAFF

Victor Block, Scott Burnison, Amy Call, Jim Capretta, Lisa Cieplak, Kay Davies, Kathleen M. Dorn, Beth Felder, Alice Grant, Jim Hearn, Bill Hoagland, Carole McGuire, Anne Miller, Mieko Nakabayashi, Cheri Reidy, Ricardo Rel, Karen Ricoy, Brian Riley, Mike Ruffner, Andrea Shank, Amy Smith, Austin Smythe, Bob Stevenson, Donald Marc (Javits) Sumerlin, Winslow Wheeler.

MINORITY STAFF

Amy Peck Abraham, Matt Greenwald, Phil Karsting, Bruce King, Jim Klumpner, Sander Lurie, Daniela Mays, Martin S. Morris, Sue Nelson, Jon Rosenwasser, Barry Strumpf, Mitchell S. Warren.

Mr. DOMENICI. In addition, we have two others we want to have full access to the floor. I ask unanimous consent the privilege of the floor be granted to Austin Smythe and Anne Miller during the pendency of S. 947 on the day of Monday, June 23.

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

Mr. DOMENICI. Mr. President, might I inquire, am I correct in assuming that Senator ROTH and Senator MOYNIHAN intend to come to the floor early this afternoon with a modification, an amendment?

Mr. LAUTENBERG. We have heard that Senator MOYNIHAN will be here, as will, I assume, Senator ROTH, at about 1:30.

Mr. DOMENICI. That might be the first matter we take up, I understand, since it is the chairman and ranking member.

Mr. LAUTENBERG. That could be very well the case.

Mr. DOMENICI. What I would like to do is make a few opening remarks, yield to my friend and colleague Senator LAUTENBERG, and see where it turns out.

Today the Senate begins consideration of S. 947, the Balanced Budget Act of 1997. Some people wonder, when we had the debate and told the American people that we finally had reached an agreement, 5 years in duration, that would get us to a balanced budget, some people wanted us to tell them precisely what the agreement contemplated when, as a matter of fact, the agreement covered only a portion of what must be done by Congress. Then, in addition, a budget resolution was taken up on the Senate floor. During the discussion of that budget resolution, people would ask questions like, ''What changes are there going to be in Medicare to make it solvent for the 10 years that are being promised?'' They might ask the question, ''What is going to happen to Medicaid under this budget proposal and this agreement?''

Frankly, for the most part, we told them what we knew and we told them that, in due course, a piece of legislation would be coming through that would change various laws of the land and would accomplish the goals, the savings required over the first 5 years and estimated over 10. And now, today, to put it into perspective and so the process is understood better, the committees that were charged under that budget resolution to do things—for the most part to decrease the cost of programs within their jurisdiction, within their authority; in a couple of instances they were asked to increase slightly, the expenditures—essentially those committees, eight in number, have done their work and now what we have is a law, what could be a law, that is a bill, not a budget resolution.

The bill before us is a very special bill. It is called a reconciliation bill. That is significant in the U.S. Senate, more significant than in the House, because in the U.S. Senate this proposed bill, this reconciliation bill, is granted some very powerful immunity from the rules of the Senate. The biggest one is the bill cannot be filibustered. So you see right off, when I asked the question, is it not correct that there are 20 hours of debate on this bill?—and the Parliamentarian answered yes—that is by law. In other words, we came along and said these bills should not be delayed. They are part of getting you the budget changes you need, and they deserve a privilege of being immune from filibusters. So the law set down how much time would be used for debate.

In addition, you will hear throughout the next 2 days some interesting verbiage. We will talk about amendments to the bill. Again, this bill is not an ordinary bill. Either by the statute that created the process or by subsequent enactment of the Congress, we have said that it is very difficult to amend this bill. So, essentially almost anything you try to do to this bill that changes matters of real substance that are in it are generally subject to a point of order and require 60 votes, if the point of order is made on a waiver, to make them germane and thus subject to being added to this bill.

In the meantime, since that law, we adopted another rule for ourselves. The more we did these the more we found that Senators found ways to get around what was contemplated. So, what we did, with the cooperation and assistance of the distinguished Senator from West Virginia, Senator BYRD, we adopted a rule for ourself about this bill and we have now named it after the Senator. It is called the Byrd rule. Essentially what it says is that matters within this bill or matters attempted to be added to this bill that do not substantially decrease the deficit—that is, if you introduce them, for instance, to do away with a commission, but it really isn't there to save money—then the Parliamentarian will rule that it takes 60 votes to pass them.

This is very different from an ordinary bill that comes before this body, which is the most generous parliamentary body in the world in terms of permitting Members to make amendments and argue what one might even call irrelevant matters to a bill pending. So, as an example, you can have a bill coming through here on education and somebody can get up and say, ''I would like to debate the troops in Bosnia.'' They would get up and they could introduce a resolution or a statute on that education bill that says we are going to be out of Bosnia in 6 months. Frankly, it is debatable for as long as the Senate wants to debate it and it cannot be stricken for germaneness or relevance because, under the Jeffersonian rules that we adopted and parliamentary interpretations, we are free to offer nongermane, extraneous amendments to the bill.

In any event, Members now are familiar enough that they do go ask for some assistance before they up and offer an amendment to just change this reconciliation bill and do things their way. On the other hand, they may offer them even if they are not germane and subject to the Byrd rule, and everybody knows they are apt to be defeated because it requires 60 votes to concur in their adoption.

So that is about where we are. Again, getting back to where we are, this legislation is the first reconciliation bill that was instructed by that budget resolution that we talked to the American people about, in terms of getting to balance. It was about 2 weeks ago we adopted that resolution. It told these eight committees of the U.S. Senate to do some work to change some laws. In a sense, this represents the first leg of a three-legged stool that must be constructed to implement the balanced budget, and the bipartisan budget agreement that attended it, that the Speaker of the House and the majority and minority leaders of the Senate agreed and concurred on on May 15.

I characterize this as the first leg, because that historic agreement, to be fully implemented, requires changes both to entitlement spending, that is this first reconciliation bill; changes to our tax laws, that is the second reconciliation bill; and then, in due course, there will be 13 appropriations bills that are annual spending of

money that will have to be kept within the limits prescribed in this agreement and also will have to provide some priority items that were agreed to between the President and Congress for matters that pertain to crime, education, and about 13 different items. Some are small, some are large. We have to try to put those in their appropriate place in the appropriations bills. So, I characterize this as the first leg because the historic agreement, to be fully implemented, requires changes in both the entitlement spending and changes to our tax laws and, also, limits on the annual appropriations spending account.

Obviously, it is complex. I do not know if we could get anywhere near where we are if we did not have these bills, which are privileged, as I indicated, for many of them would go on in debate for 3 or 4 weeks and many of them would be so burdened down with amendments that you would not recognize the bill when you finished. So, we are ready to take the cumbersome nature of it all and work as hard as we can so that by September 1 we have all three legs completed and perhaps the procedural changes that we must get to enforce it, which will come along here shortly, and thus be where we ought to be to reconfirm to the public we are on a path to a balanced budget.

Last week these committees of the Congress completing this bill, this first leg, were quietly adopting spending limits established in the agreement for the upcoming fiscal year. Later in the debate on this reconciliation bill, I will offer an amendment, hopefully with my ranking member, Senator LAUTENBERG, to establish appropriation limits for the next 5 years as required by the agreement. I understand Senator LAUTENBERG is concerned about one aspect of that. We will try to work together on that.

So, before the week is out, the Senate, in rapid succession, will have built the three legs of the stool necessary to carry out the bipartisan agreement which we negotiated over a period, generally now understood to be as long as 5 months of negotiating. Among those three legs, first the entitlement spending bill is before us today and, I repeat, immediately after it the second leg, the tax reduction bill, will follow, and then in due course the appropriations. When completed into law and signed by the President—and I am hopeful the two reconciliation bills will be, and I am hopeful that before September 1 arrives we will have passed all the appropriations bills, thus enabling Government to operate for another year—what we will have is we will have set about to balance the Federal budget by 2002.

If that works, and I have no reason to believe it will not, it will be the first such accomplishment since 1969. Reducing Federal spending compared to current Federal spending projections, spending will slow by nearly $290 billion over the next 5 years. And if the reform policies we adopt this week continue unchanged, we will have reduced Federal spending by nearly $1.1 trillion over the next 10 years, counting the debt service that we will not have to make because of reduced borrowing. Changing the scope of spending measured by the size of a growing economy resulting from this balanced budget plan, Federal spending will decline from 20.8 percent in 1996 to 18.9 percent in 2002.

Frankly, when I started, in 1974, as a member of the Budget Committee, I really was skeptical as to whether we would ever break this 20 or 21 percent of spending versus the gross domestic product. We will be down to 18.9 when this budget agreement is fully implemented. Again, that will be the lowest level since 1974, and, more important, 52 percent of the 5-year savings will be derived from reduced entitlement growth, particularly through the reforms and changes made to Medicare and Medicaid Programs and, in particular, on Medicare, to avoid the bankruptcy of that program.

Funding priority programs will achieve balance in 2002, and the agreement does assume some directing of our limited Federal resources to priority programs, such as children's health, assistance to disabled citizens, education, environment, transportation, crimefighting, and international affairs.

Reducing Federal taxes. When we complete the second reconciliation bill, the agreement will have been achieved to reduce taxes on American families and businesses to provide incentives, savings and investments and to provide relief for families with education expenses.

Enforcing the agreement, when we finally complete work this week, will be extended and strengthened because we are going to add to the Budget Enforcement Act of 1990 and give the American people assurances—as sure as we can—that we will live by these decisions, because to break any of these caps over the next 5 years will require a waiver of this agreement and will require a supermajority of 60 votes.

So, Mr. President, I say to fellow Senators, in short, this could turn out to be a very busy and, hopefully, a very successful week. It will be a week in which the fiscal policy decisions we make will resonate for many years to come. As it relates to the immediate bill before us, I thank the eight committees, their chairmen and ranking members, for acting as quickly as they did to report to the Budget Committee their legislative pieces which will carry out the agreement.

The legislation before us is, in very large part, consistent with the agreement. However, in a few areas, the legislation does not comport with the agreement. An argument can be made that certain provisions are inconsistent with the agreement. Obviously, we will work on those over the next 2 days. Under the Budget Act, the Budget Committee could only bundle the eight committees and the language given to us for this report, and I quote from the statute, ''without any substantive revision.''

It falls to the leadership and us in the full Senate to attempt, where necessary, and to the extent the rules of the Senate permit, to make changes that might result in it being made more consistent with the agreement and, I also want to mention, to the extent it is not totally inconsistent in some areas. There is one additional opportunity to fix it, and that will be when we go to conference with the House. They will be working on their bills simultaneous with this, and they will be off the mark in a few areas. When we go to conference, we will attempt to reconcile those differences and make them as consistent with the agreement as possible.

I remind all Senators and their staffs, again, that this bill is on a special fast track, as I have alluded to. It is actually the paramount special fast-track legislation provided for in the laws and rules of the Senate. So amending can be tricky. I have already indicated that germaneness and not being extraneous are very important, and you can violate those standards only with 60 votes.

So over the next 20 hours allowed on this legislation, I anticipate we will have four broad areas of amendments, and not all will be germane and probably many will be extraneous, but nonetheless, we will need to consider, first, as I mentioned earlier, the agreement calls for enforcement under the strict rules of the reconciliation budget process. Enforcement could not be considered in the committee. Any enforcement legislation similar to 1990 and 1993 will need to be considered on the floor. The joint Budget Committee staffs and the administration officials have been preparing such an amendment, and other Senators will probably also offer their amendments to enforce the agreement.

Second, there will be a group of amendments that may need to be considered to bring legislative language into compliance. I will work with the leadership and the affected committee chairmen and ranking members to make sure that these amendments are necessary and consistent with the agreement.

Third, the legislation before us falls short of the deficit reduction target assumed in the agreement. It may be necessary to consider some amendment that would bring the legislation before us into compliance, or modifications to the agreement will have to be considered.

Finally, the legislation before us includes provisions on which the agreement was silent. Some of these in the Medicare area have been controversial, such as means testing of the Medicare deductible or gradually increasing the age when individuals will be eligible for Medicare. I am sure we will have

some hearty discussions about these provisions, and there will, obviously, be amendments to them.

So now, Mr. President, the Senate business and work lies before us. It is important work for the country's fiscal future. After nearly 2 years of debate with the administration on how to achieve a balanced budget, it is work that, once completed, I think, will become law and will balance the budget. It has been way too long in coming. I look forward to closing a chapter in the Senate at the end of this week, perhaps as late as Saturday, and immediately upon return from the Fourth of July recess, to reconcile with the House our differences and get this completed as early after the Fourth of July as possible.

I thank the Chair, and I thank the Senators for listening. I yield the floor at this point.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair. I want to say, Mr. President, this is my first year as ranking member on the Budget Committee to process the budget resolution, and it has been an interesting experience. It is a fairly complicated process. I had a lot of learning to do. I still feel that I am playing catchup in some areas, but it was largely through the good work of Senator DOMENICI that the process moved fairly expeditiously. We work well together. The relationship, on a personal basis, is excellent. We disagreed without being disagreeable, and we completed this arduous task. It has gone on for several months and I think probably will be a milestone mark in the way a budget is developed because of the target that it has, a balanced budget in the year 2002, 5 years hence. There will be enormous change as we go along.

Mr. President, I have to point out that this comes at a time when things are pretty good. Since President Clinton has been in office, we have seen dramatic changes in our fiscal condition. For instance, the annual deficit came down from $290 billion, in round terms, in 1992, to an expected $70 billion level for the year 1997.

So we have had dramatic declines in the deficits. Our unemployment is at a low point in decades. America is very competitive. We are sending out the kind of high-valued products that we like to see being shipped to other countries, in terms of international commerce. We have the lowest deficit to GDP among all countries of the world, running around 1.5 percent, the envy of almost every nation on this globe. Our ratio of taxes to GDP is the lowest of any nation on the globe. We are talking about large societies, advanced societies.

We just saw completion of the gathering of the heads of government in Denver, eight countries, including ours, in which I guess America boasted a little bit because we have been leading the way. Countries that were so envied for so many years, like Germany and Japan, are trying to figure out how we did it and with a tax base that enables people certainly to succeed, acquire, in some cases, incredible fortunes, fortunes far larger than we ever dreamed possible.

There used to be a time in America when if someone was a billionaire, that was a stand-out person. It is not all inflation, but today they are counting billionaires and multibillionaires. There is success after success of people going into the corporate world, from whence I came, and work a few years with a company and walk out with $20 million, $50 million, some people being paid $25 million a year on a regular routine.

It is quite incredible and quite different, by the way, than the guy who works hard every day and tries to support his family and thinks about where he is, whether his kids are going to be able to get an education so they can move up the economic ladder. He worries about his old age, ''Will my pension be there when I am ready to retire?'' ''Will I be able to give a hand to my mother if she falls sick beyond the capacity of the system as it is presently designed to take care of her?'' ''Will I be able to continue to live on a little plot of land and maintain my home, our home?'' Or, ''Will my wife and I have to work shifts so that she can be home when I am not, and vice versa, to take care of our kids?''

That is the picture we see in America today, with all the good results. People at the top are doing very, very well, and people at the bottom are doing slightly better but still very worried. The price of a college education, the opportunity for the kind of jobs that can sustain a family—it is quite different in the levels of income.

So, Mr. President, when we look at a bill like this which we will be considering very soon, the tax consequences of our deliberation—and we will be running into some difficult discussions here, because I know a lot of my colleagues are worried about tax breaks for those who don't need them and tax opportunities for those who do.

Today, we are talking about the first of the two reconciliation bills, this one called the spending reconciliation bill. Senator DOMENICI went through some explanatory statements to let people understand what it is about this arcane system of ours—frankly, it is a mystery to most and to many even inside this place—about the budget resolution, the reconciliation, enforcement, and all of the terminology that becomes routine when you are working with it every day, and talking about germaneness and relevance. Around here, relevance, to steal a phrase, when they talk about beauty in the eyes of the beholder, relevance here is in the eyes of the bellower. That is where often debate comes about—relevance. But we have a process by which we determine whether or not something is relevant. So that will be considered as we go along.

So, Mr. President, I want to just say once again that I commend the chairman of the Budget Committee for his hard work and cooperative attitude over the past many months. We have spent long days in tight quarters working on this—by the way, no longer smoke-filled; that's out, as we see now with the tobacco legislation in front of us.

Senator DOMENICI is one of the most competent, serious, hard-working Senators in this body. I enjoyed, as I said earlier, working with him over these past few months. The reconciliation bill before us includes provisions that have been, as the chairman noted, reviewed and developed by eight different authorizing committees. Our colleagues on those committees deserve real credit for moving fairly quickly to put these pieces together. I commend them for their hard work.

When I look at the final product, there is much in this legislation to be pleased with. It makes some improvements in Medicare solvency and extending the trust fund. It restores some important benefits to legal immigrants. It includes $3 billion to move people from welfare to work. We want that to happen. And it softens the law that denies food stamps to those who try but are unable to find work.

Despite these positive elements, Mr. President, I have serious concerns about this legislation in its current form. It is blatantly inconsistent in parts with the bipartisan budget agreement. Once again, I have to say that we labored long and hard and honestly, I believe, in trying to establish agreements. They did not always go down easy. Some of these were bitter pills to swallow. But we inched our way at first to get there, and finally it evolved into a consensus that we felt we could live with.

The bipartisan budget agreement had some problematic provisions that now we are seeing—frankly, I would have to use the word ''attacked''—in some ways. I want to touch on a few examples.

First, I think this bill does challenge or violate the provision in the budget agreement that protects senior citizens with modest incomes from increases in Medicare premiums. The bipartisan negotiators set aside $1.5 billion specifically for this purpose. But the Finance Committee has refused to allocate this money. Now, this must be fixed. I understand they are considering it even as we speak.

Second, the bill violates the provision in the budget agreement that protects those who have come into our country legally, paid taxes, played by the rules, who suffer at a future time from a disability, accident, sickness, or otherwise. The budget agreement clearly requires that these innocent

victims be protected. However, the Finance Committee has refused to include that in their agreement and included only a temporary restoration of benefits. This, too, must be fixed.

Third, the bill fails to provide Medicaid coverage for the 30,000 children who are losing SSI benefits under last year's welfare bill. This runs counter to the goal of ensuring that America's children have health care coverage. It is another blatant violation of the bipartisan budget agreement.

Mr. President, it is up to the congressional leadership, not the leadership of the committees, to correct these problems and to bring the reconciliation bill back into compliance with the budget agreement. Senators LOTT and DASCHLE have agreed in writing to do this through bipartisan leadership amendments. I am confident that this commitment is going to be fulfilled. But as I mentioned earlier, Mr. President, I am concerned about other provisions as well in this reconciliation bill that go beyond the bipartisan budget agreement. I want to outline some of these.

First, the bill changes the age for eligibility in Medicare from 65 to 67. Mr. President, that may be a worthwhile subject, but not here, not in this bill. There is no legislation to protect the seniors who will be aged 65 and 66 as they wait for eligibility going from one place to another. For many companies, for many situations, the retirement period is age 65. It is common. I do not think it is right to be in here. The issue was never discussed during the negotiations on the budget agreement. So while there may be an argument for considering related proposals as part of a broad review of health care and entitlements, this is not something that we ought to be doing now on a fast-track reconciliation bill. Our senior citizens deserve more than that, or one day to be senior citizens.

Nor, Mr. President, should we be considering a fundamental change in the universal nature of the Medicare Program as part of a fast-track bill? This legislation would introduce means testing to Medicare. Again, I realize that there are Senators here who support this proposal. But the long-term implications for this move are enormous. They deserve much more thorough debate than is possible in this legislation.

Mr. President, the bill before us also includes several other provisions that go beyond the bipartisan budget agreement that are of concern.

The bill would increase the financial burdens on some of our most vulnerable senior citizens, poor people, people impoverished by establishing a new copayment for home health visits.

It would authorize medical savings accounts, a new approach to Medicare that could, in my view, harm its long-term viability, harm the viability of the whole Medicare Program, because it would give people choices outside the system and perhaps would pull out those who are in good health and leave the rest to those who are not quite up to snuff. It would make excessive burdens for them. It cuts the Medicaid payments. The hospitals also would be curtailed, and they serve a disproportionate share of poor and uninsured patients.

So, Mr. President, these and other problematic provisions should not be in a reconciliation bill—again, I remind you, fast track; this will be done sometime tomorrow—that is designed to implement a bipartisan budget agreement. I hope that many of these things can be eliminated before the Senate has to vote on final passage of the legislation.

I want, Mr. President, to caution my colleagues that they are to get here with their amendments because the time continues to pass. As Senator DOMENICI has said, at some point the 20 hours that is allocated for the debate will be consumed by just wasting time. If that is the case, those who have amendments that they care about will be here in the final moments of the time that we have allocated to this debate and they will not be able to bring them up. They may be able to introduce them and get a vote on them, but they are not going to be able to discuss them, they are not going to be able to argue the merits. I think that is something that people ought to pay a lot of attention to if they are serious about the amendments that they are proposing.

So, I plead with our colleagues, get over here, get your amendments in. The fact that there will be no votes today does not have anything to do with the time schedule. If these issues are going to be voted upon, these amendments, that can be done tomorrow, but the debate will have to be held before we run out of time.

So I conclude, Mr. President, by saying this to my friend and colleague, the chairman of the Budget Committee, that despite the various controversies that have pitted our two parties against each other, we have managed to maintain a spirit of bipartisanship in our efforts to balance the budget in the proper way. I believe that we will maintain that cooperative approach. But if we are going to do it, many of these problems will have to be addressed before this legislation is sent to President Clinton. I look forward to working with Senator DOMENICI and with the leadership on both sides of the aisle to make it happen.

Let us get a bill that we can live with, a consensus bill, much in the manner that we shook hands on; maybe with a grimace or two across the table, but we did it. We arrived at a consensus. I need not go to such elementary teachings to say a consensus really reflects a give-up by all parties to a discussion. A consensus is not I win, you lose; it is we both win a little and we both lose a little. That is what we did to get to where we are. Therefore, I express some disappointment in the changes that have been made in the process of reconciliation and hope that we will be able to change the changes and get on with this bipartisan budget agreement that we concluded here on the floor not too long ago.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. I just want to thank Senator LAUTENBERG for his observations and his comments. Whatever words he had to say about me, I appreciate.

I say, I have just an evaluation that is mildly different. I think, considering the great bulk of things the committees had to do—and, you know, we had an agreement for the first time that told them they had to do certain things; before it was a very vague instruction—I think they did fairly well. I mean, I think we can count on the fingers of our hands—probably even if we did not have all five fingers, we could even on less than five—the areas that they did not comply with. I think they are going to work with us to try to get those done.

Obviously, there is one that is difficult that has to do with the radio and television spectrum. That is a little more difficult. The administration told us we could get a lot of money and, if we did not go that far, it would not last. It turns out it is very hard to do that. But we are working on that, in a bipartisan fashion also.

I say to Senator WELLSTONE, you have been here for a while. Senator JUDD GREGG has indicated that it was all right with you if he proceeded.

Mr. WELLSTONE. That is correct.

I just want to ask the managers—it is fine with me if Senator GREGG proceeds. It is my understanding that Senator MOYNIHAN will be coming to the floor seeking a modification.

Is that correct?

Mr. DOMENICI. Yes. He and Senator ROTH or somebody.

Mr. WELLSTONE. When do we expect them to come to the floor?

Mr. DOMENICI. I thought it was 1:30 to 2 o'clock. I think we will have some time for statements before that if you want to make a statement before that.

Mr. WELLSTONE. I say to both my colleagues, I potentially am ready to do an amendment or two. But I would rather wait until after some discussions with other Senators. Also, Senator MOYNIHAN and Senator ROTH will be here.

I thank the Senator for his courtesy.

Mr. DOMENICI. I say to Senator GREGG, how much time would you like?

Mr. GREGG. Fifteen minutes.

Mr. DOMENICI. I will yield the Senator 20 minutes.

I wonder if you could do me a favor. I am going to sneak out and get something to eat. Would you manage the floor for about 15 minutes?

Mr. GREGG. Certainly.

Mr. DOMENICI. I thank the Senator.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire for 20 minutes.

Mr. GREGG. First, I rise to congratulate the Senator from New Mexico and the Senator from New Jersey, the chairman and ranking member of the Budget Committee, for getting us to this point where we are in the process of voting on and hopefully reaching a conclusion on two very important reconciliation bills which deal with the critical elements of how we manage entitlement spending and how we manage tax policy here at the Federal level, and which lead, hopefully, to a conclusion that we can say with certainty that the balanced budget agreement which was reached has been met and that we will therefore have a balanced budget which our children can look to as a benefit and which we can look to as a success.

I want to speak specifically about two elements of the reconciliation bill which I consider to be important, two different bills, the one that deals with the spending, the entitlement bill, and the one that deals with tax policy, and talk about the Medicare Choice Program, reform program, and the pension language within these two bills, because I think these bills have made giant strides in both these areas toward addressing some fundamental public policy needs.

I commend Senator ROTH and the Finance Committee for including these important provisions on both Medicare and on pension reform.

Earlier this year I introduced S. 246, the Choice care bill. It was essentially similar to legislation that I had introduced in the last Congress, which was included in the Balanced Budget Act that year, which unfortunately was vetoed by the President. The Medicare savings achieved in this reconciliation bill represent only a tentative start, however, toward placing the Medicare system on a path toward long-term solvency. But they are an important start. There are still trillions of dollars of unfunded Medicare liability awaiting us, and this legislation does not address it all, but it does get us off on the right foot.

I am pleased we have taken this opportunity to enact some of the structural reforms that are key to real substantive Medicare reform and the stabilization of the Medicare trust funds. In my Choice care bill and in the provisions contained in this legislation, seniors will be able to choose from a large variety of health care purchasing options. They can remain in their traditional Medicare plan, they could instead buy an HMO, or they could buy from a competing medical plan provided that it meets the benefit standards of the present Medicare system. So seniors will have a wide variety of new and exciting choices.

When we offer seniors this great array of choices, we benefit not only the seniors but the system as a whole by bringing it into the marketplace. Traditional Medicare must then effectively compete for the right for seniors' health care spending in the marketplace and the people in the marketplace who are willing to give other options to seniors. Suppose, for example, there are plans that can deliver services more effectively and more efficiently than Medicare in a particular region of this Nation. If they can do that, then they can offer a more substantial package of benefits for the same costs, and, therefore, seniors will have an incentive to buy from these plans.

Take, for example, if a plan was able to offer the seniors not only the basic Medicare benefit but also maybe an eyeglass benefit or a prescription drug benefit. That option is now going to be available to the seniors. This benefits the health of the system because, at the same time, this legislation gains control over the rate of growth of the per capita spending in the Medicare Program. So whenever seniors move into these plans that can offer them a better benefits package, the entire system will save money because the Medicare system will be spending less money per capita on these seniors than it would under the traditional Medicare system.

If they are getting a stronger package, you might say, how can that be? It is called the marketplace, it is called capitalism, it is called what is happening in the private sector today, in the health care system generally. But, unfortunately, it is not helping Medicare, which was designed for a 1960's health care delivery system, which simply is not operable in the 1990's or as we go into the year 2000.

This legislation begins to flatten the wide disparity in reimbursement levels that exist between geographic regions in this country by gradually blending over time local and national reimbursement rates. If we do this, then we make spending patterns in Medicare more fair and reward those regions of the country that have already done well in holding down costs. The disparity between regions is really excessive. For example, in some parts of this country, like New Hampshire and Oregon, and I suspect in Wyoming, where the Presiding Officer is from, the costs of Medicare benefits are significantly lower than in areas like Staten Island. In fact, it is lower by almost $500 a month.

It is imperative we include such reform as a component of the Medicare Choice Program because only by doing so can we be sure that seniors in low-cost areas will ultimately have access to a wide array of benefit packages. As long as reimbursement rates in some parts of the country are unfairly low, it will be difficult to entice plans into those regions to compete for seniors' dollars even though the health care benefits in those areas today are being maintained at a high level.

I believe we should have increased the incentives available to seniors to become cost conscious by offering them opportunities to save money in the manner in which they buy Medicare. That is the incentive that truly moves shoppers, and I believe that Medicare Choice would be a greatly strengthened reform if we had included a cash-rebate incentive. Under my original bill, S. 246, every time a senior bought from a less expensive plan, even though the benefit package in that plan had to meet the same benefit package or exceed the benefit package of the present Medicare system, if the plan costs less because of competition and efficiencies within that plan, then 75 percent of the savings would have gone to the individual, and the remaining 25 percent would have been deposited in the trust fund. Thus, the trust fund would never lose money due to such rebates.

On the contrary, the trust fund would receive money every time a senior sees this incentive to make a cost-conscious decision. Unfortunately, this language was left out of this bill, and, in fact, there is some language in this bill which undermines the ability to create incentives in the Medicare system under the Medicare Choice plan. I expect I will be offering an amendment to correct this, an amendment to strike that section which limits the ability to offer incentives, because lacking that important incentive we cannot, in my opinion, create the huge marketplace forces which we need in order to significantly control the costs of health care and to create marketplace forces within the health care systems.

Even considering that, this package still offers the incentive to seniors that where their plan can be more efficient, they will be offered an enhanced package of benefits. That is a significant incentive. While perhaps not as powerful a purchasing incentive as an actual cash rebate, for example, it is my hope that the prospect of strengthened benefits will prove a powerful enticement that allows seniors to move more comfortably into buying Medicare Choice plans.

I am reminded of the old saying that you begin a trip, a long journey, with one small step. Well, this package that has been brought forth by the Finance Committee is a series of small steps. It has gotten us well into the journey. It has not gotten us to the end, but it has gotten us down the road by giving seniors more choices and more opportunities in the way they purchase their health care.

At the same time that the Finance Committee has made significant strides in the area of Medicare by making Choice care available to them in the Choice care plan which I introduced, it is also contained in the tax resolution which will be coming forward later in the week, a significant incentive to increase retirement savings. I congratulate, again, and thank Senator ROTH, the chairman of the Finance Committee, for including so many of the ideas and initiatives which

I was able to participate in pulling together as chairman of the Retirement Task Force. I also want to particularly thank Senator BOB GRAHAM and other members of the bipartisan working group for their aggressiveness in promoting pension reform which will promote savings.

Some months ago, I was asked by Majority Leader TRENT LOTT to chair the Republican task force on retirement security, and in that capacity I worked with Senator ROTH and the rest of the task force to develop a package of proposals introduced a week ago as Senate bill S. 883.

I will not use this time here to describe again the dire circumstances of this Nation with respect to retirement savings. When we introduced S. 883, we detailed the vast gap between our Nation's retirement income and the inadequate amount of funding we are currently putting aside to meet those retirement needs. Approximately $7 trillion of unfunded liability sits in our different retirement accounts. I am very pleased to note that no fewer than 13 of the provisions, 13 of the provisions of S. 883 have been included in some form in this budget reconciliation package. While many of them are small or technical corrections without significant revenue impacts, enacting these reforms will do much to improve the prospects for expanding pension coverage and retirement savings.

Because time is limited, let me list only a few of the reforms that have come to be included in this package which I think are positive for encouraging people to save for their retirement.

This budget reconciliation package includes the first title of the WISE bill, S. 260. This part of the WISE bill—the WISE bill being a bill directed at giving more equity to women in the area of being able to save for their retirement—strengthens the homemaker IRA. I, personally, have placed a higher priority on this provision than on any other of our task force savings initiatives, so I am particularly pleased to see it was included. This provision received the active support of a bipartisan group of Senators, including, most notably, Senator CAROL MOSELEY-BRAUN from the other side of the aisle.

This provision, Mr. President, will sever the link between the homemaker's ability to make a fully tax deductible contribution to IRA and allow her to make that contribution whether or not her husband or her spouse who is in the workplace has a pension plan. This is an important provision not only because it will stimulate additional savings but because it will enable homemakers, especially women, to generate additional savings in their own name. It is about time we do that. I especially want to congratulate, of course, Senator ROTH, the chairman of the Finance Committee, who has been a tireless advocate for this idea.

This reconciliation bill also will gradually raise the income limits on the tax deductible contributions to IRA's. Our Republican task force endorsed the Roth-Breaux legislation that would have completely phased out the income limits so that every American will be eligible to fully deduct their IRA contributions. I believe that Finance Committee Chairman ROTH exerted every effort to achieve as much as he could in this area, and I am pleased he included at least a version of the language from the task force bill, gradually phasing up the income limits, doubling them by the year 2004. This will do a tremendous amount to spur savings in our marketplace and as people head toward retirement.

This budget reconciliation package also includes the backloaded IRA, an important new option in retirement savings in which the contributions are not tax deductible and the tax advantages come up upon withdrawal. This expands the capacity of individuals to take advantage of retirement incentives in a way that works best for them. It also limits the revenue loss in the short term from IRA expansion, because the contributions today will be taxed when they are made. I know many individuals will wish to use this alternative backloaded-IRA structure, and thus this will be an important incentive for additional long-term savings.

Mr. President, one thing we must do as a nation is simply make it easier and more convenient for people to save. The fact is that if we do not do this, we as a nation are going to face bankruptcy as a result of the costs of our pension systems as the postwar baby-boom generation fully retires in the year 2010 and beyond. One reason why the thrift savings plan worked so well for Federal employees is that it has the feature of automatic deduction from one's payroll, automatic investment, automatic savings. I am pleased that the Finance Committee has also included the provision to allow for automatic payroll deductions into IRA accounts. This will also stimulate additional retirement savings simply by making IRA investment easier.

I am also pleased this reconciliation package recognizes we must continue to do more to stimulate retirement savings not only through individual savings but also through employer-provided pensions. I have long been troubled by the limitations that have been placed on employer funding of future pension liabilities. Employers must fund these liabilities sooner or later, and it is good policy to put more of the funding upfront to allow that funding to be invested and to use the compounding interest to increase the investment and to assure an adequate amount of funds when people retire.

The reconciliation package picks up most of the provisions authored by the task force to raise the limits on full funding by 5 percent every 2 years. I believe that our Nation's workers will be more secure by their pension benefits being funded more fully. This is a critical point because so many of our pension benefits are underfunded. The capacity of the employer to be able to fully fund the pension benefits at an earlier time in the cycle is critical to assure people will have a pension when they retire.

Some of the technical changes made by this bill are very significant. This reconciliation bill would exempt State and local government plans from the cumbersome nondiscrimination rules. This was a prime example of how many of our pension laws and regulations have been unduly complicated. Nondiscrimination rules were not created to apply to Government plans, where it is difficult to find exactly who the employer is and thus to compare employer and employee benefits. This type of commonsense change will make it easier for States and local governments to plan for functions around the country.

Another task force-endorsed reform picked up by the reconciliation bill will do much to help small business. Until now, the matching contributions made by the self-employed were treated differently under tax law than the matching contributions made by employers. By straightening out the discrepancy, we will remove another obstacle from among the many that deter small business owners from providing pension coverage. As we all know, small business is where we most need to increase participation in pension plans.

There is not time, Mr. President, to discuss every reform that was inserted into this reconciliation bill in the pension area. But I am pleased that this bill draws from reform initiatives in a variety of areas. In the area of portability—I am talking now about the tax bill coming to us after we complete the bill on spending—this bill will add extra protection to defined benefit plans that accept rollovers, protecting them from disqualification if they do facilitate that kind of portability. Moreover, the bill includes a few provisions that will streamline the paperwork process. The bill will facilitate the use of new technologies to replace old paperwork filing, and also eliminate some paperwork requirements that should no longer be required. Finally, various technical inconsistencies within the law will be eliminated if we retain those provisions in conference.

Let me close by thanking Chairman ROTH for his extraordinary effort and for his willingness to include so many provisions to promote pension reform and Medicare Choice in both reconciliation bills, as well as several other Finance Committee Senators, including Senators BOB GRAHAM, CHUCK GRASSLEY, ORRIN HATCH, JIM JEFFORDS, and others. Although I am not on the Finance Committee, I was certainly pleased to be able to work with this group to advance efforts to increase retirement savings. Savings incentives are an effective and important use of tax relief—one of the very best things that we can do with our opportunity

this year to relieve the tax burden on American taxpayers. I do hope and expect that we can retain these critical provisions in these two bills.

Now let me express one area that I have concern about, and that is the area of how we handle the Medicaid expansion, or the new program for the purposes of assisting child health. I have read the bill. I understand that States have the right to choose between a capped grants program and the expansion of the Medicaid Program. It is not, however, clear to me what the requirements are relative to coverage, and how demanding the Federal Government is going to be on each State as to how and what must be covered on each child. I would have serious reservations if we have created a new entitlement program. This would be a mistake, at a time when we are trying to control the rate of growth of the Federal Government and growth of the most explosive side of the Federal Government, the entitlement accounts of this Government; it would be a serious error for us to embark on a new entitlement program.

It is not clear to me, after having read this, whether or not we have done that. It is clear to me that there was an intention not to do that. At least, in the language of the bill, and in the explanation of the bill, statements were made that it was not the intention of the committee to move down the road of a new entitlement program. Whether or not the operable language in fact creates such an event, demanding that certain action be taken, that certain expenditures be made and not funding those, or creating a situation where people can come in and demand those expenditures in a way that creates an entitlement or a mandatory program is not absolutely clear. As we go forward with this debate, I hope we will get clarification on this point. Should it turn out that this is a new entitlement program, I hope we will change that, either here on the floor or in conference, so that the intent of the language is clear, which is to create a grant program to benefit children and their health needs.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, is the time being controlled?

The PRESIDING OFFICER. Yes. The Senator would need time yielded to him to speak, but could offer an amendment that would then be debated for 2 hours equally divided.

Mr. DOMENICI. How much time would the Senator need?

Mr. GREGG. I would need about 15 minutes.

Mr. DOMENICI. Would the Senator be agreeable at a later date, in the stacking process, to rearrange the order of his amendment if the Committee on Finance wants to have an amendment before it?

Mr. GREGG. Absolutely. I would agree to a unanimous consent to place my amendment behind whatever amendments are offered by the chairman and ranking members of the committee.

Mr. DOMENICI. Would the Senator also agree that it can be sequenced in a manner that helps the manager work this bill through? It won't take a long time. But it may be second or third.

Mr. GREGG. As long as it is not eliminated.

Mr. DOMENICI. Right.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, it is my intention to shortly offer an amendment which is technical in nature but goes to one of the philosophies of the Choice care issue. The Choice care, as presented in this bill which is an excellent step forward in trying to make the Medicare system more viable, efficient, and most importantly more effective for our senior citizens, is a concept where seniors are going to be given an opportunity to go out in the marketplace and choose between the variety of different care providers.

Today under the Medicare system, basically seniors are limited to the traditional Medicare and to a very limited HMO option. The traditional Medicare, of course, is a 1960's program designed to meet a 1950's medical system structure. It is not current or effective for today. It is a cost-plus system, for all intents and purposes. It is extraordinarily inefficient, and it does not allow very much flexibility in the marketplace.

The pre-Medicare system, as is structured today for the delivery of its different options to seniors, is like driving a 1961 Chevrolet down a highway in 1997 with the understanding that you are going to have to go into the year 2000 still driving a 1961 car. Everything on the car has been replaced. Very little of it works. It is blowing out a lot of smoke. It is chugging along at 45 miles an hour top speed. It simply isn't working correctly.

So, in order to try to redress that, the committee has put in place a very creative initiative in the area of Choice care, which essentially says that seniors are now going to have the ability to go out in the marketplace and choose between a variety of different health care providers. That variety of health care providers could involve an HMO. It could involve a PPO where a group of physicians get together. It can be called a PSO, again, a group of physicians getting together. Or it could involve some new way, I suspect, where hospital and doctors and somebody else designs a new way of delivering services. But the services they deliver must equal the benefits package which is presently under the Medicare system.

So seniors lose nothing in the definition of the size or nature of their benefits package. And it must equal the benefits package in the area of quality so that seniors lose nothing in the area of quality of their health care.

What they get is a marketplace which will come forward and compete for the seniors' health care. What does that do? Well, as we have seen in the private sector, that will give the seniors a whole new variety of choices, a whole new panoply of choices, from which to choose the health care provider group that they want to give them Medicare.

They may get options coming at them which say, ''Here, we are going to give you the basic Medicare package, but we are going to also throw in eyeglass care. We are also going to throw in pharmaceutical care. It is not going to cost you any more, but we will put that in to try to attract you to our supplier of health care, to our HMO, to our PPO.''

So seniors are going to get more choices. Under this benefits structure, as put forward in the reconciliation bill, new benefits can be added on top of the benefits that are supplied by the basic Medicare plan. That is a given. That is an incentive that can be put in. But what is not allowed under this package, or what is specifically disallowed, is the concept that a senior could pay less for the same benefit package.

You have to remember here that what you are dealing with is the market system. So it is more than likely—in fact, it is expected—that a variety of health care providers, as a result of being efficient, as a result of cost-saving structures which they put in place, are going to be able to supply the health care basic benefits structure of the Medicare system to a senior citizen for less than what it costs today.

For example, we pay out $4,800 a year for health care benefit. Insurance pays about $4,800 a year for insurance for seniors. That is a very high price, by the way. It is very likely that you are going to see provider groups come forward at $4,300 a year. There is going to be a $500 saving in that provider group.

Under this bill, the way the provider group adjusts for that is they must put more benefits into the package. That is the only option they have. They have to put in eyeglasses. They have to put in drug benefits. That is a reasonable approach. Yes; to give the senior more options at the same price for more health care types of health care. But another option, of course, would be let's sell it to the senior for less. That is probably going to happen, too. You are going to probably see some health care providers give the same package of options but be able to give it at less than $4,800. Under this bill as it is presently structured, if that were to occur, the health care provider would get all the savings. There would not be any incentive for the health care provider to turn some of that savings back to the

Government or back to the senior citizen.

In the original Choice care plan that I drafted—I do not say this to try to be too expansive about my own efforts—I believe was essentially one of the cores from which this plan was put together, which is in the reconciliation bill. In my original health care plan, I had language which said, if a senior is able to purchase their health care—the same package, the same benefit structure—from a health care provider, that health care provider cannot use that for selection. They cannot try to pick and choose seniors. It must take all comers. If a senior is able to find a health care provider who is willing to charge less—and the quality must be maintained under the standards we have here—then the senior, rather than having only the option of getting more benefits, would also have the option of getting a return on the lower cost premium.

So, if you paid $4,800 for seniors' health care but you could purchase health care at say $4,300, there would be a $500 savings annually. We would take that $500 savings. And the health care provider could as an option, rather than buying eyeglass care for the senior or buying health prescription drugs for a senior, could say to the senior, ''We are going to turn that $500 back to you.'' If the health care provider decided to do that, then the senior, under my original bill, would get to keep 75 percent of that and 25 percent goes back to the Federal Treasury.

That was the plan of the original bill.

This language of this bill says a Medicare Choice organization is not authorized to provide cash or other monetary repayments as an inducement for enrollment. That makes it impossible for an incentive system to be put in place. Markets work on incentives, not only benefit incentives but money incentives.

Thus, I believe that subject to the limitations of what HCFA will put on the provider, subject to the limitations that it has to be a quality system, subject to the limitations that it has to be a system which meets a health care insurance plan that meets the basic Medicare requirements of what must be covered, subject to the fact there cannot be adverse selection, there is no disincentive, no downside to creating a marketplace in force beyond added benefits of added cash, of the potential of refunding cash.

So, basically, I think this language is counterproductive to the basic goal of Choice care, which is to create market forces not only on behalf of the provider groups but within the senior community to go out and be cost-conscious purchasers. The whole idea of Choice care is to give seniors more options to choose from and create a more efficient marketplace, which will in turn create a lower cost of health care for the basic benefits package of Medicare, or at least slow the rate of growth of the cost of that health care package.

That is the whole concept of Choice care. But if you take out of Choice care any financial incentive to save, if you say to seniors: Your only incentive to purchase another plan may be additional benefits, which they may not need, then you have reduced dramatically the marketplace forces. If you take out of the system any incentive for the provider group to rebate those savings, then you have created an atmosphere where provider groups may generate savings, but they will keep them themselves. In that way, I think you skew the marketplace because in an open market when somebody is able to sell a product for less, they pass the benefit of that lower cost on to the consumer, and that is what we are trying to do in the language of the original bill—pass the benefit of the lower cost of health care on to the consumer.

So in order to address that, without putting in place the incentive system that I design in my bill—we are not suggesting that that incentive system should go in as I designed it. We are just suggesting there should be the opportunity for HCFA and for the regulatory agencies to be able to look at incentive systems and not be barred from looking at incentive systems, cash incentive systems, monetary incentive systems. In order to allow that to occur, we need to remove this language. In order to make this Choice care more effective, a potentially more dynamic force to create more of a marketplace event where seniors are actually out there thinking, hey, I intend to look around and see how much I can buy insurance for, and one of the reasons I am looking around is while I might get better benefits, the second reason I am looking around is I may get it at less cost—in order to create that type of market dynamic, which is absolutely critical if you are going to have Choice care work effectively, you cannot have language which says under no circumstances, even if HCFA were to find that it would work, can you in any way create an incentive system that involves monetary consideration.

So this language, I believe, is counterproductive to the basic goal of Choice care. I think it should be noted as an aside here also that the concept of Choice care is to make seniors more cost-conscious purchasers, but in doing that you have to remember that, yes, those seniors who are on the system today probably are not going to change. They probably are not going to change their health care system. They have been there. They have been in the system. They came out of the 1950's and 1960's when they had a sole care provider. They are used to less health care. That is the way they are brought up, most of the seniors on the system today. So we are not really targeting the Choice care concept at that group. What we are targeting the Choice care concept at is the next generation of seniors coming into the system, that generation which has already been through the health care explosion of the late 1980's and early 1990's. A variety of health care providers were made available to them, where HMO's became commonplace in the private sector and in the marketplace. These folks are going to be familiar with the concept of a PPO, PSO, or HMO as a provider group, so they are going to be comfortable with going out and shopping around.

If we create a disincentive for them to do that by saying, well, if you shop around, you do not get any of the benefits of shopping around other than some higher benefit package which you may not want to begin with, then we will be undermining a culture which already exists. We will be saying to people who are coming out of the private sector, having been used to shopping around—maybe they were in a cafeteria program where they actually got a refund of some of the costs of the lower cost health insurance since they purchased it. We are going to be saying to those people, when you get into the public system, it is basically a cost-plus system and you are not going to be able to get any of benefits of the thoughtful purchase of lower priced health care in relationship to your needs or in relationship to a one-size-fits-all package.

So I do believe that to leave this language in not only undermines one of the options that might make Choice care much more effective, but it undermines the natural, inherent attitude that is going to be coming with this new generation of people who receive funds from Choice care, who participate in Medicare, and who have been brought up in a marketplace where Choice care is the typical type of health care approach.

AMENDMENT NO. 426

So, in light of that explanation, Mr. President, which I know the Presiding Officer was closely following, which I very much appreciate, I would send the amendment to the desk.

The PRESIDING OFFICER (Mr. COATS). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 426.

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

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

The amendment is as follows:

On page 213 strike all of (d) and insert the following:

''(d) TERMS AND CONDITIONS OF IMPOSING PREMIUMS.—Each Medicare Choice organization shall permit the payment of net monthly premiums on a monthly basis and may terminate election of individuals for a Medicare Choice plan for failure to make premium payments only in accordance with section 1851(g)(3)(B)(i).''

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent that no second degree amendments be in order relative to the amendment which I just offered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GREGG. I yield the floor and make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 426, AS MODIFIED

Mr. DOMENICI. Mr. President, I understand that the unanimous consent request Senator GREGG proposed with reference to his amendment is technically insufficient to accomplish the purposes that we intended when we concurred, and so in lieu thereof I ask unanimous consent that with respect to amendment 426 no amendments be in order to the amendment or the language proposed to be stricken and the amendment be modified to reflect a straight strike of all after (i) through line 16.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Reserving the right to object.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I would like to ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. First the Chair would ask, is there objection to the unanimous consent request of the Senator from New Mexico to modify the amendment?

Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 213, line 13, strike beginning with ''A Medicare'' through the period on line 16.

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

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I am pleased by the work and cooperation that was exhibited last week in the Senate Finance Committee. It was an encouraging display of bipartisanship—both sides of the aisle working together to craft a proposal that meets the guidelines of the budget agreement and achieves needed reforms in spending programs while protecting America's vulnerable.

Out of this tremendous effort that went into the Finance Committee markup of the budget came two distinct themes that we would do well to keep in mind as we take this issue up to the floor. First, that the time has come, as President Clinton expressed in an earlier State of the Union Address, to end big Government as we know it. This is no longer an objective held by one side of the aisle over the other. It is a necessity.

We are blessed with the greatest Nation on Earth. We have the most productive citizens, the finest resources and materials, and we have the ingenuity and spirit of enterprise. We realize, however, that our resources are finite and Government's role is limited. Yet, we are willing, on both sides of the aisle, to make certain that Government efficiently and effectively provides for those with whom Government has a contractual or moral obligation to provide. Medicare is contractual. Medicaid, when it serves the most vulnerable, particularly America's children, is moral. And these feelings are shared mutually by Republicans on the committee as well as Democrats. This became obviously clear last week.

Second, we demonstrated the power of bipartisanship. I can safely say that no one, but no one, on the Finance Committee got everything he or she wanted. No one was completely satisfied with everything, as it is a compromise between differing political philosophies and between deeply held views. So while what we have passed and addressed on the floor today is not the budget package that any of us would have drafted, it represents a major step forward, a step forward that, through balancing the budget, can help assure continued growth, jobs and opportunity.

As we worked on the committee to report out this budget, I was led by two primary goals. First, to implement the budget agreement in such a manner that we not only balance the budget but that we do so in a manner that preserves and strengthens the programs impacted. As I said during the committee markup, ''It is not enough to reduce the cost of such critical programs as Medicare and Medicaid, but it must be done in a way that provides better service to beneficiaries of these programs.''

My second objective was to implement the budget agreement in a manner that assured bipartisan support for the program. I believe we have accomplished both of these. What we offer today is a workable balance, a critical balance that protects our most vulnerable populations while addressing necessary reforms in important entitlement programs.

Let me give some specifics. The largest program we concerned ourselves with was, of course, Medicare. Much has been written and said about the future of this program and the need to strengthen it for the long term. We did this. We took a critical first step towards addressing the long-term solvency of the Medicare Program while at the same time making certain that the program meets the needs and expectations of its current beneficiaries. The changes we made in Medicare actually allow us to expand Medicare coverage for certain important preventive services including mammography, colorectal screening, bone mass measurement and diabetes self-management. We are able to offer this expanded coverage and protect and preserve Medicare by incorporating choice and competition into the current program, and by slowing Medicare's rate of spending growth. Our measures will save Medicare from bankruptcy for another 10 years, while still increasing Medicare spending per beneficiary from $5,450 this year to $6,950 in the year 2002.

In expanding choice in the Medicare Program, we have used the highly successful Federal Employees Health Benefit Program as a model. Under our new Medicare Choice Program, seniors will have the opportunity to choose from a variety of private health plan options and select the health care plan that best suits their needs and preferences. These choices will include the whole range of health plan options available to the under-65 population—fee-for-service, varieties of managed care, and medical savings accounts. Through these options, seniors will be able to obtain important benefits, like prescription drugs, that are not covered by traditional Medicare.

It is clear to see how these commonsense and, again, I want to say, these bipartisan solutions will preserve and strengthen the program. We were not content to stop there. The Finance Committee proposal calls for a National Bipartisan Commission on the Future of Medicare. This will be a 15-member commission, established for 1 year, charged with making recommendations to Congress on actions necessary to ensure the long-term fiscal health of the Medicare Program, something of great concern to the ranking member, PAT MOYNIHAN, and myself.

The Finance Committee report also creates a demonstration project within the Medicare Program for medical savings accounts. This demonstration project will allow up to 100,000 Medicare beneficiaries to opt into an MSA program, a program that will allow them to choose a high-deductible Medicare Choice plan.

These changes to Medicare will result in a net savings of $115 billion, savings

that will not only help us meet the budget compromise but savings and reforms that will preserve the Medicare Program while ensuring that it continues to serve those who depend on it now. Again, these important reforms were made possible only through sincere bipartisan efforts, and it is my hope that such bipartisanship will continue as we address these reforms on the floor.

Such bipartisanship also marks our treatment of Medicaid. Working together, we passed reforms that will control the growth of the program, resulting in a net savings of over $13 billion. For more than a decade, there has been a constant tug of war between the Federal Government and the States over Medicaid, as each side has asserted its will over the other. From the mid-1980's through the early 1990's, the Federal Government imposed mandates on the States and, in turn, the States shifted costs to the Federal Government. The result was devastating to all of our budgets as Medicaid routinely grew at a double-digit pace, reaching as high as a 29-percent increase in 1992. This Finance Committee proposal signals an important change in the program.

Having said this, let me be clear. We are not cutting Medicaid. Under this proposal, Medicaid spending will continue to grow. The Federal commitment to Medicaid will grow from $99 billion in fiscal year 1997 to $140 billion in 2002. The President originally proposed $22 billion in savings in the Medicaid Program. We achieved approximately $14 billion in savings.

The first part of our Medicaid reform is to give the Governors the tools they need to control this program. This will be able to move more individuals into managed care without waiting years for waivers from the Federal Government. They will be able to contract with selected providers for service. The States will be able to ask families to take some responsibility for the decisions they make when seeking health care services.

In short, our plan gives the States many of the same tools that the private sector has in stretching health care dollars. The fact is, health care as a whole has changed, and the Medicaid Program needs to catch up. Our proposal gives the States the tools necessary to act as many large employers do, to get the greatest value for Medicaid dollars. So we are taking the important next step to move both the States and the Federal Government out of the waiver process.

But we also want to ensure that as the old program requirements are replaced, quality is still assured. As I have said, in addressing the Medicaid Program, we also provided many of the reforms requested by the bipartisan National Governors' Association. These include repealing the Boren amendment provision. The history of the Boren amendment is a classic example of unintended consequences as it has been used to increase the costs of the program, rather than control costs.

The Governors and the administration agree on the repeal of this provision. It will take the providers and the States out of the Federal courts and put them back at the contract negotiating table.

As we repeal the Boren amendment, we must be very careful that we do not simply create a new round of lawsuits over what Congress means in terms of Medicaid payments to facilities.

Another major provision of our plan to control the growth of Medicaid is the reduction in spending on the Disproportionate Share Hospital Program. This DSH Program provides funding for indigent individuals who are not enrolled in Medicaid. Under current law, DSH spending is projected to increase from $10.3 billion in fiscal year 1998, to $13.6 billion in 2002. In 1990, Federal and State DSH spending combined totaled less than $1 billion, and in 1995, Federal and State DSH payments totaled nearly $19 billion.

Without reform, Federal DSH payments alone will total nearly $60 billion over the next 5 years, and we need to exert some discipline in this program.

This bill reforms the DSH Program through a combination of controls.

First, a State which spends less than 3 percent of its Medicaid Program on DSH will be frozen at its 1995 level. For these States, there will be no reduction, but also no growth.

Second, beginning in 1999, high-DSH States and low-DSH States will be reduced from their 1995 actual spending levels. A high-DSH State or a State that spends more than 12 percent of its Medicaid dollars on indigent hospital costs will be reduced from its 1995 spending levels for inpatient hospitals only. It will not be allowed to count spending on institutes for mental diseases. These high-DSH States will be reduced from 1995 spending by 14 percent in 1999 and by 20 percent in the years thereafter.

Low-DSH States are those that spend less than 12 percent, but more than 3 percent of the Medicaid dollars will be reduced from their 1995 spending by 2 percent in 1999. In the year 2000, they will be reduced 5 percent from the 1995 level. In 2001, the reduction will be 10 percent, and in 2002, it will be 15 percent.

As I mentioned, our proposal places restrictions on the States' ability to fund their State mental health facilities with Federal funds. Over the past few years, the States have shifted the cost of these facilities to the Federal Government. As you check with your State, many will find huge increases in Federal costs associated with these facilities. It is time to close this loophole.

Let me say that the President proposed $22 billion in savings from the Medicaid Program. Two-thirds of these savings were to be realized out of the DSH Program and one-third from per capita caps. The savings target has been reduced, but the potential reforms for achieving these savings are also limited.

I believe there is general agreement that through the DSH Program, the use of DSH payments had been expanded well beyond the original intent. The DSH formula has been developed with consultation and in bipartisan cooperation. The formula has been carefully designed, based on past problems in this program and with input from Members.

Concerning the steps which we take in this package to address children's health, let me begin by saying that we all share the same goal of increasing access to health care for as many children as we can. And it is clear that Members on both sides of the aisle are committed to finding an answer to the problem of uninsured children in this country.

Of the 71 million children in the United States, more than 86 percent are covered by some type of health insurance; two-thirds are covered by insurance through the private sector; 23 percent of all children in the United States under age 18 are covered by Medicaid, and another 3 percent are covered by other public insurance programs.

Of the 9.8 million children who are not insured, 2.9 million children live in families with incomes above 200 percent of the Federal poverty level. Half of these children live in families with incomes of about 300 percent of the Federal poverty level. Mr. President, 300 percent of the poverty level is over $48,000 for a family of four. This tells us that insurance coverage is more than an issue of family income. It is, in fact, a complex issue which does not yield easy to Washington-knows-best solutions.

The proposal we offer today provides the States with a choice concerning how they will expand coverage to more children. They can expand their Medicaid coverage, or they can offer a package of benefits which is actuarially equivalent to the Federal Employees Health Benefits Program.

Our intention is to build on the successes the States have been realizing. This year, the States will be increasing coverage to more than 800,000 children through initiatives proposed by the Governors.

We should learn from these initiatives and encourage the States to develop them. This proposal will allow the States to choose how best to extend coverage to children.

Expanding Medicaid is certainly a choice States have made. Thirty-nine States have expanded Medicaid eligibility for pregnant women and children beyond the Federal requirement, but States are also developing other strategies for increasing coverage of children as well. There are already public-private partnerships in more than half the States.

There are successful programs, such as New York's Child Health Plus and

Florida's Healthy Kids. These innovative programs, and programs like them, can grow with additional resources.

The Children's Health Initiative that we include in our committee proposal is a bold new approach to support the States in the drive to provide coverage for more of our Nation's children. As I have said, the States will be given a choice to expand coverage through the existing Medicaid Program or through a new initiative in which they can subsidize private programs for children or provide a new benefit package which is actuarially equivalent to what Federal employees receive.

Under either choice, the Federal Government will provide the same matching rates to the States. A State would pay the same rate as it does currently in the Medicaid Program. We recognize this may not be enough to encourage States to participate. Therefore, under this proposal, the Federal Government would send to the States an additional incentive bonus for each child who is covered in this new initiative. We call this an enhanced match. The State will receive a 10-percent bonus for each new child they cover and 5 percent for a child who is already covered under a State health program for children. These bonuses will be provided for children who are receiving health care coverage from the State that is beyond Federal Government requirements for Medicaid.

A critical component of this agreement is what type of health insurance coverage is provided. Let me stress that this truly is insurance. A State would be required to provide either its current Medicaid benefits package or one which is equal to what the children of Federal employees receive. The Secretary of Health and Human Services will review these plans to ensure that they meet this test.

The welfare of our children was a critical component in the bipartisan plan we achieved in the Finance Committee. The result of our work will be to cover more children and to provide them with real health insurance. Again, this children's health care initiative will build upon the leadership in the States. It passed the Senate Finance Committee with strong bipartisan support, and I thank all the Members who made a contribution to this special effort.

As you see, Mr. President, each of these reforms is necessary. Together they meet the requirements and responsibilities that were given to us. During the next 5 years, we reduce deficit spending by $100 billion, including Medicare reductions of $115 billion, and net Medicaid reductions by $13.6 billion.

At the same time, we increase spending for children's health care in this bill by $16 billion, SSI support for elderly and disabled immigrants by $10.4 billion and welfare to work by $3 billion. We extend the solvency of the part A trust fund for Medicare for at least 10 years, while introducing structural reform to give beneficiaries more choice among competing health plans.

Our goal is to give the Medicare beneficiary the same choices that Federal employees have within our Federal health program, including the traditional fee-for-service, and this is an excellent beginning.

We were able to produce such a strong bipartisan package because of the spirit of cooperation shared by members of the Finance Committee. Views were solicited actively, from all members of the Finance Committee. They were asked to submit in writing the recommendations as to how the budget agreement should be implemented, and their ideas were incorporated in the initial chairman's mark. Informal meetings were then held to seek the further advice and recommendations from Members. These, in turn, were incorporated into the proposal we address today.

As chairman of the Finance Committee, I say with certainty that this proposal has substantial support on both sides of the political aisle and it is, again, my sincere hope that the spirit of bipartisanship that existed within our committee will prevail as we move forward. I hope the objectives that guided us will remain those that carry us through the next few days as we consider this budget. I particularly express my sincere appreciation to Senator MOYNIHAN for his leadership in this monumental effort, as well as my appreciation to all the members of the committee who reported this proposal out of the Finance Committee unanimously. Senator GRAMM provided invaluable leadership on the Medicare Subcommittee, and I thank all the committee staff members who worked around the clock day after day to ensure that the objectives we were given to meet would be met in the most efficient and effective way possible.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like first to thank our revered chairman for his concise and comprehensive account of this epic legislation. It comes to the floor from a unanimous Finance Committee.

These are the first substantive changes made in Medicare and Medicaid since these measures were enacted a generation ago. I was present in 1965. I am here in 1997. I so state, our problem —and it is a curious problem in social policy, is that I am not sure we will be heard because we are not making enough noise. And we are not making enough noise, Mr. President, for the simple reason that we are in agreement. We have changed our minds about certain basic things. We have recognized the events of the past generation that require us to do so.

We came into these programs little expecting how much they would come to take over in the Federal fisc at a time when medicine was just on the verge of a great shift in its capacity, its ability to cure, to treat, to heal. Fee for service was the only form of medicine available to most persons, not otherwise known, and Medicaid was thought to be a very minor aside.

We reached a point where health care, partly because we have so much better health care, became hugely expensive. The chairman noted that in 1992, Medicaid grew by 29 percent.

Mr. President, that means it doubles every 3 years, or more accurately, doubles every 30 months. You cannot sustain that. We are therefore profoundly reforming the system, not so much returning it to an earlier good state, as bringing it forward to deal with the present realities and possibilities offered by managed care and the general change in medicine of recent years.

I say again, before there was agreement in these matters, we could have had a markup in our committee that went on for 3 months, we could have had rallies, speeches, petitions, filibusters, heavens knows what, because there was not in fact agreement. When agreement is arrived at, when there is consensus, the most extraordinary changes can take place in a seemingly everyday manner, without a voice raised or a single dissent. This is also particularly owed to the work of the Senator from Texas, who chairs the Subcommittee on Health, as the chairman observed, and whom I am happy to note is here on the floor. He found that agreement and he put it in place.

There are other things in the legislation. I do want to note that we have added $8 billion for child health care in the form of insurance, for a total in the two reconciliation bills of $24 billion. I can recall the days when Wilbur Cohen assured us the whole program would cost $24 billion a year, and indeed for a while there it did. I think it should be clear that this was the work of Senator HATCH, who cares so very much about this matter. Equally, Senator ROCKEFELLER was able to bring about an increase in the moneys that will be available to low-income families as part of the child tax credit in combination with the earned-income tax credit.

Senator BOB KERREY, who does not intend that things should always be done the way they always have been done—save perhaps in the U.S. Navy—proposed, and we agreed, that the time had come to begin to ask higher income persons to pay a higher premium to get this insurance, which they do not have to take. It is optional, but which if they can afford to pay something more like the original anticipated contribution, well then, they ought to. That is just good sense. I think this will be understood by the Senate and in time by our colleagues in the House. We also move the Medicare eligibility age from age 65 to 67, bringing it into conformity with Social Security.

Finally, Mr. President, I think it has to be said—and I know the chairman

will agree with me—that we did miss an opportunity of lasting consequence for Federal finance this year by failing to take action on how we measure the cost of living.

Our chairman has been an outspoken advocate of developing an accurate cost-of-living index, which we do not now have. We have cost-of-living indexes all over the place. You find them in the Department of Labor, the Department of Commerce, and the Health Care Financing Administration.

But we had agreement, from an initiative taken in the Finance Committee, to produce an adjustment to the Consumer Price Index—which is not cost of living—by 1.1 percentage points. It would have produced $1 trillion in 12 years, and it would have put the Social Security trust funds in actuarial balance until the year 2052. This was in our hands, and it was let slip at the last moment. We blinked, and the opportunity is now history.

But part of that history is also that the chairman of the Finance Committee and the members of the Finance Committee—I do not speak for all of them; I certainly speak for myself—realized this should be done. It is a correction that should be made. The sooner we do, the more we will be able to address other problems that remain because, as the chairman said, we have a series of measures here that ensure the viability of Medicare for 10 years. But we mean to be around more than 10 years, and we will have to address this subject also.

Finally, there are exceptional measures in this bill to make provision for teaching hospitals and medical schools. One of the unanticipated consequences, to use the chairman's phrase, the phrase of Robert K. Merton in 1935, I think, that the economic rationalization of health care has been that the teaching hospitals and medical schools, which necessarily must charge more for the care they provide because they are teaching and training and do research, find themselves in an exposed situation which we can take care of from the gains we acquire in the course of rationalization. But if we do not, we shall find that one of the unanticipated consequences is that we spoiled our medical schools at this moment in the great age of medical science. This bill precisely addresses the matter in ways I think are constructive. And we will look into the issue further in the commission which the chairman proposes.

It remains for me, sir, simply once again to congratulate our revered chairman. If you would so measure the quality of his achievement, observe the silent awe which is now observed in the Nation.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Texas.

Mr. GRAMM. Mr. President, I want to join our distinguished colleague from New York in commending the chairman of the Finance Committee.

The PRESIDING OFFICER. If the Senator would suspend.

The Chair would like to know who yields time to the Senator.

Mr. ROTH. I yield to the distinguished Senator 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. GRAMM. Mr. President, I want to join our colleague from New York in commending our chairman of the Finance Committee for his excellent work and leadership. I think it is a great testament to his leadership that we have before us a bill that will spend less money on Medicare than another bill we debated 2 years ago which was deemed to be a partisan effort which ruptured the bipartisan nature of our work on health care.

Today we have before us a bill that is superior in virtually every way to that bill. And this bill that is now before us passed the Finance Committee on a unanimous vote and was strongly supported and praised by every member of the Finance Committee.

I think it is a testament to the leadership and fairness of the chairman that we have achieved this goal. I can say, as a person who has watched now many chairmen work, both in the House and the Senate, I have never seen anybody be fairer to every single member of the committee from the most senior member to the most junior member than Senator ROTH was.

I think it is a lesson to all of us. That is, when you have heavy lifting to do, if you give people an opportunity to speak their mind, to have a fair hearing for their ideas, in the end they are a lot more willing to be part of that effort than if they feel you are trying to ram it down their throat or treat them unfairly. We have all heard, from our teenage years, if you want me with you on the landing, you need to have me there on the takeoff. But we often forget it in real life. And I think our chairman has reminded us of it again here.

We have before us a very thick bill which is the composite of all of the so-called reconciliation bills that are supposed to save money. I want to note that there is only one bill in here that saves any real money, and that is the bill that we are talking about today, the bill that came out of the Finance Committee.

Now, lest someone jump up and say the Commerce Committee saved money, what the Commerce Committee did was to sell spectrum, the right to broadcast. We had the Agriculture Committee that was actually ordered to spend $1.5 billion, and remarkably they had no trouble doing it. But the Finance Committee portion of the bill that is before us saves $100 billion with a ''b'' dollars. And it does it in some of the most sensitive programs of the Federal Government. I want to talk very briefly about some of these changes because they are important.

We are going to have a lot of debate here in the Senate tomorrow when we start shooting real bullets and start having amendments offered about Medicare. We are going to have questions about the need for long-term reform. I am proud to say that the bill before us is the most dramatic reform of Medicare in the history of the program, and, in fact, if you combine all of the other reforms in Medicare that we have adopted in the last 32 years into one package, it is relatively insignificant as compared to this bill.

I know there will be those who question the need for this dramatic reform, but I just want to remind my colleagues that over the next 10 years Medicare will be a $1.6 trillion drain on the Federal Treasury. If you take all the money we collect in payroll taxes and you compare that to how much money we are going to spend on Medicare over the next 10 years, we are going to fail to pay for the program by a cumulative total of $1.6 trillion.

We have an unfunded liability in Medicare under the best of circumstances. With all the right reforms, if they could be made and done immediately, we still have an unfunded liability bigger than the current inflation adjusted costs of winning World War II. We have promised Medicare to two succeeding generations and we have set no money aside to pay for those benefits. As the baby-boomer generation—79 million people strong—begins to go into retirement 11 years from now, we are going to go from 5.9 workers to 3.9 workers to 2.2 workers per retiree, and the impact of it is going to be cataclysmic on the Federal budget.

That is why this bill is so important because it takes the first step toward saving Medicare. I believe if we can save these reforms not just in the Senate but through the House and to the President with his signature, that every Member of the Congress will be able to say of this bill that they truly did something worthy of being remembered.

Now, let me outline some of the major components of the bill that I think are important. First of all, this bill gives our seniors who qualify for Medicare a broad range of choices. Today they have two choices. They can stay in the old fee-for-service Medicare policy or they can go into a massive all-encompassing HMO. What we do is fill in all the areas in between by giving our seniors the same kind of competitive choices that are available in private medicine today. I think this is a dramatic reform. I think it is a reform that is going to enhance the quality of health care. It is certainly going to expand freedom. Since we know competition has an impact on health care costs because the competition of the last 8 years in the private sector has driven the medical price index that measures inflation in medicine below the Consumer Price Index which measures the costs of all goods and services in the economy, we are confident that

expanded choice, expanded competition, and the efficiency that it will ultimately bring will benefit every Medicare beneficiary and will benefit the 110 million people that are paying Medicare taxes.

This is a very important reform. It is a reform that now, I think, we can be proud to say, is virtually noncontroversial.

One thing we have done in the bill which I say that had it been left up to me I would not have done is we have transferred home health care out of the trust fund into general revenue. Those who have wanted to be unkind have said it is a phony reform; not only are they unkind, they are correct. In fact, when we initially debated this so-called reform I said that you can buy 10 years of solvency in Medicare by taking the fastest growing item in Medicare out of the trust fund and putting it in general revenue and not counting it as part of Medicare anymore as part of the part A trust fund. If that is real reform, I can save Medicare for 100 years by simply taking hospital care out of the trust fund and putting it into general revenue and not counting it as part A Medicare, but would anybody believe that I had done anything when I did it?

So, one part of this bill which was dictated by the budget agreement is the transfer of home health care. But there are two things that we have done as part of this transfer which really represents an accounting gimmick, but two things we have done are real. No. 1, we are going to build over time 25 percent of the cost of home health care into the Medicare premium that people pay for part B services or physician services after retirement; and also for the first time in this bill we have a $5 copayment for home health care. Now I know that there will be an amendment offered and that people will scream and holler that this $5 copayment represents the end of the world. But I want to remind my colleagues that home health care now spends more money than the National Institutes of Health. It now spends more money than the space program. This is a massive uncontrolled program.

Some of you probably saw the big article in the Wall Street Journal about how people have gotten out of the garbage collection business and gone into home health care and become instant millionaires, how fraudulent much of this program is in terms of people who were providing services and overbilling and how the whole system is completely out of control. We are trying to begin to tighten up on that but there is nothing that will be better for tightening up on it than asking for a small nominal payment so that people will look at the cost, so that people will make rational choices. So it is a small copayment. But if we know anything about the world we live in, it is that small costs affect behavior on a substantial basis.

We have very important long-term reform in this bill. The reform has already been denounced by most of the major special interest groups in the country that tend to speak out on these issues, and I want to talk about the two long-term reforms. The first reform has to do with retirement age. I remind my colleagues that we changed the retirement age in 1983 for Social Security. I remind you of the circumstances. We were on the verge of having Social Security go bankrupt. We were down to the point where we could not have sent out the July checks. We had a commission that had not reached any kind of conclusion, and under the leadership of Ronald Reagan we were ultimately able to get a recommendation to make some changes. The only real substantive change that the commission made and Congress adopted was changing the retirement age. They set out to change the retirement age over a 35-year period where, as we recognize that people are living longer, as we are healthier, as we are working longer, that ultimately Social Security had to change.

People forget that when Social Security went into effect in 1935 the average American worker did not have a life expectancy that was high enough that they would ever receive any benefits from Social Security. It was the exceptional person who lived longer than normal who ever got a penny out of Social Security. Our lifetimes, thank God, have grown tremendously since 1935 due to improvements in public health, due to improvements in medical care, due to improvements in nutrition, and due to the improvements that would come as income has risen with our strong free-enterprise economy and we have all been able to do a better job taking care of ourself and our children.

But we raised the retirement age to 67 for Social Security—that will become effective in the year 2027—but we did not raise the eligibility date for Medicare. In this bill we make the conforming changes so that Social Security and Medicare will again be brought together. What it means is for people who were born in 1960 and who are, therefore, 37 years old today, they will know, with 30 years to plan for it, that they are not going to qualify for Social Security and for Medicare until they are 67. So they have 30 years to plan for that change. In my case, I was born in 1942. So I know that if this bill is adopted, along with the changes that have already been made in Social Security, that I will not be eligible to retire until I am 65 years and 10 months old. So I have 11 years to adjust to the fact that under this bill I am going to be required and can expect to work 10 months longer.

Now, we have a lot of people who are saying that this is unreasonable, outrageous, that the end of the world is going to come as a result of it, but this is the reality of the world we live in. We are healthier, we are working longer, and we are living longer. So if this program that we all depend on is going to be there to serve us, this is a change that needs to be made. I intend to defend it vigorously.

The second change that was made had to do with asking very high-income retirees to pay the full cost of the voluntary part of this program. Some people will recall that the part A of the trust fund, the hospital part, you pay for during your working life by paying 2.9 percent of your wages into a trust fund, and that pay is for part A. Actually it is a long way from paying for it but that is the system. The part A section of Medicare which pays for hospital care, you do not pay for while you are working, you pay 25 percent of the costs of the part B premium. When the program was started in 1965 it was going to be 50 percent of the costs.

What we do under this bill is ask our high-income seniors, who as individuals, make between $50,000 and $100,000 a year and as couples from $75,000 to $125,000, to phase up that part B premium from that 25 percent of the cost which is $526 a year to approximately $2,100 a year of costs, which is the full cost of that voluntary program.

Now, again, some people will say this is an outrage, but the plain truth is this is a voluntary program. It is still a better buy than anybody can get in the marketplace. Nobody paid for this program during their working life. It makes no sense for my son in the labor market and 21 years old to be paying taxes to subsidize voluntary insurance for a senior who is making $125,000 a year. It is just not right. This is a good Government program. I note that the savings from this higher part B premium for very high-income seniors and from the retirement age change, that the savings from those two programs we do not even count them in this bill. They are not counted for budget purposes. We are not using them to balance the budget. We are not using them to fund tax cuts. We are simply doing them and dedicating all the savings to the Medicare trust fund to keep the system solvent. No one has ever done anything like this before in the name of trying to save Medicare.

Finally, we did have a provision that would have used the higher costs for very high-income seniors as a deductible instead of as a payment. We have had so many questions raised about it that I have decided, along with others, to go ahead and simply charge the premium and then do a study and a test of using the deductible instead of the premium. I will submit for the RECORD two letters, one from the American Enterprise Institute and one from the Heritage Foundation, explaining why doing it where we would raise the deductible instead of the premium would be better and would save more money and would improve the efficiency of the system. The logic which seems to escape many people is that if I am a high-income retiree and I pay $1,577 more for an insurance policy, once I paid that, then the cost of medical care that I would then buy with that policy is totally unchanged.

So all the Government did that helped Medicare was it got $1,577 out of my pocket and put it into the trust fund to help keep the program alive—good work, important work, but by doing it as a deductible, which I hope some day we can do when people understand it, you are going to get high income seniors who will be more cost conscious because they will be paying the first $2,100 as a deductible, and so they will actually be consuming medical care more efficiently, getting out their bills and reading them, and reporting when somebody over charges them. They will actually be shopping around for the best buy. That is what we want people to do. But this whole idea is so important, I don't want a new idea to threaten it.

So I will submit these two letters for the RECORD. I ask unanimous consent that they be printed in the RECORD.

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

THE HERITAGE FOUNDATION,
June 20, 1997.

Hon. PHIL GRAMM,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR GRAMM: I was delighted to hear that your amendment concerning the Medicare Part B deductible was added to the Finance Committee bill.

We have long argued, as you have, that raising the Part B deductible for upper-income Americans is wise policy. Moreover, given the choice between raising the deductible and raising premiums, increasing the deductible makes far more sense. While raising the premium for upper-income retirees, like raising the deductible, would reduce the taxpayer-financed subsidy now going to people who do not need it, raising the deductible would have the added advantage of also significantly changing patient incentives. That would lay the groundwork for long term structural reform of Medicare.

I should add that the criticisms leveled at your amendment are quite remarkable. At a time when Medicare is increasingly incapable of promising continued service to lower-income retirees, it seems incredible that some liberal members and organizations are defending a huge subsidy to the rich. And it is almost amusing to hear the claim that the amendment is unworkable. We have been means-testing programs for the poor for many years, but now we are told that designing an income-adjusted Medicare deductible for the rich is beyond the capability of the human mind.

Keep up the good work, Senator!

Sincerely,

STUART BUTLER, Ph.D.,
Vice President, Director of
Domestic and Economic Policy Studies.

AMERICAN ENTERPRISE INSTITUTE
FOR PUBLIC POLICY RESEARCH,
Washington, DC, June 20, 1997.

Hon. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: I would like to congratulate the Senate Finance Committee on its recent action to introduce income-related deductibles into the Medicare program. In my personal view, this proposed change is long overdue for the following reasons:

The original Part B deductible was $50. After over 30 years, it has only been allowed to increase to $100. If it had been indexed to per capita health care costs, it would today be about $1,200.

75 percent of Part B is now financed from general revenues. This means that each Medicare recipient receives a subsidy from other taxpayers of about $1,700 per year. It is highly appropriate that higher income Medicare recipients pay a higher portion of the cost of their insurance coverage.

The long-term reform of Medicare is not just a matter of raising more revenue from payroll taxes or premiums. It will require reforms that give recipients incentives to seek more cost-effective providers when they need care and to avoid using medical care unless it is actually needed. Higher deductibles are a useful first step on the long road to reform since they will give those with the greatest ability to pay an incentive to use medical care more carefully. You will not get these behavioral effects from higher premiums.

Since Medigap policies impose extra costs of approximately $1,000 per beneficiary on the Medicare program and reduce the behavioral effects of deductibles and co-payments, I urge the Congress to investigate and eventually pass reforms affecting the Medigap insurance market.

The views expressed here are my own and do not necessarily reflect the views of the American Enterprise Institute or any of my colleagues.

Sincerely yours,

ROBERT B. HELMS,
Resident Scholar,
Director of Health Policy Studies.

Mr. GRAMM. Madam President, I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Madam President, I ask unanimous consent that I be allowed to yield 20 minutes from the majority time for purposes of making remarks.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

COMMUNIST CHINA: AMERICA'S MOST FAVORED NATION

Mr. ASHCROFT. Madam President, freedom is, and always has been, the great moving force of American history. It was freedom that inspired patriots to give their lives at Concord and Lexington. Freedom that compelled American Rangers to scale the cliffs at Normandy. And freedom that filled Ronald Reagan's heart in Berlin as he exhorted Mr. Gorbachev to ''tear down this wall.''

Freedom. The essential ingredient of what Reagan called ''the American purpose.'' At our highest and best, we Americans are believers in the ''blessings of liberty,'' the idea that ''all men are endowed by their Creator with certain unalienable rights.'' And these rights are not America's alone, but extend to all those who would seek to know freedom's warm embrace.

So today, from Stettin in the Baltic to Trieste on the Adriatic, the Iron Curtain has lifted, and a wave of democracy has descended on the globe. The ''simple, vivid, peaceable world'' of which John Cheever wrote is more a reality today than at any time in our history.

But evil knows no resting place. The cold war is over. And still how many have yet to taste the fruit of freedom? For there is a regime in the world today that runs against the tide of history; that denies liberty and human dignity to its people; a regime whose brutal repression at home betrays its intentions abroad; a regime that aspires to superpower status.

I am speaking of Communist China. And I rise today to say, ''No more.'' No more should we watch as China uses its illegitimate gains to purchase military hardware and weapons of mass destruction. No more should we ignore Beijing's mercantilist trade policies that block U.S. products and destroy American jobs. No more should we accept a playing field for our products that is not level. No more, Mr. President. No more unconditional most-favored-nation status for Communist China.

My decision to oppose most-favored-nation status was not an easy one. It was reached after countless meetings with foreign policy experts, economists, and the CEO's of major corporations. To the businessmen whose passion for the status quo was surprising, I posed many questions.

Has China embraced the rule of law, put their regulations and laws in writing, stopped subjecting them to differential application? No. Are her people more free? Well, not really. Is America more secure with China selling weaponry to rogue nations and extending its own influence far beyond appropriate levels into the South China Sea? Tragically, those I questioned could only plead for more time. But time alone cannot heal these wounds. We must say: No more.

The truth is, America has dedicated over two decades to the policies of engagement, and the results have been far from compelling or convincing. Less than 2 percent of United States exports went to China last year. America sold more goods and services individually to Belgium, Brazil, and Singapore than to the People's Republic of China. Meanwhile, the United States took more than 30 percent of China's exports creating a $39.5 billion merchandise trade deficit. This represents a threefold increase since 1990. A 200-percent increase in just 6 years!

On Friday, more bad news. The Commerce Department reported that our trade gap is widening—fully 41 percent higher in the first 4 months of this year than in 1996. This led the Wall Street Journal to speculate that China will soon have the largest deficit of any United States trading partner, surpassing even Japan.

If our growing trade deficit has been the source of great attention, the causal factors behind the inequity have gone all but ignored. At their core, they are twofold. The first element is the anti-American, predatory trade practices of the Chinese Government. The second is a United States-China policy that has been an abject failure,

a case study in what not to do. A United States policy that has, in truth and reality, made Communist China America's most favored nation.

American access to the other Asian market is growing every day. The Mongolian Government has aggressively sought United States investment, and soon will allow foreign ''stakes in infrastructure'' and the purchase of ''shares in privatized companies.'' In Taiwan, AT&T and GTE have won stakes in cellular telephone licenses that will allow both to provide telecommunications services to the Taiwanese.

China is the exception, erecting barriers to entry surpassed only by the Great Wall itself. This begs the question: if United States products are good enough for Mongolia, Taiwan, and the other Asian democracies, developing and developed, why are they not good enough for Communist China? And when will we have the courage to say, ''No more''?

Consider China's treatment of information technologies. The United States tariff on cellular phones from China is 1.6 percent. China's tariff? Seven times as high. Chinese telephone answering machines: 1.6 percent. The tariff on United States firms? A whopping 50 percent, over 25 times as high. Chinese-made computers: 2.7 percent. The import tax on Silicon Valley? Almost six times as high. And the list goes on and on and on.

In March, 39 countries, including Taiwan, Singapore, Malaysia, and South Korea, signed the Information Technology Agreement which will phase out all tariffs on such products as semiconductors, computer hardware, and electronic components by century end. China's concession was nowhere to be found. And yet, we rewarded China's belligerence by providing the same access to our market as we do to those Asian countries that have agreed to welcome our goods.

Now the administration and the ivory tower academicians like to whine about how misleading the ''most-favored-nation'' designation is. ''If we could only change the name,'' they wail, ''our China troubles would be over.'' But if ever there were a country that deserved the label ''most favored nation,'' it is Communist China. It is time for America to say, ''No more.''

Unfortunately, rather than sound a clarion trumpet for American goods, the administration has hoisted the flag of defeat. Today, the United States allows China to slap punitively high tariffs on our goods while other countries are trying to treat us equitably. Australia, for instance, has tariffs on United States goods that are roughly equal to America's 4-percent rate. And yet, Australia's access to the United States market is no better than China's.

In fact, the People's Republic of China is deriving more benefits from United States trade than even our closest trading partners. Mexico places tariff rates on American goods that are only 2 percent higher than comparable United States rates. China's tariffs, however, are 19 percent higher. But again, Mexico and China enjoy virtually identical access to the United States market. We are literally inviting China to be involved in our market while China is slamming the door in the face of American business. China is truly ''America's most-favored-nation.''

This stems at least in part from the willingness of the United States to trade with China under a bilateral agreement that was signed in 1979—a time when Jimmy Carter still called the White House home. The agreement predates the commercial availability of information technologies such as cellular phones and portable computers.

Madam President, this bilateral agreement is the first of a two-tier test that all nonmarket economies must meet if they are to be extended most-favored-nation status. The second deals with the emigration provisions of the Jackson-Vanik amendment. There are currently 15 nonmarket economies, including China, that have technically complied with this two-tier test in order to get MFN status.

All of the other 14 designees, however, have bilateral agreements that were developed in the 1990's. In fact, every United States trading partner save China has trade agreements that were negotiated in the last 7 years.

Only China operates with a favorable status of not having to comply with a modern bilateral agreement. Only China enjoys this most favored among most-favored-nations position. It is this decades-old agreement that is failing to safeguard our capacity to deal on a level playing field with the Chinese. It is this agreement that is failing to allow for free and unfettered trade.

Last Wednesday, Madam President, I asked Undersecretary of State for Economic, Business, and Agricultural Affairs, Stuart Eizenstat, to tell me why the administration has failed to hold the Chinese to the same standards as other most-favored-nation designees by requiring a modern bilateral trade agreement. ''This is,'' Eizenstat said, ''one of the things we are now negotiating.''

Madam President, ''now negotiating?'' A bilateral trade agreement is a precursor to the extension of MFN. It was one of the basis upon which MFN is extended. It is a core requirement. Why is Congress being asked to renew most-favored-nation status before a modern bilateral trade agreement is in place? Why in the world is Congress being pushed to embrace an agreement that disadvantages U.S. products and ensures a trade imbalance into the foreseeable future? China's preferential status coupled with her discriminatory conduct has improperly made the PRC a nation favored above all others, the most-favored among most-favored nations.

Perhaps China's past and current transgressions could be overlooked if Beijing's ambitions were more humane. Instead, the hard currency created by China's trade surplus is being used to pursue a massive military modernization program, nothing less than a blue-water navy, long-range aircraft, and precision-guided munitions and missiles. The Russians alone have sold billions of dollars of military technology to the Chinese. And, as Prof. Arthur Waldron notes, this includes ''cruise missiles capable of defeating the anti-missile defenses of the U.S. Navy.''

These force-projection technologies are not about ''providing for the common defense.'' They are about providing an uncommon capacity to project power—power all across Asia. They will threaten not just the Asian democracies, but also the sailors of the 7th Fleet who call the waters of the South China Sea home.

I intend to address the emerging threat posed by Beijing's military build-up in the days and weeks ahead. I also plan to speak about an administration policy that fails to defend what Thomas Paine called the rights of man, all but ignoring Beijing's cruel campaign of persecution and repression aimed at crushing internal dissent.

We will never tame the Chinese dragon—no more than we subdued the Soviet bear—with the policies of appeasement. The way to bring China into the community of nations is to talk truthfully and forcefully about the evils found there; challenge China to open her doors to the commerce of the Western world; and maintain an American military superiority that makes peace not only possible but probable.

And to those who say this debate cannot be won, that the forces amassed against us are too great, I take issue. ''Any spot is tenable,'' said John Kennedy, ''if men—brave men—will make it so.'' It is time to turn retreat to advance; to fight for a new China policy steeped in the principles of our old American Republic. Because truly free trade can only exist between free peoples. And the Chinese who watched treachery take hold in Tiananmen Square are most certainly not free. It is time for America to say, ''No more.''

In 1946, Winston Churchill came to America to warn of the Soviet subjugation of Eastern Europe. At the request of President Truman, he chose small Westminster College in Fulton, MO as the site where Britain would pass the baton of Western leadership to ''the American democracy.''

In this most Churchillian of Churchill speeches—made famous by its ''iron curtain'' coinage—he called America to her highest and best in defense of freedom and the rights of man. And if I might beg the Chair's indulgence, I would like to read a portion of the words he offered that warm and windy Tuesday a half century ago in Fulton, MO, my home State.

Winston Churchill challenged the United States:

''The United States,'' said Churchill, ''stands at this time at the pinnacle of

world power. It is a solemn moment for the American democracy. For with this primacy in power is joined an awe-inspiring accountability to the future. As you look around you, you must feel not only the sense of duty done, but also you must feel anxiety lest you fall below the level of achievement. Opportunity is here now, clear and shining * * * To reject it or ignore it or fritter it away will bring us all the long reproaches of the aftertime.''

Madam President, Churchill's words are America's words. For ours is a passionate belief in human possibility, an abiding devotion to freedom. ''Opportunity is here now, clear and shining.'' Let us not trade liberty for the false idol of foreign commerce. Let us not allow freedom's song to die on our lips. ''For all sad words of tongue and pen, the saddest are these: 'It might have been.' ''

I yield the floor.

BALANCED BUDGET ACT OF 1997

The Senate continued with the consideration of the bill.

Mr. DOMENICI. Madam President, parliamentary inquiry: How much time has been used by each side?

The PRESIDING OFFICER. The Senator from New Mexico has 7 hours and 19 minutes left on his side, and the Senator from New Jersey has 9 hours and 14 minutes remaining.

Mr. DOMENICI. I suggest the absence of a quorum and ask that it be charged equally to both sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. Madam President, do I understand that under the procedure now in effect we can lay down amendments this afternoon? Is that the case?

The PRESIDING OFFICER. There is a pending amendment that would have to be laid aside.

Mr. HARKIN. And that would have to be done by unanimous consent, right?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Madam President, I have an amendment. I know the Senator from Arkansas wants to speak, and I will be as brief as I can.

Mr. LAUTENBERG. Will the Senator yield?

Mr. HARKIN. I would like to speak very briefly and lay down the amendment.

Mr. LAUTENBERG. Will the Senator yield for just a moment?

Mr. HARKIN. Yes.

Mr. LAUTENBERG. In this case I think there is a question about whether the Senator from Arkansas had a commitment to speak at this time.

I would ask the Senator from Arkansas how much time he needed.

Mr. HUTCHINSON. I intend to speak about 15 minutes.

Mr. LAUTENBERG. About 15 minutes. Apparently the Senator from Iowa would be all right if the Senator from Arkansas—it had been apparently agreed to before he came.

Mr. HARKIN. I didn't know such an agreement was in effect. That would be fine.

Mr. LAUTENBERG. I apologize to the Senator from Arkansas for messing things up.

Mr. HARKIN. Mr. President, since I still have the floor, if I might, this Senator was unaware that a previous agreement had been made by the Senator from Arkansas for this time slot. What I would ask is that when the Senator from Arkansas finishes, then I would be recognized to make my statement.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered. The Senator from Arkansas.

Mr. LAUTENBERG. Mr. President, I understand that the time is going to be yielded by that side of the aisle and should be appropriately recorded.

The PRESIDING OFFICER. The Senator from New Jersey is correct.

Mr. LAUTENBERG. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I express my gratitude to the Senator from Iowa for being so understanding, allowing me to proceed. I would like for it to be clear that my 15 minutes would come from the majority's time.

MOST-FAVORED-NATION TRADE STATUS FOR CHINA

Mr. HUTCHINSON. Mr. President, the House of Representatives votes tomorrow on whether or not to extend most-favored-nation trade status to China. In a more desirable world, revoking China's MFN status might be less advisable than handling national security and human rights as well as economic issues in more traditional ways. Unfortunately, the experience of the last 3 or 4 years, in fact experience going back much farther than that, has demonstrated that the administration's policy of constructive engagement has failed. The constructive engagement policy has in fact degenerated. We have seen conditions in China worsened annually.

The logic behind constructive engagement is, indeed, appealing. It goes something like this. If we will expand trade with China, the result will inevitably be political liberalization and ultimately an improvement in the conditions of the Chinese people, there will be an expansion of human rights opportunities, there will be less repression, there will be less religious persecution, there will be a warmer and more cordial relationship between China and the United States.

When I was first confronted with the issue of MFN upon my election to Congress in 1993, I was almost persuaded by that logic. In fact, I wanted to be persuaded by that logic, and I was looking for any indication that the policy of constructive engagement was, in fact, having the desired results and that, in fact, conditions were improving, treatment of the Chinese people had improved, there was less repression, and that trade, expanded trade, was in fact having that kind of result. Had there been any sign in the last 4 years that this policy of constructive engagement was having the intended result, I would be voting for MFN this year. Were I given the opportunity, I would be supporting most-favored-nation trade status for China.

But the facts are very clear and the State Department's own report makes it abundantly clear that conditions have deteriorated, that the policy of linkage has not had the result that we all wanted it to have. So it is argued that economic freedom frequently leads to political freedom, and in fact it does frequently lead to political freedom. There are examples in which that has happened. But in China's case, market economics has become nothing but an utilitarian exercise to ensure the continuation of a totalitarian regime. They have seen if they keep the iron grip upon the Chinese people, that a market economy will help them accomplish that; that expanded trade, higher incomes, economic opportunities for Chinese people—that makes it easier for them to maintain an absolute repression of any kind of free expression within China.

Proponents of MFN say we all have the same goal, expanded human rights, we just have a different approach on how we best attain that. Russia is often pointed to, the old Soviet Union, where there was a little hole in the dike called perestroika and from that little hole in the dike the floodgates opened and freedom could not be contained. But in China, perhaps they learned the lesson from the Russian experiment or from the Soviet Union's experience, for in China there has been no perestroika; there has been only repression.

There are, I believe, many flaws in the policy of constructive engagement. First and foremost, it has simply not improved the status of the Chinese people; it has worsened it. The administration's decision not to consider human rights abuses when granting MFN status has proven disastrous for the people of China. As they have been removed from the threat of any repercussions in the trade relationship with the United States, the Chinese Communist leaders have succeeded in jailing or executing every last dissident in a country of over 1 billion people, according to the State Department's own 1996 China report. As we have turned a blind eye, the atrocities have escalated and the oppressive government has strengthened its hold on a full one-fifth of the world's population. The constructive engagement policy has produced more persecutions of Christians,

more forced abortions, more sterilizations of the mentally handicapped, more incarcerations of political dissidents, and the near extinction of the expression of any opinions contrary to those of the Communist regime.

I have on this chart, I think, a very clear illustration of the failure of the constructive engagement policy. On the left of this chart we see a dramatic increase of trade with China, a less dramatic increase of imports from the United States, and a very dramatic increase in exports. We see, in a very graphic manner, while trade has increased from 1987 to 1996, we have also seen that human rights abuses in China have increased almost in a parallel manner. Homeless children—in 1993 over 600,000, in 1997 almost three times as many homeless children, homeless children being the result of those who are incarcerated and those who are executed. Religious persecution in China—in 1993, 2.4 million believers, those people of faith persecuted. In 1997, 4 years later, under the policy of constructive engagement, 4.5 million, almost doubling.

So, while trade increased—the logic of constructive engagement would say trade increasing, more trade opportunities will mean greater human rights and fewer abuses in China. Just the opposite has occurred.

Reeducation camps—in 1993, 200,000 were in these forced reeducation labor camps; in 1997, over 5 million have been detained, according to Amnesty International and according to the Congressional Research Service. I believe this in fact demonstrates that constructive engagement has been very destructive.

Second, this delinkage has also resulted in a loss of leverage with the Chinese Government. I want to pause to read from an editorial that appeared in my hometown paper today, the Arkansas Democrat Gazette. It says:

> But they may not realize that a carrot-and-stick approach isn't likely to be effective if the carrot is always offered and the stick is always withheld.

That has been the result of this delinkage policy. They would say, and they do say: Your words are empty because there is nothing to back them up. Delinkage has not worked because, in effect, there has been no stick. So, is it any wonder that, in effect, we hear the Chinese Government say we don't care what you say because in the end we get what we want and we can continue to do what we please? Mr. President, that delinkage has resulted in a loss of leverage is clearly evident in that State Department report of 1996, in which they said, ''No dissidents were known to be active at the year's end.''

When most-favored-nation status reaches the point that it is no longer conditioned, then it becomes absolutely meaningless. When we look at China and our own State Department says by every measure conditions are worse, yet we say we are still going to extend most-favored-nation trade status, then that annual exercise becomes nothing more than an annual joke that we play in Congress, where we go through the process, we go through the debate, all the time knowing most-favored-nation trade status will be extended, MFN will be extended regardless of what conditions may have occurred within China.

In a flagrant act of intimidation, China effectively blockaded Taiwan during a missile testing exercise off its coast in March of 1996. Many examples could be given of where the Chinese Government acts with impunity toward our Nation because our policy has been one of coddling.

Third, constructive engagement supposes a true free enterprise system in China and that system just does not exist. The logic behind constructive engagement is flawed because it assumes that in fact they have a free enterprise system. They do not have that. They have protectionist trade policies, they have an enormous trade deficit with the United States, and the People's Liberation Army controls many of the industries in China. So the assumption is wrong and the policy is flawed.

Fourth, constructive engagement supposes a fair trade relationship that does not exist. How can you have a fair trade relationship when there are 5 million people in slave labor camps? Forced reeducation camps, the old gulag in the Soviet Union, the concentration camps, that's what they are, with prison industries. Though it is against the law, there is no way that we can totally detect what products are made in prison factories and what products are not. So there is no fair trade relationship with China.

Then, fifth, constructive engagement ignores the military buildup in China. If you reject everything else, the fact is we have a compelling national security interest as we see China's defense budget growing. United States Ambassador to China James Sasser recently stated that fact. The Chinese themselves have announced an increase in that budget, which will bring total defense outlays to $10 billion and many believe it is closer to $40 billion. So I say, as you look at China's military buildup, their willingness to export weapon components, chemical weapon components, selling those weapon components to Iran, nuclear weapon technology to Pakistan, advanced jet aircraft to Russia and on and on, it is clear that our national security interest would say we ought not extend again most-favored-nation status to China.

Sixth, constructive engagement is flawed because it assumes that gentle treatment will elicit good behavior while firmness will result in escalating tensions. Let me say that again. The assumption is that if we will give to China gentle treatment, it will elicit good behavior, but that if we dare to take a firm stand, it will escalate tensions. In an earlier day that philosophy was called appeasement, and it has never worked. It did not work in the days of Chamberlain, and it will not work in our day. There is no greater example of it, perhaps, or image of it, at least, than when Vice President GORE toasted Premier Li Peng.

Arthur Waldron wrote in his essay ''How Not to Deal with China,'' he said:

> China is involved in disputes around the full circumference of its border, disputes which, like burners on a stove, Beijing may turn up or down, but never turns off.

So they toy as we grant MFN. The logic behind this policy is flawed. I believe it deserves a vote of no confidence. I hope the Senate will have the opportunity to cast that vote. China has created a dichotomy. They say, on the one hand, give us trade. They say give us sales. They say give us dollars. And on the other hand, they practice political repression, slave labor, forced abortion and religious persecution. Between those two statements there is the great wall of China: Yes, market economy, free trade, but political repression and slave labor. To the extent that free markets lead to free minds, China, in recognizing that, built a wall between. And, as we continue to grant most-favored-nation status, we allow that wall to exist.

Mr. President, 2 years ago, I was present, as many of my colleagues were, at the dedication of the Korean War Veterans Memorial, the latest war memorial on the Mall in Washington, DC. At the edge of the memorial is a low wall upon which is inscribed this reminder, I think a good reminder for all Senators, a good reminder for all our colleagues in the House of Representatives on this eve of the MFN vote. On that memorial is inscribed these words: ''Freedom is not free.''

To those who would say that profits are the ultimate arbiter of American policy, I say it is time that, once again, values and principles be the determinant of what our national policy is and what our trade policy should be. Freedom is not free.

Thank you, Mr. President. I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa is to be recognized.

BALANCED BUDGET ACT OF 1997

The Senate continued with the consideration of the bill.

Mr. HARKIN. Mr. President, who yields me time?

Mr. President, I ask unanimous consent that my time be taken off the minority's time on the bill.

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

Mr. HARKIN. Mr. President, for many years, I have been working hard to identify and combat fraud, waste, and abuse in the Medicare Program. Starting in 1990, when I took over as chairman of the appropriations subcommittee that funds and has jurisdiction over the administrative funding of Medicare, I began holding hearings, and I held several hearings through

those years, released report after report, documenting the unnecessary losses to the Medicare Program. These losses are truly staggering. I have taken the floor many times over the last several years to document this for other Senators. The General Accounting Office estimates that up to 10 percent of Medicare payments could be lost to fraud, waste, and abuse. That adds up to about $18 billion a year.

The HHS inspector general just concluded a comprehensive audit of Medicare claims paid last year. It is the most comprehensive review of claims ever made. They found that up to $23 billion of those payments, or about 14 percent, should not have been paid. This is last year, 1 year. The HHS inspector general said that up to $23 billion should not have been paid. So the problem may even be worse than we originally thought.

There are many components to this problem. Mr. President, if you can dream up a scam or a ripoff, it has probably already been tried in Medicare. We have uncovered losses due to out-and-out fraud—billing for services that weren't administered, providers paying and receiving kickbacks, double billing. We now even have evidence that organized crime has entered the Medicare fraud business. Clearly, there is a lot of criminal activity that is going on out there which is costing us billions of dollars each year.

However, we found, with help from the GAO and inspector general, that even greater losses are due to waste and abuse. That's right, waste and abuse is even bigger than fraud in the Medicare Program, and those losses are often directly due to or encouraged by wasteful Medicare payment policies and practices.

At long last, it appears that the bill before us will address some of the most glaring problems. It would make changes that I have been advocating since the beginning of this decade, changes, I might add, that this body has previously defeated. I have offered amendments on the floor in the past to provide for competitive bidding for Medicare, just like the Veterans Administration has, and I was not successful.

So now with the competitive bidding, plus a streamlining of Medicare's authority to pare back excessive payment rates, these two steps can cut waste and save taxpayers billions of dollars. I commend Senator GRAHAM of Florida for offering the amendment in committee on competitive bidding. He had cosponsored my proposals in the past. Senator GRAHAM has done us all a great service for his action, and I commend the full committee for adopting it and having it in the bill before us.

The need for these reforms could not be clearer. Let me just give you an idea of what I am talking about. Last year, I released a report prepared by my staff on waste in Medicare payments for medical supplies. Remember the $500 toilet seats from the Pentagon of a decade or two decades ago? The good news is, the Pentagon isn't buying them anymore. The bad news is, Medicare is.

Our analysis of Medicare payments for a sample of medical supplies and equipment from saline solution to hospital beds reveals that Medicare is paying up to six times more for these items than other Government or private-sector entities. For just 18 items reviewed, Medicare could save over 50 percent, or up to $236 million this year. Let me repeat that. We reviewed 18 items—just 18—out of the tens of thousands that Medicare pays for. In just those, we could save $236 million this year if we paid the same rates in Medicare as we paid in the Veterans' Administration. Same item.

If Medicare were just to pay wholesale rates offered to others around the country, it could save $218 million this year. In fact, it was so bad, we found that if Medicare just went down to the local drugstore and paid retail rates, it could save $371 million over the next 7 years; $371 million over 7 years if they just paid retail rates for the 18 items that we looked at.

For example, we found that Medicare pays up to $182.80 to rent an air mattress, more than six times the wholesale price of $29.95, three times the price of $53.88.

Medicare is paying $99.35 for a simple commode chair that the VA is able to buy for $24.12.

Medicare is paying $7.90 for a bottle of sterile saline solution; the VA buys it for $2.38.

I have a chart here which just shows some of these items and the potential savings. Here is an irrigation syringe which Medicare is paying $2.93 for; the VA is paying $1.89.

Here is a walker. This is one of those plain walkers that elderly people use. It has four legs on it. Medicare is paying $75.52 for them; the Veterans' Administration is paying $25.40 for the same one, the exact same walker made by the same company.

A commode chair. You know what a commode chair is; if you can't get to the bathroom, you have it by your bed. Medicare is paying $99.35 for it; the same commode chair, identical, the Veterans' Administration is paying $24.12 for it.

Here is the sterile saline solution I talked about. Medicare is paying $7.90 for it; the same item, the Veterans Administration is paying $2.38 for it.

Why? Why would the Veterans' Administration pay $25.40 for a walker that Medicare is paying $75 for? Same item, same town. Why? Because the Veterans' Administration is engaging in good old-fashioned competitive bidding. If you want to sell it, put out a bid for what you are selling it for, we will take the lowest bid. That is why Medicare pays bloated prices based on historical charges and the VA, which has much less purchasing power than Medicare, puts it out for both quality and cost control. So the Veterans' Administration is able to save money, because they use competitive bidding to assure it is getting the best rate possible.

Right now, under law, Medicare is prohibited—prohibited—from using this measure. Medicare is prohibited from engaging in competitive bidding. But the bill before us now gives them that much-needed authority. It doesn't mandate it. I think we ought to mandate it, but the bill at least gives HCFA the authority to engage in competitive bidding.

In the hearings that I have held in the past, Mr. Vladeck, the Administrator of HCFA, has testified that if given the authority, they would use it. So I think this will be sufficient and will get the Health Care Financing Administration to start engaging in competitive bidding.

Another important reform that is in this bill is the streamlining of Medicare's authority to reduce grossly excessive payment for items it purchases. It is called the inherent reasonableness authority. Under current law, the authority is tortuous to complete. As a result, it has only been used once.

Three years ago, we found that Medicare was paying up to $211 for a home diabetes monitor. At that time, I sent a staff person of mine out to the local K-mart and bought the same item for $49.99 that Medicare was paying $211 for.

After several hearings, we got Medicare to begin the process of using their authority, the authority that they call inherent reasonableness authority. We got them to use that to reduce this gross overpayment for these blood glucose monitors. It took them 2 full years to go through all of the hurdles set up in the law. They finally reduced the payment to around $50, and that alone is saving taxpayers $25 million over 5 years. But it took 2 years just to get that done. That delay cost taxpayers $10 million.

The bill before us includes a streamlining of this process that I have been suggesting for years. It would allow Medicare to respond quickly when it finds that it is paying prices that are out of line with what everyone else pays. So I am pleased that this finally is before this body, and I hope it is agreed to.

Mr. President, I have an amendment that I will be asking to send to the desk, after I give a brief explanation. They are changes that will help to reduce the massive losses due to waste, fraud, and abuse. All of these are based on reports and recommendations by the General Accounting Office and the inspector general of Health and Human Services. I don't believe it will be controversial to anyone, and I hope it will be accepted by the managers of the bill.

First of all, Mr. President, the first part of the amendment has to do with improving information to beneficiaries. Under current law, beneficiaries are sent a statement, an explanation of charges and payments. They are brief

summaries of the actual bills and payments. There are several shortcomings of these current statements that are sent to beneficiaries. The first thing that you will notice, if you look at a statement, it says in big bold letters: ''This is not a bill.''

So you are an elderly person, you get this, it says, ''This is not a bill.'' Hey, I get a lot of things in the mail that is not a bill. I'm not going to worry about it. So many beneficiaries don't take the time to examine them for the mistakes. In addition, the statements do not provide the number of the toll-free hot line operated by the Medicare contractor to receive reports of errors or fraud or abuse. Finally, there is no requirement that beneficiaries can get copies of complete itemized bills submitted by providers.

So what my amendment does is it requires that each explanation of benefits sent to beneficiaries, including the statement, because billing errors do occur and there is significant waste, fraud, and abuse, that the beneficiary should carefully review the statement for errors or other questionable billings and report those to Medicare.

It also requires that the statement include the toll-free hotline number to report the suspected problems. These toll-free lines already exist. I am not setting anything up that does not exist. They already exist, but many seniors do not know about it. All I am saying is, the phone number ought to be put on the statement of benefits.

My amendment provides that a beneficiary may, if they request, be provided an itemized bill within 30 days of their request when the beneficiary suspects irregularities from having read the summary provided to them.

My amendment also requires that any specific allegations of errors or other problems made by beneficiaries based on a review of the itemized bill be reviewed and any appropriate recoveries made for the trust fund.

Second, Mr. President, Medicare payments are supposed to be limited to those that are reasonable, necessary, and related to patient care. That is the law, and those are the regulations. However, while most other Federal agencies specifically prohibit indirect cost allowances for gifts, entertainment expenses, education costs for spouses and dependents, Medicare does not prohibit this.

In addition, Medicare does not explicitly prohibit indirect cost reimbursement for fines and other penalties imposed by Federal, State, or local governments on health care providers. As such, providers can escape a fine by simply charging them back to Medicare. Well, as documented by the General Accounting Office and the Office of Inspector General, this lack of clarity in Medicare policy invites confusion and abuse.

For example, a report by the Office of Inspector General found that Medicare had been billed for a portion of the cost of a sailing regatta for hospital employees, reimbursement for ballet tickets, reimbursement for Tiffany crystal pitchers, reimbursement even for a trip to Italy to inspect a piece of art for an executive office.

This amendment explicitly prohibits Medicare reimbursement for indirect costs related to entertainment, gifts, donations, personal use of motor vehicles, costs for fines and penalties, and tuition for spouses or dependents of health care providers. In other words, it brings it into line with other Federal law.

The next part of my amendment goes to the losses due to frequently abused items. Currently under the law, the Secretary may—may; does not say ''shall''—may make a list of medical supply and equipment items that she finds to be frequently subject to unnecessary utilization. In other words, you see something popping up all the time, it keeps being utilized, well, the Secretary may develop a list of suppliers found to have business practices that result in a pattern of utilization.

So the Secretary's power is she may. The Secretary has failed to use this authority, thereby missing potential for significant savings. I do not mean to point at this Secretary. The Secretary before this one did not use it either. And therein lies the problem.

My amendment simply changes the word ''may'' to ''shall'' and requires the Secretary to develop the list of overutilized medical supply items and questionable suppliers.

Lastly, in OBRA 1993, it provided for certain medical supplies, including surgical dressings, to be reimbursed based on a fee schedule. As a result, providers must submit to fiscal intermediaries claims that itemize the specific supplies and quantities billed. However, this provision does not apply to items billed by home health care agencies. So since 1993, for certain medical supplies, like surgical dressings, reimbursed on a fee schedule, it does not apply to home health agencies.

Now, in addition, current law prohibits the Secretary—prohibits the Secretary—from using her inherent reasonableness authority to reduce grossly excessive payment rates for surgical dressings. Why that was left out we do not know, but it was left out.

The General Accounting Office has documented that these two exceptions to Medicare law result in considerable unnecessary losses. They found, for example, that items as diverse as pacemakers were being billed as medical supplies, and those claims were paid because Medicare does not know what specific items they are being billed for.

In addition, the GAO found that payments for surgical dressings could be reduced by half if more reasonable prices were paid. For example, they found that Medicare pays $2.32 for a gauze pad whose wholesale price is 19 cents and that another Government agency buys for 4 cents, in this case the Veterans' Administration. Again, Medicare is paying $2.32 for a gauze pad; the VA is paying 4 cents for the same one.

My amendment would say the home health agencies would be required to submit to fiscal intermediaries claims that itemize the specific supplies and the quantities billed for surgical dressings. All other providers are currently required to do the same, but not home health agencies. Mine would just bring the home health agencies in under this umbrella.

Finally, the loophole that for some reason is there that excludes surgical dressings from the Secretary's inherent reasonableness authority would be closed. She would have that authority to pay on a reasonable basis, to get that down to the same level that the Veterans' Administration is paying.

Mr. President, I am going to be asking unanimous consent to set aside the pending amendment and lay down my amendment. We are now discussing it with the Finance Committee. I am hopeful it can be cleared without the need for a vote in the next day or two.

AMENDMENT NO. 428

(Purpose: To reduce health care fraud, waste, and abuse)

Mr. HARKIN. So, Mr. President, I ask unanimous consent to have the pending amendment laid aside so that I may lay down my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I say to the Senator, I need you to further agree, if you would please, that we can, with the assurance that your amendment will be placed in a stacked order to leave us the range of offering the two major committee amendments first. They are going to be offered this afternoon.

Mr. HARKIN. Sure.

Mr. DOMENICI. Then we will stack them, and perhaps yours will be the third or fourth. But you will get it in that manner.

Mr. HARKIN. Absolutely.

Mr. DOMENICI. Is that sufficient for you to understand the unanimous-consent request?

The PRESIDING OFFICER. The Chair understands the request.

Mr. HARKIN. I understand it.

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

Mr. HARKIN. We are working with the Finance Committee. What I suggested I hope will be accepted in the next day or two.

Mr. DOMENICI. You are going to work with them on that account, right?

Mr. HARKIN. Yes.

Mr. DOMENICI. Have you sent your amendment to the desk?

Mr. HARKIN. Yes; I sent it to the desk.

Mr. DOMENICI. There is time still reserved in opposition to it. We have not yielded back.

The PRESIDING OFFICER. The Chair understands.

Mr. DOMENICI. We will probably need a couple minutes, so let us leave it to the reservation time. And he has time, too.

Should the clerk report his amendment so it will be ready?

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 428.

Mr. HARKIN. Mr. President, I ask unanimous consent that further 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:

SEC. . IMPROVING INFORMATION TO MEDICARE BENEFICIARIES.

(c) CLARIFICATION OF REQUIREMENT TO PROVIDE EXPLANATION OF MEDICARE BENEFITS.—Section 1804 of the Social Security Act (42 U.S.C. 1395b-2) is amended by adding at the end the following new subsection:

''(c)(1) The Secretary shall provide a statement which explains the benefits provided under this title with respect to each item or service for which payment may be made under this title which is furnished to an individual, without regard to whether or not a deductible or coinsurance may be imposed against the individual with respect to such item or service.

''(2) Each explanation of benefits provided under paragraph (1) shall include—

''(A) a statement which indicates that because errors do occur and because medicare fraud, waste and abuse is a significant problem beneficiaries should carefully check the statement for accuracy and report any errors or questionable charges by calling the toll-free phone number described in (C)

(B) a statement of the beneficiary's right to request an itemized bill (as provided in section 1128A(a)); and

''(C) a toll-free telephone number for reporting errors, questionable charges or other acts that would constitute medicare fraud, waste, or abuse, which may be the same number as described in subsection (b).''.

(b) REQUEST FOR ITEMIZED BILL FOR MEDICARE ITEMS AND SERVICES.—

(1) IN GENERAL.—Section 1128A of the Social Security Act (42 U.S.C. 1320a-7a) is amended by adding at the end the following new subsection:

''(m) WRITTEN REQUEST FOR ITEMIZED BILL.—

''(1) IN GENERAL.—A beneficiary may submit a written request for an itemized bill for medical or other items or services provided to such beneficiary by any person (including an organization, agency, or other entity) that receives payment under title XVIII for providing such items or services to such beneficiary.

''(2) 30–DAY PERIOD TO RECEIVE BILL.—

''(A) IN GENERAL.—Not later than 30 days after the date on which a request under paragraph (1) has been received, a person described in such paragraph shall furnish an itemized bill describing each medical or other item or service provided to the beneficiary requesting the itemized bill.

''(B) PENALTY.—Whoever knowingly fails to furnish an itemized bill in accordance with subparagraph (A) shall be subject to a civil fine of not more than $100 for each such failure.

''(3) REVIEW OF ITEMIZED BILL.—

''(A) IN GENERAL.—Not later than 90 days after the receipt of an itemized bill furnished under paragraph (1), a beneficiary may submit a written request for a review of the itemized bill to the appropriate fiscal intermediary or carrier with a contract under section 1816 or 1842.

''(B) SPECIFIC ALLEGATIONS.—A request for a review of the itemized bill shall identify—

''(i) specific medical or other items or services that the beneficiary believes were not provided as claimed, or

''(ii) any other billing irregularity (including duplicate billing).

''(4) FINDINGS OF FISCAL INTERMEDIARY OR CARRIER.—Each fiscal intermediary or carrier with a contract under section 1816 or 1842 shall, with respect to each written request submitted to the fiscal intermediary or carrier under paragraph (3), determine whether the itemized bill identifies specific medical or other items or services that were not provided as claimed or any other billing irregularity (including duplicate billing) that has resulted in unnecessary payments under title XVIII.

''(5) RECOVERY OF AMOUNTS.—The Secretary shall require fiscal intermediaries and carriers to take all appropriate measures to recover amounts unnecessarily paid under title XVIII with respect to a bill described in paragraph (4).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to medical or other items or services provided on or after January 1, 1998.

SEC. . PROHIBITING UNNECESSARY AND WASTEFUL MEDICARE PAYMENTS FOR CERTAIN ITEMS.

Notwithstanding any other provision of law, including any regulation or payment policy, the following categories of charges shall not be reimbursable under title XVIII of the Social Security Act:

(1) Entertainment costs, including the costs of tickets to sporting and other entertainment events.

(2) Gifts or donations.

(3) Personal use of motor vehicles.

(4) Costs for fines and penalties resulting from violations of Federal, State, or local laws.

(5) Tuition or other education fees for spouses or dependents of providers of services, their employees, or contractors.

SEC. . REDUCING EXCESSIVE BILLINGS AND UTILIZATION FOR CERTAIN ITEMS.

Section 1834(a)(15) of the Social Security Act (42 U.S.C. 1395m(a)(15)) is amended by striking ''Secretary may'' both places it appears and inserting ''Secretary shall''.

SEC. . IMPROVED CARRIER AUTHORITY TO REDUCE EXCESSIVE MEDICARE PAYMENTS.

PAYMENT FOR SURGICAL DRESSINGS.—Section 1834(i) of the Social Security Act (42 U.S.C. 1395m(i)) is amended by adding at the end the following new paragraph:

''(3) GROSSLY EXCESSIVE PAYMENT AMOUNTS.—Notwithstanding paragraph (1), the Secretary may apply the provisions of section 1842(b)(8) to payments under this subsection.''.

SEC. . ITEMIZATION OF SURGICAL DRESSING BILLS SUBMITTED BY HOME HEALTH AGENCIES.

Section 1834(i)(2) (42 U.S.C. 1395m(i)(2) is amended to read as follows:

''(2) EXCEPTION.—Paragraph (1) shall not apply to surgical dressings that are furnished as an incident to a physician's professional service.''.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I see the floor manager.

I was wondering if we could follow the same procedure with an amendment that I would send to the desk in regard to the copayment on home health services. I ask unanimous consent for that.

Would that be agreeable?

Mr. DOMENICI. That would be satisfactory, so long as it is understood, I say to the Senator, that it may be the fourth, fifth, but it will be in order.

Mr. KENNEDY. Fine.

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

AMENDMENT NO. 429

(Purpose: To strike the provision relating to the imposition of a copayment for part B home health services)

Mr. KENNEDY. Mr. President, I send to the desk an amendment for myself and Senator WELLSTONE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. WELLSTONE, proposes an amendment numbered 429.

The amendment is as follows:

Strike section 5362.

Mr. KENNEDY. Mr. President, I thank the floor manager.

As I understand the procedure that we are following now, amendments are being sent in and there will be an order that will be worked out by the managers, both the Republican manager and the Democratic manager, so that there will be time so that Members will know when the vote will be expected. As I understand from the previous discussions, there is the best expectation it will be sometime either in the morning or in the early afternoon.

Mr. DOMENICI. The Senator is correct.

Mr. KENNEDY. I would not, in cooperating with the managers, obviously, take much additional time. I would like to be able to at least preserve some time to allow for a brief comment. But I will follow our leaders on these issues, and try to ensure we are able to move in an expeditious way.

Mr. DOMENICI. Would Senator KENNEDY just yield?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. My impression, with a brief observation, is that the amendment is subject to a point of order. There is no intention at this point in any discussion to in any way waive points of order against the amendment if they lie.

Is that correct, Mr. President?

The PRESIDING OFFICER. The points of order are not made by these arrangements.

Mr. DOMENICI. I say to Senator KENNEDY, each amendment has an hour on each side, and I am not attempting to change that.

Mr. KENNEDY. Fine. Good. I appreciate that.

Mr. DOMENICI. I think tomorrow we will narrow it down.

Mr. KENNEDY. We will cooperate with the floor managers.

Mr. DOMENICI. Thank you.

Mr. KENNEDY. We believe this is in order. But we will have an opportunity to address that issue at the appropriate time.

Mr. President, I rise this afternoon to offer an amendment to strike the new copayment for Medicare's home health patients. Without warning, the Finance Committee has imposed a tax on America's seniors of nearly $5 billion in new copayments for part B home health services.

This cruel and unexpected provision, which was not debated or voted on in the committee and is not necessary to meet the committee's reconciliation targets, will fall primarily on the oldest, poorest, and sickest Medicare beneficiaries.

Let me repeat that. The nearly $5 billion that is raised by this provision is not necessary to meet the requirements of the budget agreement. Nonetheless, it was put into the agreement. Why? The best estimate is that those will be used for tax reductions, perhaps for the wealthier individuals.

I am sure that some in the Senate will justify to the American people this change and the other dangerous proposals in this bill by claiming they are needed to preserve Medicare for future generations. This could not be further from the truth.

As I understand, the agreement worked out in the bipartisan budget negotiations was to stabilize the Medicare trust fund for at least 10 years and to establish a commission that will make recommendations to preserve Medicare for the future.

The proposal we are debating now does neither of these things. It establishes a $5 copay that will affect the oldest, the sickest, and the poorest senior citizens. This provision preys primarily on the elderly women who are dependent upon Medicare and the home health care system.

The assault on Medicaid that began last Congress is continuing with full force. Congress should reject this just as we rejected it last year. There is no rationalization, none whatsoever, for Congress to rush forward with ill-considered changes in Medicare under the thinly veiled pretext of balancing the Federal budget. None of these basic changes in Medicare were part of the budget agreement.

It is the height of hypocrisy for those who voted against including the Hatch-Kennedy children's health plan in the agreement last month to make this assault on Medicare part of the agreement this month.

When we brought that measure up here, we were told that this is going to break the budget agreement, even though it is completely paid for. Now, we have before us a plan to collect $5 billion in copays from elderly widows and the poorest in our society. Under this proposal, we would collect $5 billion that is not even necessary to meet the terms of the budget agreement.

In 1996, Mr. President, Medicare beneficiaries spent an average of $2,605 on health care. However, the sicker seniors spent $5,600 out of their own pockets for cost-sharing related only to Medicare coverage services. Now the Senate Finance Committee is asking them to spend up to $760 more.

I understand that some of my colleagues are interested in increasing cost sharing because they feel it would lead to a reduction in utilization and, therefore, a reduction in Medicare spending. It is important to note, however, that cost-sharing is a blunt tool to express change. It may reduce utilization but the goal is to reduce unnecessary utilization. It is almost certain this policy will fail to meet this objective.

Let me remind my colleagues that home health services were exempted from part B coinsurance in 1972 to encourage use of less costly noninstitutionalized services. Reimposing a copayment will undermine that effort. We removed cost-sharing requirements on home health care in 1972 specifically to reduce utilization, to the extent that we could in an appropriate health context, of services in acute hospitals and in high-cost medical delivery systems. We wanted to encourage the provision of home health care, which provides very important services and does so less expensively than in acute care settings.

It was the belief at that time, and it is my belief now, that burdensome cost-sharing can seriously threaten the health of the frail elderly, particularly those who are hard pressed to make ends meet. Imposing a $5 new copayment will reduce access for those who need the services the most. If we are interested in reducing home health care utilization we ought to first look at ways to alter the behavior of providers, as we have done in the bill's proposed payment reform, before forcing the sickest beneficiaries to pay more.

Mr. President, just a few moments ago we had some excellent commentary from Marian Brown, an 82-year-old widow who lives independently in Marlow Heights, MD. She has numerous health ailments and is confined to a wheelchair. She is treated three times a week by a home health aide who tends to her physical troubles, spending 2 to 3 hours in her home on each visit. Her annual income is $6,786. She simply cannot afford to spend an additional $15 a week, $60 a month, or $720 a year on copayments for these necessary visits. She spoke articulately and compellingly about what this particular proposal would mean to her. She has difficulty with her hip, but doctors do not want to operate because of a serious heart condition. Yet her hip prevents her from being able to move in and out of the bathtub. It prevents her from being able to wash her own feet.

She is a very proud individual who takes great delight in living where she does with her friends and associates, and has a great sense of joy about her and in her optimism about the future. She is not asking for very much. She is just saying, ''I can just about make ends meet now, but, if you pass this copayment, I will have to give up stretching exercises to keep me from further disability, or the ability to be able to get out of bed and get dressed and cleaned up in a manner that allows me to retain my sense of respect and dignity and self-value and joy, or cut back on prescription drugs or food or heating of my apartment during the winter.'' She makes that case, Mr. President.

We have to ask ourselves what was the sense of urgency in this legislation. Those funds were not even needed in terms of balancing the budget. We ought to look at all the provisions—not only of this bill, which is the cutting of the spending programs—but also in the tax bill, to see who will benefit, where the pain is coming, where the fairness is.

I daresay I think those in the majority will be hard pressed at the end of the day to think that this kind of financial burden and anxiety—even though these are only $5 payments that the individual will have to pay—that ought to be used to balance the budget. The amendment that I offer, joined by Senator WELLSTONE, will give the opportunity for the Senate to go on record opposing this proposal.

Finally, Mr. President, this new copayment will be an unfunded mandate on the States. I ask for the attention of our colleagues who are so concerned about unfunded mandates on the States. Medicare beneficiaries who qualify for assistance from State Medicaid programs have higher use of home health care services. In fact, the very poorest, who are eligible for Medicare and Medicaid, are twice as likely as other Medicare beneficiaries to use the home health benefits. As a result, State Medicaid programs will have to absorb the new copayments for these beneficiaries.

CBO estimates, Mr. President, that the additional State and local costs of home health copayment would amount to $700 million over the next 5 years. I hope we are going to have the time and opportunity to hear the rationale and justification for this misguided proposal. States are usually quite clear in their opposition to unfunded mandates.

Mr. President, Medicare is still one of the most successful social programs ever enacted. It has brought health care and health security to tens of millions of senior citizens. We can deal with the financial problems of Medicare but we must do it the right way, not the wrong way.

Our goal is to save Medicare, not destroy it. Our priority should be to keep the promise of medical and financial security for senior citizens that Medicare provides. We are the guardians of that promise and we should oppose any schemes that violate it.

There is no question that Medicare will face serious challenges in the next century as a result of the retirement of

the baby-boom generation. Today there are nearly four adults of working age for every senior citizen. By the year 2030, that ratio will be down to two workers for every senior citizen. There is a right way and a wrong way to respond to that challenge, and the wrong way is to destroy the program under the guise of saving it.

I urge my colleagues to vote to strike these unfair and unnecessary provisions from the reconciliation bill.

Mr. LAUTENBERG. Mr. President, I want to commend my colleague from Massachusetts for being on the alert here. I worked very hard with my distinguished chairman from the Budget Committee to try and assemble a consensus agreement that we could all support, and suddenly now we are offered a change and that change says, ''Well, senior citizens who have home health care pay $5.'' It sounds trivial almost, but Mr. President, when we have someone who needs sometimes two, sometimes three visits a day to keep them going, $100 a week, when the average for many of these people, whose income is $15,000 a year or less—you get up to $3,000, $4,000, or $5,000 a year, that is torment. That takes away their very life sustenance because they cannot afford the rent, they cannot afford the heat, they cannot afford the nutrition.

On top of that, to impose this new burden, I say, Mr. President, the Senator from Massachusetts is always on the lookout for a balance in our society to try and provide equal service to those who need help—the promise for the future, an education for their children—Senator KENNEDY is always there. In this case I must tell you, I heartily agree with him.

The target group are people, usually women, 75 on balance in years, with incomes of under $15,000. They are old, very often frail, sick people who do not take home health care if they can get out of their homes, if they have any mobility, if they have any opportunity to go visit the doctor. These are often critical, life-sustaining services that they need.

Some argue, Mr. President, that most people subject to this copayment will not really pay because they have Medigap policies that cover copayments and deductibles. That is misleading because a new copayment would lead to increased Medigap premiums. So seniors would either have to pay the new copayment or their insurance bills would go up. Either way, the bottom line would be higher out-of-pocket costs. Already, seniors typically pay more than 20 percent of their income on these costs.

As the Senator from Massachusetts said, unfunded mandates, States will have to come up with $700 million, I think is the figure the Senator used. This is not a particularly good way to get this bill back on track, especially when we know immediately hereafter in the next part of the reconciliation we will be looking at tax relief for lots of folks who do not need it, who can get by very comfortably without it, and here we are talking about $5 out of the pockets of the poverty stricken, typically those who need help, and whose only contact often with the outside world is with these groups, and they want to charge them $5 to have somebody come by.

I commend the Senator from Massachusetts and I support him. I yield the floor.

Mr. KENNEDY. If I could, and I see Senator WELLSTONE ready to speak on this, but just before the Senator sits down, does the Senator understand what the Finance Committee was doing since this is a benefit that comes from part B. They are using the deductible limit in A which is $760, which is a lot more, obviously, than part B which is just $100.

Here they are taking something which is basically a benefit, they are tying it to the higher deductible to make the seniors pay more. I find that somewhat troublesome, as well. It is just a way of maneuvering the system.

I am just wondering if the Senator also is struck by the fact that States are going to be involved in collecting this? Even in the poorest of the circumstances, they are going to have a requirement to do so. We will not be helping any of the States to do it. We hear a great deal about mandates around here, I would have thought this would be a matter of concern to some of those that were troubled by unfunded mandates.

Mr. LAUTENBERG. The Senator is correct. The one thing that I found most disturbing about the proposals that have come in the reconciliation is the fact that suddenly we are in to a whole new area having very little to do with the mission that we have set out for us, to get a balanced budget, to try at the same time to invest in education, to try at the same time to make sure impoverished senior citizens do not have to pay more as a result of the transfer of home health services to part B—all of those things.

Suddenly, now we are seeing that something might be called bait and switch, where senior citizens are being told now, well, you may have to pay a higher premium for your part B, your deductible may be going up, that the most modest-income person would have to pay $5, perhaps to get an insulin shot or something like that. Five bucks, when you ain't got it, to put it crudely, is an awful lot of money. These people do not have it. They do not have contact with the outside world. They are frail, they are elderly. For God's sake, where is our conscience on these things?

Mr. KENNEDY. I think the statement that the Senator makes is enormously important, since he is the ranking member of the Budget Committee. As I understand what he is saying, this was not part of the budget agreement. We do not need that $5 billion to meet the terms of the budget agreement.

Mr. LAUTENBERG. The Senator is correct.

Mr. KENNEDY. Also this was not voted on specifically in the Finance Committee, and it is not necessary to balance the budget. It was added on in the Finance Committee, as I understand, without even an up-or-down vote, and here we are faced with the fact that millions of our seniors will be faced with this issue unless we move to strike it on the floor.

Now, since I have the Senator's attention, am I correct in my understanding that $1.5 billion in premium assistance for low-income beneficiaries was included in the agreement?

Mr. LAUTENBERG. Yes, that is true. That was designed originally to pay, through Medicaid, for those who were up to 150 percent of poverty, any increase in premium that might occur.

Mr. KENNEDY. So the agreement included $1.5 billion to offset that increased premium, but it was not done under the Finance Committee's bill, am I correct?

Mr. LAUTENBERG. The Senator is correct.

Mr. KENNEDY. So this bill has short-changed low-income senior citizens $1.5 billion, and then asked them to pay $5 billion on top of that. And then created an MSA demonstration, which is going to cost about $400 million. We already have an MSA demonstration project.

Mr. LAUTENBERG. Not for the Medicare Program.

Mr. KENNEDY. My point exactly. The Kassebaum-Kennedy bill created a demonstration for those in the private market. We ought to first evaluate that proposal, on which we are already spending nearly $1.5 billion, before doling out scarce Medicare funds in a wild experiment sure to benefit only insurance companies and the healthy and wealthy.

And then we are going to return to the days of balanced billing. Certain private plan options will allow doctors to overcharge, or balance bill. We have, over a long period of time, prohibited Medicare providers from balanced billing and encouraged them to take Medicare payment as payment in full. Releasing these important consumer protections will undoubtably force seniors to pay more. It doesn't take any stretch of the imagination—and I ask my friend and colleague if he would agree with me—to envision doctors moving out of Medicare to form one of these private plans and invite their Medicare patients to ''come into our program.'' Seniors will follow their doctors and find themselves being overcharged in those circumstances. That is what happened in the past. Is the Senator concerned about that?

Mr. LAUTENBERG. Yes. They are going to have to pay additional funds for services that, otherwise, they might not. And it's true that, in the past, we have not permitted the so-called balanced billing, which simply says the service was advertised or

talked about at this level and now it is at a higher level, so you are going to get a bill for it.

Mr. KENNEDY. Was that in the budget agreement? Balanced billing was debated last year, in the last Congress here, and we were given assurances that it wasn't going to be part of the budget agreement when we were talking then. I don't remember much discussion about that prior to the time that we voted on this issue here. I think that what is important here—we have not even talked about the issue of the part B deductible and what that will mean to seniors and the additional out-of-pocket expenses they will have in that area—is that these provisions are going to have a dramatic adverse impact on seniors, and it was not mandated in the budget agreement. This is all in anticipation of a commission that the bill sets up to try and review the Medicare system for the future.

Mr. LAUTENBERG. If I may ask the Senator a question, this isn't, I take it, your idea of a particularly good way to make reforms in something as complicated as Medicare, and I could not agree with you more. This is fast-track legislation, which means—for those who are not familiar with the terminology—that this is supposed to zip through this place. This was not part of the consensus agreement we labored over for months in order to strike a budget agreement that could pass muster and would be a consensus bill. This now is recommended by the Finance Committee in terms of their reconciliation on expenditures.

I have been a loyal trooper in defending the consensus agreement. But this, in my view, is certainly outside the pale. I am not any happier than the Senator is.

Mr. KENNEDY. I appreciate that. We will have a chance to address these in accordance with the way the amendment process goes during the next couple of days. I am very grateful for the Senator's comments because I think it is important, as we address these issues, not to confuse what is necessary to preserve the financial integrity of the Medicare system—as this bill does for at least 10 years—with these other proposals that could destroy it. I daresay that those additional costs to seniors will reflect themselves by the end of the week, along with the additional tax relief for very wealthy individuals and corporations.

I daresay I was so interested when my friend, the majority leader, was talking about how the amendment that Senator HATCH and I offered to extend health insurance to children would be a budget buster because it is financed by an increase on the cigarette tax. And then the Finance Committee, with his support, turned right around and offered a 20-cent per pack cigarette tax increase. It's only a small part of it, but it is amazing the way all of this is being proposed.

I thank my colleague and friend from New Jersey for his response. He has been a leader in terms of responsible economic policy and has a challenging position in representing our side through these negotiations. We have great respect for someone who understands this process so well. I am grateful for his response. I thank my friend and colleague, Senator WELLSTONE, also, for his strong support for this particular amendment.

How much time does the Senator need?

Mr. LAUTENBERG. Mr. President, I thank the Senator. I am prepared to yield as much time as the Senator from Minnesota needs.

Mr. KENNEDY. I think I have time on my own, is that correct, Mr. President, on the amendment?

The PRESIDING OFFICER. The Senator from Massachusetts controls 33 more minutes on his amendment.

Mr. KENNEDY. I see both the manager on his feet and also I have my friend and colleague who wanted to speak. The floor manager is perhaps the busiest person. I want to be accommodating to him. Otherwise, I will yield 7 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Thank you, Mr. President. I just want to put this in a little bit of context. There was a piece today in the New York Times headlined, ''Study Shows Tax Proposal Would Benefit the Wealthy.'' This is when we get to the tax part of the reconciliation bill.

I quote:

> The changes in Federal tax and benefit policies now working their way through Congress would eventually be worth thousands of dollars a year to the 5 million wealthiest families in America, while the 40 million families with the lowest incomes would actually lose money, a new study shows.

This is the Center on Budget and Policy Priorities. Their work, generally respected in academic circles, indicates that after-tax incomes of the richest 1 percent of Americans—those with incomes above $300,000 a year for a family of three—would ultimately be increased by an average of $27,000 a year.

''Families of three with incomes below about $17,000 a year would end up with about $60 a year less than they have now.''

Mr. President, let me just say that, in this context, I know colleagues worked very hard in the Finance Committee, and I also know people were up very late, and we did not have a chance to study every particular proposal. The copay for home health services makes no sense at all. This proposal is profoundly mistaken.

I am very proud to support Senator KENNEDY's amendment. Sixty-six percent of the recipients of home health services are over the age of 75; 43 percent of them have incomes under $10,000 a year; 66 percent are women and 33 percent live alone. As Senator LAUTENBERG pointed out, a $5 copay may not sound like much to people who have pretty high incomes, and it may not sound like much to those of us in the Senate, because we earn a fair amount of income; but to people living on maybe $500 a month, and that's it, this $5 copay for a home health visit is really worry about it. I am hoping that we will have very strong support here on the floor of the Senate.

Mr. President, I think that part of the direction of where we are heading in health care—and I wish there had been more discussion. Part of the problem is that these reconciliation bills that are fast-tracked don't give us much of an opportunity to really talk about policy and its impact on people's lives. Too much of the discussion is adding and subtracting numbers. Too much of the discussion is statistics. I don't think we are looking at some of these proposals—I am not saying all of them—very carefully. To that extent, some of the things in this bill are a rush to recklessness, which I think this is.

Mr. President, if anything, we want to make sure that as many elderly people as possible—or, for that matter, people with disabilities—can live at home with dignity. That is what we are trying to do. And what we are doing here is, we are saying to senior citizens—especially low-income, and the income profile of elderly people is not that high—we are saying, you know, we are going to start charging a $5 copay. And for a lot of these people, this isn't going to work. What is going to happen is, they are not going to get the help they need; it is that simple.

I don't think this amendment is about party strategy or taking shots at somebody. I don't think it is about any of that. This amendment speaks to a policy discussion that I don't think we have had. I actually think that is part of the problem. I just think it is hard to do that on these bills. But this particular proposal—on this provision that was put in by the Finance Committee, I don't think there was an up-or-down vote. I think it was part of an overall chairman's mark. I think it is profoundly mistaken. I just think it was a mistake. I don't think this is the way we need to be generating revenue. This is not the place where we want to make the cuts.

I could carry on, and I will later on by marshaling a lot of evidence about the tax part, which I still think is way too tilted to those at the top. But for right now, let me simply say, since we are talking about Medicare, let me enter into a policy discussion and just say to all Senators—Democrats and Republicans alike—I hope there will be strong support for this amendment that Senator KENNEDY has introduced and that I am a cosponsor of. In this particular case, it is not a matter of numbers. You are really talking about a provision or proposal that could have a very, very negative impact on some of the most vulnerable citizens in this country. I don't think there is one Senator in here who wants to do that.

Now, if there are some alternatives and other proposals, fine. But this was a mistake. We ought not to be doing this $5 copay on home health visits for very elderly people, most of them very vulnerable, most of them very low-income.

So I rise to speak on behalf of this amendment. I am proud to be an original cosponsor, and I hope we will get a tremendous amount of support for it tomorrow.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I should note that the members of the Finance Committee who support the proposal that is here before us will be here tomorrow to debate the issue.

Senator ROTH is here now. I assume he will present his amendment and not argue against the Kennedy amendment, but I assume in due course there will be adequate opportunity to present the views.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. DOMENICI. Of course.

Mr. ROTH. I would like to make a comment or two on the question——

Mr. DOMENICI. On the question of the Kennedy amendment?

Mr. ROTH. Yes.

Mr. DOMENICI. Of course I will yield whatever time the Senator desires.

Mr. ROTH. The problem that has been faced in Medicare is the explosion of costs in home health care. It has been going up something like 30 percent a year. Obviously, that kind of increase cannot be permitted if we are going to salvage and strengthen the Medicare Program.

Just let me point out that Medicare spending on home health services increased most dramatically in the last decade. In 1989–90, it went up 53 percent; 1990–91, it went up 44 percent; 1991–92, it went up 40 percent again; 1992–93, 30 percent; 1993–94, 30 percent; 1994–95, 19 percent. So, basically, it has been going up roughly 30 percent.

There has been an increase in beneficiaries using home health care. There has been an increase in the number of visits per beneficiary. There has been an increase in the number of agencies providing care. So the payment system has not controlled the utilization of home care. There is the reason that we have put this $5 copayment.

Let me point out that it is particularly important to understand that those who are 100 percent of poverty or less will have this $5 fee paid by Medicaid. So those who are under poverty are protected.

And that is the idea of the program. We want those who are over 100 percent of poverty to be careful in their utilization. The program is there. It is a good program. In many cases, it can save money because it is better to have home health care than to put a person into a hospital.

But the problem is that the costs have exploded. Somehow we have to make sure that the beneficiaries are more careful in their utilization of this program. And that is the reason for this change.

Again, I want to stress the fact that those who are 100 percent of poverty or less will have this copayment of $5 paid by Medicaid. And they will not be out of pocket. So they are protected.

Mr. DOMENICI. I thank the Senator.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I reserve 5 minutes of my time, and then I want to yield to Senator ROTH if he is ready to offer the amendment.

Let me just make a couple of points. Obviously, the seniors in the country, and even the AARP—not specifically with reference to this $5 deductible, but with reference to home health care—there was a general understanding that when we moved a part of home health care from the trust fund to the part B, which is paid for by the general taxpayers, working men and women with kids who do not have any insurance and nobody gives them any, when we moved it to the general fund and the ratio of payment was 25 percent for seniors and 75 percent for the rest of the taxpayers, that in exchange for moving the home health care to that part B, there would be some additional fee.

I am not arguing that every fee that was imposed—it seems like there were two—that those were agreed upon, nor am I speaking for anyone whose name I just used. But, obviously, the agreement contemplated that if we moved part of some or all of that home health care that was under 100 days, it more likely belonged with a doctor instead of with the hospital, that there would be some additional premium paid into the part B, the 25 to 75 ratio that I have just described.

Second, the Senator from Massachusetts, Senator KENNEDY, raised $1.5 billion on the agreement, and says that when the new fee is imposed we will use $1.5 billion to accommodate the lower income seniors so they won't be burdened by the new fee. I understand the distinguished chairman of the Finance Committee, when he offers a broad amendment in some other areas, is going to take that $1.5 billion into cognizance and do something about rectifying what is clearly a misunderstanding and a shortcoming in the Finance Committee bill vis-a-vis the agreement.

With reference to the agreement that we worked out, it is clear that there is no restriction on the Finance Committee or any other committee to do more than contemplated in the agreement. So we cannot look to the agreement every time a committee does something. What we do is we look at it to make sure they did at least as much as we asked. And, in the case of the issue before us, I understand it was almost unanimous in the committee.

You all can argue that as a committee later this evening or tomorrow. This was not all Republicans. It was Republicans, and all the Democrats supported the fact that something had to be done about these spiraling costs of home health care. Am I somewhat correct?

Mr. ROTH. I would just point out that the Senator is absolutely correct. The proposal was adopted unanimously by the committee, both Democrat and Republican. As I said, it was done in such a way as to try to make the beneficiaries be more careful in its utilization.

I would point out that the question was raised, why did we use the $760 limitation? The reason for that is that under part A, many people, after being in a hospital for 3 days, will utilize home health care. They do not pay the $5 fee, but instead they pay $760. So that was the ceiling that was set under part A, and we carried that over to part B. There the beneficiary pays $5 per visit but not in excess of $760.

Mr. DOMENICI. I wonder if I might inquire for my own management reasons. I understand that the Senator is working on two amendments from the committee that he would like to get in today before we close. Is that correct?

Mr. ROTH. That is correct. We are waiting for certain figures from the Congressional Budget Office. As soon as we have those, we expect to be in a position to offer those amendments.

Mr. DOMENICI. Might that be relatively soon?

Mr. ROTH. That is my understanding, I say to the distinguished chairman.

Mr. DOMENICI. Senator KENNEDY, I see, is still on the floor. I wonder if I might ask a question regarding some management aspects.

What we have been doing is, we haven't been finishing the debates on any of these amendments, and we are holding them until tomorrow and will be stacking the amendments in managementwise sequence. I myself am very desirous of leaving the Senate shortly and leaving it to Senator ROTH to offer two additional amendments, and perhaps the Senator from Minnesota wanted to offer one more. And that would be all we would do this evening.

How much more time would the Senator like to use this evening?

Mr. KENNEDY. I would just make a brief comment, maybe 5 or 7 minutes, perhaps.

Mr. DOMENICI. I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts

Mr. KENNEDY. Mr. President, the Senators respond that there has been an increase in the utilization of home health care. Well, it isn't the patient who says, ''Look, I want to go home instead of going to the hospital.'' The person that does that is the doctor.

If you have problems with overutilization, do something about the provider but not the patient. The patient follows what the doctor recommends. If the provider says either you have to go

to the hospital or we can take care of this back home, it isn't the patient that is overutilizing. They are responding to options prescribed by the medical profession. So we shouldn't penalize our senior citizens and our frail senior citizens for behavior they can't necessarily modify.

There are those who say, ''Look, Medicaid will take care of the costs of the poorest seniors.'' That may be true, first of all, if the beneficiaries know about the financial assistance. But we see many people fall through the cracks because they are not aware of this assistance. Some estimates indicate that only 10 percent of eligible senior citizens take advantage of this offer. And, basically, you are talking about individuals whose income rests near $7,700. So, even if those in poverty may be taken care of by Medicaid, what do we do about the near poor?

What about the senior citizen whose income is $8,000? What about the senior citizen whose income is $9,000, $10,000, $11,000, $12,000? We are asking them to pay up to $760 more this year, and the cap will rise each year according to the rise in the inpatient hospital deductible. For what reason? It was never explained to us. It was never voted on.

With all respect to the deliberations of the Finance Committee, this wasn't even debated.

Here we are on the floor of the U.S. Senate at 5 o'clock, with an hour's debate on something that is going to affect millions of elderly, frail senior citizens, many of whom are widows between 75 and 80 years old. Look at the profile of who is going to be affected by this.

It wasn't even discussed. We weren't voting and saying, ''Look, vote for this because we are going to collect $5 on the frail elderly.'' To help pay for what? For a tax break.

We wouldn't be having this debate if it were not for the tax break for wealthy individuals. The reason we are having this is because of the next bill that we are going to consider provides tax breaks for wealthy individuals. The Finance Committee has said ''We need to squeeze the elderly.'' Otherwise, we wouldn't have this debate.

No one was saying at the beginning of the session, we really have to go out and stop our elderly from overutilizing health care services. No one said, by God, one of the real problems we are facing in this country is to get those frail seniors to pay more so they won't use it. No, no, no. That wasn't even talked about by the proponents of the balanced budget.

Who are the people now that use the home health services? Sixty-six percent are over 75 years of age. Almost half of them have incomes below $10,000. Sixty-six percent are women, and 33 percent live alone.

So there you have it. You are talking about women 75 to 80 years old. You are talking about those with incomes of $7,000, $8,000, $9,000, or $10,000, that need these home health services to stay out of the hospital. That saves our health care system a great deal.

This comes at the same time that the Finance Committee ignored instructions to honor a clear commitment to provide $1.5 billion in premium assistance for low-income elderly.

Time is not going to erase this injustice. You can say that the clock will be tolled at noontime on Wednesday, but it is not going to erase the fact that in that bill tonight frail seniors are required to pay $5 billion more, that the $1.5 billion to defray premiums for low-income seniors is nowhere to be found, and that the bill costs Medicare $400 million in trial MSA's.

This is where we are. This is where we come in order to have a balanced budget? In order to have tax breaks of billions of dollars—billions of dollars—just 3 days from now.

That is the dichotomy here. This is the light Republican effort. Last year, we had the major Medicare cuts for major tax breaks and now we have smaller cuts to see how much they can get away with. You only have 20 hours on the floor of the Senate for this bill. The majority has decided to see what it can get away with in this first bill, and then move to provide the goodies later in the week.

This is a bad deal. This is a bad deal for senior citizens. It is a bad deal for parents. It is a bad deal for aunts and uncles. It is a bad deal for children. And at the end of the week, we are going to see the distribution of these tax breaks going, again, to the upper incomes.

It is absolutely, fundamentally wrong, and we are not going to let this go along without getting rollcall votes and having Members make a judgment and decision on those items so that they will hear it when they go back to their constituents and the elderly people and answer to them why they wanted to move ahead in that direction. It is wrong.

We will continue this debate tomorrow. Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield myself such time as I may take. I say to the distinguished Senator from West Virginia I will be brief so that he can be recognized.

Again, I want to emphasize what the factual situation is. The fact is that home health care has been exploding at roughly 30 percent a year or more, and this kind of increase in cost cannot be permitted if we are going to strengthen and preserve Medicare for the long term. So the proposal has been made to put a $5 copayment fee on each health care up to a limitation of $760, which is what is paid as a deductible under part A.

This matter was discussed and unanimously agreed to in the Finance Committee by Republicans and Democrats alike. The reason it was agreed to is because it is important that these visits be available but they be used prudently and not without consideration to the cost. That is the reason we added it.

Again, I want to emphasize that those 100 percent under poverty will not pay this $5 fee. It will be paid by Medicaid for them, so they are protected. But again, in reforming and restructuring Medicare, we are trying to do it in such a way that it strengthens and preserves the program for the long term. That in turn means it is essential that the utilization be done carefully, and that is what we seek to do and that is what the Finance Committee unanimously adopted.

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

Mr. ROTH. Yes.

Mr. KENNEDY. Will the Senator yield? Are you using the $5 billion for other Medicare benefits for our elderly? Are you saying we will use the $5 billion raised through the new copayment to try to help the elderly, for example, on prescription drugs, foot care, dental care, or eye care? Are we taking the $5 billion, which you say is a result of overutilization, and investing it in the elderly for their health care needs, or are we taking the $5 billion and putting it aside to be used for tax breaks?

Mr. ROTH. I point out to the distinguished Senator from Massachusetts we have added a number of preventive services for the sick. For example, we now permit mammography testing to be made, colorectal testing or screening; we also permit diabetes home care matching. So we have added a number of things. But again, overall, we are trying to put this program in such shape that it will survive in the long term. Unfortunately, in the area of home health care, the costs have exploded. Let me mention again that home health care in 1989–90 went up 53 percent; 1990–91, it went up 44 percent; 1991–92, 40 percent; 1992–93, 30 percent; 30 percent again in 1993 and 1994; 19 percent in 1994 and 1995.

Let me point out further that other groups, such as the Commonwealth Fund, support the idea of a $5 copay. In a report issued by the Commonwealth it says that ''this is a sensible approach which would make beneficiaries sensitive to use but not form a barrier to care.''

I yield back the floor.

Mr. KENNEDY. Mr. President, I know we are going to have a statement by the Senator from West Virginia, but the point is that the preventive services, which I commend, were included in the President's proposal and are paid for under the budget that had been submitted by the President.

So this investment, while I support it, does not quite jell, because the preventive programs that have been mentioned now were already included prior to the creation of this new copayment.

Second, I did not think we were looking at the overall long-term changes in

Medicare. We wanted to get the 10 years of solvency that had been supported by the President and other Members of the Congress and then deal with the long-term issues. I think if the Senator wanted to, we could spend some time looking at the increase of home health care and the decrease in hospitalization.

But the bottom line is patients go, by and large, in the health care system where the doctor tells them. If the doctor tells them, you need to get to that hospital tonight, by and large, patients go there. If the doctor says, you need to have those services, by and large, the patients get them. When we are talking about individuals who have incomes of roughly $7,700 being told they can get an offset in the State. We know the number of children, for example, that fall under the Medicaid proposals that are not covered by Medicaid. And the seniors are facing the same thing.

So I just think that, let alone, as the chairman has pointed out, the very poor can get some of this offset or will get it offset in terms of the Medicaid that is requiring the States to collect it. We have heard a great deal about putting additional burdens on the States, but it seems we are willing to do so as long as we get the additional funds for the tax cuts.

I thank the chairman of the Finance Committee for his response, and I appreciate his courtesy in responding to these questions. I will be glad to yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order for not to exceed 10 minutes without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

CLIMATE ISSUES AT THE DENVER SUMMIT

Mr. BYRD. Mr. President, press reports today from the annual economic summit of the world's major industrial powers in Denver indicate that there was pressure on the United States from some of our allies to make new commitments to deep cutbacks on greenhouse gas emissions, specifically, carbon dioxide emissions. It is unfortunate that some of our allies, including the French in particular, chose this forum to change the terms of international dialogue on this issue. I commend President Clinton for resisting these surprising, new pressure tactics to shortcut the progress towards a reasonable solution at Kyoto and to try to force the United States to endorse an immediate commitment to unworkable new goals, thereby, shredding the negotiating process. We and the French are both part of negotiations intended as a follow-up to the United Nations Framework Convention on Climate Change, the so-called Rio Pact, signed in 1992, and approved by the Senate. The Rio Pact called upon the industrialized nations to aim to reduce their greenhouse gas emissions to their 1990 levels by the year 2000, a goal which will not be achieved by the U.S. or by most of the industrialized nations.

As a result of the failure of most of the industrialized world to meet this voluntary commitment to reduce Carbon dioxide emissions, the parties met in Berlin in 1995 to discuss the future direction of the treaty. In Berlin, the United States agreed that new commitments should be binding upon the signatories, but the developing world was excluded from any new commitments. Unfortunately, excluding the developing world, which will be the most important emitter of carbon dioxide emissions by the year 2015, exceeding the emissions of the OECD nations, was a mistake. The solution, if it is to be effective, must include all major emitting nations or it will fail to really get the problem under control. More than that, the perceived unfairness of forcing limits on the economies of only some nations, but not others, will cause political pressure to frustrate the approval and implementation of any treaty that is signed in Kyoto this December. The temptations of industries to flee from the U.S. for example, behind the safe non-binding walls of Mexico, for instance, or other developing nations, will both frustrate the goals of a treaty and unfairly penalize the developed economies.

Therefore, Mr. President, the distinguished Senator from Nebraska, Mr. HAGEL, and I authored a Sense of the Senate Resolution indicating that it is imperative for the developing world to be parties to any binding commitments made in Kyoto, that those so-called commitments should demonstrate unequivocally an action program to approach this problem in a realistic way, and that everyone should start with aggressive efforts to act on those commitments immediately and not settle for vague promises to return to future negotiations to get serious. While some countries have different levels of development, each must make unique and binding contributions of a kind consistent with their industrialization. The developing world must agree in Kyoto to some manner of binding commitments which would begin at the same time as the developed world with as aggressive and effective a schedule as possible given the gravity of the problem and the need for a fair sharing of the burden.

Mr. President, in Denver during the last two days, some nations put pressure on the United States to agree to a whole new set of commitments beyond those agreed to in Rio, beyond the target of stabilizing at 1990 levels by the year 2010. Those nations sought to get the U.S. to agree to a 15 percent reduction by 2010, a level of reduction which would have very serious impacts on major sectors of the U.S. economy. There were no discussions of bringing the developing world into the play. I highly commend President Clinton for resisting these surprising new pressures to deviate from the Kyoto track, and set targets for very sharp new levels of reductions. Those nations should know that the United States Senate stands strongly behind the President in resisting these pressures. Reductions must be fair, well-managed, well-planned, and spread across the globe—spread across the globe. In addition, Mr. President, a wide-ranging new set of initiatives is needed to harness technology, to engage in new crash research and development technologies to mitigate the carbon dioxide emissions from fossil fuel combustion, as well as new energy efficiency programs, and cooperative programs between the developed and developing world. We have only begun to match the targets of carbon dioxide reductions and limitations with our technological genius and to engage in pioneering a new energy frontier type program aimed at using man's genius to tackle this global problem from every conceivable angle.

I reiterate, Mr. President, that President Clinton is to be commended for resisting the pressure for these sudden draconian commitments.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

BALANCED BUDGET ACT OF 1997

The Senate continued with the consideration of the bill.

Mr. LAUTENBERG. Mr. President, I yield to my colleague from New Mexico so much time as he needs to make his remarks.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank the Senator from New Jersey for his courtesy, as always.

Let me speak for a few moments on a motion, or amendment, that is going to be offered by the Senator from Illinois, Senator DURBIN, the Senator from Rhode Island, Senator REED, and myself. This is a motion to strike one provision that is in this reconciliation bill which would change the age at which senior citizens become eligible for Medicare. It raises that age from 65 to 67. Our amendment would propose to strike that provision from the reconciliation bill. In my view this is an unacceptable provision, it is very misguided, and one that we should not continue to keep in this legislation if we send this legislation on through the legislative process.

Mr. President, there are no budgetary savings that would accrue as a result of this provision until the year 2003, after the target date for reaching the balanced budget. I am informed that this section would fall under the Byrd rule, and for that reason a vote of 60 Senators or more will be required to keep this provision in the bill, so I hope that a substantial majority of the Senate will agree with us that this provision should be stricken from the legislation.

Raising the eligibility age for Medicare, first of all, is not necessary in order to balance the budget. The extra budget savings that this provision might generate are not necessary to meet any of the targets set by the budget negotiators in the earlier negotiation. While this change is described as being something that was done in order to bring Medicare into line with Social Security changes that were earlier made, there are obviously very real differences between Medicare and Social Security. Social Security allows an individual to receive early retirement benefits at age 62. Unlike Social Security, Medicare does not provide any other option for the retiree who wants to retire at age 65. Either the person has insurance or they do not. To make this change in Medicare, I believe, would visit a real hardship on many seniors who have planned for their entire careers to be able to retire at age 65 and to have Medicare available to them at that time. For us to make this kind of change, even though there is a long period for the phase-in of the change, I think will be breaking faith with many of those Americans and many of the people in my State.

Raising the eligibility age creates, also, the specter of a new group of uninsured Americans. We have spent much time in the previous Congress and in this Congress debating how we can cover more Americans with health care insurance. We have too many Americans today—in my State we have way too many Americans—who do not have health care coverage. We have talked about how to cover more children, how to cover more working families, how to cover more seniors before they are eligible for Medicare. This provision that we are going to propose to strike from the reconciliation bill adds to that pool of uninsured Americans who would be without health insurance at a very critical time in their careers. Essentially, it says to them that between the age of 65, when they would normally expect to retire, and the age of 67, the responsibility for health care will be theirs.

There are different groups of Americans and people have different circumstances. There is a large group that has no health care coverage in their employment. This would provide that there is an additional 2-year period in which they continue to have no health care coverage as they approach their senior years. There is another group that has health care coverage but that health care coverage terminates at the time they quit their jobs. That group, of course, would have the financial responsibility. They would have the choice to either go out and buy private health care coverage, which would be very expensive, to cover that interim period of 2 years, or they would have the choice, of course, of trying to get through that period without health care coverage, either depending upon Medicaid or hoping against hope that they do not get sick and do not need medical attention.

Of course there are others, I should point out, who have health care coverage and whose employers have agreed to maintain that health care coverage until they reach the eligible age for Medicare. Those individuals, of course, would continue to have health care coverage under their employer but the provision we are trying to strike here would visit a hardship on the employers in that case. The provision would have an immediate impact on employers right now, who provide health benefits to individuals until they reach the age for Medicare. Companies are required today, under Financial Accounting Standard 106, to estimate their liabilities for all future retiree health benefits. Companies determine the present value of their future liabilities for those health benefits and have to report that. These figures are reported as part of the financial statements the companies make. All of those liabilities would have to be rolled into those financial statements immediately upon the adoption of this provision, if this provision were to remain part of the reconciliation bill.

So the change that we are proposing here not only would visit a hardship on the employees, the senior citizens who are ready to retire or who have retired, it also visits a financial hardship on employers and constitutes, in many ways, an unfunded mandate on the private sector. I am sure that issue will be discussed to a great extent by the other sponsors of this legislation. A higher Medicare eligibility age would actually create a disincentive for employers to hire or retain older workers, and it would also create an additional incentive, perhaps, for them to cut back on health care benefits at an earlier time.

Mr. President, we are in the period where employers are cutting back on additional benefits that go with employment. That trend has continued, now, for some time. I do not think there is any doubt that it is a lower percentage. I have one figure here that the American Association for Retired Persons put out that in 1973, 71 percent of large employers covered early retirees with health care coverage. By last year, that proportion was no longer 71 percent, it was down to 63 percent. Of course, that only applies to large employers. Most of the small employers in my State do not provide that coverage and most of the employees in my State, accordingly, do not have that benefit.

Mr. President, I believe very strongly that we need to make necessary changes in the structure of Medicare in order to keep it solvent as we go forward. I support efforts to do that. I do not, though, believe it would be appropriate for us to try to improve the solvency of Medicare by reducing the number of individuals who are eligible to receive Medicare, reducing the pool of individuals who are eligible to receive those health benefits. This provision which we are trying to strike from the reconciliation bill has that exact effect. I hope very much the Senate will agree with us on this proposed amendment to strike this provision. I think this would substantially improve the legislation if we did strike this provision.

I urge my colleagues to support the amendment when the vote is taken on the amendment. As I understand that will be tomorrow morning.

Mr. President, I ask unanimous consent that five letters and a report on this subject be printed in the RECORD.

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

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, June 16, 1997.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR ROTH: The National Association of Manufacturers has been a strong supporter of the May bipartisan balanced budget agreement and the subsequent House Ways and Means Committee markup of proposals to preserve Medicare's solvency to 2007. The proposal being considered by the Senate Finance Committee is nearly identical with at least one major exception: conforming the eligibility age for Medicare with that for Social Security, which is scheduled to rise from 65 to 67 beginning in 2003. No budgetary savings would accrue until that time, well after the target date for achieving a balanced budget.

Beyond the pending short-term fixes, Medicare's survival depends on making long-term structural changes. Increasing the eligibility age could well fall into that category and should be studied along with other proposals by the Baby Boom Generation Medicare Commission. Increasing the eligibility age now would not contribute to a balanced budget, while it would do harm to early retirees and employers who provide retiree health coverage.

Medicare currently has no option for early access to a reduced benefit and, thus, a shift in the eligibility age would create a major shifting of medical costs from Medicare to retirees. Only about one-third of Medicare enrollees have employer-sponsored retiree medical coverage, largely through jobs in manufacturing, which typically pay higher wages. Persons without such coverage, typically in lower-wage industries, would be particularly affected and least able to cope with this delay in Medicare coverage.

On the employer side, companies now paying full medical benefits prior to Medicare eligibility would have to continue paying unreduced benefits for the duration of the age increase. These companies would see an immediate increase in their Financial Accounting Standards (FAS) 106 liability. Thus, while any increase in the Medicare-eligibility age may not begin to take effect for several years, the impact on companies' book value would be immediate.

Current proposals to increase the Medicare-eligibility age contribute nothing to budget savings until 2003. Therefore, we urge that this proposal be studied by the Baby Boom Generation Medicare Commission with a focus on its effect on early retirees, employers and the Medicare program. Should such a change be recommended, the implementation date should allow companies and individuals sufficient time to plan accordingly for this program change.

Sincerely,

JERRY J. JASINOWSKI,
President.

INCREASE IN MEDICARE ELIGIBILITY AGE SHOULD BE DELETED FROM THE BUDGET RECONCILIATION BILL

Issue: A provision to increase the Medicare eligibility age from 65 to 67 was included in the budget reconciliation bill approved by the Senate Finance Committee. The provision is identical to one which the Senate rejected during its consideration of the 1995 balanced budget act. Removing the provision from the current budget bill would have no scoring consequences because the phase-in to the increased eligibility age would not begin until 2003. However, there would be an immediate adverse impact for employers which provide health benefits until an individual becomes eligible for Medicare. Shifting these costs from Medicare to private coverage is likely to result in a reduction in health benefits for active workers, retirees or both.

Discussion: The Senate bill provision would increase the Medicare eligibility age over a 24 year period to conform it to the revised Social Security age. The consequences of such a long term change appropriately belong on the agenda of the Bipartisan Commission on the Future of Medicare, a panel which would be established by both the House and Senate budget reconciliation bills to make recommendations to Congress on the changes that need to be made to prepare Medicare for the demographic impact of the Baby Boom generation.

The provision has no scoring consequences for the current budget bill because the phase-in to the new eligibility age would not begin until 2003, the year after the five-year period of budget reconciliation bill. However, its effects on private health coverage would be immediate. Employers must comply with financial accounting standard (FAS) 106 which requires companies to determine the present value of their future liabilities for the health benefits provided to their active workers and retirees. Increases in the Medicare eligibility age would result in increased liabilities for employer-sponsored coverage, including those firms which agree to continue coverage for early retirees until they become eligible for Medicare benefits. Because FAS 106 standards require that companies must account for their increased financial exposure immediately—even though the increase in the eligibility age would take place over many years—the impact to employers' bottom line would occur long before the full phase-in period.

Shifts in health care costs from the federal government to the private sector can have profound and unanticipated effect and are very likely to result in lower coverage for active workers, retirees or both. That is why any change in the Medicare eligibility age must be carefully considered and compared with other long term financial and structural changes needed in Medicare to prepare the program for its future beneficiaries.

Congress and the President reached an historic bipartisan agreement to balance the budget by 2002 and expressly decided that long term Medicare changes would be addressed only after an expert panel provides much needed guidance on the best set of choices to secure Medicare's future. Clearly, increasing Medicare's eligibility age should be given the further consideration that such a fundamental change deserves.

NYNEX,
New York, NY, June 18, 1997.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MOYNIHAN: NYNEX urges you to delete the Medicare eligibility retirement age increase from the Senate Finance Committee's bill. As you know, a provision in the Chairman's mark would increase the Medicare eligibility age from 65 to 67. Besides public policy concerns about insurance coverage for senior citizens, this provision would also have a significant and immediate adverse financial impact on NYNEX.

NYNEX provides health care coverage to its employees, retirees and their dependents. Our retirees receive full health care benefits at retirement and supplemental benefits that are integrated with Medicare once they become eligible for Medicare. Under the Finance Committee proposal, NYNEX would ultimately be responsible for paying for the additional two years of full benefits for its retirees.

There is also a more immediate concern. Companies are required under Financial Accounting Standard (FAS) 106 to estimate their liabilities for all future retiree health benefits and ''book'' (recognize on their financial statements) the present value of these liabilities, net of any assets dedicated to retiree health. This figure is deducted from earnings. As a result, responsible companies providing generous retiree health benefits will be penalized and viewed as less profitable compared to their competitors who do not provide retiree health benefits.

The impact of this legislation will be to discourage companies like NYNEX from offering comprehensive retiree health benefits to their employees.

Changes to the Medicare eligibility age should be considered in the context of overall Medicare reform. It is not necessary for the Finance Committee to adopt this proposal to meet its budget reconciliation commitments, since the proposal does not raise any revenue over the short-term.

Again, NYNEX urges you to delete the Medicare eligibility age provision from the Finance Committee bill. This issue should be considered in the context of comprehensive reform to ensure all aspects of the issue, including the concerns of employers providing retiree health benefits, are addressed.

Sincerely,

MORGAN KENNEDY,
Vice President,
Government Relations.

BELL ATLANTIC,
Charleston, WV, June 18, 1997.

Hon. JOHN D. ROCKEFELLER IV,
Hart Senate Office Building,
Washington, DC.

SENATOR JAY ROCKEFELLER: Bell Atlantic urges you to delete the Medicare eligibility retirement age increase from the Senate Finance Committee's bill. As you know, a provision in the Chairman's ''mark'' would increase the Medicare eligibility age from 65 to 67. Besides public policy concerns about insurance coverage for senior citizens, this provision would also have a significant and immediate adverse financial impact on Bell Atlantic.

Bell Atlantic provides health care coverage to its employees, retirees and their dependents. Our retirees receive full health care benefits at retirement and supplemental benefits that are integrated with Medicare once they become eligible for Medicare. Under the Finance Committee proposal, Bell Atlantic would ultimately be responsible for paying for the additional two years of full benefits for its retirees.

There is also a more immediate concern. Companies are required under Financial Accounting Standard (FAS) 106 to estimate their liabilities for all future retiree health benefits and ''book'' (recognize on their financial statements) the present value of these liabilities, net of any assets dedicated to retiree health. This figure is deducted from earnings. As a result, responsible companies providing generous retiree health benefits will be penalized and viewed as less profitable compared in their competitors who do not provide retiree health benefits.

The impact of this legislation will be to discourage companies like Bell Atlantic from offering comprehensive retiree health benefits to their employees.

Changes to Medicare eligibility age should be considered in the context of overall Medicare reform. It is not necessary for the Finance Committee to adopt this proposal to meet its budget reconciliation commitments, since the proposal does not raise any revenue over the short-term.

Again, Bell Atlantic urges you to delete the Medicare eligibility age provision from the Finance Committee bill. This issue should be considered in the context of comprehensive reform to ensure all aspects of the issue, including the concerns of employers providing retiree health benefits, are addressed.

Sincerely,

DENNIS BONE,
PRESIDENT AND CEO.

CORPORATE HEALTH CARE COALITION,
Washington, DC, June 16, 1997.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR SENATOR ROTH: We would like to bring to your attention the concerns of our companies about a provision we believe is included in the Senate Finance Committee Proposal for Budget Reconciliation. This provision—to raise the Medicare Eligibility Age—could have a serious effect on our corporate liabilities and book value.

As you know, many companies today provide their retirees with health benefits. In most plans, retirees receive full benefits at any early retirement age and supplemental benefits that are integrated with Medicare beginning at the Medicare eligibility age. Under the Senate provision, companies now paying full benefits prior to Medicare eligibility would eventually have to continue paying the unreduced benefits for two more years.

Companies are currently obligated under Financial Accounting Standard (FAS)106 to estimate their liabilities for all future retiree health benefits that may be paid to active and retired workers, and ''book'' the present value of these liabilities, net of any assets dedicated to retiree health. These net liabilities, which are estimated today to exceed $300 billion, must reflect all current law requirements and existing plan provisions, even though companies may be planning to make changes in their plan.

Even though the Senate's increase in the Medicare Eligibility would not begin until 2003, and then would proceed gradually over the next 24 years, the impact on corporate book liabilities would be immediate. Under FAS106, companies would have to re-estimate their future liabilities and account for any addition to their liabilities as a result of this change. The impact on FAS106 liabilities would vary greatly depending on the type of plan and age of work force, but would

range from a 5 to a 25 percent increase in FAS106 liabilities.

This would create a serious financial and accounting problem for companies currently operating retiree health plans, and could cause many to move to limit or eliminate their commitment to retirees. While there is some logic to coordinating Medicare and Social Security retiree ages, we ask that we take up this task after Budget Reconciliation is completed and we have time to consider provisions to avoid the FAS106 liability effects.

Since we do not believe this provision contributes to meeting the Budget Reconciliation instructions to the Committee, we urge you to drop this provision altogether.

Sincerely,

ELLEN GOLDSTEIN,
Chairman.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,
Washington, DC, June 23, 1997.

DEAR SENATOR: Today the Senate is scheduled to take up the budget reconciliation legislation dealing with spending reductions. The UAW strongly opposes this bill because it incorporates a number of anti-worker, anti-senior provisions. We urge you to support amendments to delete the objectionable provisions; If they are not eliminated, we urge you to vote against the bill on final passage.

This budget reconciliation legislation contains a massive attack on the Medicare program that would be extremely harmful for the elderly and for working men and women. In particular, the UAW strongly opposes the provisions that would; Increase the Medicare eligibility age to 67; this provision would greatly increase the number of Americans without health insurance coverage; it would also impose huge new costs on those employers who currently provide pre-Medicare retirees with health insurance coverage, and impose additional pressure on these employers to drop this coverage; means test the Medicare program by imposing drastic increases in the Part B deductible for beneficiaries with higher incomes; this provision would be extremely difficult to administer, while raising relatively little revenue; in addition, it unfairly penalizes seniors who are ill, and would generate increased pressure to totally abandon the social insurance nature of the Medicare program; impose a $5 per visit copay for home health care visits; this provision would impose enormous costs on seniors who depend on home health care; and establish a dangerous pilot program for 100,000 Medical Savings Accounts, which would allow insurance companies to engage in skimming practices that would threaten to fragment the Medicare program.

Taken together, these provisions would undermine the social insurance nature of the Medicare program, and would represent the first step towards converting it into a welfare program that would lack broad based political support. In addition, these provisions would impose significant and unacceptable new costs on many senior citizens. At the same time, the budget legislation fails to provide adequate assistance to low income seniors in paying their Part B premiums. It is also important to note that the provisions increasing the Medicare eligibility age and means testing the Part B premium were approved without adequate public hearings and debate, and are outside the scope of the budget agreement. For all of these reasons, the UAW urges you to support amendments to strike all of these objectionable Medicare provisions from this reconciliation legislation.

The UAW also opposes the provision in this reconciliation legislation that would overturn the federal court decision in the Pennington case. This decision prohibited the states from using accounting devices to make certain groups of workers, especially part time employees, ineligible for unemployment benefits. By overturning this decision, the reconciliation legislation would reduce coverage under state unemployment compensation programs by about six percent. We urge you to support efforts to strike this provision from the budget legislation so that laid off workers are not denied this essential assistance.

The UAW also opposes the provisions in the reconciliation legislation that would: allow Texas to privatize the administration of its Medicaid and food stamp programs; this represents a dangerous precedent that would allow private companies to make decisions regarding the eligibility of individuals for government benefits; establish an open-ended block grant program to encourage the states to provide expanded health insurance coverage to children; the funds provided for this effort are inadequate; in addition, we believe that the most cost effective way to provide health insurance coverage to uninsured children would be by expanding the Medicaid program; deny SSI coverage in the future to elderly and disabled legal immigrants; this would unfairly penalize extremely vulnerable populations who genuinely need public assistance; and allow HHS to administer the Welfare to Work program, while failing to emphasize the importance of job training; we believe that this program can be better administered by the Department of Labor; in addition, the funds available under this program should be made available for job training, which is critically important to moving individuals off to welfare and into the work force.

Lastly, the UAW strongly urges you to oppose any amendment that would exempt individuals in workfare programs from coverage under the minimum wage and other provisions of the Fair Labor Standards Act. As a matter of basic social justice, we believe that all workers should be entitled to these fundamental protections. We are also concerned that this type of exception would undermine these protections for other workers.

Accordingly, the UAW urges you to support amendments that would eliminate the objectionable provisions discussed above, and to oppose any amendments that would further undermine protections for seniors and working men and women. Unless the objectionable provisions are stricken from the legislation, the UAW urges you to vote against this budget reconciliation legislation on final passage.

Thank you for considering our views on this vital legislation.

Sincerely,

ALAN REUTHER,
Legislative Director.

[From the Association of Private Pension and Welfare Plans, June 20, 1997]

INCREASE IN MEDICARE ELIGIBILITY AGE SHOULD BE DELETED FROM THE BUDGET RECONCILIATION BILL

A provision to increase the Medicare eligibility age from 65 to 67 has been included in the budget reconciliation bill approved by the Senate Finance Committee. The provision is identical to one which the Senate rejected during its consideration of the 1995 Balanced Budget Act. While removing the provision from the current budget bill would have no scoring consequences because the phase-in to the increased eligibility age would not begin until 2003, if the provision remains, there would be an immediate adverse impact on employers who provide health benefits until an individual is eligible for coverage under Medicare. Shifting these costs from Medicare to private coverage is likely to result in a reduction in health benefits for active workers, retirees or both.

Any changes in the Medicare eligibility age must be carefully considered and compared with other long term financial and structural changes needed in Medicare to prepare the program for its future beneficiaries and we oppose including an eligibility age increase in the budget package for the following reasons:

A Long-Term Agenda Issue. The Senate bill provision would increase the Medicare eligibility age over a 24 year period. The consequences of such a long term change more appropriately belong on the agenda of the Bipartisan Commission on the Future of Medicare, a panel which would be established by both the House and Senate budget reconciliation bills to make recommendations to Congress on the changes that need to be made to prepare Medicare for the demographic impact of the Baby Boom generation.

Immediate, Negative Effects on Employees. Because the phase-in to the new eligibility age would not begin until 2003, the provision has no scoring consequences for the current five-year budget reconciliation bill. However, private health coverage would be affected immediately. Employers must comply with financial accounting standards (FAS) 106 which requires companies to determine the present value of their future liabilities for the health benefits provided to their active workers and retirees. Increases in the Medicare eligibility age would result in increased liabilities for employer-sponsored coverage, including those firms which agree to continue coverage for early retirees until they become eligible for Medicare benefits. Because FAS 106 standards require that companies must account for their increased financial exposure immediately—even though the increase in the eligibility age would take place over many years—the impact to employers' bottom line would occur long before the full phase-in period.

The Costly Effects of Cost Shifting. Shifts in health care costs from the federal government to the private sector can have profound and unanticipated effects and are very likely to result in lower coverage for active workers, retirees or both. In addition, the provision would leave many individuals with a costly gap in health coverage until they turn 67 which would further discourage companies from providing health benefits to retirees.

Congress and the President reached an historic bipartisan agreement to balance the budget by 2002 and expressly decided that long term Medicare changes would be addressed only after an expert panel provides much needed guidance on the best set of choices to secure Medicare's future. Clearly, increasing Medicare's eligibility age should be given the further consideration that such a fundamental change deserves.

Mr. BINGAMAN. I yield the floor and I suggest the absence of a quorum. I request the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. I yield the Senator from Nebraska as much time as he needs.

Mr. KERREY. I thank the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, first, I would like to praise the chairman of the Finance Committee, Senator ROTH, and the ranking Democrat on the Finance Committee, Senator MOYNIHAN, as well as the chairman and ranking member on the Budget Committee, Senator DOMENICI and Senator LAUTENBERG.

The bill we are debating right now makes a substantial contribution to deficit reduction. The goal of all this deliberation is to balance the budget by the year 2002, the purpose of which is to enable us to continue with an economy that is growing and continue creating jobs and continue the prosperity that we are currently enjoying in the United States.

I am saying all this because we will be debating all kinds of reasons why this bill is bad, and I think it is very important for us to begin by saying there is a purpose here.

We know Medicare is a very substantial program in terms of cost, and any attempt to balance the budget has to look at this program. Chairman ROTH has done, I think, an exceptional job of producing a proposal that not only contributes to deficit reduction, but does a number of other things which I believe are very important.

First of all, one of the things this bill does, in addition to contributing to deficit reduction, is there are a number of provisions that Chairman ROTH and Senator MOYNIHAN put in this bill that directly affect our capacity in rural America to get good health care. That has been a bit of a problem. There are a number of issues we have identified over the years, and Chairman ROTH has made some changes in law in this bill that will benefit those of us who represent rural States. I would like to list some of those provisions.

First, rural hospitals and physicians will be able to form their own networks, independent of larger managed care companies, and contract directly with Medicare on a capitated basis. These provider-responsive organizations would not only provide competition, but they will enable us to increase coverage and increase health care delivery in the rural areas.

Second, the proposal is one that will increase managed care payments in rural areas. The increase in payments will be detailed during the course of this debate, but it is critical, if we are going to get managed care in rural areas, that the payments be increased, and Chairman ROTH has made certain in this bill that happens.

Third, it creates a single designation for small rural limited service hospitals that would be paid on a reasonable-cost basis. This new authority will include the current—called EACH/RPCH—demonstration hospitals. Once again, we have been asked by rural hospitals and rural providers for this provision. Chairman ROTH and Senator MOYNIHAN have included it in their bill, and for those of us who represent rural States, we are going to be able to say, correctly so, that this law is going to make it more likely that we are going to get good care in the rural community.

Next, it allows sole community hospitals to opt for a fourth payment option based upon the costs from fiscal year 1994 or fiscal year 1995. It is a detail that I will not go into at length here today, but again on the ground at the community level this will make a tremendous difference in most States where rural health care shortages are a problem.

Next, it reinstates the Medicare dependent hospital program through 2002. This means that hospitals with less than 100 beds and where 60 percent or more of the discharge is paid for by Medicare will be paid on the same basis as sole community hospitals. It is a very important provision. There are lots of hospitals in Nebraska sort of hanging on the edge with fewer than 100 beds. This will give them a fighting chance to survive.

Last, it allows rural referral centers greater flexibility to receive payments based on rates for the nearest germane area.

Mr. President, I just say again that this provision is one last thing in the bill that will enable us to say that in addition to eliminating this deficit that has plagued us for so many years, this proposal will increase the likelihood that managed care and good health care will reach the rural area. I thank Chairman ROTH and I thank Senator MOYNIHAN and Senator DOMENICI and Senator LAUTENBERG. It is a terribly important provision for those of us who represent rural States.

Second, and I will not go at length in describing this, this bill grants authority to the Secretary of Health and Human Services to bring more competition into this system. Competition in my judgment will not solve all of the problems, but it is a tremendously useful tool to bring costs out of the system. It is more likely to get it done in an efficacious fashion. Again, Senator ROTH and Senator MOYNIHAN have included this in the mark. And I believe it represents substantial reform and important reform in the Medicare system.

Third, this committee, the Finance Committee, again under Senator ROTHs's and Senator MOYNIHAN's leadership, has paid attention to the unique problems that low-income Medicare beneficiaries face. And it can be a tremendously difficult problem.

It is relatively easy for us to get caught up in all the numbers and presume that all we are doing is trying to find numbers savings. But for an individual out there at the community level, Medicare really can be a lifesaver.

I have a woman in Omaha, NE, that I pulled from our file, we are working with at the moment, that faces some problems, a very common situation. A widow on Medicare, she has $610 a month in Social Security. She has $182 in rent subsidized through section 8. Her utilities and phone are $55 a month. Her Medicare part B is $43 a month. She has a Medigap cost on top of that. By the time she is done, she has $4,000 left over for everything, for food, clothing, and other expenses. It does not take much in the way of prescription drugs and additional costs for health care for her to find herself with almost no money left over.

So this mark, for those of us concerned about low-income people, continues the dual eligibility system for Medicare and Medicaid. It continues both the SLMB and the QMB Programs that enables lower-income people to get payment. And I believe the managers' amendment will make it more likely that the SLMB Program will enable low-income people to find themselves able to accommodate the increases in premiums that will occur as a consequence of the shift of some home-based coverage from part A to part B.

Though I would argue there is still some room for improvement, this bill represents a good-faith effort to acknowledge that there are low-income beneficiaries out there who are faced with different problems than higher-income beneficiaries.

There is still one out of seven Americans over the age of 65 who live in poverty. Medicare and Social Security reduces the rate of poverty from 50 percent to about 12 percent in the country. But still, for those 12 percent, life can be quite difficult. And I assure you, Chairman ROTH and Senator MOYNIHAN have paid attention to that problem and, I think, have enabled us to say that we have at least tried to make certain that low-income beneficiaries are given full consideration.

The next thing that I would like to spend most of my time talking about is, this mark, this piece of legislation does acknowledge, as well, that we have long-term problems, that we cannot stick our heads in the sand and ignore that the Medicare Program not only promises to make payments for the next 5 and for the next 10 years but it promises to make payments for the long-term as well, promises to make payments especially for that baby-boom generation that will begin to retire in 2010, 2011, depending upon when you mark the generation. It is either 1945 to 1965 or 1946 to 1965. In that 20-year period, about 2010 to 2030, under current forecasts, even as we have adjusted the program—I note there will be some that try to knock out the increase in the eligibility age. There will be some that try to knock out the income-related test on part B, the copayment on home health, the $5 fee on

home health, and make compelling arguments. But you can only make those arguments persuasive if you ignore where this program is going.

Mr. President, the current cost of Medicare represents about 10 percent of this budget. And from 2010 to 2030, Medicare costs will go from about 10 percent to 35 percent of the budget. That is the kind of growth that we see out in the future. It is a demographic problem. And when you move the eligibility age from 65 to 67, in order to bring it into line with where Social Security is going, we are making and recommending an adjustment that takes into account where this program is going, what the future looks like out there.

I acknowledge that there are problems when you move the eligibility age for people who are between the ages of 60 and 66 or 67. There is a problem. This legislation has in it not only a commission, but in law we recommend that the commission consider doing what Kerrey–Danforth recommended, which is to allow seniors between the ages of 62 and eligibility age to be able to buy into the Medicare Program. I think it is the sort of thing that we are going to have to consider whether we adjust the eligibility age or not.

But I will give this evening—I suspect I am going to have plenty of opportunity to argue this when the amendment is offered to strike it on the eligibility age—I give this evening one set of facts. Between the years 2010 and 2030, the number of people in the work force will grow by 5 million, a 5-million-person increase between 2010 and 2030. But the number of people who are retiring who will be eligible for payments will increase by 22 million. That is a problem, Mr. President, that we face with our program. And we can either ignore it and say we do not want to make change or we can acknowledge, in order to preserve and protect Medicare for the long term, these kinds of changes will be necessary.

The change does not impact anyone over the age of 58 today and does not fully impact anyone over the age of 36. I say that because I have already seen interviews given to current Medicare beneficiaries, people who are 65, people who are 70, receiving Medicare that are beneficiaries today, and the question is put to them, ''What do you think about moving the eligibility age?'' as if it is going to affect them. And very often again they will find themselves concerned about losing their Medicare, about whether or not they are going to be paying more for their Medicare. And there is a presumption made that this change is going to have an impact on them.

Mr. President, this movement of the eligibility age is one of the easiest. Right along with that, a change that I believe should be made is to bring a new accounting to the cost of living index. We debated it earlier on in the year. We were not able to get it. Some objected to the so-called ''politicization'' of the CPI. The CPI was imposed in 1973 for political reasons.

I want a good formula, a good calculation. Unfortunately, we were not able to get that because we ended up being opposed both on the left and on the right. But these are the kinds of changes that are necessary to accommodate demographics.

There was a piece in the New York Times Sunday magazine yesterday. I think it was Ben Wattenberg that made a couple of suggestions. And if Members want to bring that kind of suggestion to the floor, why it will be an interesting debate. He suggested that we change our tax and our spending laws to encourage Americans to have more babies or we open our borders and accept more people in the United States as immigrants, trying to increase the number of workers per retiree.

Or one can walk to the floor if they choose to and propose a tax increase. Many people who have honestly evaluated this program have suggested that all we need to do is increase the payroll tax just a little bit and that will solve the problem.

Mr. President, I intend in this debate to repeatedly point out to colleagues that the tax-cut provisions in this bill addresses the income tax. It does not address what is for many Americans the largest tax of all, and that is the payroll tax.

And I have been in Nebraska many times in townhall meetings and talked about this movement of the eligibility age and the income-related test on part B, which is also in the chairman's mark. And very often it provokes a big debate. And some do not like it.

I say, let me just ask the audience, How many of you would support increasing the payroll tax? And it is rare where you will find more than one or two people holding up their hand, Mr. President. And the reason is, that for a family of four in Nebraska, earning $34,000 a year, husband, wife, two children, they will pay $2,719 in Federal income tax; they will pay $5,358 in payroll taxes, $4,300 of which is FICA and $1,000 of which is the Medicare tax. Mr. President, that is almost twice as much in payroll taxes.

One of the reasons that we find people say to us that this system has to be fixed with these kinds of changes is that they acknowledge that this payroll tax is taking a substantial bite out of the income of the working families of America.

So the bill has a change in the eligibility age. I defend it strongly. I intend to come down when the amendment is offered to strike and explain at greater length why those who are arguing to strike it will not help strengthen this program. I intend to argue as well, by the way, that I, having studied this a long time, believe long term it is going to be difficult for us to maintain Medicare and Medicaid, the VA, and the income-tax deductions as intact programs.

I think it is going to be difficult for us to not, at some time, relatively soon, begin to examine once more whether or not we should change the law and change the way people become eligible.

It is very revealing when you talk about moving the eligibility age, Mr. President. The law says if you have reached the age of 65 in America you are eligible for Medicare. If you can prove you are poor, under the law, the law says you are eligible for Medicaid. If you get blown up in a war, as I did, the law says you are entitled to the VA system. If you work for the right employer, the law says you can get a subsidy through the income tax system. If you work for the Government very often, the law says you also have a right to health care.

Mr. President, I believe, though it may seem counterintuitive for those of us who have been worried about the growing cost of the mandatory programs and entitlements and that interest, that we need to consider rewriting the social contract for Federal health care and establishing a simplified eligibility. If you are an American or legal resident, you pay according to your capacity to pay. Everybody has to pay the true cost of health care.

We ought to allow competition to control the cost. And we ought to allow consumers to get far more information about what the health care system is both doing for them and sometimes doing to them.

I think it is very difficult for me to stand here and say that we can preserve Medicare as an intact program unless some demographic change occurs between now and 2010.

I believe it is inescapable you look at these kinds of choices, otherwise you are basically going to prolong the due date and at some point we are going to be facing choices that are far more difficult than the choices that are being presented by the committee in this budget.

Mr. President, another change that we have in this proposal is a change that says that we are going to make the Medicare part B more progressive than it currently is by asking Americans who have higher incomes to pay more, to be subsidized less, in short, by Americans with lower income for that part B premium.

Initially, Senator GRAMM of Texas and I, who worked on this proposal, had an offering that we would use the deductible as a basis for change, in short, that we were going to try to affect utilization. It got a bit confusing. And as a result of that confusion, both he and I have agreed to change it so that it will be an adjustment in the part B premium for Americans under $50,000 a year. They will not be affected at all. Roughly 94 percent of beneficiaries are somewhere in that range. It does not fully affect any individual under $100,000. We phase the subsidy out over $100,000 for an individual and $125,000 for a couple.

I appreciate the sacred nature of Medicare, but nowhere do I find it persuasive that we ought to ask people with lower incomes to subsidize people of higher incomes. Very often the people of lower incomes do not even have health insurance. They are struggling to pay the cost of health care themselves out of pocket, and part of their taxes—again, the larger share of their taxes coming from payroll taxes being delivered to pay the health care of individuals with a capacity to be able to take care of themselves.

I do not believe this challenges the Medicare system. I do not believe it is a slippery slope to destroying Medicare. I believe it is consistent with what Medicare attempts to do, which is to say that the market will not provide insurance for all of our citizens, that we have to, on a progressive basis, write a law that enables us to do that. This change will make the system more progressive, not less. I emphasize that.

For all those who will come to the floor and argue that this package is not sufficiently progressive, they will find themselves, in my judgment, turning their arguments inside out in proposing this test of income on part B. How can you defend a change, a simple change at a relatively high income, Mr. President, $100,000 for an individual and $125,000 for a couple? Mr. President, this is a substantial first-step change, once again, to acknowledge that we have a long-term problem with Medicare, and we are going to have to begin to make more difficult choices if we want to arrive out there in the future and say we have solved future problems as well.

Very importantly, under this change, we did not do it for budgetary reasons. Neither the move of the eligibility age nor the change in part B premiums has been done in order to generate budget savings. Indeed, the revenue that we get from the part B premium will go into the health insurance trust fund, strengthening the health insurance trust fund. We have not had it scored. We are not using it to pay for other things. We are using it to strengthen the Medicare Program and, as I say, to make the program more progressive.

Mr. President, finally, as we go through this debate, I intend to repeatedly come to the floor and call to my colleagues' attention another terrifying fact. People come and they will argue, well, in 1965 when we passed Medicare, we intended the following—and whatever it is that the colleague wants to offer in opposition to either moving the eligible age or in opposition to putting an income test on part B, will suggest there was something in 1965 that caused us to say we would do something and never come back and change it. There have been lots of changes that have occurred since 1965.

I will in the midst of the debate have plenty of opportunity to go through many of those changes that I think dictate that we change the program again. The one that is the most impressive of all is that in 1965, 30 percent of the Federal budget went to mandatory programs. That is entitlement programs plus net interest, and 70 percent of our budget went to discretionary spending. Mr. President, in the year 2002, when this budget agreement ends, we will have exactly the opposite—70 percent will be mandatory spending and 30 percent will go to discretionary. It does not stop there. It will continue to grow until 100 percent of the budget is mandatory, until we have converted the Federal Government into an ATM machine, collecting taxes and merely transferring back out.

Mr. President, for all those who care about investing in our future, who want to invest more in education, who are concerned about productivity, we have all kinds of other things we believe this Nation needs to be addressing, unless we come to grips with the growing cost of mandatory programs, it will be impossible for us to do all the things that most of us would like to do in order not only to make our country fair but also to make our country more prosperous and productive.

I believe the legislation that Chairman ROTH and Senator MOYNIHAN have presented to the chairman of the Budget Committee, Senator DOMENICI, and Senator LAUTENBERG, the ranking member, is a fair proposal. It will enable us to say we will balance the budget by the year 2002. It is more progressive than the current law, taking greater account both of low-income Americans as well as upper-income Americans' capacity to pay. It is a terrific package that will enable us in rural America to increase the quality of care that we see our citizens getting. It moves more toward a competitive model, not only giving Health and Human Services more power, but giving consumers more power by giving them the data and the information that they need to make choices. There is substantial reform not just for budgetary reasons but for the purpose of improving the quality of this program that has been so enormously beneficial for our country.

I appreciate the opportunity to work with the chairman and the ranking member, Senator MOYNIHAN, and I look forward to the opportunity of returning to the floor to debate some of the specific amendments that are offered.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I yield 20 minutes to the Senator from Illinois.

Mr. DURBIN. I thank my colleague from New Jersey for yielding.

PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that Ann Marie Murphy of my staff be accorded privileges of the floor during debate on S. 947.

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

Mr. DURBIN. Mr. President, let me say at the outset I want to acknowledge the leadership role that has been played by my colleague, the Senator from Nebraska, who preceded me on the floor. He is calling on us as Members of the Senate and the House to face the reality that entitlement programs need reform. Senator KERREY has oftentimes been a lonely voice in that effort. It is not altogether a popular position to take and yet it is necessary. I admire him for his leadership and his candor, and I think that we in the Senate should heed his advice that we must resolve ourselves into the business of addressing the needs of these entitlement programs—Social Security and Medicare in particular—on a long-term basis.

What I am about to speak to today in no way should reflect on Senator KERREY's effort or the effort of others for meaningful reform with Medicare. But the issue which I address is one included in this reconciliation bill which I feel is fundamentally wrong and fundamentally unfair. It is a provision which is included in this bill which would over a period of time raise the eligible age for Medicare.

By way of background, many years ago we raised the eligibility age for Social Security. The reason the people still think in terms of Social Security eligibility at age 65 is that this change to age 67 will be implemented during a transition period from the years 2003 to 2027. It is a gradual change adding, over 24 years, 24 months before a person can be eligible for Social Security. During the course of its deliberations, the Senate Finance Committee entertained a motion by my colleague from Texas, Senator GRAMM, to add an amendment which would increase the eligible age for Medicare from 65 to 67. It is said in the report of the Finance Committee—and I am sure this reflects the nature of the debate—that an attempt was being made to find some symmetry between the increase in eligibility age for Social Security and the increase in eligible for Medicare. If there is any parallel or any symmetry between these two programs it is only that they both serve elderly Americans, and there it ends. I think we should view this suggestion of raising the eligible age for Medicare from 65 to 67 in the context of the people who are affected.

This package that raises that age to 67 for Medicare literally reneges on our promise to provide Medicare to seniors at the age of 65. There is no budgetary impact in this provision. There is no money to be saved, because whatever is going to be saved, if it is ever implemented, will not occur until the next century, far beyond the 5 years when we measure the impact of this bill.

This change does not parallel the Social Security change which I described. Individuals have the ability now to begin their Social Security benefits at age 62. Of course, those benefits are diminished, but should a person reach that point in life and say, ''I'm ready to retire. I do not want to wait until 65. I have talked it over with my spouse.

I'm going to retire at age 62.'' It is perfectly legal. They can do it. The Social Security benefits start flowing to their family based on what they have paid in.

There is no corresponding option for Medicare. Medicare begins at 65. Unless you are disabled and thereby qualify for Medicare, you cannot touch this program until you are age 65.

Currently, 1.6 trillion individuals in America between the ages of 55 and 65 are uninsured. How do people find themselves in this predicament? Well, I bet you everyone listening, those viewing, can probably think of someone in their family or a friend who reached that situation. I have a situation in my own family, a person who had worked for years and years for a major company and decided he would retire at age 60 and the company said, ''Well, here is your watch. Here is your package of benefits. Good luck in your retirement.'' Within 12 months they notified him there had been a change in the program, and no longer would they offer health insurance to him as a retiree. His recourse? None, zero, no place to turn. Age 60, retired, out of work, no health insurance. Then the trouble began for him personally, heart problems, leading to serious heart surgery. He literally put his life savings into his medical care and counted the days until he reached the age of 65. He had been critical of a lot of ''big government'' and big government programs, but now a big government program was coming to his rescue and his family's rescue. He finally made it and reached age 65 and reached eligibility.

Is this an isolated case of one person who did not have good luck when he retired? I am afraid not. A 1997 Commonwealth Fund study indicates in 1994 only 30 percent of retirees had health insurance from a previous employer, compared with 44 percent in 1988. The trend, unfortunately, is in the direction of uninsured people at the age of 60 and beyond. Even coverage by larger employers has declined. In 1993, 71 percent of large employers provided coverage. But then again by 1996, this figure had dropped to 63 percent. Many retirees, incidentally, do not retire voluntarily and may not have much chance of future employment. Private insurance for this group of seniors is very expensive.

In my home State of Illinois, I checked in the city of Chicago, and the average cost of health insurance for a healthy male age 60 to 64 is $6,520—healthy male. What if they had a preexisting condition, a serious medical condition? The cost goes up over $10,000 a year. You are retired, you are going fishing, you are taking it easy, all of a sudden, no health insurance. Where do you turn? You just had a diagnosis that says you have a medical problem—$10,000 a year and you wait, counting the days until you are eligible for Medicare.

This bill does not help seniors. This bill does not help retirees. This bill does not help working families, and this provision is totally unfair. If we lived in a country where everyone had health insurance, universal health coverage and you did not have to worry about whether you lost it through changing a job or retirement, that is one thing, but we do not live in that nation. We live in a country where any one of us with the loss of a job could be vulnerable to no health insurance coverage, and the suggestion of the majority that we raise the eligibility age for Medicare leaves more people vulnerable—vulnerable, of course, to the cost of health insurance if they can buy it.

That is why I oppose this provision and why I will make a point of order when I have concluded these remarks. I yield for debate only to my colleague, Senator REED.

Mr. REED. I thank the Senator from Illinois for yielding. I join him in my opposition to this provision in the bill. I also have great respect and regard for Senator KERREY, the primary sponsor of this provision. He has courageously identified many issues with respect to Medicare and has provided great insight, but in this particular situation I believe that to raise the eligible age for Medicare is going in exactly the wrong direction. It forgets why we created Medicare in the first place in the mid-1960s.

The overwhelming reality was that seniors at that age could not get health care. That is why the Government stepped in. Private insurance companies were unwilling to sell insurance to those people at any reasonable price. Many things have changed since the mid-1960s—the demographics of our population, the efficacy of a health care program, the longevity of our citizens—but one thing has not changed, and that is the unwillingness of private insurance to step in and provide affordable and accessible health insurance to seniors.

Today, 13 percent of the 21 million people aged 55 to 64 lack health insurance, and by adopting this provision we will simply add to that number because, now, from age 65 to 66, they will not have access to the Medicare system. Therefore, we have to, I think, maintain a situation where the Medicare system begins at age 65.

Indeed, I hope that we will endeavor to try to develop programs that would broaden the base of health care insurance for all Americans. It is quite disturbing to listen to the statistics cited by my colleague from Illinois, and to point out that many, many companies are now no longer insuring, as a matter of routine, their employees and, consequently, the percentage of insured Americans, particularly in the later years of their work life, is declining. We would add to that precipitous decline by adopting this particular amendment.

Indeed, also, we have to understand that the majority of Medicare beneficiaries between the ages of 65 and 67, who would be affected by this amendment, have incomes below $30,000. They certainly would not be in a position to pay a $10,000 a year private insurance premium, as is evident in some States, like Illinois. Often they are single, poor, unemployed. They would have no recourse. And this is not the way to fix the Medicare system—by denying health care insurance to people, by essentially pushing them out of the system of health care with the idea that we will somehow stabilize and increase the longevity of our health care system.

There is another aspect of this that should be studied much more deeply before we embark on such a change; that is, many employers have provided health care benefits to their employees until they reach the Medicare age of eligibility. As a result, if we were to push back the eligibility table, we would require corporations throughout this country to immediately recognize, because of accounting rules, an increase in their liability, a significant increase in their liability. This could force them to rethink their overall health care strategy to accelerate the decline of health care not only for seniors but for working Americans, as companies simply say, ''we can't afford to shoulder this burden any longer.'' As a result, we also, I think, have to recognize the significant impact this would have on the application of health care insurance throughout our society. As one employer wrote to me, ''The impact of this legislation will be to discourage companies from offering comprehensive retiree health benefits to their employees.''

I think we have to be very careful and thoughtful about how we reform Medicare. We all want to stabilize the system, to ensure solvency. We can do that without adopting this amendment. To move away from a guarantee of health care for seniors, beginning at 65, is a retreat that I don't think we should make and I don't think we have to make. Therefore, I join my colleague from Illinois in objecting to this provision of the bill before us today. I thank the Senator and yield back my time.

Mr. DURBIN. I thank my colleague, the Senator from Rhode Island, for his remarks. I want to really follow up on one of his last points. I say to Senator REED, I have in my hand a letter signed by some 80 businesses and business organizations objecting to the increase in the Medicare eligibility age from 65 to 67. These are not just a few odds and ends when it comes to the business profile of America. We not only have a letter signed by the U.S. Chamber of Commerce, but also the National Association of Manufacturers, companies like ARCO and Bell Atlantic, Chrysler Corp., Ford, General Motors, and the list goes on and on. Making the point my colleague from Rhode Island made, they have already made a commitment to their employees and it is this: We will protect you with health insurance as a member of our family, our corporate family, after retirement until

you are eligible for Medicare. Now, if we raise the Medicare eligibility 2 years, these companies having made that commitment have a new liability that they had not anticipated. It is not only a cost but a disincentive to these and other companies to make that kind of promise. That is the real world. For people to see the simple symmetry between Social Security and Medicare—oh, it is going to 67 by the year 2027 on Social Security, and let's go to 67 for eligibility on Medicare—is to overlook the real world that people live in. The employees who are faced with troubling medical conditions late in their lives who may not have health insurance coverage, who cannot afford to buy it at that point in their lives, where are they? Who speaks for them in this Chamber? Who will stand up and say that these people deserve protection and coverage? Well, we have it today—at least beginning at age 65.

I hope that, in the name of balancing the budget and having some budget impact in the next century, we will not throw away a basic commitment to those in our country who have worked so long and so hard. I will be making a point of order at this point in the debate, unless others would like to speak.

Mr. REED. If the Senator will yield one more time. The fact is that this will create a significant system impact. For example, private companies may change their insurance packages, et cetera. There is another impact, also. In this country, sick people—and I hope in this country they will still get care someplace. As a result, without the Medicare Program, they will be thrust upon the hospitals for uncompensated care and thrust upon—if they are low-income citizens—Medicaid programs or special programs at the State level. So as we hope to save at the Federal level, we very well may generate other costs, and perhaps larger costs, at local-State levels and in other insurance programs. So, essentially, our commitment to Medicare, I feel, should be maintained. I, again, concur with the Senator and thank him for yielding me this time to further comment.

Mr. DURBIN. I thank my colleague. Senator BARBARA BOXER of California and Senator TOM HARKIN of Iowa could not be here for this debate, but they wanted to have their names joined in support of our effort.

In conclusion, I will say that my colleague from Rhode Island brings home the conclusion to this debate; that is, if we shirk our responsibilities to these working families, if we walk away from a Medicare promise of over three decades, we will end up with people in unfortunate circumstances, many of them sick, presenting themselves for care without any health insurance, without Medicare. Of course, most hospitals and most health care providers in this country will do their best to treat them anyway. Then the cost of that care will be borne by everyone, borne by those who pay into insurance and those Government programs that insure, as well. Unfortunately, people wait until they are in acute and critical conditions before they come to a hospital under those circumstances. Then the care is more costly, and many times they sacrifice their health and their lives. In the name of balancing the budget, let us not include a provision raising the eligibility for Medicare that creates such a disadvantage and such pain and suffering for so many working families across America. This is not an idea whose time has come. This is an idea that should be shelved until our commission working on the future of Medicare can come up with sensible suggestions that really reflect the reality of the world that many seniors face today.

Mr. President, at this point, I understand that before I make my point of order I must ask that all pending amendments be laid aside. I make that request.

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

POINT OF ORDER

Mr. DURBIN. Mr. President, I raise a point of order that section 5611 of the bill, S. 947, contains provision that produces no change in outlays or revenues during the required period of time and therefore violates section 313 (b)(1)(A) of the Congressional Budget Act of 1974.

Mr. ROTH. Mr. President, pursuant to section 904 (c) of the Congressional Budget Act of 1974, I move to waive the point of order, and ask that debate on the waiver be postponed until tomorrow following any votes ordered for tomorrow morning.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I ask for the yeas and nays on the Senator's motion to waive.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, the reconciliation bill before us today seeks to raise the age of eligibility for Medicare from 65 to 67. If we allow this increase to remain in the bill, we will be breaking a compact made with millions of future beneficiaries. For 32 years, we have said to working Americans ''pay into this program and we will provide you with health security at age 65.'' During the drafting of this bill, however, this promise was callously and capriciously cast aside.

Proponents will claim that they are merely conforming the eligibility age for Medicare to that of its sister program, Social Security. Yet, the manner in which we are approaching this change and the final outcome differ dramatically and dangerously.

First, it is important to note that the change in the age of eligibility for Social Security, which begins to rise in 2003, was enacted in 1983. Therefore, individuals affected by the Social Security change will have had a minimum of 20 years to adjust their retirement planning. By changing Medicare at this late date, we are giving future beneficiaries only 6 years notice to absorb in their retirement planning a change that could eat up a significant portion of their retirement income, should they actually be able to purchase insurance. It could also bankrupt them, if they are forced to go without insurance and suffer a devastating illness.

Second, under Social Security, individuals will still be able to receive reduced benefits at age 62, the age of early retirement, if they choose to retire before they are eligible for full benefits. Under this proposal, however, senior citizens will be unable to receive any Medicare benefits until they reach the new age of eligibility.

A delay in eligibility for Medicare could throw millions of senior citizens into the ranks of the uninsured. Unless we are willing to enact simultaneous insurance reforms to guarantee access to affordable and comprehensive coverage for this group, these senior citizens will be forced to forgo health security in their retirement.

In 1992, employer-related retiree health plans paid for only 6 percent of health expenditures for persons over age 65. There is no reason to expect this number to increase. In fact, many employers are now reducing or canceling retiree health coverage for both early retirees and Medicare-eligible retirees. According to one study, in 1988, 62 percent of firms offered retiree coverage to those under age 65, and 55 percent offered benefits to those eligible for Medicare. In just 4 years, by 1992, the numbers of firms offering retiree health coverage had dropped nearly 10 percent in both categories—to 52 and 46 percent, respectively.

Members of the Corporate Health Care Coalition have ominously issued a warning that this provision could hasten the loss of employer-sponsored coverage. In a letter of June 16, 1997, they state that raising the eligibility age ''. . . could cause many [companies] to move to limit or eliminate their commitment to retirees.''

It is difficult to know why the Finance Committee proposed this step, since it does not contribute a single penny toward their reconciliation instructions. A change of this magnitude deserves careful study and planning. The age of eligibility is precisely the type of issue that ought to be considered by the National Bipartisan Commission on the Future of Medicare, which this bill will create. To change the age of eligibility suddenly, on the

spur of the moment, on this reconciliation bill, is an unwise, unfortunate, and unnecessary attack on all senior citizens.

The provision also violates the Byrd rule because it does not affect spending within the budget window. We eliminated this proposal 2 years ago, and Senator DURBIN's point of order should strike it from the bill again.

Mr. LAUTENBERG. Mr. President, I rise to support removing the provision on the increase in Medicare eligibility. I would like to see that removed. This provision, as we all know, calls for increasing the eligibility age for Medicare from 65 to 67.

Throughout our negotiations on the bipartisan budget agreement, there was no serious discussion—none—of increasing the eligibility age for Medicare. And, if there was, even the most casual discussion didn't wind up in the bill. So it wasn't believed in the contentious review that it would be appropriate. Nor has this issue been the subject of hearings or serious debate in the 105th Congress. There is nothing in the budget resolution that calls for dealing with the issue, as I said.

Nevertheless, the bill before us would increase the eligibility age for Medicare and would do so without protecting the seniors aged 65 and 66 to make sure that they will have access to affordable health insurance as they age. Typically corporations now have men aged 65 to offer retirement in many cases, and that is the vulnerable age. If there is an illness that befalls someone or they run into economic differences during that period of time, that is a very harmful experience. I think it would be a serious mistake to do that without making certain that the those aged 65 and 66 are protected.

Before going further, I want to acknowledge that the Senators who are responsible for this proposal are trying in good faith to confront the long-term problems facing the Medicare Program. They deserve real credit for that. I, too, would like to have a comprehensive review on Medicare.

I think we have made a good first step back when we finally had the policy behind the development. That was to add years of solvency to the Medicare Program while we engaged in a comprehensive review. So this is not the time, frankly, nor the place on our agenda to do that. So I disagree with their approach.

My concern is that if we simply exclude 65- and 66-year-olds from Medicare, what do these folks do? At that age private health insurance can be prohibitively expensive, if it is available at all. Without Medicare, these people may have nowhere else to turn.

Mr. President, I point out that more and more businesses are dropping health insurance coverage for their retirees. The trend has been accelerating in recent years, and it may well continue into the future.

I know lots of people who face retirement who want to engage in a business or continue to work productively. But in almost no case can they be assured that they are going to get private health insurance to take them over if they wanted to go beyond Medicare protection. So private insurance doesn't look like it is a real course for those in that 65–66 category.

It is a frightening prospect. I have never heard so many conversations from people about their concerns about health insurance. It is a continuing subject. Notice that in job opportunities very often the health insurance discussion is no longer one that is available. Lots of small companies can't afford to provide it, and they don't.

So people are worried about the prospect of bankruptcies as a result of a catastrophic illness, about being put out on a limb and not getting the coverage that they need. We know that hospital services in this area are expensive. We also know that there has been a major change in the psychology of our society; that is, people in their sixties no longer expect to be put out to pasture. They can do lots of good things. Take it from an expert here, they can do lots of good things. And they want to know that their health is protected.

So it is a scenario that could face millions of Americans if we are not careful.

If the Congress decides, Mr. President, that the Medicare eligibility age should be changed, there are ways to protect senior citizens in the process. Some have suggested allowing uncovered seniors to pay a reasonable premium in return for Medicare coverage. Others have suggested subsidizing private insurance or other options.

I am not advocating any single program at this point. My focus is that we should not pull the rug out from millions of Americans without ensuring that they have at least a basic safety net.

I also believe that a fast-track reconciliation bill is the wrong vehicle to be considering a fundamental change like this. For those who are not familiar with our terminology, ''fast track'' means get it done, try to zip it through the place—not undercover but to try to get it done. The reconciliation bill is one that kind of commands an enforcement mechanism for achieving the objectives that we set out for ourselves—in this case the balanced budget by the year 2002, to try to extend the solvency of Medicare, take care of legal immigrants who are here, to provide insurance coverage for children that are not ensured.

Those are the missions that we encompass in this bill. They were negotiated over a long period of time—several months. They were very difficult negotiations—difficult not because we were at each other's throat but because we tried to deal with reason and thought and arrived at a consensus that would take care of most of the needs that we provide for our citizens, including a massive infusion into our education programs to provide young people with opportunities for the future, and again to protect senior citizens who are perhaps impoverished and can't afford increased premiums. Suddenly this is a new factor introduced from the Finance Committee which is an amendment to the basic bill.

In addition to the limit on amendments to the reconciliation, it would be very difficult even for Senators to consider fully various options.

The proponents of rating the eligibility age in this bill argue that we must act now to give Americans adequate notice about a change that is coming in the future. However, I would note that this bill includes a commission to look at the long-term issues involving the Medicare Program. The commission is required to report within 1 year of this bill's enactment. If the commission determines that a delay in the eligibility age is required, Americans will have plenty of notice about that possibility to be able to respond with their community and with their organizations. They will be able to send in considered opinions. I think we must do that.

So I hope that my colleagues will support the effort to remove this provision from the reconciliation bill. It would be wrong to leave older Americans without health care coverage. We certainly shouldn't do so on something that is going to move as rapidly as this is without an opportunity for having adequate public input and a full debate.

So, Mr. President, again I salute the effort of those who are offering the change because they think that it is essential for the solvency and for the long-term survival of Medicare. But, on the other hand, if it is that important and that crucial, then we ought to make sure that we allow enough time and allow enough review to make certain that the step we are going to choose is the correct one.

Mr. President, I see nothing is going on at this moment. I therefore, note the absence of a quorum, and I ask that it be charged to both sides.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

HOME HEALTH CARE PROSPECTIVE PAYMENT ACT OF 1997

Mr. HATCH. Mr. President, over the past several months, I have been developing legislation to dramatically reform the way Medicare pays for home health services. This effort builds on my work in the Finance Committee during 1995 where I strove to see a prospective payment system for home health services included in the Balanced Budget Act agreement.

The culmination of this year's efforts is a bill I introduced on June 16, the Home Health Care Prospective Payment Act of 1997 (S. 913). The Home Health Care Prospective Payment Act is intended to achieve three primary goals:

First, the bill will create incentives for providers to behave in a more cost effective manner.

Second, it will help assure that the federal government achieves the necessary savings it seeks in order to ensure the solvency of the Medicare program well into the next century.

And third, perhaps most importantly, my bill accomplishes these first two goals while protecting the quality and continuity of home health care services for beneficiaries.

As my colleagues are aware, I have been a strong supporter of home health care services ever since I came to this body. I have applauded changes that have made it easier to treat Medicare patients in the most cost-effective setting. The changes we have made to the system have benefited many patients who would otherwise have not received care. In other cases, these individuals would have had to wait until their health deteriorated to the point of having to be admitted to a hospital. This outcome was neither cost effective nor good health care policy.

We have learned a great deal about Medicare reimbursement since we passed the prospective payment system [PPS] for hospitals in 1983. We now know the value of a proper transition period so that providers will be able to manage their operations toward a permanent system.

We also know that we can model a payment system that encourages providers to manage costs and utilization better. We realize that moving to a new reimbursement system is a massive undertaking. The amount of data, time, and expense is enormous. It is especially important not to unnecessarily burden health care providers, Government, or patients with administrative requests.

My legislation proposes to begin a transition to a home health care PPS immediately, rather than waiting until fiscal year 2000. Instead of relying on cost limits, we can begin using predetermined rates in an initial PPS system during fiscal years 1998 and 1999.

The principle behind prospective payment is to shift the risk from the Government to providers. This is done by rewarding providers for keeping their costs below the rates—or having them absorb the loss if their costs are over the rates. Therefore, I propose we incorporate a limited shared savings plan during the initial 2 years of the PPS to encourage more cost effective behavior by health care providers.

In addition, there needs to be greater sensitivity to the data demands and consequences in our proposal. For example, there needs to be some discretion for the Secretary of the Department of Health and Human Services to designate a different base year for extraordinary situations that may arise in a particular case. There are other proposals that may be considered that might be good ideas in and of themselves. Some proposals, however, may impose data, time, or cost demands that are unnecessarily burdensome to providers, patients, or the Government—but may not be necessary for PPS implementation.

The changes I am proposing in my legislation are not new to the Senate, but merely reflect the information and legislative history we have gained through our consideration of Medicare payment reforms. My legislation will make home health care reform consistent with that history.

Mr. President, for the benefit of my colleagues I ask unanimous consent that a section-by-section analysis of S. 913 be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS

Section 1. Provides a short title and a table of contents.

Section 2. Provides that amendments made by the Act are to the Social Security Act.

Section 3. Provides for the recapture of savings from the temporary freeze on payments for home health payments from 1994 to 1996 in updating home health costs limits for FY 1998 and subsequent years.

Section 4. Provides for the establishment of an initial prospective payment system for home health services beginning in FY 1998. Payments would be based on rates equal to the lower of—

Costs determined under the current reimbursement system (revised to limit costs to 105 percent of the median of visit costs for freestanding home health agencies and eliminating annual rate updates); or

An agency-specific per-beneficiary annual limit based on 1993 cost reports, multiplied by the agency's unduplicated patient census. Annual limits for new providers would be based on an average of limits applied to other home health agencies. Incentive payments would be available to agencies equal to 50 percent of the amount by which its year end reasonable costs are below its per-beneficiary annual limit.

Section 5. Provides for the establishment of a permanent prospective payment system for home health services beginning in FY 2000. Payments would cover all services included in the Medicare home health benefit, including medical supplies. In determining payment amounts, the Secretary of Health and Human Services would be required to determine an appropriate unit of home health service, to provide for adjustments based on variations in the mix of services provided, and to assure continued access to quality services. Payments would be subject to annual adjustments based on the home health market basket index. The Secretary would be authorized to develop a payment provision for outliers based on unusual variations in the type or amount of medically necessary services.

Initial payment rates for a permanent prospective payment system would be required to be developed in a manner that would assure the achievement of the scorable savings of the act.

Section 6. Provides for home health services to be reimbursed on the basis of the geographic location where the service is furnished.

Section 7. Provides for the elimination of periodic interim payments for home health services upon implementation of a permanent prospective payment system.

Section 8. Provides for limiting Part A coverage of home health services to the first 100 visits following a hospital stay. Clarifies coverage of intermittent and part-time nursing care. Provides for the exclusion of the costs of home health services from the calculation of Part B monthly premiums. Provides a new definition of the term ''homebound''. Authorizes the Secretary to deny coverage of home health services which are in excess of normative standards for the frequency and duration of care.

SKILLED NURSING FACILITIES PROSPECTIVE PAYMENT ACT OF 1997

Mr. HATCH. Mr. President, on June 16, 1997, I introduced legislation, S. 914, proposing to revise the present system in which the Medicare Program pays for services provided by skilled nursing facilities [SNF's]. This legislation builds on my work in the Finance Committee in 1995 when the committee included a proposal I authored to implement a prospective payment system for nursing home payments.

As currently structured under Medicare, seniors receive up to 100 days of skilled nursing facility services following a 3-day hospitalization stay. Currently, those services are reimbursed on a cost-plus basis. As Medicare has evolved, however, so have systems of cost-plus reimbursement.

For many years, I have worked with my colleagues in the Senate to provide seniors with the services they need in a skilled nursing facility setting. I have worked to modify the Medicare reimbursement methodology in order to provide economic incentives to SNF providers to provide the highest quality of care at a reasonable and affordable price to the Medicare Program.

My legislation will accomplish that goal.

Congress initially began requiring prospective payments for skilled nursing facilities in the early 1980's. However, the Health Care Financing Administration [HCFA] has not been able to identify an appropriate payment methodology, and how best to define the services provided to seniors in a comprehensive way. Nevertheless, we have come a long way since the mid 1980's in understanding the proper

structure of prospective payment systems. We are now on the verge of fundamentally revamping the current cost-plus payment system for these important services.

Let me briefly describe the key parts of my legislation.

First, during fiscal year 1998, the Health Care Financing Administration will begin phase one of a per diem, prospective payment system [PPS] for skilled nursing facilities. Such payment would be based on historical data regarding a particular facility's costs and services provided. While it is expected that the new rate is an all-inclusive rate, encompassing routine costs, ancillary services, and capital-related expenses, during the first year, HCFA is likely to adjust both the inclusion of ancillary services and capital costs only when they have sufficient data to adequately measure and quantify the level of those services.

It would be unfortunate for HCFA to put into effect a system that did not adequately account for the medical services offered to residents within a skilled nursing home. I urge HCFA to implement and include all ancillaries only when the data and the information are adequate.

Second, during the 4 four years the prospective payment system will evolve into a full PPS system where the services for an individual in a skilled nursing facility bed will be adjusted for their medical and nursing needs. This legislation calls on HCFA to develop a case-mix methodology that adequately reflects the medical needs of each patient. I have heard from many experts that the current case mix methodology does not adequately reflect certain medical needs of many skilled nursing home patients. It is my intention that the case-mix methodology be current and reflect all services provided.

And third, once this system is in place, it will provide the right kind of economic incentives so that providers will seek all services medically necessary. The Medicare Program will not be in a situation of overpaying for such services; it will provide a competitive balance so that all skilled nursing services, regardless of whether they are hospital SNF beds or freestanding SNF beds, will have comparable incentives to provide high quality services to beneficiaries.

It is extremely important that we change the existing and limited incentives in the Medicare system so that providers will offer services in the most cost-effective way. Hospitals are already under a PPS system; physicians are reimbursed on a predetermined rate as well. This approach is now the next important step in our continuing effort to ensure appropriate fiscal responsibility by the Federal Government while also ensuring that seniors have access to the important health benefits offered under the Medicare Program.

Mr. President, for the benefit of my colleagues, I have prepared a section-by-section summary of my bill and I ask unanimous consent that it be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS

Establishes a prospective payment system for skilled nursing facility (SNF) services and provides for consolidated billing of Part B services provided to residents of such facilities.

Subsection (a): Provides for the establishment of a prospective payment system for services covered by the Medicare skilled nursing facility benefit, including routine service, ancillary services (except diagnostic services), and related capital costs, beginning with cost reporting periods starting on or after July 1, 1998. Payment would be based on per diem rates established by the Secretary of Health and Human Services.

Provides a four-year transition period for shifting the calculation of payments rates from facility-specific historic cost data to average national or regional costs. During the first year of the new system, payments would be based on facility-specific per diem rates. For the second through fourth years, payments would be based on a blend of facility-specific and federal rates. In the fifth year and thereafter, payments would be based exclusively on federal per diem rates.

Payments to new facilities would be based on federal per diem rates.

Federal per diem rates would be determined by the Secretary on the basis of 1995 cost data for all SNF settings and would include an estimate of amounts that would be payable under Part B for services furnished to SNF residents. Rates would be adjusted by variations in wage levels and case mix and could be computed separately for urban and rural areas based on national or regional classification. Rates would be updated annually by the skilled nursing facility market basket index.

Federal payment rates would be applied to individual facilities subject to adjustments for case mix and geographic variations in labor costs. A method of making adjustments based on case mix variations would be required to be developed by the Secretary in the form of a regulation subject to public notice and comment.

SNFs would be required to provide to the Secretary with resident assessment data as may be necessary to develop and implement per diem rates.

The Secretary would be required to develop an appropriate method of applying a prospective payment system to Medicare low volume SNFs and swing bed hospitals.

Subsection (b): Provides for consolidated billing of most Part B services furnished to residents of a skilled nursing facility, including services provided by other entities under arrangement. Claims for such services would be required to be submitted directly by the SNF and include a code or codes identifying the items or services delivered. Payment would be made to the SNF based on the Part B payment methodology (such as fee schedules) applicable to the particular item or service. Facilities would be permitted to reassign such payments when the item or service was furnished by another entity. Payments for therapy services would be required to reflect the new salary equivalency guidelines for physical, occupational, and respiratory therapy and speech-language pathology after such guidelines are finalized through the regulatory process.

The Secretary would be required to establish a medical review process to examine the effects of the changes made by the Act on the quality of skilled nursing facility furnished to Medicare beneficiaries.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON FEDERAL ADVISORY COMMITTEES FOR FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Government Affairs.

To the Congress of the United States:

As provided by the Federal Advisory Committee Act, as amended (Public Law 92–463; 5 U.S.C., App. 2, 6(c)), I am submitting my third *Annual Report on Federal Advisory Committees,* covering fiscal year 1995.

Consistent with my commitment to create a more responsive government, the executive branch continues to implement my policy of maintaining the number of advisory committees within the ceiling of 534 required by Executive Order 12838 of February 10, 1993. As a result, my Administration held the number of discretionary advisory committees (established under general congressional authorizations) to 512, or 36 percent fewer than the 801 committees in existence at the time I took office.

During fiscal year 1995, executive departments and agencies expanded their efforts to coordinate the implementation of Federal programs with State, local, and tribal governments. To facilitate these important efforts, my Administration worked with the Congress to pass the ''Unfunded Mandates Reform Act of 1995'' (Public Law 104–4), which I signed into law on March 22, 1995. The Act provides for an exclusion from the Federal Advisory Committee Act (FACA) for interactions between Federal officials and their intergovernmental partners while acting in their official capacities. This action will directly support our joint efforts to strengthen accountability for program results at the local level.

Through the advisory committee planning process required by Executive Order 12838, departments and agencies have worked to minimize the number of advisory committees specifically mandated by statute. There were 407 such groups in existence at the end of fiscal year 1995, representing a 7 percent decrease over the 439 at the beginning of my Administration. However,

we can do more to assure that the total costs to fund these groups, $46 million, are dedicated to support high-priority public involvement efforts.

My Administration will continue to work with the Congress to assure that all advisory committees that are required by statute are regularly reviewed through the congressional reauthorization process and that remaining groups are instrumental in achieving national interests. The results that can be realized by working together to achieve our mutual objective of a better, more accessible government will increase the public's confidence in the effectiveness of our democratic system.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 23, 1997*.

MESSAGES FROM THE HOUSE

At 1:29 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1902. An act to immunize donations made in the form of charitable gift annuities and charitable remainder trusts from the antitrust laws and State laws similar to the antitrust laws.

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–2267. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled ''Outer Continental Shelf Lease Sales: Evaluation of Bidding Results and Competition''; to the Committee on Energy and Natural Resources.

EC–2268. A communication from the Acting Deputy, Assistant Secretary for Fish and Wildlife and Parks, Office of the Secretary, Department of the Interior, transmitting, pursuant to law, a report relative to the El Camino Real de Tierra Adentro; to the Committee on Energy and Natural Resources.

EC–2269. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled ''The Amtrak Restructuring Act of 1997''; to the Committee on Commerce, Science, and Transportation.

EC–2270. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled ''The Regional Attorney Pilot Project''; to the Committee on Commerce, Science, and Transportation.

EC–2271. A communication from the Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs, transmitting, a draft of proposed legislation entitled ''The NOAA Corps Disestablishment Act''; to the Committee on Commerce, Science, and Transportation.

EC–2272. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation that would clarify the treatment of military and National Guard aircraft as public aircraft; to the Committee on Commerce, Science, and Transportation.

EC–2273. A communication from the Executive Director of the U.S. Olympic Committee, transmitting, pursuant to law, the annual report for calendar year 1996; to the Committee on Commerce, Science, and Transportation.

EC–2274. A communication from the Secretary of the U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a rule requiring child-resistant packaging for ketoprofen received on May 22, 1997; the Committee on Commerce, Science, and Transportation.

EC–2275. A communication from the Director of Resource Management and Planning Staff, Trade Development, International Trade Administration, Department of Commerce, transmitting, pursuant to law, a rule concerning the Market Development Cooperator Program (RIN0625–ZA05) received on June 3, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2276. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the use of Advanced Telecommunications Services for medical purposes; to the Committee on Commerce, Science, and Transportation.

EC–2277. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the report of its accomplishments for fiscal year 1996; to the Committee on Commerce, Science, and Transportation.

EC–2278. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled ''Limes Grown in Florida'' (FV97–911–1A–IFR) received on June 5, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2279. A communication from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Office of the Secretary, Department of the Air Force, Department of Defense, transmitting, pursuant to law, a report relative to reducing the cost of Base Operating Support; to the Committee on Armed Services.

EC–2280. A communication from the Chief, Programs and Legislative Division, Office of Legislative Liaison, Office of the Secretary, Department of the Air Force, Department of Defense, transmitting, pursuant to law, a report relative to cost comparison of the Housing Maintenance function at Ramsten Air Base, Germany; to the Committee on Armed Services.

EC–2281. A communication from the Chief, Programs and Legislative Division, Office of Legislative Division, Office of Legislative Liaison, Office of the Secretary, Department of the Air Force, Department of Defense, transmitting, pursuant to law, a report relative to initiating cost comparisons of the Telephone Operations functions; to the Committee on Armed Services.

EC–2282. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report of three rules relative to Air Quality Implementation Plans, received on June 20, 1997; to the Committee on Environment and Public Works.

EC–2283. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report of a rule relative to prescribed rates for federal income tax purposes, received on June 20, 1997; to the Committee on Finance.

EC–2284. A communication from the Director, Regulations Policy Management Staff, Office of Policy Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, a report of a rule entitled ''Investigational New Drug Application; Exception from Informed Consent; Technical Amendment'', received on June 20, 1997; to the Committee on Labor and Human Resources.

EC–2285. A communication from the Executive Director, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, a resolution relative to the disapproval of financial plan and budget Act 12–94; to the Committee on Governmental Affairs.

EC–2286. A communication from the Director, U.S. Office of Personnel Management, transmitting, pursuant to law, a rule entitled ''Standards for a Merit System of Personnel Administration'' (RIN3206–AH90), received on June 20, 1997; to the Committee on Governmental Affairs.

EC–2287. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–85 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2288. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–86 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2289. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–87 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2290. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–90 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2291. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–88 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2292. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–91 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2293. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–92 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2294. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–93 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2295. A communication from the Director, U.S. Office of Governmental Ethics, transmitting, pursuant to law, a report of a rule entitled ''Executive Branch Financial Disclosure, Qualified Trusts, and Certificates of Divestiture'' (RIN3209–AA00), received on June 18, 1997; to the Committee on Governmental Affairs.

EC–2296. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report relative to the Inspector General's Act for the period of October 1, 1996 to March 31, 1997; to the Committee on Governmental Affairs.

EC–2297. A communication from the Office of the Chairman, Board of Directors, Panama Canal Commission, transmitting, pursuant to law, a report under the Inspector General's Act for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2298. A communication from the General Counsel, Federal Retirement Thrift Investment Board, transmitting, pursuant to law, a rule relative to the Thrift Savings Plan, received on June 16, 1997; to the Committee on Governmental Affairs.

EC–2299. A communication from the Executive Director of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant

to law, the Financial Plan and Budget for Fiscal Year 1998; to the Committee on Governmental Affairs.

EC–2300. A communication from the Director, U.S. Office of Personnel Management, transmitting, a draft of proposed legislation relative to judicial review to protect the merit system; to the Committee on Governmental Affairs.

EC–2301. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–79 adopted by the Council on May 6, 1997; to the Committee on Governmental Affairs.

EC–2302. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–80 adopted by the Council on May 15, 1997; to the Committee on Governmental Affairs.

EC–2303. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report under the Inspector General's Act for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2304. A communication from the Federal Co-Chairman, Appalachian Regional Commission, transmitting, pursuant to law, a report under the Inspector General's Act for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2305. A communication from the Chairman and General Counsel, U.S. Government National Labor Relations Board, transmitting, pursuant to law, a report for the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2306. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law a report relative to the period ending March 31, 1997; to the Committee on Governmental Affairs.

EC–2307. A communication from the Secretary of Energy, transmitting, pursuant to law, sixteen reports relative to the period of October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2308. A communication from the Public Printer, U.S. Government Priniting Office, transmitting, pursuant to law, a report relative to the period from October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

EC–2309. A communication from the Director of the Office of Regulatory Management and Information, U.S. Environmental Protection Agency, transmitting, pursuant to law, three rules including a rule entitled ''Correction of Implementation Plans'' (FRL5847–8, 5848–4, 5844–3) received on June 23, 1997; to the Committee on Environment and Public Works.

EC–2310. A communication from the Regulatory Policy Official, National Archives and Records Administration, a report of a rule relative to Reproduction Fee Schedule (RIN3095–AA71), received on June 17, 1997; to the Committee on Governmental Relations.

EC–2311. A communication from the Regulatory Policy Official, National Archives and Records Administration, transmitting, pursuant to law, a report of a rule entitled ''Domestic Distribution of United States Information Agency Materials in the Custody of the National Archives'' (RIN3095–AA55), received on June 17, 1997; to the Committee on Governmental Affairs.

EC–2312. A communication from the Chairman, National Endowment for the Arts, transmitting, pursuant to law, a report relative to the period of October 1, 1996 to March 31, 1997; to the Committee on Governmental Affairs.

EC–2313. A communication from the Inspector General, U.S. Office of Personnel Management, transmitting, pursuant to law, a report relative to the period October 1, 1996 through March 31, 1997; to the Committee on Governmental Affairs.

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. MCCONNELL (for himself, Mr. HATCH, Mr. KYL, and Mr. SESSIONS):

S. 950. A bill to provide for equal protection of the law and to prohibit discrimination and preferential treatment on the basis of race, color, national origin, or sex in Federal actions, and for other purposes; read the first time.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCONNELL (for himself, Mr. HATCH, Mr. KYL and Mr. SESSIONS):

S. 950. A bill to provide for equal protection of the law and to prohibit discrimination and preferential treatment on the basis of race, color, national origin, or sex in Federal actions, and for other purposes; read the first time.

THE CIVIL RIGHTS ACT OF 1997

Mr. MCCONNELL. Mr. President, I am pleased today to announce the introduction of the Civil Rights Act of 1997. President Clinton has asked for a national dialog on the issue of race in America. I applaud his efforts and welcome this opportunity.

Any discussion of race must begin with the basic principle that all are created equal. In fact, the Constitution, our Nation's most cherished document, mandates that all individuals receive the equal protection of the laws.

No one in our history understood the principle of equality better than the Reverend Martin Luther King, Jr. Reverend King spoke eloquently about a time when people would be judged by the ''content of their character'' and not the ''color of their skin.'' He, like so many of us do today, prayed for America to become a colorblind society.

This fundamental principle of equality is the foundation for the Civil Rights Act of 1997, which declares that: the Federal Government shall not discriminate against or grant a preference to any individual or group based on race, color, national origin, or sex.

The Federal Government must lead by example. We must promote a nation where our citizens are seen as individuals and not as mere members of a group. We must declare that the immutable traits of race and sex will not be relevant in Federal contracting and employment. Simply put, the Federal Government should not decide who gets the contract or who gets the job based on race and gender.

NO WINNERS IN A WORLD OF GOVERNMENT PREFERENCES

Throughout our nation's long history, we have established that certain immutable traits should be irrelevant in life. Yet, in direct defiance of this principle, the Federal Government has engineered policies and programs to award valuable Federal dollars, jobs, and contracts to individuals based on the immutable traits of race and gender. In fact, last summer, the Congressional Research Service found that the Federal Government runs approximately 160 race and gender preference programs.

These preference practices and programs serve to divide, rather than unite. There are no winners in a world of government-sponsored set-asides and quotas.

First, Government preferences harm the very ones it seeks to help. Minorities who receive affirmative action preferences are often stigmatized and stereotyped. And, the stigma doesn't stop with those who receive the preferences. The cloud also unfairly hovers over the heads of all the other minorities whose accomplishments are not based on their race or gender, but purely on merit. All of this serves to reinforce group stereotypes at a time when we so desperately need to move beyond division.

Second, every time the Government grants a preference to one person based on race or gender, it discriminates against another based on race and gender. Discrimination by any other name is still discrimination. And, it still strikes at the very heart and soul of the person being discriminated against.

Let me put a face on this discrimination, as reported recently in the Wall Street Journal:

Michelle Doe is a 16-year-old girl and a straight-A student from a humble background in Corpus Christi, TX. She decided that she wanted to go to summer camp. The camp was called Camp Planet Earth, and was funded by the Federal Government's National Science Foundation.

Michelle applied and became a finalist. Her hopes were dashed, however, during the interview stage where it became clear that she wasn't eligible for the camp. Why wasn't she eligible? Was it her grades? No, she was a straight-A student. Was it her application form? Did she forget to answer a question on her application? No.

Michelle was denied the opportunity to go summer camp because of her race. You see, ''the program was for 'minorities' only,'' and Michelle was not a minority.

In the words of the Wall Street Journal, ''[w]hen Michelle went looking for some productive way to spend her summer, she soon discovered that the government divides people according to skin color.''

Third, race and gender preferences create a downward spiral of division and animosity in our national melting pot. Government preferences put individuals into little group boxes and then pit them against each other. African-Americans against Hispanic-Americans against Asian-Americans against Caucasian-Americans.

Some have even gone so far to calculate the amount of money that one race owes to another. For example—and I promise that I'm not making this up—Richard America, a lecturer at the

Georgetown University School of Business, has written a book that he calls, ''Paying the Social Debt: What White America Owes Black America.'' According to the Washington Post, Mr. America has estimated that ''White America Owes Black America'' five to ten trillion dollars.

With all due respect to Mr. America, I cannot imagine a mentality that is more un-American. Our Nation cannot survive and thrive with this type of ledger sheet mentality. Justice Scalia summed up this point very poignantly in Adarand, and I quote:

Individuals who have been wronged by unlawful racial discrimination should be made whole; but under our Constitution there can be no such thing as either a creditor or debtor race. * * * In the eyes of the government, we are just one race here. It is American.

COURTS AND THE AMERICAN PEOPLE UNDERSTAND THE DANGER AND DIVISIVENESS OF RACIAL PREFERENCES

The courts and the American people understand the danger and divisiveness of racial preferences.

First and foremost, the Supreme Court has ruled that racial preferences deserve the most exacting and strict scrutiny. In the landmark case of Adarand, the Court ruled that racial preferences will be allowed to stand only where they meet a compelling government interest that is narrowly tailored to redress specific past discrimination.

Just this month, the district court in Adarand ruled that the Federal highway construction program at issue in that case did not meet the Supreme Court's strict scrutiny standard and, thus, violated of the equal protection clause.

Second, lower courts, including the third, fourth, and fifth circuits, have recently struck down affirmative action programs. Additionally, a panel of the ninth circuit has upheld the decision of the California voters to ban preferences in California State government.

Last, and most importantly, the American people understand that preferences forever defer the dream of a colorblind society. Public opinion polls show that large majorities of Americans oppose racial preferences, including a large percentage of minorities. For example, a recent Washington Post-ABC News survey showed that not even a majority of African-Americans favor preferences.

A recent Zogby poll asked Americans about their view of this legislation. The question asked ''Would you support a federal law to ban discrimination and preferential treatment in the government?'' An overwhelming 83 percent of Americans stated that they would support such a law, including 79 percent of African-Americans.

The American people and the courts understand this issue and I am hopeful that the Congress and the President will understand this issue as well as they do.

CONCLUSION

The President said over the weekend that he wants to ''break down the barriers in our lives, our minds, and our hearts.'' The President must realize that the Federal Government has to take the lead in removing these barriers. He must realize what the American people know—that is—race and gender preferences serve only to raise barriers and to widen the breach.

I firmly believe that, in a matter of years, we will look back upon our Government's current race and gender preferences and shake our heads and wonder how we could have ever allowed such discriminatory and divisive practices to occur for so long. The Civil Rights Act of 1997 is the next step in our Nation's struggle to overcome discrimination and to achieve unity as a nation of individual Americans, not groups.

We must provide genuine opportunities to all disadvantaged individuals, regardless of race or gender. These opportunities can become a reality through a comprehensive empowerment strategy that includes: strict enforcement of the laws against discrimination, court-ordered remedial action for victims of specific acts of discrimination, and targeted outreach and recruiting efforts to encourage all qualified minorities to apply for Federal employment and contracts. We must also: improve our education system through competition and school choice, provide economic opportunities through reduced regulatory and tax burdens, move more and more persons from the welfare roll to the payroll, and finally, make the streets safer for every American child.

I would like to close today by quoting Ward Connerly, who so valiantly led the fight in California to end discrimatory preferences. In his recent letter to the President, Mr. Connerly wrote:

For the American experiment with democracy to succeed and for every American to have an equal chance to compete to fulfill our dreams, it will be necessary for the factory worker, the bus driver, the police officer, the fire official, the secretary, and all other Americans to embrace the principle of equality and to believe fervently in the proposition that ''race has no place in American life or law.''

I also want to say a special word of gratitude to Senators HATCH, KYL, and SESSIONS for their co-sponsorship of this civil rights legislation. Their leadership and integrity will be invaluable in our fight for all Americans to be treated as equal in the eyes of the law.

I ask unanimous consent that the text of the bill and a summary of the bill be printed in the RECORD.

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

S. 950

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 ''Civil Rights Act of 1997''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the fifth and fourteenth amendments to the Constitution guarantee that all individuals are entitled to equal protection of the laws, regardless of race, color, national origin, or sex;

(2) the Supreme Court, in Adarand Constructors, Inc. v. Pena, 515 U.S. 200 (1995), recently affirmed that this guarantee of equality applies to Federal actions;

(3) the Federal Government currently conducts over 150 programs, including contracting programs, that grant preferences based on race, color, national origin, or sex; and

(4) the Federal Government also grants preferences in employment based on race, color, national origin, or sex.

(b) PURPOSE.—The purpose of this Act is to provide for equal protection of the laws and to prohibit discrimination and preferential treatment in the Federal Government on the basis of race, color, national origin, or sex.

SEC. 3. PROHIBITION AGAINST DISCRIMINATION AND PREFERENTIAL TREATMENT.

Notwithstanding any other provision of law, neither the Federal Government nor any officer, employee, or agent of the Federal Government shall—

(1) intentionally discriminate against, or grant a preference to, any person or group based in whole or in part on race, color, national origin, or sex, in connection with—

(A) a Federal contract or subcontract;

(B) Federal employment; or

(C) any other federally conducted program or activity; or

(2) require or encourage a Federal contractor or subcontractor, or the recipient of a license or financial assistance, to discriminate intentionally against, or grant a preference to, any person or group based in whole or in part on race, color, national origin, or sex, in connection with any Federal contract or subcontract or Federal license or financial assistance.

SEC. 4. AFFIRMATIVE ACTION PERMITTED.

This Act does not prohibit or limit any effort by the Federal Government or any officer, employee, or agent of the Federal Government—

(1) to encourage businesses owned by women and minorities to bid for Federal contracts or subcontracts, to recruit qualified women and minorities into an applicant pool for Federal employment, or to encourage participation by qualified women and minorities in any other federally conducted program or activity, if such recruitment or encouragement does not involve granting a preference, based in whole or in part on race, color, national origin, or sex, in selecting any person for the relevant employment, contract or subcontract, benefit, opportunity, or program; or

(2) to require or encourage any Federal contractor, subcontractor, or recipient of a Federal license or Federal financial assistance to recruit qualified women and minorities into an applicant pool for employment, or to encourage businesses owned by women and minorities to bid for Federal contracts or subcontracts, if such requirement or encouragement does not involve granting a preference, based in whole or in part on race, color, national origin, or sex, in selecting any individual for the relevant employment, contract or subcontract, benefit, opportunity, or program.

SEC. 5. CONSTRUCTION.

(a) HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—Nothing in this Act shall be construed to prohibit or limit any act that is designed to benefit an institution that is an historically Black college or university on the basis that the institution is an historically Black college or university.

(b) INDIAN TRIBES.—This Act does not prohibit any action taken—

(1) pursuant to a law enacted under the constitutional powers of Congress relating to the Indian tribes; or

(2) under a treaty between an Indian tribe and the United States.

(c) CERTAIN SEX-BASED CLASSIFICATIONS.—This Act does not prohibit or limit any classification based on sex if—

(1) the classification is applied with respect to employment and the classification would be exempt from the prohibitions of title VII of the Civil Rights Act of 1964 by reason of section 703(e)(1) of such Act (42 U.S.C. 2000e–2(e)(1)); or

(2) the classification is applied with respect to a member of the Armed Forces pursuant to statute, direction of the President or Secretary of Defense, or Department of Defense policy.

(d) IMMIGRATION AND NATIONALITY LAWS.—This Act does not affect any law governing immigration or nationality, or the administration of any such law.

SEC. 6. COMPLIANCE REVIEW OF POLICIES AND REGULATIONS.

Not later than 1 year after the date of enactment of this Act, the head of each department or agency of the Federal Government, in consultation with the Attorney General, shall review all existing policies and regulations that such department or agency head is charged with administering, modify such policies and regulations to conform to the requirements of this Act, and report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate the results of the review and any modifications to the policies and regulations.

SEC. 7. REMEDIES.

(a) IN GENERAL.—Any person aggrieved by a violation of section 3 may, in a civil action, obtain appropriate relief (which may include back pay). A prevailing plaintiff in a civil action under this section shall be awarded a reasonable attorney's fee as part of the costs.

(b) CONSTRUCTION.—This section does not affect any remedy available under any other law.

SEC. 8. EFFECT ON PENDING MATTERS.

(a) PENDING CASES.—This Act does not affect any case pending on the date of enactment of this Act.

(b) PENDING CONTRACTS AND SUBCONTRACTS.—This Act does not affect any contract or subcontract in effect on the date of enactment of this Act, including any option exercised under such contract or subcontract before or after such date of enactment.

SEC. 9. DEFINITIONS.

In this Act, the following definitions apply:

(1) FEDERAL GOVERNMENT.—The term ''Federal Government'' means executive and legislative branches of the Government of the United States.

(2) PREFERENCE.—The term ''preference'' means an advantage of any kind, and includes a quota, set-aside, numerical goal, timetable, or other numerical objective.

(3) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term ''historically Black college or university'' means a part B institution, as defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

THE CIVIL RIGHTS ACT OF 1997—SUMMARY

The Civil Rights Act of 1997 is designed to bring the Federal Government into compliance with the Equal Protection Clause of the United States Constitution, and to ensure that the federal government treats all people equally, without regard to their race or sex.

The bill contains two main operative provisions:

(1). Prohibits the Federal Government from discriminating against, or granting preferences to, individuals based in whole or in part on race, color, national origin, or sex, in connection with federal contracts, employment, or other programs or activities.

(2). Prohibits the Federal Government from requiring or encouraging federal contractors, subcontractors, licensees, or recipients of federal assistance, to discriminate, or grant preferences to individuals on the basis of their race, color, national origin, or sex.

The Act defines ''preference'' as ''an advantage of any kind'' including quotas, setasides, goals, timetables, and other numerical objectives.

The bill expressly protects the Federal Government's ability to engage in outreach, recruiting, and marketing efforts—the original form of affirmative action.

The bill maintains the full range of judicial remedies currently available to proven individual victims of race or sex discrimination.

The bill contains exemptions for historically Black colleges and universities, Indian tribes, and for sex-based bona fide occupational qualifications that are already exempt under Title VII of the Civil Rights Act of 1964 or applied in the Armed Forces.

The Act requires the heads of each department or agency to modify all existing policies and regulations to comply with the Act and report to the Senate and House Judiciary Committees the results of the modification.

The Act is limited to Federal Government actions and would not affect voluntary programs adopted by State and local governments, or private sector entities.

Mr. HATCH. Mr. President, last year, I stated on the Senate floor that ''our country stands at a crossroads on the path it travels in relations among the different races and ethnic groups that make up the American people. Down one path is the way of mutual understanding and goodwill; the way of equal opportunity for individuals; the way of seriously and persistently addressing our various social problems as America's problems. * * * Down the other path is the way of mutual suspicion, fear, ill will, and indifference; the way of group rights and group preferences.''

I am proud to stand today with my colleagues in the House and the Senate, and others who have worked so hard for the cause of equal opportunity, to announce the introduction of the Civil Rights Act of 1997. The act represents our best efforts to recommit the Nation to the ideal of equal opportunity for every American—to emphasize that we must resist the temptation to define the Nation's problems in narrow racial terms, and rather must roll up our sleeves and begin the hard work of dealing with our problems as Americans, and as fellow human beings.

Of course, our critics will imply that those of us who today reject divisive racial preferences and distinctions do so because we underestimate the social, economic, and discriminatory obstacles some Americans face. President Clinton, for example, told his audience in San Diego last week that ''[t]he vast majority of [Californians who supported that state's Proposition 209] did it with a conviction that discrimination and isolation are no longer barriers to achievement.'' But that is just plain wrong.

To the contrary, last week in the Senate Judiciary Committee we heard from a panel of ordinary citizens who movingly told us of their experiences with discrimination in America. Among them was a Chinese-American mother from San Francisco, Charlene Loen, who told us how her young son Patrick was denied admission to an elite public magnet school, Lowell High School, because he is Chinese. The school district's efforts to ensure diversity among its students led it to employ a system of racial preference that had the effect of capping Chinese enrollment in many of its schools, forcing Chinese children to score much higher on entrance exams than children of other races. At virtually every public school Ms. Loen approached, she was first asked whether Patrick was Chinese, and when learning that he was, would inform Ms. Loen that Patrick need not apply. The Chinese quota was in effect full. Ladies and gentlemen, that is not the promise of America.

There should be no question that discrimination indeed continues to deny opportunities to too many Americans. At the Judiciary Committee's recent hearing we heard from black Americans, white Americans, Asian-Americans, and even a victim of an outrageous hate crime. But the question that we all must answer is whether one American's racial suffering should be valued above another's. It is a question that will only become more complicated and more urgent as our population grows ever more diverse.

As we in the Judiciary Committee now know, when we prefer individuals of one race, we must by definition discriminate against individuals of another. But America's great social divide can never be crossed until we begin the work of building a bridge of racial reconciliation. By saying today, with the introduction of this act, that the Federal Government stands for the principle that racial discrimination in all its forms is wrong, we hope to take a small step forward on the path to healing the Nation's racial wounds by recognizing that every American is equal before the law.

ADDITIONAL COSPONSORS

S. 278

At the request of Mr. GRAMM, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 278, a bill to guarantee the right of all active duty military personnel, merchant mariners, and their dependents to vote in Federal, State, and local elections.

S. 348

At the request of Mr. MCCONNELL, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 348, a bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage States to enact a Law Enforcement Officers' Bill of Rights, to provide standards and protection for the conduct of

internal police investigations, and for other purposes.

S. 350

At the request of Mr. THURMOND, the names of the Senator from Oklahoma [Mr. INHOFE], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 350, a bill to authorize payment of special annuities to surviving spouses of deceased members of the uniformed services who are ineligible for a survivor annuity under transition laws relating to the establishment of the Survivor Benefit Plan under chapter 73 of title 10, United States Code.

S. 433

At the request of Mr. BROWNBACK, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 433, a bill to require Congress and the President to fulfill their Constitutional duty to take personal responsibility for Federal laws.

S. 496

At the request of Mr. CHAFEE, the names of the Senator from Arkansas [Mr. HUTCHINSON], the Senator from Illinois [Ms. MOSELEY-BRAUN], and the Senator from Louisiana [Ms. LANDRIEU] were added as cosponsors of S. 496, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 541

At the request of Mr. ALLARD, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 541, a bill to provide for an exchange of lands with the city of Greely, Colorado, and The Water Supply and Storage Company to eliminate private inholdings in wilderness areas, and for other purposes.

S. 548

At the request of Mr. ROBERTS, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 548, a bill to expand the availability and affordability of quality child care through the offering of incentives to businesses to support child care activities.

S. 648

At the request of Mr. GORTON, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 648, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

S. 755

At the request of Mr. CAMPBELL, the names of the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Missouri [Mr. ASHCROFT] were added as cosponsors of S. 755, a bill to amend title 10, United States Code, to restore the provisions of chapter 76 of that title (relating to missing persons) as in effect before the amendments made by the National Defense Authorization Act for Fiscal Year 1997 and to make other improvements to that chapter.

S. 832

At the request of Mr. KOHL, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 832, 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. 876

At the request of Mr. GREGG, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 876, a bill to establish a nonpartisan commission on Federal election campaign practices and provide that the recommendations of the commission be given expedited consideration by Congress.

S. 891

At the request of Mr. ABRAHAM, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 891, a bill to require Federal agencies to assess the impact of policies and regulations on families, and for other purposes.

AMENDMENTS SUBMITTED

THE BALANCED BUDGET ACT OF 1997

DODD AMENDMENT NO. 425

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 947, to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998; as follows:

On page 874, between lines 7 and 8, insert the following:

SEC. 5817A. CONTINUATION OF MEDICAID ELIGIBILITY FOR DISABLED CHILDREN WHO LOSE SSI BENEFITS.

(a) IN GENERAL.—Section 1902(a)(10(A)(i)(II) (42 U.S.C. 1396a(a)(10(A)(i)(II)) is amended by inserting ''(or were being paid as of the date of enactment of section 211(a) of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104–193; 110 Stat. 2188) and would continue to be paid but for the enactment of that section)'' after ''title XVI''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to medical assistance furnished on or after July 1, 1997.

GREGG AMENDMENT NO. 426

Mr. GREGG proposed an amendment to the bill, S. 947, supra; as follows:

On page 213, strike all of (d) and insert the following:

''(d) TERMS AND CONDITIONS OF IMPOSING PREMIUMS.—Each Medicare Choice organization shall permit the payment of net monthly premiums on a monthly basis and may terminate election of individual for a Medicare Choice plan for failure to make premium payments only in accordance with section 1851(g)(3)(B)(i).''

DEWINE AMENDMENT NO. 427

(Ordered to lie on the table.)

Mr. DEWINE submitted an amendment intended to be proposed by him to the bill, S. 947, supra; as follows:

At the appropriate place in chapter 3 of subtitle F of division 1 of title V, insert the following:

SEC. . MEDICARE SPECIAL REIMBURSEMENT RULE FOR PRIMARY CARE COMBINED RESIDENCY PROGRAMS.

(A) IN GENERAL.—Section 1886(h)(5)(G) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(G)) is amended—

(1) in clause (i), by striking ''and (iii)'' and inserting '', (iii), and (iv)''; and

(2) by adding at the end the following:

''(iv) SPECIAL RULE FOR PRIMARY CARE COMBINED RESIDENCY PROGRAMS.—

(I) In the case of a resident enrolled in a combined medical residency training program in which all of the individual programs (that are combined) are for training a primary care resident (as defined in subparagraph (H)), the period of board eligibility shall be the minimum number of years of formal training required to satisfy the requirement for initial board eligibility in the longest of the individual programs plus one additional year.

''(II) A resident enrolled in a combined medical residency training program that includes an obstetrics and gyhecology and gynecology program qualifies for the period of board eligibility under subclause (I) if the other programs such resident combines with such obstetrics and gynecology program are for training a primary care resident.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to combined medical residency training programs in effect on or after July 1, 1996.

HARKIN AMENDMENT NO. 428

Mr. HARKIN proposed an amendment to the bill, S. 947, supra; as follows:

At the end of the bill, add the following:

SEC. . IMPROVING INFORMATION TO MEDICARE BENEFICIARIES.

(a) CLARIFICATION OF REQUIREMENT TO PROVIDE EXPLANATION OF MEDICARE BENEFITS.—Section 1804 of the Social Security Act (42 U.S.C. 1393b–2) is amended by adding at the end the following new subsection:

''(c)(1) The Secretary shall provide a statement which explains the benefits provided under this title with respect to each item or service for which payment may be made under this title which is furnished to an individual, without regard to whether or not a deductible or coinsurance may be imposed against the individual with respect to such item or service.

''(2) Each explanation of benefits provided under paragraph (1) shall include—

''(A) a statement which indicates that because errors do occur and because medicare fraud, waste and abuse is a significant problem, beneficiaries should carefully check the statement for accuracy and report any errors or questionable charges by calling the toll-free phone number described in (C)

(B) a statement of the beneficiary's right to request an itemized bill (as provided in section 1128A(n)); and

''(C) a toll-free telephone number for reporting errors, questionable charges or other acts that would constitute medicare fraud, waste, or abuse, which may be the same number as described in subsection (b).''.

(b) REQUEST FOR ITEMIZED BILL FOR MEDICARE ITEMS AND SERVICES.—

(1) IN GENERAL.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended by adding at the end the following new subsection:

''(m) WRITTEN REQUEST FOR ITEMIZED BILL.—

''(1) IN GENERAL.—A beneficiary may submit a written request for an itemized bill for medical or other items or services provided to such beneficiary by any person (including an organization, agency, or other entity) that receives payment under title XVIII for providing such items or services to such beneficiary.

''(2) 30-DAY PERIOD TO RECEIVE BILL.—

''(A) IN GENERAL.—Not later than 30 days after the date on which a request under paragraph (1) has been received, a person described in such paragraph shall furnish an itemized bill describing each medical or other item or service provided to the beneficiary requesting the itemized bill.

''(B) PENALTY.—Whoever knowingly fails to furnish an itemized bill in accordance with subparagraph (A) shall be subject to a civil fine of not more than $100 for each such failure.

''(3) REVIEW OF ITEMIZED BILL.—

''(A) IN GENERAL.—Not later than 90 days after the receipt of an itemized bill furnished under paragraph (1), a beneficiary may submit a written request for a review of the itemized bill to the appropriate fiscal intermediary or carrier with a contract under section 1816 or 1842.

''(B) SPECIFIC ALLEGATIONS.—A request for a review of the itemized bill shall identify—

''(i) specific medical or other items or services that the beneficiary believes were not provided as claimed, or

''(ii) any other billing irregularity (including duplicate billing).

''(4) FINDINGS OF FISCAL INTERMEDIARY OR CARRIER.—Each fiscal intermediary or carrier with a contract under section 1816 or 1842 shall, with respect to each written request submitted to the fiscal intermediary or carrier under paragraph (3), determine whether the itemized bill identifies specific medical or other items or services that were not provided as claimed or any other billing irregularity (including duplicate billing) that has resulted in unnecessary payments under title XVIII.

''(5) RECOVERY OF AMOUNTS.—The Secretary shall require fiscal intermediaries and carriers to take all appropriate measures to recover amounts unnecessarily paid under title XVIII with respect to a bill described in paragraph (4).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to medical or other items or services provided on or after January 1, 1998.

SEC. . PROHIBITING UNNECESSARY AND WASTEFUL MEDICARE PAYMENTS FOR CERTAIN ITEMS.

Notwithstanding any other provision of law, including any regulation or payment policy, the following categories of charges shall not be reimbursable under title XVIII of the Social Security Act:

(1) Entertainment costs, including the costs of tickets to sporting and other entertainment events.

(2) Gifts or donations.

(3) Personal use of motor vehicles.

(4) Costs for fines and penalties resulting from violations of Federal, State, or local laws.

(5) Tuition or other education fees for spouses or dependents of providers of services, their employees, or contractors.

SEC. . REDUCING EXCESSIVE BILLINGS AND UTILIZATION FOR CERTAIN ITEMS.

Section 1834(a)(15) of the Social Security Act (42 U.S.C. 1395m(a)(15)) is amended by striking ''Secretary may'' both places it appears and inserting ''Secretary shall''.

SEC. . IMPROVED CARRIER AUTHORITY TO REDUCE EXCESSIVE MEDICARE PAYMENTS.

PAYMENT FOR SURGICAL DRESSINGS.—Section 1834(i) of the Social Security Act (42 U.S.C. 1395m(i)) is amended by adding at the end the following new paragraph:

''(3) GROSSLY EXCESSIVE PAYMENT AMOUNTS.—Notwithstanding paragraph (1), the Secretary may apply the provisions of section 1842(b)(8) to payments under this subsection.''.

SEC. . ITEMIZATION OF SURGICAL DRESSING BILLS SUBMITTED BY HOME HEALTH AGENCIES.

Section 1834(i)(2) (42 U.S.C. 1395m(i)(2)) is amended to read as follows:

''(2) EXCEPTION.—Paragraph (1) shall not apply to surgical dressings that are furnished as an incident to a physician's professional service.''.

KENNEDY (AND WELLSTONE) AMENDMENT NO. 429

Mr. KENNEDY (for himself and Mr. WELLSTONE) proposed an amendment to the bill, S. 947, supra; as follows:

Strike section 5362.

GRAMS AMENDMENT NO. 430

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the bill, S. 947, supra; as follows:

At the end of chapter 4 of subtitle F of division 1 of title V, insert the following:

SEC. . EXCLUDING GENERAL SERVICE WAGES AND HOURS ASSOCIATED WITH A SEPARATE SKILLED NURSING FACILITY IN DETERMINING MEDICARE GEOGRAPHIC RECLASSIFICATION OF CERTAIN HOSPITALS.

In the case of a hospital that is owned by a municipality and that has been reclassified as an urban hospital under section 1886(d)(10) of the Social Security Act for fiscal year 1996, in calculating the hospital's average hourly wage for purposes of continued geographic reclassification under such section for subsequent fiscal years, the Secretary of Health and Human Services shall exclude the general service wages and hours of personnel associated with a skilled nursing facility that is owned by the hospital or the same municipality and that is physically separated from the hospital to the extent that such wages and hours of such personnel are not shared with the hospital and are separately documented. A hospital that applied for and was denied reclassification as an urban hospital for fiscal year 1998, but that would have received reclassification had the exclusion required by this section been applied to it, shall be reclassified as an urban hospital for fiscal year 1998.

ADDITIONAL STATEMENTS

TRIBUTE TO MARLENE BURKE

• Mr. JEFFORDS. Mr. President, I rise today to pay tribute to Marlene ''Molly'' Burke of Rutland, VT. After 40 years of dedicated service to the teachers and students of Vermont, Molly has decided to retire.

Molly began her distinguished career, inspired by her father, in 1956 at Pittsford High School when she was 22 years old. After a summer abroad, she taught at Essex Junction High School for a short while, then moved to Proctor High in 1959. In 1964, she began teaching at my alma matter, Rutland High, where she remained for three decades. Molly taught history in the classroom, however her interaction with her students did not end in the classroom. Molly coached cheerleading, and directed class plays as well. Her commitment to excellence and dedication to the students beyond normal classroom hours is in the finest tradition of Vermont's educational system.

It was in recognition of her excellence that the Vermont teachers elected Molly president of the State chapter of the National Education Association in 1989. She moved to Montpelier where she headed the largest teachers union in Vermont because she believes that people should be treated fairly and equally and she made enormous efforts to improve the working conditions within all of Vermont's schools.

Molly Burke embodies what all educators should strive to achieve. Once again, I would like to extend my thanks for her service to Vermont and best wishes in her retirement.

Mr. President, I ask that an article from June 2, 1997, in the Rutland Daily Herald be printed in the RECORD.

The article follows:

[From the Rutland Daily Herald, June 2, 1997]

GOODBYE, MOLLY

(By Kevin O'Connor)

Here in history class, Rutland High teacher Marlene Burke is relating the story of a seemingly hapless rookie instructor of 40 years ago.

Miss Reichelt, age 22, taught English, math and social studies, coached cheerleading, directed class plays, snuck short afternoon naps and spent long nights marking papers and lesson plans, all for $8,000 a year.

Miss Reichelt, barely afloat by June, decided to bail out. Escaping to Europe, she capped her summer with a startling revelation:

She was born to teach.

Burke laughs at the punch line. Before she married, she was Miss Reichelt. She gave the classroom another chance. It, in return, gave her a career.

Burke has taught history for four decades, three of them at Rutland High. Colleagues elected her president of the state's 7,000-member teachers union three times from 1989 to 1995. She now heads the association's 200-member local arm.

Call her The Unsinkable Molly Burke. But exactly 40 years after first leaving the classroom, the teacher has decided to do it again.

She's retiring.

''I love what I do,'' she says, ''but I think it's time.''

Burke's career was inspired by her father, a German immigrant who believed in the American dream.

''He said with education you can do everything, without it you can do nothing,'' she recalls.

Burke entered public school after graduating from the parochial St. Michael's High School in Montpelier and Trinity College in Burlington. She started teaching Sept. 4, 1956 at Pittsford High, long since replaced by Otter Valley union High in neighboring Brandon.

Students couldn't pronounce ''Miss Reichelt,'' so she wrote a few hints on the chalkboard:

Rye (like bread)

Kelt (like felt)

They worked too well.

''Some of them would spell it Ryekelt.''

Miss Reichelt returned from Europe to teach at Essex Junction High before marrying Robert Burke and moving to Proctor High in 1959 and Rutland High in 1964.

Make that the ''old'' Rutland High. Burke taught at the Library Avenue campus until 1989, when Vermont teachers elected her president of their chapter of the National Education Association. Moving to Montpelier, she headed the state's largest teachers union for six years.

''Working conditions are big issues with teachers,'' she says. ''I believe people need to be treated fairly and honestly.''

(U.S. Sen. James Jeffords, R-Vt., confirmed the union's influence in an impromptu comment last week: ''Teachers can really move things if they get together—Molly Burke can tell you that.'')

When Burke returned to Rutland High in 1995, her colleagues had moved to an $8.7 million facility on Stratton Road.

Times had changed from her days at Pittsford High, where her old classroom featured a bulletin board.

''I used to try to change it at least twice a year.''

Burke's new classroom has a bulletin board—and a computer with e-mail, a telephone with answering machine, a television with video-cassette recorder.

''The good old days.'' she concludes, ''were terrible.''

Burke may teach the past, but she touts progress. She likes today's longer class periods. Today's collaborative contract negotiations. And, an occasional nose ring or tongue stud aside, today's students.

''They say kinds have changed—they really haven't. Kids are kids. There were kids who misbehaved then, there are kids who misbehave now. Most of them are good.''

Burke teaches a 130-year period of American history from the end of the Civil War to the end of the Cold War. For her, the last half isn't a lecture, it's her life.

''I remember exactly where I was when Kennedy was assassinated, when the space shuttle Challenger blew up . . . I try to give the kids the facts, and then bring in the emotions because I lived through it. I think it brings it alive.''

And sparks questions. Take a recent lesson on the Vietnam War.

''One of my 16-year-olds said, You were alive then? You were teaching school?' I could have been talking about the Peloponnesian War.''

That happens right up to Reagan's election in 1980—the year most of her juniors were born.

''I always say, 'You remember when . . .' Of course, they don't.''

That's why students must study.

''If you don't learn from history, you're condemned to repeat it.'' she says, paraphrasing the famous quote.

Several of Burke's past students are parents of her present students. Alumni also sign her paycheck. Michael Dick, class of 1966, is president of the School Board. David Wolk, class of 1971, is school superintendent.

Although graduates always recognize her, she doesn't always recognize them.

''You had one history teacher for a year,'' she replies. ''You forget I had 120 students a day.''

They also forget she has a life outside the classroom. Burke recalls shopping with her son and daughter when a student approached.

''She said, 'Whose are these?' She never thought of me as anything but a woman in a room teaching history.''

(Let alone a grandmother to a 2-year-old boy.)

Retirement will bring the former Miss Reichelt full circle.

''I want to go to Europe,'' she says, ''and out West, and ski in the middle of the week, and not get up at 6 o'clock.''

Once more she won't be teaching history.

''I'll be living it.''●

THE 75TH ANNIVERSARY OF THE AHEPA

● Mr. LEVIN. Mr. President, I rise today to pay tribute to the American Hellenic Educational Progressive Association [AHEPA], which is celebrating its 75th anniversary this year. The AHEPA, whose mission is in part, ''To promote good fellowship, and endow its members with a spirit of altruism, common understanding, mutual benevolence, and helpfulness to their fellow man,'' is an important organization with a strong chapter, district 10, located in my home State of Michigan.

In 1922, the AHEPA was formed in response to antiimmigrant sentiments directed toward United States immigrants of Greek descent. The AHEPA's primary goal was to help newly arrived Greeks become United States citizens and to share in the civic life of our country. To do so, the AHEPA formed schools which taught English and the principles of American government to new immigrants. In the process, the AHEPA also hoped to educate all Americans about the significant heritage and contributions immigrants of Greek descent add to the American community.

Today, the AHEPA is an international organization with chapters in Australia, the Bahamas, Canada, and Greece, as well as the United States. There are more than 1,000 chapters in North America alone, comprised of more than 60,000 members. The AHEPA promotes goodwill and positive relations between these countries by providing significant financial resources to a number of civic-improvement programs. These include charities, scholarships and other educational programs, cultural activities, athletic programs, local Greek communities and the church, and patriotic activities. Membership is not limited to people of Greek descent, although most members do share that ancestry.

The AHEPA has counted many notable political leaders as members, including former Presidents Franklin Roosevelt and Harry Truman and former Vice Presidents Hubert Humphrey and Spiro Agnew. Several Members of this body are or were members of AHEPA, including my good friend from Maryland, PAUL SARBANES, and a man we all deeply miss, the late Paul Tsongas from Massachusetts.

Mr. President, the American Hellenic Educational Progressive Association is truly a remarkable organization. Born out of the need to help new Greek immigrants assimilate into American culture, today the AHEPA encourages all of us to aspire to great things, to help those in need and to strengthen channels of communication between cultures. I know my colleagues will join me in saluting the men and women of the AHEPA and its auxiliaries for 75 years of commitment and dedication.●

FLOODING BRINGS TRAGEDIES TO IDAHO

● Mr. CRAIG. Mr. President, I rise to report a sad event in my State of Idaho that claimed the lives of two Guardsmen: Maj. Don Baxter of Boise, commander of the 124th Communications Flight, 124th Wing of the Idaho Air National Guard, and 1st Lt. Will Neal of Picabo, platoon leader with A Company, 1st-183 Aviation Battalion Army National Guard in Boise.

They were flying reconnaissance over the floods in southwest Idaho where their helicopter crashed. As the natural disaster rages through Idaho, as the communities band together, as we strive to save lives and property, we now must struggle with the reality that these men lost their lives, and CWO Shellby Wurthrich, with A Company, 1st-183 Aviation Battalion Army National Guard of Boise, is still fighting for his life.

These distinguished men had served their State and communities before. Major Baxter, a full time Guardsman, received many decorations, including the State of Idaho Emergency Ribbon in support of the Fire Suppression in 1994. Lieutenant Neal, a cattleman, received amongst his numerous decorations, the Army Commendation Medal, Army's Achievement Medal, National Defense Service Medal, and twice Army Reserve Component Medal. He was also airborne qualified.

A neighbor who saw the crash, without fear for her life, Ms. Sherry Lang, risked her own life to rescue Chief Warrant Officer Wurthrich before the helicopter exploded into flames. The heroism she displayed exemplifies the spirit of a community pulling together.

Chief Warrant Officer Wurthrich, recipient of the Army Commendation Medal, Army's Achievement Medal, National Defense Service Medal, twice, Army Reserve Component Medal, and many other decorations, is today being transferred to a burn treatment center in Utah. We pray for his strength during his recovery and ask everyone to remember him in the weeks and months to come.

As we mourn for the deceased, we mourn our loss and we sympathize with the sorrow of the bereaved. We search for the good things to remember as solace. Most of the richness of the human experience is in what is handed down from one to another—not things of wood and stone, but memories of what they did or said or felt.

We must remember and emulate these individuals for the best of their lives. As National Guardsmen, they sought out opportunities to safeguard and help the people of Idaho, in times of disasters and distress. With every mission, they risked of danger and injury. Ultimately, they gave their lives in helping their neighbors and their community.

This is why Idaho mourns their deaths and grieves with their families and understand their loss, for it is our loss, too. We will remember them and their heroic efforts. Life ends, but memories live on.●

MEASURE READ FOR THE FIRST TIME—S. 950

Mr. ROTH. Mr. President, I understand that S. 950, introduced today by Senator MCCONNELL, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The assistant legislative clerk read as follows:

A bill (S. 950) to provide for equal protection of the law and to prohibit discrimination and preferential treatment on the basis of race, color, national origin, or sex in Federal actions, and for other purposes.

Mr. ROTH. I now ask for its second reading, and I object to my own request on behalf of Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. The bill will be read for a second time on the next legislative day.

NATIONAL LITERACY DAY

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 81, Senate Resolution 92.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 92) designating July 2, 1997, and July 2, 1998, as ''National Literacy Day.''

The Senate proceeded to consider the resolution.

Mr. ROTH. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 92) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 92

Whereas 44,000,000 United States citizens today read at a level that is less than the level necessary for full survival needs;

Whereas there are 40,000,000 adults in the United States who cannot read, whose resources are left untapped, and who are unable to make a full contribution to society;

Whereas illiteracy is growing rapidly, as 2,500,000 persons, including as many as 1,300,000 immigrants, 1,500,000 high school dropouts, and 100,000 refugees, are added to the pool of illiterate persons annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $230,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults who are unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterate persons in proportion to population percentage is higher for African Americans and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the highest concentration of adult illiteracy;

Whereas 1,000,000 children in the United States between the ages of 12 and 17 years old cannot read above a third grade level, 13 percent of all 17-year-olds are functionally illiterate, and 15 percent of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 percent of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 percent illiteracy rate among African American youths is expected to increase;

Whereas ½ of all heads of households cannot read above an eighth grade level and ⅓ of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves due to the lack of support the children receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have been able to reach only 5 percent of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the illiteracy problem and the detrimental effects of illiteracy on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and;

Whereas it is necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterate persons in need of assistance: Now, therefore, be it;

Resolved, That the Senate—

(1) designates July 2, 1997, and July 2, 1998, as ''National Literacy Day''; and

(2) requests that the President issue a proclamation calling on the people of the United States to observe ''National Literacy Day'' with appropriate ceremonies and activities.

ORDERS FOR TUESDAY, JUNE 24, 1997

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, June 24. I further ask unanimous consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then resume consideration of the budget reconciliation bill, with 10 hours of debate equally divided remaining under the statutory time limitation.

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

Mr. ROTH. Mr. President, I further ask unanimous consent that there be 15 minutes equally divided prior to a vote in relation to Gregg amendment No. 426.

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

Mr. ROTH. I further ask unanimous consent that immediately following the 9:45 a.m. vote, Senator ROTH be recognized to offer an amendment.

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

PROGRAM

Mr. ROTH. Mr. President, for the information of all Senators, tomorrow morning the Senate will resume consideration of the reconciliation bill, and at 9:45 a.m., the Senate will proceed to a rollcall vote on, or in relation to, Senator GREGG's amendment No. 426. There are several other amendments that need to be disposed of; therefore, votes will occur throughout Tuesday's session of the Senate.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROTH. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:45 p.m., adjourned until Tuesday, June 24, 1997, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 23, 1997:

DEPARTMENT OF STATE

MARTIN S. INDYK, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF STATE, VICE ROBERT H. PELLETREAU, JR., RESIGNED.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624, 628, AND 531:

TO BE MAJOR

CORNELIUS S. MCCARTHY, 0000
*TODD A. MERCER, 0000

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 628:

To be colonel

THOMAS W. SPENCER, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, UNITED STATES CODE, SECTIONS 624 AND 628:

To be lieutenant colonel

DENNIS M. ARINELLO, 0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE U.S. MARINE CORPS UNDER TITLE 10, UNITED STATES CODE, SECTIONS 624 AND 628:

To be major

CARLO A. MONTEMAYOR, 0000

EXTENSIONS OF REMARKS

TRIBUTE TO MR. JAMES E. WHITE

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. EWING. Mr. Speaker, I rise today in honor of Mr. James E. White, rural housing specialist of the USDA, rural development. Mr. White retired on May 31, 1997 after a distinguished 26-year career.

He began his Federal career with Farmers Home Administration in 1971 as an assistant county supervisor in Lincoln, II. He was promoted to county supervisor in Golconda/Metropolis in 1975. His final career move was to rural housing specialist in the Illinois State office in 1976. Mr. White remained in that position until his retirement.

Mr. Speaker, today I would like to bring the achievements of James White to the attention of my colleagues in the House, and ask that they join me in expressing our appreciation and congratulations to Mr. White for his tremendous service to the people of Illinois.

PERSONAL EXPLANATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. TORRES. Mr. Speaker, I was unavoidably detained on official business on Thursday afternoon, June 19, and Friday, June 20, and had to miss rollcall votes on the floor of the House.

Had I been present on June 19, I would have voted as follows: ''Aye'' on rollcall votes 214, 215, 216, and 217.

Had I been present on June 20, I would have voted as follows: ''Nay'' on rollcall vote 219, ''no'' on rollcall vote 220, ''Aye'' on rollcall vote 221, and ''no'' on rollcall votes 222, 223, and 224.

CHIEF SMITH: LOYAL SERVICE TO SOUTH LYON

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. KNOLLENBERG. Mr. Speaker, I rise today to honor a loyal and dedicated officer to the community of South Lyon in Oakland County, MI. Chief of Police Gerald L. Smith, in his 19th year of service as chief, will retire on August 26th.

After serving in the U.S. Navy from 1960 to 1963, Smith began his career in law enforcement for Waterford Township in 1964 and served until 1971.

Smith was Oakland County's senior substance abuse program coordinator from 1971 to 1979 where he worked with the County's health department to fight the scourge of drugs.

In 1979, he was appointed director of public safety and police chief for the city of South Lyon. When the Public Safety Department was dissolved in 1985, he continued to serve the community as chief.

Gerald Smith has dedicated more than 37 years of his life to protecting others. His leadership, courage and bold vision have been an inspiration not only to those who worked for him, but to the community he served.

The dedication of Gerald Smith exemplifies his committee to making South Lyon a safer place for our families. He is a loyal public servant who deserves the recognition, honors and accolades he receives.

TO A DEDICATED HERO SHERIFF RIECK KENDALL

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. POSHARD. Mr. Speaker, I rise today to honor a true hero, Sheriff Rieck Kendall of Moultrie County, IL. He is responsible for saving two young children, Timothy and Cheryl Poplett, after they were abducted by their father from their custodial mother in July 1994.

In 1996, Sheriff Kendall discovered money that was intended for the abductor which was regularly funneled to an address in the Honduras. He contacted Honduran authorities and persuaded them to assist in the investigation. International cooperation, involving Interpol and fostered by Sheriff Kendall, led the authorities to discover that the children were living on a small island off the coast of Honduras with no electricity, running water, routine medical attention, or schooling. When word got to the children's father that the authorities were on to him, he piled them and their few belongings into a boat and headed for another hideaway. During the escape, the boat capsized. Local fishermen found the children and their father floating in the water and clinging to a gas can. Police rescued the children and arrested their kidnapper.

Truly, finding Tim and Cheryl was no easy task. Sheriff Kendall's devotion to recovering the Poplett children involved more than following leads, but taking the time to make daily phone calls and reassuring the Poplett family that he was pursuing their children's case. It takes a brave and dedicated man to not give up and simply go home after his other work is done. He persevered and put the Poplett children and their family first. Mr. Speaker, because of Sheriff Kendall the Poplett children were recovered and are home with their family

Mr. Speaker, I want to honor Sheriff Kendall for all his valiant efforts and persistence. According to the National Crime Information Center [NCIC] there were a total of 955,252 missing persons in 1996 alone. In that same year more than 99 percent of all missing child cases were resolved successfully. We can thank people like Sheriff Kendall for his inspiring statistic, because they refused to give up and provided support for the families who had to struggle through such terrible crises. It is an honor to represent Rieck Kendall in the U.S. Congress.

PAYING TRIBUTE TO MR. MARVIN HARPER AND AMERICAN LEGION POST NO. 102 OF BARNARD, MO

HON. PAT DANNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Ms. DANNER. Mr. Speaker, for the benefit of my colleagues, I would like to have printed in the RECORD the following article from the Nodaway News Leader paying tribute to Mr. Marvin Harper and American Legion Post No. 102 at Barnard, MO, for their efforts in providing Nodaway R–IV students an unique public speaking program.

[From the Nodaway News Leader, Mar. 8, 1997]

SOUTH NODAWAY FIRST GRADE STUDENTS LEARN PUBLIC SPEAKING EARLY

You're never too young to learn, especially when it comes to communication. The America Legion is helping South Nodaway R–IV students get a head start on developing their speaking skills.

Marvin Harper, who serves on the Department of Missouri Oratorical Commission for the American Legion, has created a unique program that provides young students an opportunity to speak in public.

''The point of this is to develop skills to learn how to talk in front of people,'' Harper told South Nodaway's first grade students.

Harper visited the class last week and discussed the American Legion and the importance of being an effective communicator in everyday conversations. Each child was then given a chance to stand up in front of the class and speak for about 30 seconds. Many of them talked about the U.S. flag, Abraham Lincoln and President Clinton.

First grade teacher Bonny Acklin believes the program is very beneficial.

''It's a good experience for them,'' she said. ''It is different for the students to talk in front of someone else they don't know.''

This is the third year Harper has conducted the program. During the first year, he worked with a few students in a pilot program. Last year, the kindergarten all had a chance to give a short speech. This year, Harper has visited both the kindergarten and first grade class.

''Hopefully we'll work right on up to the sixth grade,'' he said. Harper said he was not aware of any other program of this type in the United States. Later this year he will submit a report to the state oratorical commission about the effectiveness of the project.

The American Legion sponsors a national oratorical contest for high school students. Participants in that contest speak about the U.S. Constitution and can earn scholarship

money. Harper stressed that the project for elementary students was not a contest.

''We want to develop students so they can have effective communication skills in whatever they want to do,'' he explained.

Kindergarten teacher Barb Sherry said she has seen growth in the student's public speaking skills. Both she and Acklin believe the program also provides an opportunity to highlight the importance of patriotism.

''We try to teach a sense of community and respect for our country,'' Acklin said. ''Every morning we say the Pledge of Allegiance and talk about how lucky we are to live in a free country.''

Harper told the first grade students he was so impressed with their accomplishment of speaking in front of a group that they would have a party and talk about how to take care of the flag.

PERSONAL EXPLANATION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. BALLENGER. Mr. Speaker, on Friday, June 20, I missed rollcall votes 221, 222, 223, and 224. Had I been present I would have voted ''no'' on rollcall vote 221; ''aye'' on rollcall vote No. 222; ''aye'' on rollcall vote No. 223; and ''aye'' on rollcall vote No. 224.

RECOGNITION OF SHERIFF FRED SCORALICK, INCOMING PRESIDENT OF THE NATIONAL SHERIFF'S ASSOCIATION

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mrs. KELLY. Mr. Speaker, on June 25, 1997, the National Sheriff's Association will inaugurate Sheriff Fred W. Scoralick of Dutchess County, NY, as its new president. It is a distinct pleasure for me to join the residents of Dutchess County in recognizing my constituent Sheriff Scoralick, who has devoted his life to law enforcement.

Sheriff Scoralick first entered the law enforcement community in 1961, as a part-time deputy sheriff. Through diligence and ability, Fred Scoralick achieved the rank of undersheriff in April 1976, and, in November 1978, he was elected sheriff of Dutchess County, NY.

Sheriff Scoralick has an impressive background in law enforcement. He is a graduate of the National Sheriff's Institute. In addition, he has completed specialized training at Iona College in New Rochelle, NY, and John Jay College of Criminal Justice. Throughout his law enforcement career, he has also studied safety, management, and corrections under the auspices of the Municipal Training Council, the New York State Commission of Corrections, the New York City Police Department, and the FBI Academy.

Mr. Speaker, Sheriff Scoralick has brought the same dedication to the wider law enforcement community that he brings to his duties in Dutchess County. He has served as the chairman of the executive committee of the New York State Sheriff's Association. Indeed, Sheriff Scoralick has held every office within this organization, including president. In 1987, he was elected to the NSA's Board of Directors. Currently, Sheriff Scoralick serves as the chairman of the NSA Insurance Committee, cochairs the NSA Board and the Educational Foundation Committee, and is active on the Budget, Traffic Safety and Management Subcommittees.

Mr. Speaker, Sheriff Scoralick has made invaluable contributions to our community. He has succeeded in bringing new services to Dutchess County, including DARE, Youth Support, Crash Management, Arson investigation, County Wide Drug Task Force, and the Senior Citizen ''Are You OK?'' Service. Besides spearheading these programs, Sheriff Scoralick also oversaw the construction of a new jail.

He has repeatedly demonstrated his ability as a leader and public guardian. In 1970, he won the American Legion Heroism Medal. In addition, Sheriff Scoralick is also a past recipient of the Police Benevolent Association President's Award. In 1985, his able leadership was recognized by President Ronald Reagan. Sheriff Scoralick was the 1996 recipient of the Multi-County Community Development Corporation Award.

Mr. Speaker, I ask you and all Members to join me in paying tribute to Sheriff Fred Scoralick. He is an exemplary public servant who has devoted his life to making his community a better place. I applaud Sheriff Scoralick's dedication and wish him continued success in his endeavors.

TRIBUTE TO FANCHER CREEK ELEMENTARY SCHOOL

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. RADANOVICH. Mr. Speaker, I rise today to pay tribute to Clovis Unified School District's Fancher Creek Elementary for being named a 1997 California Distinguished School. The faculty and students of Fancher Creek Elementary exemplify excellence with exceptional student achievement and staff development.

The mission of Fancher Creek Elementary School is to educate all students in a challenging, disciplined, and supportive environment, enabling them to reach their potential of becoming productive citizens who will make positive life-long contributions to society.

A positive school climate is the essential factor of Fancher Creek's environment. The school's motto, Falcons Have Pride, sets such a tone for the students. Monthly award programs recognize students who achieve goals in academics, athletics, and cocurricular activities. Expectations are clear and consistent, and the standards for student achievement and conduct are high.

Fancher Creek has over 900 students of which 61 percent receive free or reduced lunch and 33 percent are English Language learners. The student body is composed of 23.8 percent Asian (Hmong), 32 percent Hispanic, 34.9 percent white, 8.2 percent African-American, and 0.7 percent American Indian. Despite facing cultural diversity, language differences, a high transiency rate (46.4 percent), and other economic problems, Fancher Creek Elementary has maintained tough standards, as measured by the Clovis Unified School District accountability model, which is the Clovis assessment system for sustained improvement [CLASSI].

Fancher Creek Elementary received the Clovis Unified School District Exemplary School Award, the district's highest honor. This award is given for overall excellence in student achievement, school management, community involvement, and cocurricular priorities.

Mr. Speaker, it is with great honor that I pay tribute to Clovis Unified School District's Fancher Creek Elementary. The students and faculty of this school share both a care for the community and a dedication to hard work. I ask my colleagues to join me in wishing Fancher Creek Elementary many more years of successful teaching.

IN HONOR OF THE 40TH ANNIVERSARY OF THE CITY OF INDUSTRY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. TORRES. Mr. Speaker, I rise today to recognize the city of Industry on its 40th anniversary. On Saturday, June 21, 1997, the residents and businesses of the city of Industry will join to celebrate this momentous occasion.

The city of Industry was incorporated June 18, 1957. A city devoted to the business community, its basic purpose is to provide a well organized center for industry and commerce of all types. During the last decade, the city of Industry has emerged as one of the leading industrial centers of the ''Pacific Empire Industrial Corridor.''

In 1990, the residential population of the city of Industry was 631. This small residential community is represented by five city council members: Mayor Tom J. Durant, Mayor Pro Tem John P. Ferrero, Councilman Lawrence Mayo, Councilman Manuel Garcia, and Councilman Dean M. Winn.

The community will pause its celebration, on Saturday, in remembrance of a dear friend and outstanding civic leader of the city of Industry. Mayor John Ferrero, 1912–96, served as mayor of the city of Industry for 39 years. His distinguished service on the city council is marked with dedication and commitment to the city of Industry.

Among Mayor Ferrero's many accomplishments during his tenure was the official public opening of the Workman House Homestead. The homestead is a testimonial to the rich history of the region. Through interpretative programs, history comes alive as visitors explore the social and cultural life of three decades, significant to the site and the Nation: the 1840's, 1870's, and 1920's.

The business community of the city of Industry is served by the Industry Manufactures Council [IMC], originally formed as the Industry chamber of commerce in 1962. In 1970, the chamber expanded to include the IMC and retained its name. The IMC is composed of individual firms located in the city and governed by the board of directors: President William White, Vice President Boyd Clarke, Secretary

Treasurer David Perez, Director Carl Bennitt, Director John Byers, Director Carl Erb, Director Tom Hoffman, and Director Howard Welch.

Mr. Speaker, it is with pride that I ask my colleagues to join me in congratulating the city of Industry on the 40th anniversary of its incorporation and sending our best wishes to the residents and businesses of the city of Industry for many more years of continued growth and prosperity.

UNIVERSITY OF MISSISSIPPI CONCERT SINGERS WIN GRAND PRIZE IN INTERNATIONAL COMPETITION

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. WICKER. Mr. Speaker, I rise to pay tribute to the University of Mississippi Concert Singers who won their fourth international choral title in May in competition in Varna, Bulgaria. The Ole Miss Concert Singers were the only group representing the United States in the competition, which included 21 choirs from 11 countries.

In addition to winning the grand prize, a panel of international judges also gave the group a first place prize in the chamber choir category, first place in the mixed choir category, and a special award for the most innovative music interpretations.

Taking the top award in this event also qualified the group to participate in the European Grand Prize competition to be held in Italy in July 1998.

Mr. Speaker, the young men and women in this extraordinary group an their director, Dr. Jerry Jordan, deserve high praise for their accomplishments. I am placing in the RECORD a press release from the University of Mississippi which details the recent success this group has had in international competition.

OLE MISS CONCERT SINGERS WOW JUDGES, CAPTURE INTERNATIONAL COMPETITION

UNIVERSITY MS.—The University of Mississippi Concert Singers have done it again.

The choir won its fourth international choral title, this time in Varna, Bulgaria, at the International May Choir Competition.

The Ole Miss choir, the only group representing the United States, wowed judges as they sang music in seven languages from a number of musical periods and competed against 21 choirs from 11 countries, including Italy, Portugal, Russia and the Ukraine. The competition was the conclusion to the 48-member choir's two-week, five-country tour.

A panel of international judges awarded the singers three awards in addition to the Grand Prize. The choir placed first in the chamber choir category, first in the mixed choir category (men and women) and was awarded a special prize given by the judges for the first time for the most innovative musical interpretations.

''I am measurably proud of our students and for the University that we won one of the top six choral competitions in the world,'' said Dr. Jerry Jordan, director of the Concert Singers and director of Choral Programs at Ole Miss. ''We may come from the poorest state in the Union, but it is tremendously gratifying to have the world's top authorities in choral music judge our Southern guys and gals as the best choral singers in world competition. We hope to continue to keep the strong choral tradition going here at Ole Miss.''

The Varna win qualifies Concert Singers to compete in the European Grand Prize in Gorizia, Italy, in July 1998. The Grand Prize, the world's most prestigious choral competition for nonprofessionals, is widely recognized as the litmus test for the best singers in the world.

Concert Singers competed for the Grand Prize in 1995 as one of the winners of the six top international competitions and tied for top honors with the Japanese choir. The competition was held in Arezzo, Italy.

Concert Singer Delilah Martineau of Louisville said the competition in Varna was a test of the group's talents, skills and stamina.

''I came to win and no less,'' she said. ''However, to win we had to reach down deeper inside than we ever had and experience the music. ''We had to live through each note. It was one of the most awesome musical experiences I have ever had.''

Martineau's feelings were shared by a number of the singers. Chalis Pomeroy of Dickinson, ND, said singing on an international level was a rewarding experience.

''Being able to perform music at a quality level fit for the international stage is a fantastic feeling. Winning with that music is even better,'' she said.

But the trip was not just about winning, said singer Shannon Quon of Moorhead.

He said the best part about the competition and the trip in general was ''seeing that no matter what nationality we are, what language we speak or how wealthy or poor we are we can all come together and enjoy good music. It is amazing to see how we can touch so many people through our music.''

The trip had a particular sentimental attachment for Jordan, who met Istvan Parkai, a specialist in Hungarian music whose choral direction Jordan has admired for 25 years.

''Twenty five years ago I bought some recordings of Hungarian choirs and they have been my favorites,'' Jordan said. ''He was the person I was most honored to meet on this trip because I found that he was the director for some of those recordings I had admired for so long.''

Parkai was one of the judges at the competition and cried during the Concert Singers' rendition of a Hungarian piece. Following the performance Parkai said he was touched by the choir's expression during the song.

''It was as if they were understanding not just each phrase, but every word. I have rarely heard it sung with such expression and detail from even a Hungarian choir,'' he said.

The cultural experiences during the 14-day trip brought to life many of the differences between European and North American life. Brian Wells of Vicksburg said, ''The Europeans' love for music is one of a kind.

''We did not have to wait for the competition to be around people who appreciated music,'' he said. ''The Europeans loved and respected us on the streets, in the airports, in the hotels, churches and anywhere we sang.''

The choir is no stranger to success. In 1994, the Ole Miss Concert Singers captured the top five awards in Tours, France, where they competed against 30 choirs from 17 countries to win the judge's choice for best overall choir and the audience's top choice, among other awards.

Choir members also garnered the audience's award at the same competition in 1989, and they won the Chester Music Festival in Chester, England, in 1984. Other performances have included those at the Vatican, Lincoln Center and Carnegie Hall.

Jordan has played a significant role in the choir's success and was named one of the 10 most highly recommended choral clinicians in the United States in a national survey conducted by the American Choral Directors Association. He has directed the choir for the past 17 years and made his New York City debut in Lincoln Center with the American Symphony Orchestra in 1988. Jordan is regularly featured as a guest conductor at Carnegie Hall.

TRIBUTE TO HON. ROBERT C. McEWEN, M.C.

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. McHUGH. Mr. Speaker, it is with a heavy heart that I inform you and our colleagues of the passing of my good friend, Robert C. McEwen of Ogdensburg, NY, on Sunday, June 15. Bob McEwen served as a Member of the House of Representatives from northern New York from 1965 until 1980. Prior to that, he served as a member of the New York State senate for 11 years. Elected to the 89th Congress, Bob McEwen first served on the Committee on Public Works and the Committee on House Administration. As he gained seniority, he served with distinction as a member of the Committee on Appropriations. At the time of his retirement, he served as the ranking minority member of its Subcommittee on Military Construction.

Bob McEwen was not the kind of man who could easily retire from public service, however. President Ronald Reagan called him back into public service in 1981, appointing him to serve as the U.S. chairman of the International Joint Commission, an assignment he undertook with enthusiasm.

I feel privileged to have occupied his seat in the New York State senate and am honored to represent today the district which he served with such distinction for so many years. Bob McEwen served in elected office for three quarters of his adult life and never lost an election. In making his retirement announcement in 1980, Bob McEwen said, ''Serving in an elected office is more than a way of making a living, it is a way of life.'' He dedicated his life to public service and exemplified the very best traditions of this institution. He is survived by his wife, Peg, and two daughters, Mrs. Nancy McEwen Wax of Easton, CT, and Mrs. Mary McEwen Fitzpatrick of Lawrenceville, NJ.

Mr. Speaker, I am proud to say that three members of Bob McEwen's original staff are still serving his North Country Congressional District as members of my staff, Cary R. Brick, my chief of staff; Miss Donna M. Bell, my administrative secretary, and Mrs. Joann Ellis Humphries, my caseworker and office manager, all served Bob McEwen with distinction and join me in expressing our most sincere sympathies to the McEwen family.

Mr. Brick delivered a eulogy for Bob McEwen at the interment service which was held on Friday in Ogdensburg. It spoke eloquently of the high regard in which he was held by all of those who were privileged to know him. Mr. Brick's remarks follow:

TRIBUTE TO ROBERT C. MCEWEN

(By Cary R. Brick)

Thirty-seven days ago, many of us gathered at the Robert C. McEwen Customs

House, the oldest building in America occupied by agencies of the Federal government, to commemorate National Historic Preservation Week.

I was honored to have been asked to participate in that ceremony. I took the opportunity to speak about the man whose name graces the historic structure, our friend, Bob McEwen. Characteristic of Bob, he called both my wife and my mother the next day to tell him how pleased he was with the event, and being the consummate gentleman that he was, added some gracious comments that any wife or mother would want to hear about her husband or son.

He called me, as well, to thank me. I remember his words: ''Mr. Brick,'' he said, ''it is not every man who gets to hear his own eulogy, thank you for letting me hear mine. I hope I won't give you reason to change your opinion of me when the time comes.''

I responded by telling him he couldn't change anyone's feelings for him!

I didn't consciously prepare those remarks of 37 days ago as a eulogy. I prepared them because I wanted Bob McEwen to hear what I, and all of his friends, thought of him. But, I guess Bob knew I would repeat some of those thoughts when the time came.

One of the displays in the Customs House notes ''historic buildings serve as symbols of the patriotism and pride Americans feel for their country.''

I asked then and I ask again today that we acknowledge that historic building as a permanent monument to one of Ogdensburg's most prominent native sons, a gentleman who spent more than a quarter of a century serving in legislative bodies—11 years in the State Senate and 16 in the United States Congress.

May that building which Congress determined in 1980 should bear his name always serve as a memorial to his public service. May it stand strong and with dignity and class as he did for so many years.

He served more than three-fourths of his adult life in the service of New York and the nation. Bob was an American patriot and a North Country treasure whose senior statesman status was deserved because it was earned through 16 successive victories in special, primary and general elections. There might have been 17 or 18 or more, but Bob McEwen knew when it was time to come home to stay. Today, as Bob has made his final journey, we join together to celebrate his life, his contributions and his lessons.

Bob McEwen stood as a symbol of what makes our democracy survive. He was selected by his neighbors to be their voice in government, and he met their mandate with distinction. Success came easily to him because, as several newspapers have reported in the past few days, he never forgot where he came from and who he represented. He knew his district, whether it was one county or ten. His elections took him to Albany and Washington, but he never forgot his roots.

Bob knew that when the time came for him to answer his final roll call, as a veteran and former Member of the House of Representatives, he could be interred beside some of our nation's greatest national heroes, statesmen, Supreme Court Justices and other veterans from every American war in Arlington National Cemetery. He knew that he was entitled to an interment with pomp and circumstance.

But Bob was a man of our North Country. He wanted it simple. He wanted it here.

And we honor his wishes today.

Had he let us, we could have filled Ogdensburg's largest house of worship to the rafters, and then some.

He wanted it private and brief.

And we respect his wishes today. We do so just as Bob respected the people of the North Country—the men and women who, he liked to joke, had the opportunity to renew his employment contract every two years.

Bob McEwen reflected the best of our public servants.

His honesty, his personal integrity and high morals and love for his family, combined with his respect for others—even those who may not have shared his beliefs or character—reflect what our Founding Fathers had in mind when they created the experiment which we call the American democracy.

I ask you to join me in thinking of the Customs House on the shore of Bob's beloved St. Lawrence as a monument to his countless contributions to the North Country. There is not a community or institution in the vast landscape between Lake Ontario and Lake Champlain which has not felt the influence of Bob McEwen.

It was Bob McEwen who singlehandedly laid the groundwork for the creation of the new Fort Drum which occurred after he retired from Congress. He built the foundation upon which Dave Martin and the Army created the only military installation in the United States built from scratch since World War II.

In an April, 1985, letter to his successor he called the new Fort Drum ''the project that had been my greatest hope for our North Country.'' At this very hour, as we pay tribute to Bob, John McHugh and his colleagues in Congress are continuing that effort by debating the 1998 defense bill which contains nearly $25 million for additional Fort Drum development.

Bob McEwen served in the Congress during a remarkable and exciting time in American history. He went to Congress in 1965 when Lyndon Johnson was transforming John Kennedy's New Frontier into his own Great Society, creating hundreds of new social programs and expanding the role of the federal government to address every social ill. Like his neighbors back home, he supported some and opposed others. He feared that some of them could contribute to uncontrollable deficits for future generations. Time has proven him to be a man of foresight.

He witnessed the expansion of our involvement in Vietnam and stood behind our servicemen even when the tide was turning against their involvement in an endless war on the other side of the globe.

He grieved when his President lost the faith of the American people. He thought there was no greater offense than abusing the trust of the people.

Bob McEwen never served in the majority party in the Congress, but there was never any doubt that he served the interests of the majority of his constituency—which he saw as his extended family.

To his immediate family, I say we all share in your loss. You have lost a husband, father and grandfather. We have lost a friend.

To Peg, we are grateful that you came into Bob's life when you did and for being a devoted wife and partner. Illness presented many challenges to Bob in recent years—challenges which would have devastated a weaker man. Peg, you were there to provide the emotional support which allowed Bob to fight his illnesses with the same vigor that he demonstrated in every campaign. You were challenged, as well, by illness and demonstrated that there was always reason to hope for better days.

To Nancy and Mary: Bob so enjoyed your success as career women and the successes of your husbands. Having lost your wonderful mother, a warm and grand lady, you already know that the loss of a parent creates a void which can only be filled by memories.

Your father frequently talked about his father, a man from whom he drew great inspiration and learned many lessons. Your father was a student of his family's heritage. I recall walking through the McEwen cemetery in the Town of Lawrence with him one summer evening and listening to him describe the life and times of each of your ancestors buried there. (To really know Bob McEwen, you had to know how to listen!)

Your father understood that the McEwen family tree has very deep roots, its branches are ever expanding, its leaves sometimes colorful, as was he, and takes its strength from the rich earth beneath it.

As you mourn the loss of your father, you will draw upon the strength of that heritage and you will find peace. You are, after all, Bob McEwen's daughters. I can think of no greater tribute to both of you.

To all the McEwen grandchildren, I say you are blessed. I hope in the years to come, as you become young adults and mothers and fathers, you will study your grandfather's career, learn from it, and if you are so inclined, emulate it in any way you can while maintaining your individuality. Whatever you do will make him proud.

Lastly, to my mentor and our friend Bob:

Speaking for all of those who were privileged to work for and with you in Albany and Washington, I thank you for allowing us the privilege of being a part of your team. We are better people for having had that honor. We're not here to say goodbye, as solemn as this moment is for all of us. We are here to remember you, to celebrate your life and to find joy in having walked the road of life with you. Our memories of you shall live forever.

We will pay tribute to you by cherishing your ideals and your principles.

May God grant that your memory ever inspire us.

And may peace and bliss be granted to you until we meet again.

A RESOLUTION IN HONOR OF THE ORDER OF THE PATRONS OF HUSBANDRY

HON. LINDA SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mrs. SMITH of Washington. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

A RESOLUTION IN HONOR OF THE ORDER OF THE PATRONS OF HUSBANDRY

(By the Honorable Linda A. Smith)

Whereas membership in the Grange is synonymous with good citizenship and fraternal respect for others.

Whereas for almost 130 years the Grange has remained one of the best examples of a grass-roots, bottom-up organization, whose strength lies in the more than 3,000 local Granges in over 30 states which offer a wide range of community-oriented programs and activities for children, youth and adults, and hold regular meetings where local and national issues are often discussed. For over a century Grange halls have been community centers where residents gather for educational events, dances, potlucks, town meetings, political rallies and other meetings and have allowed Junior Grange, 4–H, FFA, scouting and Camp Fire groups to thrive; and each year tens of thousands of Grange members participate in numerous community service projects.

Whereas the Grange is one of the first major national organizations which allowed women to vote and sought the membership

and involvement of everyone in the family, and Grange members have an equal voice and an equal vote at meetings regardless of their age, sex or position within the organization.

Whereas the Grange's activities with regard to legislative action sets it apart from all other fraternities, service and family organizations, and since its earliest years, the Grange has included legislative involvement—from a strictly non-partisan position—as one of its distinctive characteristics such that all policies which the Grange fights for on the local, state and national levels are decided upon by the grass-roots membership.

Whereas the Order of the Patrons of Husbandry, the National Grange, was founded in 1867, through the vision of Oliver Hudson Kelley, who recognized that farmers, because of their independent and scattered nature, needed representation and a voice at all levels of government as well as a means of coordinating social interaction, which is especially important to rural residents.

Whereas the Grange has been responsible for promoting cooperatives which had the potential of helping farmers economically; undertaken efforts to ensure that the voice of the farming community is heard by lawmakers at the local, state and national level which led to the Extension Service, Rural Free Delivery, and the Farm Credit System, among other nationally significant benefits; and has served rural America in many other ways such as championing the education of rural residents, which led to dramatic improvements in rural schools.

Be it therefore resolved the Grange should receive special recognition and thanks for its many activities, programs and functions benefitting its members, rural America and the nation as a whole;

Be it further resolved that on this day, June 23, 1997, this resolution will be printed in the CONGRESSIONAL RECORD as part of the public record recognizing the civic achievements of the Grange and its membership and extending the gratitude and thanks of the nation.

VALUABLE INSIGHT ON THE MFN ISSUE

HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. PITTS. Mr. Speaker, I rise today to submit the following into the CONGRESSIONAL RECORD. The first is an excellent response from the Reverend Daniel Su on extending most-favored-nation trade status to China. Rev. Daniel Su, a Chinese Christian, has lived in China and has valuable insight on the MFN issue. As Reverend Su states in his letter, ''To sacrifice ourselves for the sake of principles is heroic, but to sacrifice other people for our principles is insensitive.'' With this letter, Reverend Su is responding to an open letter on China's persecution of Christians written by Gary Bauer, president of Family Research Council. I am submitting a letter from Mr. Bauer also. Thank you, Mr. Speaker.

A RESPONSE TO THE ''OPEN LETTER'' BY G. BAUER AND OTHERS

(By Daniel B. Su)

I. AN OVERALL RESPONSE:

This Open Letter as well as other anti-MFN efforts are valuable in that they remind us of the important principles such as freedom and human dignity. They enhance the public awareness of China's human rights situation thus creating more pressure on Beijing and making the message of the MFN debate even stronger. It also gives the US government greater bargaining power with Beijing. NGOs should continue to speak out; the louder, the better.

However the Letter miscalculates the overall impact if the MFN should be revoked. Revocation would create more problems than what it may solve. It defies all logics that Beijing government would turn around and improve its human rights situation if it were humiliated with its loss of MFN.

The Letter scores high in preaching moral principals, but we need to make one important distinction: To sacrifice ourselves for the sake of principles is heroic, but to sacrifice other people for our principles is insensitive—to say the least.

We all deplore the gross human rights violation in China. But the Letter does not want to address the most important question in this serious debate: Will revoking China's MFN improve or worsen its human rights situation and religious freedom? By avoiding this serious question and relying more on emotional appeal, the Letter becomes less serious and relevant.

While the views of those who signed the Letter should be respected, we also notice that many other well respected Christian leaders' names are not on it. And that in itself is a reflection of the healthy diversity among Christian leaders' opinions over the MFN issue.

II. SPECIFIC RESPONSES TO THE LETTERS' ARGUMENTS (PAGE AND PARAGRAPH NUMBERS IN BRACKETS):

[p. 1, par.2]: We may agree that many Christian leaders may not think it appropriate to voice their pro-MFN views in public, but let's not underestimate the integrity of those who do speak our. Missions leaders understand China better; that is why they tend to favor renewing China's MFN.

[p. 1, par.3]: We agree that the US should and could have engaged China in a more effective way to improve its human rights; relying on trade and other current policies is not enough. On the other hand, our ideals need to be tempered with a sense of realism. The US leverage is limited; contrary to our wishes, the US government is not able to solve all the problems of the world. After all, we live in a fallen world where all countries have fallen short of the higher standards.

[p. 1, par.4]: We should continue to be the voice for the voiceless in China despite Beijing's threats, for the persecuted find strength and consolation in knowing that we care and are speaking up for them. However, on the abortion issue, unless the US government first outlaws abortion on its own land, it has no moral authority to teach other nations how to do abortion. (The NGOs are better qualified to do the job.) The US and China differ only in how abortion is achieved, but in both cases does it not end up depriving the baby's inalienable rights of life, liberty and the pursuit of happiness? Let's pray for the day when the US regains its moral ground to address such issues.

[p. 1, par.5]: A serious warning should be given to those who try to exploit the plight of Chinese Christians and make them look like the archenemy of the Beijing government. What's at stake here is the cause of Christ and

[p. 1, par.5]: A serious warning should be given to those who try to exploit the plight of Chinese Christians and make them look like the archenemy of the Beijing government. What's at stake here is the cause of Christ and the lives of many Chinese Christians! China's Christians are simple religious people who do not have a political agenda, and they despise those who try to put a political label on them. There is indeed a serious danger that the arguments made by the Letter may be sized upon by those China bashers and new hawks whose only interest is to make an enemy out of China—now that the Soviet enemy is no more—and to demand sacrifices from American people.

[p.2, par.1] With the fall of communism, it may well be the panic reaction of some elite intellectuals to suggest ''strangling the baby [the church] while it is still in the manger,'' yet we still need to be truthful enough to acknowledge that the current Beijing government policy is only to control and contain the growing church, thus allowing for some limited freedom.

[p.2, par.2] NGOs should be commended for speaking up for the Chinese persecuted.

[p.2, par.3] Of course, things can be much worse in China—anyone who understands China knows that. Christian gatherings of worship could have been forced to close totally; those political dissidents in jail today could have been executed; dissidents could have been sentenced to 15 years instead of 5; families of the prisoners could have faced much more harassment and discrimination.

[p.2, par.4] While we protest against the inhumane treatment of Pastor Wong, we can agree that this is an exceptional case rather than the rule. We all know that technology cuts both ways. While the Chinese police become better equipped, Chinese Christians and political dissidents also benefit from having access to computers, copying and fax machines, Internet, and so on, making it difficult for police to control people.

[p.2, par.5] It sent a wrong message to Beijing and Chinese people when President Clinton declared to delink human rights concerns from the MFN. However, revoking China's MFN can only backfire.

[p.3, par.1] Let's quit making the US the model to all nations and instead take an honest look at reality. The US is part of the fallen world where we see rampant abortions, racial tension and violent crimes, partisan spirit and demogarchy in politics, divisions and scandals within the church, consumerism and hedonism in society, and alarming moral decay in culture. Christian leaders should know better than to display the US as a model. Let's make a distinction between the United States and Christian faith. The early America did share biblical aspirations for justice, equality, and human dignity, but such aspirations are Christian, not American. Though America's sins, past and present, in no way justify Beijing's abuse of power, they do help keep us humble, don't they?

III. CONCLUSION

China today is in a critical stage. It can either evolve into a more open and democratic nation or an enemy to the US. If the Soviet Union could evolve into a democracy, why can't China? Let's not be like the pessimists who say things won't change; instead, let's work to turn possibilities into realities. What's crucially needed today is for American leaders to unite in formulating a con-

sistent, comprehensive China policy that helps China get on the right track without turning it into an enemy. That is a moral obligation the leaders owe to America and America's children.

[Rev. Daniel B. Su is from China and now works in the US as the assistant to the president, China Outreach Ministries, Inc., Fairfax, Virginia]

OPEN LETTER ON CHINA'S PERSECUTION OF CHRISTIANS

DEAR MEMBERS OF CONGRESS: Recently, letters have circulated on Capitol Hill from some groups and leaders involved in missions in China. These letters urge Members not to vote to revoke China's Most-Favored Nation (MFN) trade status. They cite potential dangers to the missions if the U.S. responds to Bejing's terrible record on human rights, national security and workers' rights.

There are points of agreement between us and those missions organizations. We can agree, for example, to put no individual at risk of retaliation. We should take great care in dealing with a regime that has demonstrated its willingness to settle disagreements with tanks and with bullets in the back of the head. We can also agree that those Christians directly involved in work in China are not necessarily the ones to lead the fight against MFN. They may be too close to the situation for prudence or safety to permit open opposition to the regime.

But the letters make other arguments. They suggest that a forceful response by the United States government to what everyone acknowledges is an appalling Chinese government record would be counter-productive. We cannot accept those arguments. As deeply as we respect Christian missionaries in China and throughout the world, we must disagree with a policy which allows China's rulers to manipulate the United States of America simply by threatening reprisals against these innocent, godly people. It is a form of hostage-taking.

For the U.S. to surrender to such threats would be to assure that Bejing will use threats whenever Americans cry out against the cruelty and injustice of the communist Chinese regime. Should we all keep silent about China's massive campaign of forced abortions and compulsory sterilizations? Should we avoid criticizing China's use of slave labor in the Laogai? Should we turn aside from China's latest violations of chemical weapons agreements, including shipments to Iran of poison gas? Is the United States truly the leader of the Free World? Or are we merely the ''moneybag democracy'' the Chinese rulers contemptuously call us?

There is a real danger that the arguments made by some U.S.-based missions may be seized upon by those whose only interest in China is profits. Some multi-national corporations have allowed the brutal Chinese birth control policies to be run in their factories. Some have also accommodated Chinese repression by banning religion in the workplace. And some have exploited prison laborers.

We wholeheartedly support missions throughout the world, and especially in China. We think it's necessary, however, to take a clear-eyed view of the conduct of the Chinese government. While missionaries seek no conflict with the government, the reality is that China's rulers do not view Christians so benignly.

Paul Marshall, in his well-received book ''There Blood Cries Out,'' describes the attitude of China's elites. ''In 1992, the Chinese state-run press noted that 'the church played an important role in the change' in Eastern Europe and warned, 'if China does not want such a scene to be repeated in its land, it must strangle the baby while it is still in the manger.''

We are proud to note the consistent and principled stance of the U.S. Catholic Conference in opposing MFN for China. Catholics are brutally repressed in China, as are Evangelicals, Muslims and Buddhists. But the USCC has never allowed Beijing's threats to deter it from its duty to speak up for the oppressed. Nor should we.

We know that we are not on ''the front line'' in confronting Chinese repression. Because we have a freedom to speak out that is not granted to those on the Mainland, we must use our God-given freedom to speak out for those who cannot speak for themselves. When it is argued that the situation will be worsened if America takes action, we must ask candidly, how can it be worse for the Chinese dissidents? Our own State Department reports that all dissidents have been either expelled, jailed of killed.

We rejoice in the fact that American missionaries hold U.S. passports. We pray that a strong United States will help to safeguard our fellow Americans' lives while they do the Lord's work in China. But Chinese Christians are not so protected. For Pastor Wong, leader of 40 Evangelical churches, MFN has brought no benefits. He has been arrested four times for spreading the Gospel. The last time he was jailed, his fingers were broken with pliers. While Vice President Gore was preparing to visit Beijing in March, Chinese secret police invaded the apartment of Roman Catholic Bishop Fan Zhongliang in Shanghi, seizing Bibles and other religious articles. The move against the nation's highest Catholic prelate was clearly intended to intimidate millions of faithful Chinese Catholics. MFN has only made the Chinese police more efficient in denying basic human rights to Bishop Fan and his flock.

President Clinton's 1994 ''delinking'' of trade and human rights concerns has actually increased repression in China. Now, even if missionaries plant churches, the Chinese secret police can disrupt them. This view is affirmed by New York editor A.M. Rosenthal. He has written:

Knowing Washington would not endanger trade with China, even though it is mountainously in China's favor, Beijing increased political oppression in China and Tibet—and its sales of missiles, nuclear material and chemical weaponry.

Rosenthal refers to the president as Beijing's ''prisoner.'' Let us assure, by our steadfastness, that the rest of us do not wear such claims.

From the beginning of this debate, we have recognized that the argument over MFN is not just about what kind of country China is, it is also a dispute about what kind of country America is. We believe Americans have a moral obligation to stand up for human rights, for the rule of law and for the rights of workers. We know, from long and tragic experience in this blood-stained century, that a regime which brutalizes its own people is virtually certain to threaten its neighbors.

Sincerely yours,

Gary L. Bauer, President, Family Research Council; Ralph E. Reed, Executive Director, Christian Coalition; Rev. Richard John Neuhaus, President, Institute for Religious and Public Life; Keith A. Fournier, Esq., President, Catholic Alliance; D. James Kennedy, President, Coral Ridge Ministries; Joseph M.C. Kung, President, Cardinal Kung Foundation; James C. Dobson, Ph.D., President, Focus on the Family; Phyllis Schlafly, President, Eagle Forum; Chuck Colson, President, Prison Fellowship Ministries; Gov. Robert P. Casey, Chairman, Campaign for the American Family; Steve Suits, South Carolina Family Policy Council; William Donohue, President, Catholic League for Civil and Religious Rights.

Richard D. Land, President, Christian Life Commission; Steven W. Mosher, President, Population Research Institute; Gerard Bradley, Professor, Notre Dame Law School; John DiIulio, Professor, Princeton University; Robert P. George, Professor, Princeton University; John Davies, President, Free the Fathers; Kent Ostrander, Director, The Family Foundation (KY); Matt Daniels, Executive Director, Massachusetts Family Institute.

Rev. Donald E. Wildmon, President, American Family Association; Deal W. Hudson, Publisher & Editor, Crisis Magazine; Bernard Dobranski, Dean, Columbus Law School; Rev. Steven Snyder, President, International Christian Concern; Ann Buwalda, Director, Jubilee Campaign; P. George Tryfiates, Executive Director, The Family Foundation (VA); Randy Hicks, Executive Director, Georgia Family Council; Marvin L. Munyon, President, Family Research Institute (WI).

William T. Devlin, Executive Director, Philadelphia Family Policy Council; William Held, Executive Director, Oklahoma Family Council; William A. Smith, President, Indiana Family Institute; Thomas McMillen, Executive Director, Rocky Mountain Family Council; Michael Heath, Executive Director, Christian Civic League of Maine; David M. Payne, Executive Director, Kansas Family Research Institute; Gary Palmer, President, Alabama Family Alliance.

Jerry Cox, President, Arkansas Family Council; Dennis Mansfield, Executive Director, Idaho Family Forum; Michael Howden, Executive Director, Oregon Center for Family Policy; William Horn, President, Iowa Family Policy Center; Joseph E. Clark, Executive Director, Illinois Family Institute; John H. Paulton, Executive Director, South Dakota Family Policy Council; Mike Harris, President, Michigan Family Forum.

CENSUS SHOULD BE CONDUCTED IN PROPER PERSPECTIVE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. GINGRICH. Mr. Speaker, the attached editorial from the Washington Times puts the issue of how the 2000 census should be conducted in proper perspective. Considering how many administration departments have been politicized, we cannot risk having possibly millions of Americans disenfranchised because of census sampling. I submit the editorial into the CONGRESSIONAL RECORD.

[From the Washington Times, June 12, 1997]

POLITICS AND CENSUS NUMBERS

After the fiasco involving the Clinton administration's utter politicization of the Immigration and Naturalization Service's last-minute, pre-election blitz last year to enfranchise felons and other likely Democratic-voting immigrants, is there really any wonder why Republicans fear approving this crowd's use of sampling for the 2000 census?

Sadly, New Hampshire Republican Sen. Judd Gregg was not stretching it a bit when he questioned whether Dick Morris would have a role in any population sampling conducted by this administration.

Having politicized everything in sight, from the White House Travel Office to international trade missions at the Commerce Department (which, by the way, also oversees the Census Bureau), President Clinton now criticizes the Republican Congress for ''weighing [the disaster-relief bill] down with a political wish list.'' One provision that upsets Mr. Clinton would prohibit the Census Bureau from employing statistical sampling techniques to adjust the 2000 census, which, among other things, would be used to determine the population of states for the purpose of apportioning congressional seats and distributing federal dollars. For the first time ever, the Clinton administration wants to use sampling to adjust the ''actual enumeration'' that the Census Bureau obtains in 2000 from mail-in forms and subsequent door-to-door data collections, proposing only to count 90 percent of the population and apply statistical projection to the remaining 10 percent.

Everybody agrees that the census is not accurate. Supplemental research after the 1990 census revealed that about four million people, 1.6 percent of the U.S. population, were not counted. According to that sample, 2.3 percent of Asian-Americans (173,000), 4.4 percent of blacks (1.40 million), 4.5 percent of Native Americans (96,000), 5 percent of Hispanics (1.16 million) and 0.7 percent of non-Hispanic whites (1.33 million) were not counted in 1990. Contrary to popular belief, however, undercounting is as prevalent in rural areas as it is in urban areas. The Clinton administration, backed by the American Statistical Association, the Association of American Geographers and the National Academy of Sciences, argues that the use of sampling would produce the most accurate, cost-efficient census. Even the Census Bureau admits, however, that introducing sampling may simply substitute one type of error for another.

Moreover, even if sampling is more accurate, it addresses neither the political question nor the constitutional question. Politically, potentially two dozen House seats lie in the balance—meaning, for all practical purposes, majority control of the House, its agenda and all the committee and subcommittee chairmanships. Why should a Republican Congress commit political suicide by relinquishing its authority over the census to a hyper-politicized administration that has treated the Census Bureau's parent, the Commerce Department, as the Democratic National Committee's (DNC) soft-money subsidiary? The fact is that the Secretary of Commerce office has been occupied for five years by a who's who of Democratic fund-raisers: former DNC Chairman Ron Brown, California money maven Mickey Kantor and Chicago rainmaker William Daley. Looking for a place to stuff the likes of John Huang, Mr. Clinton appropriately selected Commerce.

This is hardly idle speculation. As the nonpartisan Statistical Assessment Service observed recently, ''[O]nce the sampling precedent is set, what is to prevent us, in principle, from lowering the actual enumeration from 90 percent to 80 percent or 70 percent or lower? . . . This creates a powerful temptation for the party in power to skew the sampling adjustment its way. The ability to 'create' or 'eliminate' millions of strategically placed citizens with the stroke of a pen introduces a potent and disturbing new political weapon . . . and a dangerous new set of political temptation.''

Constitutionally, the Supreme Court only last year (Department of Commerce v. City of New York et al.) confirmed that the Constitution confers wide authority and discretion upon Congress in conducting the census. The Court unanimously ruled that former Commerce Secretary Robert Mosbacher, by virtue of authority delegated to him by Congress, properly refused to adjust the 1990 census to correct its undercount. Interestingly, the Clinton administration argued on behalf of Mr. Mosbacher's use of the authority Congress had delegated to him. Now, Congress merely seeks to exercise its authority. Moreover, it is by no means certain that the Supreme Court would permit a census to be adjusted by sampling. The Constitution mandates an ''actual Enumeration,'' and last year's Supreme Court decision did not address this issue. As a practical matter, any cost savings from sampling would be overwhelmed by a Supreme Court decision rejecting the practice.

If the Clinton administration has demonstrated it cannot be trusted to process citizenship applications of immigrants properly—heretofore a very nonpolitical undertaking—how can it be remotely trusted not to politicize ''a potent and disturbing new political weapon''?

HONORING GREEK-AMERICANS

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. KLINK. Mr. Speaker, I rise today to honor a vital, but far too frequently unacknowledged, segment of the American mosaic: Greek-Americans.

In their short existence in this Nation as an ethnic group, they have excelled in every field that they have applied themselves. From business to the arts; from athletics to the media; from public service to education; Greek-Americans have made vital and lasting contributions to America's rich civic life.

The Pancretan Association of America represents a portion of the Greek-American community whose ancestry comes from a historic island of Crete. Throughout history, the people of Crete have valiently fought to defend their soil, their heritage, religion, and democratic ideals against tyrannical invaders and occupiers.

True to these ideals, Cretan-Americans have proudly served in the Armed Forces of the United States of America, defending the very same principles that have guided their ancestors throughout history.

Mr. Speaker, I encourage my colleagues to join me in honoring these historic Cretan-American veterans. They have fought with courage, honor, and conviction to preserve and defend the ideals that have bound the United States and Greece in a historic partnership for peace, stability, and democratic values.

MOTHER TERESA AND THE GOLD MEDAL

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to acknowledge the profound effect a recent event had on me. As a Roman Catholic serving in the U.S. House of Representatives, my heart swelled with pride when Congress awarded Mother Teresa the Congressional Gold Medal.

The rare ceremony took place in the rotunda of the U.S. Capitol on June 5. Without question, it was one of the most powerful events I have ever witnessed.

Of course, one did not have to be Christian to take inspiration of the moment. Believers of many faiths crowded the space to see Mother Teresa, and to be moved by her prayer for the ''poorest of the poor.''

The Gold Medal is no ordinary recognition. It is the highest honor bestowed by Congress, approved by bill on behalf of the people of the United States.

Leaders of both chambers and parties were on hand as Representative HENRY HYDE described the one he called a living saint. ''You believe that every human being, no matter how abandoned, no matter how poor, no matter how 'useless' or 'inconvenient,' * * * is an image of the invisible God, is invested with an innate and inalienable dignity and value, and thus commands our attention, our respect, and our care, and you have poured out your life in the service to that belief.''

Indeed, she has. The ministry she founded, the Missionaries of Charity, extends to 120 countries with 568 houses dedicated to the unwanted, the unclothed, and the unfed. In Calcutta alone she and her sisters have provided for the successful adoption of 8,000 children. Of the hundreds of Congressmen and Senators assembled before her, she asked only our prayers for her and her ministry.

''The more we help the poor, the more we honor God,'' she told us. She thanked America for the parents who have given the ''gift of daughters and sons to do the work of missionaries, to serve the poor, to serve Jesus.''

Instantly, my mind took me back to February 4, 1994. Mother Teresa was the keynote speaker at the annual National Prayer Breakfast. At my table were legislators from five other States and ambassadors from four foreign countries. Flanked by President Clinton and Vice President GORE, she delivered a speech that rocked Washington.

Amid her discussion of charity and the church's special preference for the poor, she quickly turned the topic, ''But, I feel that the greatest destroyer of peace today is abortion, because it is a war against the child.'' A grenade of truth tossed into a room full of politicians, her remarks caused 3,000 of us to squirm in unison. I remember it as yesterday.

Then, she returned us to ease with the simplicity of her response. ''Each child is created in the special image and likeness of God for greater things—to love and to be loved,'' she said. ''I will tell you something beautiful. We are fighting abortion with adoption.''

''Please don't kill the child,'' she begged. ''I want the child. Please give me the child. I am willing to accept any child who would be aborted, and to give that child to a married couple who will love the child and be loved by the child.'' True to her word, her Sisters of Charity have yet to refuse a child, anywhere.

Mother Teresa is a profile in contradiction; a light in the darkness, strength among the weak, courage among fear. Standing at the seat of democracy, in the strongest nation of the world, the terms of secular power—military, economic, and bureaucratic—became tiny by her greatness.

Clearly endowed by God, the power of Mother Teresa's heart transcends the power of the world.

STATEMENT ON ALS RESEARCH, TREATMENT AND ASSISTANCE ACT

HON. WALTER H. CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. CAPPS. Mr. Speaker, together with my colleague BEN GILMAN, I am today introducing the Amytrophic Lateral Sclerosis [ALS] Research, Treatment and Assistance Act of 1997. This bill is designated to assist individuals with ALS, encourage advances in treatment, and accelerate research support at NIH.

The terrible nature of ALS was recently brought home to me through a very close friend of mine, Tom Rogers, who is suffering from this disease. Tom has been an able and compelling legislator, and a leader in the environmental movement in Santa Barbara County. His struggle with this disease has been heroic and an inspiration to all who know him. During my campaign for Congress, Tom gave me his running shoes which he said he no longer had any use for due to the debilitating aspects of ALS. I wore those shoes through the months leading up to my election. To this day, that gesture of friendship and support has continued to be a source of inspiration for me.

While most of us know of the famed baseball star for which this disease is named, many of us are unaware of the tragic consequences of Lou Gehrig's Disease. First diagnosed over 130 years ago, ALS is a progressive, fatal neuromuscular disease afflicting 25,000 to 30,000 individuals in the United States today. Approximately 5,000 new cases are reported every year.

Victims of the disease are struck by a creeping paralysis that eventually leaves them unable to eat or even breathe. There is no cure for ALS and researchers are just now beginning to understand what kills the nerve cells in the brain and spinal cord that lead to the disease's destructive effects. ALS usually strikes people in their 50's or later and life expectancy is a mere 3 to 5 years.

My bipartisan bill would waive the 24-month waiting period for Medicare eligibility on the basis of disability for ALS patients. This is only fair since life expectancy following diagnosis is often shorter than the waiting period and most ALS patients will have paid into the Social Security system well before the onset of ALS.

Disabled people under age 65 are eligible for Social Security Disability Insurance and Medicare benefits. However, there is a 5-month waiting period from the onset of the disability until SSDI benefits are granted and then a further 24-month waiting period for Medicare eligibility. Unfortunately, since ALS patients' life expectancy is only 36 to 60 months, the 29-month waiting period leave them little time to participate in Medicare. This is unfair as most ALS patients have had productive working lives prior to onset of the disease and an estimated 17,000 of them are not age-eligible for Medicare. The cost of assisted living care and various effects of the disease can leave many patients' families financially drained. Victims of end stage renal disease, who experience a similar life expectancy as ALS patients, are granted this waiver.

The Capps-Gilman bill would provide Medicare coverage for outpatient drugs and therapies for ALS. This provision would ensure patient access to such treatments and help spur the development of new treatments for ALS. Currently, Medicare part B provides drug coverage for five other afflictions: oral cancer, clotting factors, immuno suppressives, osteoporosis, and hemophilia.

Finally, this legislation would double Federal funding of research into the cause, treatment, and cure of ALS. NIH-sponsored ALS research totaled only $12 million in fiscal year 1996. Clearly, more must be done. Recent advances in ALS research have produced promising leads, many related to shared disease processes that appear to operate in many neurodegenerative diseases. Increased research funding for NIH can speed up work on these promising leads.

Mr. Speaker, I urge the support of my colleagues for this critically important legislation.

A TRIBUTE TO U.S. WEATHER BUREAU'S NORTH ATLANTIC PATROL

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mrs. KELLY. Mr. Speaker, my fellow colleagues: I would like to call your attention to a great service rendered to this country by the men who served as civilian weather observers with the U.S. Weather Bureau's North Atlantic Patrol during the Second World War. These men significantly impacted the success of D-day, and many other battles of World War II, and yet, they have never been given the public appreciation they so richly deserve.

One of my constituents, Mr. Ray McCool, told me of these men, serving in the North Atlantic Weather Patrol aboard Coast Guard vessels, who obtained and transmitted essential weather data to Washington, DC. As a result, they made possible the preparation of weather maps used throughout the war. In fact, their long-range forecasts provided vital information needed to plan the D-day invasion. Their knowledge and talents made an enormous difference in the success of the overall mission and ultimately in an Allied victory.

Their service was not without danger and sacrifice. Under the Geneva Convention Articles of War, the rules for treating military prisoners did not apply to civilians. Therefore capture by the enemy most likely meant being treated as a spy and shot. To prevent this, they were outfitted in Coast Guard uniforms, carried as chief petty officers and enlisted into the service as ''U.S. Coast Guard Temporary Reserves.''

If capture by the enemy wasn't worry enough, they had the high seas and enemy ships to face. A typical mission took these men out to sea for 4 to 6 weeks at a time where they dealt with hurricanes and attacks from depth charges, U-boats, and German submarines.

To date, the United States have never fully recognized the invaluable job these civilian weather observers performed.

Today, let the record show we salute these unsung heroes and acknowledge their service to our Nation. Further, in order to show our proper recognition, I am recommending that each local veteran's office present a U.S. flag to the family of a deceased member of this elite ensemble of men. In the face of danger and against the odds, these men stood tall and answered our country's call to freedom, and for that the United States of America is forever grateful.

PERSONAL EXPLANATION

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. RAHALL. Mr. Speaker, I was unable to be present for rollcall Nos. 224, 223, 222, and 221 on June 20, 1997. Had I been present and voting, I would have noted in favor of these four amendments to the Defense authorization bill, H.R. 1119.

OPEN LETTER OF SENATOR NANCY KASSEBAUM BAKER AND VICE PRESIDENT WALTER MONDALE TO THE PRESIDENT AND MEMBERS OF CONGRESS CONCERNING BIPARTISAN CAMPAIGN REFORM

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. MEEHAN. Mr. Speaker, last week two of America's most respected and distinguished senior statespeople, Senator Nancy Kassebaum Baker and Vice President Walter Mondale, visited with several bipartisan reform leaders on Capitol Hill, including myself and several of my fellow cosponsors of the Bipartisan Campaign Reform Act of 1997. The purpose of their visit was to discuss an open letter they wrote to the President and to Members of Congress on the topic of campaign reform. For my colleague Representative CHRISTOPHER SHAYS of Connecticut and myself, I enter Senator Kassebaum Baker and Vice President Mondale's letter into the CONGRESSIONAL RECORD.

AN OPEN LETTER TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES FROM NANCY KASSEBAUM BAKER AND WALTER F. MONDALE,

Washington, DC, June 18, 1997.

DEAR MR. PRESIDENT AND MEMBERS OF CONGRESS: In March, the President asked that we help in the cause of campaign finance reform. Since then we have observed closely the national discussion of this issue, which we believe is central to the well-being of American democracy. We would now like to report about our initial recommendations, with a plea, in the best interests of our political process, that the Executive and Legislative Branches commit themselves to a course of urgent debate leading to early and meaningful action.

One of us is a Republican. The other is a Democrat. We are inspired by the bipartisan efforts of Senators John McCain and Russell Feingold, and Representatives Christopher Shays and Martin Meehan, to achieve campaign finance reform. The bipartisan effort of new members of the House, led by Representatives Asa Hutchinson and Thomas

Allen, is also a foundation for hope. We are mindful that no change will occur unless there is a consensus in both parties that reform is fair to each. We also believe the imperative task of renewing our democracy requires that we all look beyond party. Guided by basic lessons from our Constitution and national experience, we must identify specific measures and commit ourselves to action where agreement is within our grasp, even as we identify other questions for further consideration.

The Constitution, in this as in all public affairs, is our first teacher. It directs that the Congress shall make no law abridging the freedom of speech. The Supreme Court has provided substantial guidance how that command applies to campaign finance laws. Whether any of us might wish that the Court had decided particulars of prior cases differently, our national legislative task is to give full honor to its free speech decisions.

The Constitution also enshrines political democracy. One of its central purposes is to ensure that every individual has the right to participate fully in the electoral process. As Madison said of the Congress in The Federalist Papers (No. 52), ''the door of this part of the federal government is open to merit of every description, ... without regard to poverty or wealth.'' Our campaign finance system must respect, and do everything it can to bolster, the constitutionally rooted primacy of individual citizens in our political democracy.

In applying constitutional values to campaign finance, we do not have to start from scratch. We have had a century of debate and legislation about several essential matters, including what we now describe as ''soft money.'' From early in the twentieth century, federal law has prohibited contributions from corporate treasuries to federal election campaigns. Starting in the 1940s, this bar has been applied equally to contributions to federal election campaigns from union treasuries. The basic principle of these constraints, upheld by the Supreme Court, is that organizations which are granted special privileges and protections, provided by federal or state law for economic advantage, should not be permitted to leverage that advantage to cast doubt on the integrity of our national government.

In the 1970s, in response to the constitutional crisis that began twenty-five years ago this week, the Congress established limits on individual contributions to candidates and political parties, and barred large individual contributions to them that threatened to undermine governmental integrity in reality or appearance. Though it subsequently invalidated several other reform provisions of that time, the Supreme Court sustained this central element of our campaign finance law.

At the end of the 1970s, the Federal Election Commission began to erode these important protections. The Commission authorized national party committees to spend the proceeds of a new category of contributions which we now know as ''soft money.'' This allowed previously prohibited corporate and union treasury contributions, and also unlimited contributions from individuals, to the national political parties. The theory has been that if contributions are not used directly in a federal election, federal campaign finance laws do not limit them. At first, the amounts of soft money involved were relatively small. But as happens with cracks in dikes, the power behind the breach has overwhelmed all defenses. The resulting flood of money to the national parties and their campaign organizations now threatens the credibility of our entire electoral process.

We believe that Congress, as a matter of high priority must stop, unambiguously, all ''soft money'' contributions to the national parties and their campaign organizations. The Congress should also prohibit the solicitation of soft money by those parties and organizations, any federal office holder, or any candidate for federal office for the seeming benefit of others, but in truth to circumvent the prohibition of soft money to the national parties. These interrelated acts would do much to reinvigorate the basic concept of the Federal Election Campaign Act: that, while we must remain mindful of the political parties' needs for resources to perform their vital role in the political process, it is individuals, subject to contribution limits established by Congress, who are the heart of the system of private contributions for federal elections. The prompt end to soft money solicitations by presidential candidates, among others, would also assure that the public gets full value for its investment in publicly financed presidential elections.

A recurring observation about the 1996 and other recent federal elections is that candidates have lost control of the conduct of their campaigns. Indeed, many candidates are at risk of becoming bystanders to campaigns waged by others in the name of ''issue advocacy.'' As a result, the accountability of the candidates for the conduct of campaigns is seriously compromised. Part of the problem is the need to sharpen definitions, that may have worked twenty years ago, to distinguish campaigning for candidates from a more general public debate of issues. Another part is the need to update the disclosure requirements of the Federal Election Campaign Act. Progress on both counts is necessary to assure that our political process achieves the substantial benefits that should result from an end of the ''soft money'' system.

First, it is essential that Congress establish, on the basis of the experience of recent elections, an appropriate test consistent with the First Amendment for distinguishing advocacy about candidates from the general advocacy of issues. The purpose of this test should be to identify for consistent treatment under the Federal Election Campaign Act significant expenditures for general communications to the public, at times close to elections, that are designed to achieve specific electoral results. The Supreme Court has said that Congress may regulate federal campaign activity to avoid corrupting influences or appearances. In doing so, the Congress should look at reality, not the self-applied labels of partisans. Our objective should be to assure that comparable expenditures are treated comparably.

The gains from ending ''soft money'' will be incomplete if money currently spent by parties is only redirected into so-called issue advertisements, including those by surrogate organizations established to circumvent campaign finance laws. A tightened, realistic definition of statutory terms will not foreclose communications to the pubic on behalf of the interests of business enterprises and unions even up to Election Day, under regulations evenly applied to their political action committees. It will mean that communications to the general public in periods close to elections that are designed to achieve electoral wins or losses are financed through the voluntary contributions of individuals, such as to their parties, political action committees, or candidates.

Second, disclosure is an essential tool because it allows citizens to hold candidates accountable for the means by which campaigns are financed. On election day voters can only express themselves about candidates on the ballot. Even candidates, however, may not know the true identity of entities that dominate the airwaves during the closing weeks of a campaign with electoral message patently targeted to favor or disfavor them or their opponents. Broader disclosure of the sources of financing of campaign advertisements would contribute to the robustness of political debate. It would ensure that candidates know to whom they might respond, and that the electorate knows who can be held accountable for the accuracy or demeanor of advertisements.

Additionally, we should take advantage of an electronic age in which information can be transmitted rapidly from, and updated frequently by, party and campaign officials, and made readily available to the public with equal rapidity.

No limitations and no disclosure requirements are worth much in the absence of timely and effective enforcement. Indeed, the absence of credible enforcement causes damage beyond the campaign finance laws by engendering real doubts about the application of the rule of law to powerful members of our society. The American public believes resolutely that a fundamental premise of our constitutional democracy is that high elected officials, like ordinary citizens, are subject to the rule of law, and to the timely application of it. The Congress and the President need to work together to assure the public that campaign finance laws are not pretenses.

The President and the Senate should take immediate action to assure that vacancies on the Federal Election Commission are filled by knowledgeable, independent-minded individuals who are not subject to the suggestion that they are appointed to represent political organizations. We say this because we need a clean break from the past, not to be critical of any former, present, or potential member of the Commission. It is within the President's power to accomplish this new start for the Commission, beginning today. We urge the President, in consultation with the leadership of the Congress, to name an advisory panel of citizens whose task would be to recommend highly qualified candidates for the President's consideration for appointment to the Commission, subject of course to the Senate's advice and consent.

Congress can take further steps to protect the independence of the Commission. If commissioners were limited to one term, they would have no occasion to measure the impact of their decisions on the possibility of reappointment. The independence of the Commission can also be furthered by placing its funding on a more secure, longer term basis.

The potential for deadlock inheres in the requirement that the Commission have an even number of commissioners. Because the Congress also has made the Commission the official gatekeeper to the United States courts, judicial action to resolve complaints under the Federal Election Campaign Act is impeded unless permitted by a majority of commissioners. Thus, a deadlocked Commission is an obstacle to the adjudication of meritorious claims. It is important to rely on the expertise of the Commission, but when the Commission is unable to resolve complaints, our respect for the rule of law

requires that complainants have the right to a fresh start through a direct action in the United States courts against alleged violators. The law should be amended to provide for this in the event that the Commission in unable to act because of deadlock or a lack of resources.

We have not attempted to set out an exhaustive list of reforms which may be attainable and would make a significant contribution. Other important proposals by members of Congress or students of campaign finance reform merit consideration, such as encouraging small contributions through tax credits, or providing greater resources to candidates through enhanced access to communications media or through flexibility by the parties in supporting candidates with expenditure of hard money contributions. Rather, our purpose is to illustrate that it is possible to identify and act on particular, achievable improvements, which should not be postponed or neglected. We very much encourage and support a larger debate about other changes at the federal and state levels in the manner in which political campaigns are financed. Additional changes will be essential to renewing American democracy. The enactment of immediate reforms may give us a measure of time to address other reforms, but should never become an excuse for avoiding them.

We urge that the work of the Congress over the next few months be spurred by one overriding thought: no one would create, or should feel comfortable in defending, the campaign finance system that now exists. Public cynicism about our great national political institutions is the inevitable product of the gaps that exist between our principles and the law, and between the law and compliance with it. The trend lines, also, are all wrong. If we were unhappy about campaign financing in the election of 1996, as the public is and as members of both parties ought to be, then we should anticipate with great trepidation the election of 2000, absent prompt reforms.

The challenge for this Congress is to put in place changes for the presidential and congressional election cycle that will start the day after next year's elections, a little more than sixteen months from now, to enable an election in the year 2000 in which we will have pride and the public will have confidence. Your leadership in that endeavor will serve the interests of American democracy, and command the enduring appreciation of all of us who know how needed that leadership is.

Sincerely,

NANCY KASSEBAUM BAKER.
WALTER F. MONDALE.

AN OPTION WORTH WATCHING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. GINGRICH. Mr. Speaker, the gentleman from Texas, the Ways and Means Chairman, Mr. ARCHER, has developed a tax relief plan to help restore our Nation's Capital, the District of Columbia. I enter into the CONGRESSIONAL RECORD an editorial from the Washington Post which, recognizing that a tax incentive plan is the sole solution to the troubles of the District, still concludes that it is an option ''worth watching.''

[From the Washington Post, June 11, 1997]

MR. ARCHER'S PLAN FOR THE DISTRICT

House Ways and Means Committee Chairman Bill Archer's tax incentive plan for the District has encouraged a chorus of carping from city officials who predict that the measure won't stem the middle-class exodus to the suburbs. Perhaps to their surprise, Rep. Archer agrees. ''The single biggest thing that the District of Columbia needs to do,'' he told a press conference at the bill's unveiling, ''is to create an environment that is healthy for people to live and to work and to educate their children. * * * There are no changes in the tax code that are going to be enough to accomplish that.''

Rep. Archer's appraisal was both candid and realistic. The District's tax code isn't the chief reason more than 50,000 residents have fled the city in the 1990s alone. A host of problems—including poor schools, crime, broken city services and abysmal local leadership—are responsible. The District's survival will depend less on tax cuts than on a wide variety of policies and actions that directly address those ills. Fixing the school system, imposing financial accountability and management reforms in the government, improving public safety and adopting the president's plan to take over some burdensome state-level responsibilities and costs will go a long way toward creating a stable and livable city.

Tax cuts, whether they benefit the majority of residents or are focused on the city's poorest neighborhoods, aren't going to provide the city with a sustainable revenue base. Yet to dismiss the GOP tax-break proposals out of hand may be shortsighted and self-defeating too.

Businesses are leaving town, and the city is having trouble attracting new firms. Much the same applies to middle-income residents. Rep. Archer believes tax relief could become a magnet for residents and businesses in certain economically depressed areas of the city such as Anacostia, Mount Pleasant and Chinatown. Whether tax breaks would keep and attract new residents or spur investment and job creation in the District's struggling areas is an open and untested question in this city. At $325 million in tax relief spread out over five years and targeted on about 80,000 of the city's 554,000 residents, it's an expensive gesture, if not gamble.

Control board chairman Andrew Brimmer believes the plan's economic impact would be ''slight.'' House Speaker Newt Gingrich, on the other hand, reportedly views the D.C. tax package as a ''demonstration project that Republican free-market solutions are the best way to solve the problems of our nation's inner cities.'' It's an experiment worth watching.

THANKS TO PHIL JACKSON AND NATIONAL ASSOCIATION OF BROADCASTERS

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. POMEROY. Mr. Speaker, I rise today to thank those who helped the victims of the flood that hit the upper Great Plains this spring. I would especially like to point out the public service announcement filmed by Chicago Bulls coach and former North Dakotan Phil Jackson and distributed by the National Association of Broadcasters.

In the midst of the Chicago Bulls run for a fifth NBA title in 7 years. Coach Jackson took the time to film a public service announcement asking Americans to help the flood victims of his former State. Teaming up with the National Association Broadcasters, we got the work out about this PSA, and about how broadcasters could join the flood relief effort.

While the PSA was playing in cities across the United States asking individuals to give what they could to help the flood victims, broadcasters were also becoming involved in the campaign. In Fargo, ND, a TV station's telethon raised $1.2 million. In Minneapolis, 21 radio morning shows raised $500,000. In Omaha, a DJ got listeners to fill a 53-foot truck with donations. While in Grand Forks, KCNN Radio continued its round the clock effort to answer any and all questions for flood victims and provide the community with the latest in local and national news affecting its listeners.

To Phil Jackson of the Chicago Bulls and to the broadcasting community I extend my thanks.

A TRIBUTE TO EUNICE KINDRED

HON. JIM DAVIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. DAVIS of Florida. Mr. Speaker, I rise to recognize and congratulate Eunice Kindred, a rising senior at Tampa Preparatory School, on her first-place finish in the Congressional Art Competition for high school students of the 11th Congressional District. Her painting will be hung in the Capitol here in Washington, DC. For many students, this honor might be his or her first recognition of talent, but for Eunice, this is one addition to a long list of accomplishments within as well as outside the realm of art.

Eunice has excelled at art throughout her life, showing a unique talent for expression through canvas since age 5. She has received countless awards for her artistic abilities, at the local and national levels. Her artwork has been displayed in various exhibitions in the Tampa area; the list continues. Recently, Eunice has entered the world of business, starting her own design company. Undoubtedly she will enhance and fulfill her entrepreneurial skills to the level of her artistic skills.

Aside from these talents Eunice has the distinction of being one of the top young bowlers in the United States today. Eunice bowled a 299 game in 1992, consistently places highly in tournaments, and was recognized in 1994 as being in the top 5 percent of all young bowlers in the United States and Canada, an honor for which she received a letter of recognition from the President of the United States.

Eunice's extraordinary abilities also extend into musicianship. She is an accomplished violinist, having held the first violin chair of the Tamp Bay Youth Orchestra.

What is impressive about this young lady is the fact that despite her extensive extracurricular activities, Eunice maintains an excellent academic record; her induction into numerous honor societies is reflective of this record.

Eunice is truly an exceptional person. Her abilities run the gamut, ranging from aesthetics to athletics. Young people all across America such as Eunice embody the American spirit and will help lead the way into the 21st century. I, along with the rest of the 11th District of Florida, congratulate Eunice on her fine accomplishment.

REGARDING THE UPPER GREAT PLAINS FLOOD OF 1997

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 23, 1997

Mr. POMEROY. Mr. Speaker, I rise today to offer my appreciation to the people who have helped the disaster-stricken communities of North Dakota. Whenever a community suffers from a disaster, people often look to their local leadership to help them get through trying times and help them get back on their feet. With the blizzards and floods of 1997, local leaders in North Dakota have not only risen to the task, they've become heroes to the people they serve. Few can forget the images of Grand Forks Mayor Pat Owens working around the clock as her community suffered the worst disaster in North Dakota history. And between working endless hours helping her city through this time and numerous trips to Washington to make a case for Federal support, she was always available to also lend a shoulder to the Grand Forks resident who needed comfort.

Many other mayors across North Dakota, Minnesota, and South Dakota showed their unshakeable commitment to the people they serve. Mayor Lynn Stauss of East Grand Forks, Mayor Bruce Furness of Fargo, Mayor Hetty Walker of Pembina, Mayor Dan Rood of Wahpeton, and so many other community leaders deserve our thanks and our praise.

When our communities needed their leadership the most, they were there for us—providing strength, courage, and leadership that has truly made a difference to the lives of the people they represent.

The flood of 1997 on the Upper Great Plains brought out the best in people as neighbors helped neighbors get through some very difficult times. People from around the country stepped forward to lend a hand and show the residents of Grand Forks that they weren't alone. I would also like to recognize the incredible help provided by the men and women of the Grand Forks Air Force Base. From acting as the mass care shelter to hosting the senior prom, the assistance from the air base to the community continues. The response activities, and now the ongoing recovery efforts, could not happen without those extraordinary efforts.

Other groups that contributed to the disaster far above the normal call-of-duty include the men and women who worked to restore power after the blizzard. Linemen who in some cases were wearing snowmobile helmets as they worked to restore power lines during the height of the ice storms deserve our thanks for a job well done. The thousands of volunteers who fought the flood, in some cases even while their own homes were being inundated, should be remembered for their selfless acts and hard work.

Donations poured in from every corner of the United States as the magnitude of this disaster and suffering became known. Other acts of kindness from individuals and corporations were commonplace, their generosity at times truly defying description.

At the same time, other agencies stepped forward to do their usual jobs of helping people recover. Unfortunately, the Red Cross and the Salvation Army all too often are taken for granted for the support they provide. Let me tell you that in North Dakota, and especially in Grand Forks, they are not taken for granted. They set new standards for caring and commitment.

To all those who stepped forward to help those in need I say thank you.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 24, 1997, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 25

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on international satellite reform proposals.
SR–253

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to examine emerging fraud in the Medicare program.
SD–342

Rules and Administration
To hold hearings to examine campaign financing, focusing on whether political contributions are voluntary.
SR–301

Veterans' Affairs
To hold hearings to review a recent General Accounting Office (GAO) report entitled ''Gulf War Illnesses: Improved Monitoring of Clinical Progress and Re-examination of Research Emphasis Needed''.
SH–216

Indian Affairs
To hold oversight hearings on the Administration's proposal to restructure Indian gaming fee assessments.
SD–562

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1998 for the District of Columbia.
SD–192

Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume oversight hearings to examine Social Security investment in the securities markets.
SD–538

Foreign Relations
To hold hearings on pending nominations.
SD–419

Judiciary
To hold hearings to examine encryption, key recovery, and privacy protection in the information age.
SD–226

2:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1998 for the United States Fire Administration, Federal Emergency Management Agency and the Office of Associate Administration for Commercial Space Transportation.
SR–253

Judiciary
To hold hearings on pending nominations.
SD–226

JUNE 26

9:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR–253

9:30 a.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 783, to increase the accessibility of the Boundary Waters Canoe Area Wilderness.
SD–366

JUNE 26

9 a.m.
Environment and Public Works
Clean Air, Wetlands, Private Property, and Nuclear Safety Subcommittee
To hold oversight hearings on recent administrative changes and judicial decisions relating to Section 404 of the Federal Water Pollution Control Act.
SD–406

Small Business
Business meeting, to mark up S. 208, to provide Federal contracting opportunities for small business concerns located in historically underutilized business zones, and proposed legislation authorizing funds for the Small Business Administration.
SR–428A

10:00 a.m.
Judiciary
To hold hearings to review the Global Tobacco settlement.
SD–226

Judiciary
Technology, Terrorism, and Government Information Subcommittee
To hold hearings to examine the threat of domestic terrorism, focusing on allegations from the recent trial of Timothy McVeigh in the Oklahoma City bombing.
SD–226

2:00 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold hearings on S. 308, to require the Secretary of the Interior to conduct a study concerning grazing use of certain land within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges, and S. 360, to require adoption of a management plan for the Hells Canyon National Recreation Area that allows appropriate use of motorized and nonmotorized river craft in the recreation area.
SD–366

Judiciary
Immigration Subcommittee
To hold hearings on proposals to extend the Visa Waiver Pilot Program, including S. 290, to establish a visa waiver pilot program for nationals of Korea who are traveling in tour groups to the United States.
SD–226

JULY 10

2:00 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold oversight hearings to review the preliminary findings of the General Accounting Office concerning a study on the health, condition, and viability of the range and wildlife populations in Yellowstone National Park.
SD–336

JULY 23

9:00 a.m.
Finance
International Trade Subcommittee
To hold hearings with the Caucus on International Narcotics Control on the threat to U.S. trade and finance from drug trafficking and international organized crime.
SD–215

JULY 30

9:00 a.m.
Finance
International Trade Subcommittee
To resume hearings with the Caucus on International Narcotics Control on the threat to U.S. trade and finance from drug trafficking and international organized crime.
SD–215

CANCELLATIONS

JUNE 24

9:30 a.m.
Small Business
To hold hearings on proposed legislation authorizing funds for the Small Business Administration.
SR–428A

JUNE 25

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SR–430

JUNE 26

9:30 a.m.
Labor and Human Resources
Children and Families Subcommittee
To hold oversight hearings on the implementation of the Family and Medical Leave Act.
SR–430

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S6049–S6103

Measures Introduced: One bill was introduced, as follows: S. 950. **Page S6097**

Measures Passed

National Literacy Day: Senate agreed to S. Res. 92, designating July 2, 1997, and July 2, 1998, as ''National Literacy Day''. **Page S6103**

Budget Reconciliation: Senate began consideration of S. 947, to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998, taking action on amendments proposed thereto, as follows:

Pages S6058–72, S6074–93

Pending:

Gregg Modified Amendment No. 426, to provide for terms and conditions of imposing Medicare premiums. **Pages S6066–72, S6074–77**

Harkin Amendment No. 428, to reduce health care fraud, waste, and abuse. **Pages S6077–78**

Kennedy/Wellstone Amendment No. 429, to strike the provision relating to the imposition of a copayment for part B home health services.

Pages S6078–93

Motion to waive a point of order that section 5611 of the bill violates section 313(b)(1)(A) of the Congressional Budget Act of 1974. **Page S6092**

A unanimous-consent agreement was reached providing for further consideration of the bill on Tuesday, June 24, 1997. **Page S6103**

Messages From the President: Senate received the following messages from the President of the United States:

Transmitting the annual report on Federal Advisory Committees for fiscal year 1995; referred to the Committee on Governmental Affairs. (PM–47).

Pages S6095–96

Nominations Received: Senate received the following nominations:

Martin S. Indyk, of the District of Columbia, to be an Assistant Secretary of State.

Routine lists in the Army, Marine Corps.

Page S6103

Messages From the President: **Pages S6095–96**

Messages From the House: **Page S6096**

Communications: **Pages S6096–97**

Statements on Introduced Bills: **Pages S6097–99**

Additional Cosponsors: **Pages S6099–S6100**

Amendments Submitted: **Pages S6100–01**

Additional Statements: **Pages S6101–03**

Adjournment: Senate convened at 10 a.m., and recessed at 7:45 p.m., until 9:30 a.m., on Tuesday, June 24, 1997. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S6103.)

Committee Meetings

No committee meetings were held.

House of Representatives

Chamber Action

Bills Introduced: 5 public bills, H.R. 2009–2013; and 2 resolutions, H. Con. Res. 103–104, were introduced. **Page H4221**

Reports Filed: Reports were filed as follows:

H.R. 1581, to reauthorize the program established under chapter 44 of title 28, United States Code, relating to arbitration (H. Rept. 105–143);

H.R. 1866, to continue favorable treatment for need-based educational aid under the antitrust laws (H. Rept. 105–144);

H.R. 1901, to clarify that the protections of the Federal Tort Claims Act apply to the members and personnel of the National Gambling Impact Study Commission (H. Rept. 105–145);

H.R. 1902, to immunize donations made in the form of charitable gift annuities and charitable remainder trusts from the antitrust laws and State laws similar to the antitrust laws; (H. Rept. 105–146);

H.R. 849, to prohibit an alien who is not lawfully present in the United States from receiving assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, amended (H. Rept. 105–147);

H.R. 2014, Revenue Reconciliation Act of 1997 (H. Rept. 105–148); and

H.R. 2015, Balanced Budget Act of 1997 (H. Rept. 105–149). **Page H4221**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Pease to act as Speaker pro tempore for today. **Page H4137**

Recess: The House recessed at 10:50 a.m. and reconvened at 12 noon. **Page H4139**

Suspensions: The House voted to suspend the rules and pass the following measures:

Federal Tort Claims Act Clarification: H.R. 1901, to clarify that the protections of the Federal Tort Claims Act apply to the members and personnel of the National Gambling Impact Study Commission; **Pages H4140–41**

Charitable Donation Antitrust Immunity: H.R. 1902, to immunize donations made in the form of charitable gift annuities and charitable remainder trusts from the antitrust laws and State laws similar to the antitrust laws; **Pages H4141–42**

Veterans' Cemetery Protection Act: H.R. 1532, amended, to amend title 18, United States Code, to create criminal penalties for theft and willful vandalism at national cemeteries. Agreed to amend the title; **Pages H4142–45, H4212**

Need-Based Educational Aid Antitrust Protection: H.R. 1866, to continue favorable treatment for need-based educational aid under the antitrust laws; **Pages H4145–46**

Program Relating to Arbitration: H.R. 1581, to reauthorize the program established under chapter 44 of title 28, United States Code, relating to arbitration; and **Pages H4146–47**

John F. Kennedy Assassination Records Review Board: H.R. 1553, to amend the President John F. Kennedy Assassination Records Collection Act of 1992 to extend the authorization of the Assassination Records Review Board until September 30, 1998. **Pages H4149–50**

Cost of Government Day—Vote Postponed: The House completed debate on the motion to suspend the rules and agree to H. Con. Res. 102, expressing the sense of the Congress that the cost of government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn. The vote was postponed until Wednesday, June 25. **Pages H4147–49**

Recess: The House recessed at 2:35 p.m. and reconvened at 5:36 p.m. **Page H4166**

Order of Business—MFN to China: It was made in order that at any time on June 24, 1997, to consider in the House the joint resolution (H.J. Res. 79) disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China; that the joint resolution be considered as read for amendment; that all points of order against the joint resolution and against its consideration be waived; that the joint resolution be debatable for three and one-half hours equally divided and controlled by the Chairman of the Committee on Ways and Means (in opposition to the joint resolution) and a Member in support of the joint resolution; that pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question be considered as ordered on the joint resolution to final passage without intervening motion; and that the provisions of sections 152 and 153 of the Trade Act of 1974 shall not otherwise apply to any joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the first session of the One Hundred Fifth Congress. **Pages H4166–67**

Department of Defense Authorization Act: The House continued consideration of amendments to H.R. 1119, to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999. The House completed general debate and considered amendments to the bill on June 19 and 20. **Pages H4150–H4212**

Agreed To:

The Frank of Massachusetts amendment, as modified, that limits the U.S. share of payments for the cost of NATO expansion to 10 percent of the total cost or $2 billion whichever is less; and if at any time the U.S. share exceeds 10 percent, then no funds may be expended until the percentage is reduced to 10 percent; **Pages H4151–54, H4167**

The Bachus amendment that prohibits the performance of military honors at the funeral of a person who has been convicted of a crime under State

or Federal law for which death is a possible punishment and for which the person was sentenced to death or life imprisonment (agreed to by a recorded vote of 416 ayes with none voting ''no'', Roll No. 225); **Pages H4155–56, H4167–68**

The Talent amendment that revises DOD missing persons authorities; requires a preliminary assessment within 48 hours unless hostile actions prevent timely reporting but in no case later than ten days; establishes reporting procedures and frequency of subsequent reviews; requires a certification by a forensic science practitioner for bodies that are not identifiable; requires that the identity of the missing person's counsel be provided to the next of kin; and establishes personnel files for Korean Conflict cases (agreed to by a recorded vote of 415 ayes to 2 noes, Roll No. 226); **Pages H4157–60, H4168–69**

The Buyer amendment that requires a joint plan from the Secretary of Defense and the Secretary of Veterans Affairs to provide appropriate health care to Persian Gulf veterans and their dependents who suffer from a Gulf War illness, including follow up treatment after initial examination as part of registration in the Persian Gulf War Veterans Health Registry or the Comprehensive Clinical Evaluation Program; requires a Comptroller General Study of revised disability criteria to ensure accurate ratings related to a diagnosis of a Persian Gulf illness; requires a medical tracking system for members deployed overseas; requires reports on plans to track the daily location of units serving in a theater of operations and plans to improve the detection of chemical and biological hazards; requires the Secretary of Defense to provide a notice with specified information to each member of the armed forces whenever an investigational new drug is administered; requires a report evaluating the effectiveness of medical research initiatives regarding Gulf War illnesses; and provides $4.5 million to establish a Persian Gulf illness clinical trials program (agreed to by a recorded vote of 417 ayes with none voting ''no'', Roll No. 227); **Pages H4160–66, H4169**

The Rohrabacher amendment that prohibits any Cooperative Threat Reduction funds to be expended when it becomes known to the Secretary of Defense that Russia has transferred to the People's Republic of China an SS–N–22 missile system (agreed to by a recorded vote of 215 ayes to 206 noes, Roll No. 230); and **Pages H4198–H4201**

The Spence en bloc amendment, as modified, that requires a study of the U.S. capacitor and resistor industries; strikes limitation on funds for development of the Integrated Defensive Electronic Countermeasures program for the F/A 18 aircraft and AV–8B aircraft; expresses the sense of Congress that the U.S. should maintain approximately 100,000 military personnel in the Asia and Pacific region; expresses the sense of Congress that the armed forces should not be deployed to provide environmental preservation activities for other nations; expands reserve affiliations bonus to include the Coast Guard reserve; prohibits any funding for the United States Man and Biosphere Program; states the support for the Army in its Comanche program technology transfer and acquisition efforts; requires a report on the utility of permitting U.S. nationals to participate in the Senior Reserve Officers' Training Corps program; clarifies that the gross tonnage for purposes of tank vessel double hull requirements shall be the gross tonnage of the vessel on the most recent certificate; provides $3.910 million for the fire range/maintenance shop construction project at Camp Roberts, California; includes additionally in the report on future military capabilities of the People's Republic of China, Chinese capabilities in nuclear weapons development, electronic warfare, telecommunications, advanced aerospace technologies, antisubmarine warfare, and an assessment of the potential threat to U.S. strategic interests by U.S. and other sales to China; specifies that the POW/MIA flag shall be displayed at each Department of Veterans Affairs medical center on each day on which the U.S. flag is displayed; allows veterans' preference to reservist veterans of the Persian Gulf War who were deployed but did not serve in the theater of operations; requires a report evaluating the feasibility of transferring jurisdiction of the Modular Airborne Fire Fighting System from the Department of Agriculture to the Department of Defense; provides $6.2 million for a barracks construction project at Fort Indiantown Gap, Pennsylvania; provides transfers of real and personal property at certain Department of Energy facilities; requires an annual report on the development and deployment of narcotics detection technologies; requires the Secretary of Defense to delegate certain authorities to the site manager of Hanford Reservation, Richland, Washington; requires the Secretary of Energy to conduct a study on the effects of workforce restructuring plans for defense nuclear facilities; requires a report on the feasibility of conversion of members of the Army or Air Force reserve components who are on active duty (AGR personnel) to military technicians; sense of Congress that all promising technology and treatments relating to Gulf War illnesses should be fully explored and tested; increases funding for the Navy Land Attack technology program by $10 million and reduces the Air Systems and Weapons Advance Technology program by $5 million and reduces the Ship Hull Mechanical and Electrical Technology by $5 million; prohibits the Secretary of Defense from determining the allowability of costs of employee

stock ownership plans described in the rule proposed by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council; requires a report on the Operational Field Assessments program; establishes the Sikes Act Improvement Amendments of 1997 and authorizes $9 million for the next five years for cooperative wildlife management at military installations; conveys land from Fort Dix to the Borough of Wrightstown, New Jersey; requires a study to evaluate the requirement for military medical facilities in the National Capital region; requires a report describing anti-terrorism activities; provides limited expansion to the Community College of the Air Force; requires the Director of OMB to report on counter-terrorism and anti-terrorism programs and activities and establish a government-wide reporting system on the budget and expenditure of funds; expands the number of personnel eligible to participate in a demonstration project relating to acquisition workforce; conveys certain real property at Ellsworth Air Force Base to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota; requires a random audit of U.S. military installations to determine the extent to which installations procured goods not made in the United States; revises from 120 days to 60 days the time for submission of the annual report relating to the Buy America Act; requires a report from the Secretary of the Army concerning the implementation of the amendments made to the Armament Retooling and Manufacturing Support Act of 1992; and expresses the sense of Congress concerning the need for Russian openness on the Yamantau Mountain project. **Pages H4201–12**

Rejected:

The Dellums amendment, as modified, that sought to terminate production of the B–2 bomber and reduce funding by $331.2 million, allow $21.8 million for curtailment of the production line, and increase funding by $332.2 million for procurement of equipment for the reserve components (rejected by a recorded vote of 209 ayes to 216 noes, Roll No. 228); and **Pages H4169–89**

The Everett amendment, as modified, that sought to strike section 333, restrictions on contracts for performance of depot-level maintenance and repair at certain facilities; section 334, core logistics functions of Department of Defense; and section 335, centers of industrial and technical excellence (rejected by a recorded vote of 145 ayes to 278 noes, Roll No. 229). **Pages H4189–98**

Withdrawn:

The Skelton amendment was offered but subsequently withdrawn that sought to expand criminal offenses resulting in forfeiture of veterans' burial benefits to include those convicted of crimes involving weapons of mass destruction against federal properties, law enforcement officers, or employees; **Page H4156**

Agreed to H. Res. 169, as amended, the rule providing for consideration of the bill on June 19. **Pages H3934–45**

Presidential Message—Advisory Committees: Read a message from the President wherein he transmitted his annual report on Federal Advisory Committees, covering fiscal year 1995—referred to the Committee on Government Reform and Oversight. **Page H4212**

Senate Messages: Message received today from the Senate appears on page H4137.

Quorum Calls—Votes: Six recorded votes developed during the proceedings of the House today and appear on pages H4167–68, H4168–69, H4169, H4188–89, H4198, and H4200–01. There were no quorum calls.

Adjournment: Met at 10:30 a.m. and adjourned at 11:50 p.m.

Committee Meetings

No committee meetings were held.

COMMITTEE MEETINGS FOR TUESDAY, JUNE 24, 1997

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations with the *Committee on Governmental Affairs*, on the implementation of the Government Performance and Results Act, 10 a.m., SD–192.

Full Committee, business meeting, to mark up proposed legislation making appropriations for foreign assistance programs for the fiscal year ending September 30, 1998, 2:30 p.m., SH–216.

Committee on Commerce, Science, and Transportation, to hold hearings on the nomination of Jane Garvey, of Massachusetts, to be Administrator of the Federal Aviation Administration, 10:30 a.m., SR–253.

Committee on Energy and Natural Resources, to meet to further discuss proposals to advance the goals of deregulation and competition in the electric power industry, 10:30 a.m., SD–366.

Committee on Governmental Affairs with the *Committee on Appropriations*, on the implementation of the Government Performance and Results Act, 10 a.m., SD–192.

Committee on the Judiciary, business meeting, to consider the nomination of Eric H. Holder, Jr., of the District of Columbia, to be Deputy Attorney General, Department of Justice, 9:45 a.m., S–214, Capitol.

Full Committee, to hold hearings to examine the Rand report relating to punitive damages in financial injury cases, 10 a.m., SD–226.

NOTICE

For A listing of Senate Committee Meetings scheduled ahead, see page E1302 in today's Record.

House

Committee on Appropriations, to mark up Military Construction appropriations for fiscal year 1998, 9:30 a.m., 2360 Rayburn.

Subcommittee on Legislative, to mark up appropriations for fiscal year 1998, immediately following full Committee, H–144 Capitol.

Subcommittee on Transportation, to mark up appropriations for fiscal year 1998, 3 p.m., 2358 Rayburn.

Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity, hearing on The Adequacy of Available Homeowners' Insurance in Disaster Prone Areas—The Problem, 10:00 a.m., 2128 Rayburn.

Committee on Commerce, Subcommittee on Finance and Hazardous Materials, hearing on Financial Services Reform, 10:00 a.m., 2123 Rayburn.

Committee on Education and the Workforce, Subcommittee on Oversight and Investigations, hearing on Education at a Crossroads, What Works, What's Wasted in Federal Drug and Violence Prevention Programs, 11:00 a.m., 2261 Rayburn.

Subcommittee on Workforce Protections, hearing on the Occupational Safety and Health Administration's reinvention project, 10:00 a.m., 2175 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Government Management, Information, and Technology, oversight hearing on Investigative Practices of Inspectors General, 9:30 a.m., 2247 Rayburn.

June 24, Subcommittee on Human Resources, hearings on Status of Efforts to Identify Gulf War Syndrome, 10 a.m., 2154 Rayburn.

Committee on International Relations, Subcommittee on Africa, to mark up the following: H. Con. Res. 99, expressing concern over recent events in the Republic of Sierra Leone in the wake of the recent military coup d'etat of that country's first democratically elected President; and a resolution urging a restoration of peace in Congo-Brazzaville, 1 p.m., 2200 Rayburn.

Subcommittee on International Economic Policy and Trade, to mark up H.R. 695, Security and Freedom Through Encryption (SAFE) Act, 4 p.m., 2172 Rayburn.

Subcommittee on International Operations and Human Rights, hearing on Human Rights in Northern Ireland, 10:00 a.m., 2172 Rayburn.

Committee on Resources, hearing on the following bills: H.R. 700, to remove the restriction on the distribution of certain revenues from the Mineral Springs parcel to certain members of the Agua Caliente Band of Cahuilla Indians; H.R. 948, Burt Lake Band of Ottawa and Chippewa Indians Act; H.R. 976, Mississippi Sioux Tribes Judgment Fund Distribution Act of 1997; and H.R. 1604, to provide for the division, use, and distribution of judgment funds of the Ottawa and Chippewa Indians of Michigan pursuant to dockets numbered 18–E, 58, 364, and 18–R before the Indian Claims Commission, 10:00 a.m., 1324 Longworth.

Subcommittee on Forests and Forest Health, oversight hearing on Resident Exotic Plants and Pests threatening the health of the National Forests, 2:00 p.m., 1324 Longworth.

Subcommittee on National Parks and Public Lands, hearing on the following measures: H.R. 1952, Utah Wilderness and School Trust Lands Protection Act of 1997; and H.R. 1500, to designate certain Federal lands in the State of Utah as wilderness, 10:00 a.m., 1334 Longworth.

Subcommittee on Water and Power, hearing on the following bills: H.R. 134, to authorize the Secretary of the Interior to provide a loan guarantee to the Olivenhain Water Storage Project and H.R. 1400, Tumalo Irrigation District Water Conservation Project Authorization Act, 2:00 p.m., 1334 Longworth.

Committee on Rules, to consider the following: Budget Reconciliation Spending Component; and the Taxpayer Relief Act, 9:30 a.m., H–313 Capitol.

Committee on Science, Subcommittee on Technology, hearing on The Role of R&D in Improving Civilian Air Traffic Management, 2:30 p.m., 2318 Rayburn.

Committee on Ways and Means, Subcommittee on Social Security, to continue hearings on The Future of Social Security for this Generation and the Next, 10 a.m., B–318 Rayburn.

Permanent Select Committee on Intelligence, executive, briefing on NATO Enlargement, 2 p.m., H–405 Capitol.

Next Meeting of the SENATE

9:30 a.m., Tuesday, June 24

Senate Chamber

Program for Tuesday: Senate will continue consideration of S. 947, Budget Reconciliation.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for respective party conferences.)

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Tuesday, June 24

House Chamber

Program for Tuesday: Consideration of 1 Corrections Day measure, H.R. 1316, Federal Beneficiary Clarification Act;

Consideration of H.J. Res. 79, disapprove Most-Favored-Nation treatment to products of the People's Republic of China (considered under unanimous consent, 3½ hours of general debate); and

Complete consideration of H.R. 1119, Defense Authorization Act for FY 1998 and 1999 (structured rule).

Extensions of Remarks, as inserted in this issue

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