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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. GIBBONS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 30, 1997.

I hereby designate the Honorable JIM GIBBONS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

May Your good word, O God, that comforts and gives strength, be with those who have suffered from violence and hatred and who have experienced the brutality of conflict. We remember especially those innocents who go about their daily lives seeking only to do their work and know their families and yet who suffer so tragically from the cruelty of malice and hatred. In spite of the strife known to nations and peoples, we pray that we will be instruments of peace and messengers of goodwill so that everyone may know the bounty of Your grace and Your peace. 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 California [Mr. FARR] come forward and lead the House in the Pledge of Allegiance.

Mr. FARR of California 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.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2209. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1998, and for other purposes; and

H.R. 2266. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2209) ''An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1998, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BENNETT, Mr. STEVENS, Mr. CRAIG, Mr. COCHRAN, Mr. DORGAN, Mrs. BOXER, and Mr. BYRD, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2266) ''An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. SHELBY, Mr. GREGG, Mrs. HUTCHISON, Mr. INOUYE, Mr. HOLLINGS, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, and Mr. DORGAN, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1757) ''An Act to consolidate international affairs agencies, to authorize appropriations for the Department of State and related agencies for fiscal years 1998 and 1999, and to ensure that the enlargement of the North Atlantic Treaty Organization (NATO) proceeds in a manner consistent with United States interests, to strengthen relations between the United States and Russia, to preserve the prerogatives of the Congress with respect to certain arms control agreements, and for other purposes'', disagreed to by the House and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HELMS, Mr. COVERDELL, Mr. HAGEL, Mr. GRAMS, Mr. BIDEN, Mr. SARBANES, and Mr. DODD, to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain ten 1-minute speeches from each side.

TAX RELIEF

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

Mr. TIAHRT. Mr. Speaker, it appears to finally be here, we have an agreement on tax relief for working Americans. Congress and the White House have come together and developed a package that will sustain a strong economy.

Is it perfect or the best we could do? Probably not. But in a democracy we all give a little. So it is not perfect but tax relief is necessary and it is long

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overdue. The St. Louis Post Dispatch said it well when it said: Nobody asked wage earners in Missouri if they could afford President Clinton's 1993 tax increase. The Republican tax relief plan puts some of the money back where it belongs, in the pockets of working Americans. The tax relief plans passed by the House and the Senate are not government handouts. This money belongs to the workers of Missouri and they should not have to come on bended knee to the Federal Government just to keep more of what they worked so hard to earn.

It is the same for wage earners in Kansas in my district and across America, they should keep more of what they worked so hard to earn. I urge my colleagues to vote for the tax relief plan for working families. It is long overdue.

CONDEMNING TERRORISM IN JERUSALEM

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

Mr. LANTOS. Mr. Speaker, I rise with a sense of profound outrage and steely determination to denounce the murderous terrorist attack against children, women, and elderly men in Jerusalem's open marketplace by the assassins of Arab extremism, who are hell-bent on destroying the peace process so desperately craved by millions of decent Israelis and Arabs in the region.

It is long past time for Arafat to order his huge police force to destroy the countless terrorist nests scattered through the territory under his control. Until Arafat focuses his vast resources on destroying terrorism, there can be no progress toward peace in the region.

This morning I am introducing a resolution condemning today's terrorist attack in Jerusalem, expressing the solidarity of the Congress and the American people with the grieving families and people of Israel and calling on Arafat to begin in earnest a war against the assassins of people and peace in the Holy Land. This resolution is cosponsored by the distinguished Republican chairman of the House Committee on International Relations, Mr. GILMAN, and the distinguished ranking Democratic member of the Committee on International Relations, Mr. HAMILTON. It is supported by the Democratic leader, the gentleman from Missouri, Mr. GEPHARDT, and Senator HELMS and Senator BIDEN are concurrently introducing it in the other body.

TAX CUTS FOR MORE FREEDOM AND LESS GOVERNMENT

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

Mr. BARTLETT of Maryland. Mr. Speaker, the sun is rising this morning in America and shining on many happy faces. Taxpayers are celebrating because conservatives in Congress and President Clinton have agreed on plans to simultaneously balance the budget for the first time in more than 30 years while providing tax cuts for the first time in 16 years.

Liberals however have woken up and are crying boohoo. Liberals are aghast at the prospects of the Federal Government balancing its budget and reducing spending. Liberals are horrified by the Federal Government simultaneously letting taxpayers keep more of the money that they earn. Oh, the horror, the horror.

Tax cuts equal more freedom for individual hard-working American taxpayers and less power for the Federal Government in Washington. No wonder liberals are crying boohoo.

DEMOCRATS DESERVE CREDIT

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

Mr. PALLONE. Mr. Speaker, Democrats and Republicans have reached a historic balanced budget deal, and this morning I want to congratulate my Democratic colleagues and the White House for standing firm in defense of what we knew was right. There is no doubt that Democrats are responsible for the inclusion of some of the budget deal's most important provisions.

As a result of the Democrats efforts, the Federal budget will have $24 billion to provide health care for at least 5 million children who would otherwise have been uninsured. It will have a $500 per child tax credit for many families with incomes under $30,000, thereby covering 13 million more children than would have been the case under the GOP plan.

It will have education tax credits including the President's HOPE Scholarship Program that would have been denied to many students pursuant to the Republican proposals.

Mr. Speaker, the Republicans clearly felt the pressure from the White House and the congressional Democrats in the final days of the budget negotiations. Indeed as a result of our defense of what is right, we now have a budget that will benefit the average working American instead of just the rich one.

PROMISES MADE, PROMISES KEPT

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

Mr. ROGAN. Mr. Speaker, what a difference a few years makes. In 1993, Republicans were entering their 39th year in the minority in this House. That year was significant because Congress passed on to working people the largest tax increase in American history. The next year Republicans made a promise to the American people. They said that we will return more hard-earned money to working families, and put our national fiscal house in order, when we balance our Federal budget.

Today, Mr. Speaker, we are on the verge of a historic agreement, because the promises made by our side are now promises kept for the American people. We are about to enact the first tax cut in 16 years and the first balanced budget since I was in the sixth grade.

Promises made, promises kept.

BORDER PATROLS

(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, due to an unfortunate shooting on the border, the Pentagon has removed our military troops from the Mexican border. That shooting must be investigated, but the simple truth is in the last 3 months seven Border Patrol agents were shot and the borders are now wide open.

And from the community where this young man was shot, a group came up to meet with me, and listen to what they said, Congress. They said they want open borders, no immigration. They oppose military troops on the border.

Of an 8-hour shift, the Border Patrol spends 6 hours in coffee shops, and their local sheriff was convicted and is in jail for smuggling 2,200 pounds of cocaine.

Beam me up. America has no drug program. We have got open borders. We have got heroin and cocaine on every street corner. Kids are dying and the White House is more concerned with politics than our children. Congress, wake up. When it is as easy to get heroin and cocaine as it is to get aspirin, there is something wrong in high places.

THE COLLINS FAMILY

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

Mr. KINGSTON. Mr. Speaker, back in the First District of Georgia what will the tax cut mean to the Collins family? Mr. and Mrs. Collins, who have a combined income of $61,000 and three kids, Dennis, Tom, and Sue Ellen, the $500 per child tax credit means the Collins' will pay $1,500 less in taxes next year.

Mr. Collins is a farmer. Mrs. Collins is a school teacher. Because he is self-employed, he can start deducting 100 percent of his health care costs. That makes health care for the Collins family more affordable and more accessible. And when it comes time to estate planning, to pass that family farm, that American dream back down the line to Tom, Dennis, and Sue Ellen, Mr. and Mrs. Collins will now have a $2.6 million unified tax credit on their death taxes that will be exempt from the taxes so that they can pass the farm on to the next generation.

Mr. Speaker, this is the American dream as the Republican Party has worked for it. We have worked in a bipartisan fashion. We believe that families like the Collins' are all over America.

CAMPAIGN FINANCE REFORM

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

Mr. GEJDENSON. Mr. Speaker, we have seen great cooperation in the House Democrats, Republicans, the White House, all coming together on some incredibly complex issues. Taxes, health care. Now we can take our time and finally act on the promises we have had from the Speaker and from others in this institution over the last 3 years. Let us do campaign finance reform. Let us at least end soft money. Americans are being driven out of the political process when they see hundred-thousand-dollar contributions given to both political parties.

The Speaker says there is not enough money in politics. Every indication is, the more money that goes into politics, the less people are participating. Get rid of soft money. Let us take a first strong step to clean up of the election process.

WEARING OUT OUR WELCOME

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

Mr. GOSS. Mr. Speaker, this week angry Haitian mobs protested the planned 4-month of extension of the U.N. mission to Haiti, an extension that received surprise Chinese sign-off for an as yet undisclosed price. Frustrated and victimized Haitians accused U.N. troops of only guarding the palace and Aristide's house instead of providing the law and order they are there for.

Ironically the United Nations also had to issue an apology recently for what Haitians saw as too much attention from U.N. troops in Port-de-Paix, where the U.N.'s soldier had to be rescued from the mobs by airlift. Haitian parliamentarians have also demanded an end to the occupation.

If we have worn out our welcome in Haiti, let us send our troops and the United States trainer/builders out of range of rock-throwing mobs and save further wear and tear on American taxpayers wallets. Aside from time, what can we buy in Haiti in a 4-month extension that $3 billion could not buy in the past 2½ years?

EVERYONE TAKES CREDIT

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

Mr. FARR of California. Mr. Speaker, yesterday everyone in the leadership took credit for getting the budget deal. It demonstrated that leadership means that we can get things done when we pull together.

But where is the leadership in campaign reform? The President stood here in this room and asked for it by the Fourth of July. Members of the House and Senate have both introduced comprehensive legislation. They have introduced legislation to do it in small ways or big ways. Yet nothing is moving, Mr. Speaker. Nothing is moving.

However, soon we will see big contributions moving into the coffers of the Republican Party. It seems only smart that we should have a vote on campaign reform before someone suggests that there is a link between tax breaks and campaign contributions. The public wants a vote, Mr. Speaker. The President wants a vote. I authored a comprehensive campaign reform, H.R. 600. I want a vote. This House wants a vote. When do we get it?

GOOD NEWS FOR AMERICA

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

Mr. NEUMANN. Mr. Speaker, I rise this morning to talk about the good news that is here for America. It is good news.

□ 1015

For the first time since 1969 we are going to have a balanced budget in the United States of America. For the first time since 1969, the people that are here in Washington are not going to spend more money than what they take in. They will do the responsible thing.

The news even gets better. After a balanced budget, in addition to a balanced budget we are also going to pass bills that lower the taxes on the American people.

I have heard a lot of rhetoric about who gets these tax cuts. I want to cut through all that rhetoric and get down to what it really means to a family of five in Janesville, WI. A family having three kids living in Janesville, WI, earning $40,000 or $50,000 a year because both parents are probably working, they have that income coming in, what they should do on January 1 of next year, this is not Washington rhetoric, they should walk into their place of employment and tell their employer they want to keep $100 more every month of their own money. Because that is what this tax cut package means to a family of five in Janesville, WI, or anyplace else in America.

For each of the children in the family there is a $400 per child tax cut, $1,200 for a year. That is $100 a month. And on January 1 the American people should start keeping that money instead of sending it to Washington.

BOTH PARTIES CIRCUMVENTING CAMPAIGN FINANCE LAWS

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

Mr. MILLER of California. Mr. Speaker, as the ongoing Senate hearings and news reports have revealed, both parties are circumventing our campaign finance laws to raise hundreds of millions of dollars in soft money. The time has come to ban soft money.

Over 2 years ago the Speaker and President Clinton shook hands on campaign finance reform, but since that time nothing has been done. How many more pressing issues will Congress fail to address because of the insidious influence of money and politics? As we all know, delay means death for campaign finance reform.

Recently 25 Members and I wrote to the Speaker asking for a floor scheduled vote on banning soft money in the 1998 election cycle. If no such schedule is designated before we leave this week, Mr. Speaker, all Members should be prepared to arrive at work early and stay late, because regular order is intolerable while campaign finance reform remains absent from our calendar.

WHY CHANGE THE SUBJECT?

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

Mr. LINDER. Mr. Speaker, this is fun. We have just agreed to the largest new budget proposal in generations, a balanced budget, tax cuts for everyone in America, and they want to change the subject to campaign finance reform.

The fact of the matter is both sides do not do it, the only side accused of taking illegal foreign contributions are the Democrats. The fact of the matter is, when Bob Dole accepted $75 million of taxpayers' money to run the Presidential campaign, that is all he spent. It was the President that took $75 million and then spent $40 million more illegally. They are not arguing with that. They want to say the system is broken because everyone does it.

That is not the evidence. That is not the evidence before the Thompson committee. But if I were in as deep a trouble as they are with respect to cheating on the current laws, I would want to change the laws too.

STOP HARASSMENT OF HISPANIC CANDIDATES AND VOTERS

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

Ms. CHRISTIAN-GREEN. Mr. Speaker, my colleagues on the other side of the aisle have singled out the gentlewoman from California [Ms. LORETTA

SANCHEZ] and the voters of the 46th District of California for the kind of scrutiny and harassment this body has never seen before.

The Committee on House Oversight and former representative Bob Dornan, whom the gentlewoman from California (Ms. Sanchez) defeated, have led a widespread, abusive and costly search for voter fraud, claiming that the gentlewoman won her seat in Congress because of massive illegal voting by noncitizens and illegal immigrants.

After 9 months of inquiry, Mr. Speaker, and more than $300,000 in taxpayer dollars spent, my Republican colleagues have failed to prove that Mr. Dornan's loss was a result of electoral fraud.

Mr. Speaker, it is time to wrap up the House inquiry, as the Los Angeles Times said over 3 months ago. It is time to end this blatant harassment of the gentlewoman from California [Ms. SANCHEZ] and the targeting of Hispanics in general. This effort to intimidate and harass new citizens with foreign surnames to stop them from voting must end.

BALANCING THE BUDGET, THE FIRST ORDER OF BUSINESS

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

Mr. HAYWORTH. Mr. Speaker, having heard the comments of my colleague from the Virgin Islands, and indeed the comments of several of my liberal colleagues this morning, it is small wonder that the American people say, will we ever stop the partisan bickering and go to work on behalf of the American people?

Are there concerns we should all have with campaign finance laws? Absolutely. But paramount today is the subject of financing for the family and making sure that American families hang onto more of their own money and send less of it to Washington.

And, Mr. Speaker, this day and its significance should not be lost on the American people, as we pass the first balanced budget in a generation, as we save Medicare for the next decade and make preparations to deal with those serious questions, and as we offer tax relief in a tax cut for working families and providing tax relief at every stage of life for Americans for the first time in 16 years.

Try as they might, the professional politicians want to change the subject, but the American people know that balancing the budget and putting our family finances in order is the proper first order of business.

DEMOCRATIC PRIORITIES REFLECTED IN BALANCED BUDGET BILL

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

Ms. DELAURO. Mr. Speaker, for the last several months Democrats have been urging budget negotiators to include important Democratic priorities in this budget bill; to include $24 billion for kids' health care, to include $35 billion in education tax credits, and to provide the child tax credit for all of America's families who work and who pay taxes.

Meanwhile, our Republican colleagues have been fighting for huge tax breaks for the richest individuals and corporations in this country and calling tax breaks for hardworking low income families welfare, including some of the families that they have brought up here this morning. Only a few days ago they were saying that those folks were on welfare.

Well, I am proud to stand here today and say that by standing up for Democratic priorities, tax cuts for working families, tuition credits for college, health care for uninsured children in this country, that in fact those Democratic priorities have prevailed. The long and the short of it is the hardworking middle income families of this country have benefitted from this tax package.

RENEW SUPPORT FOR MIDDLE EAST PEACE

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

Mr. GILMAN. Mr. Speaker, sadly and regrettably I rise this morning to inform my colleagues of two devastating explosions that rocked the city of Jerusalem today in which 18 people were killed and 150 wounded. This busy marketplace in Jerusalem known as the Mahaneh Yehudah was infiltrated, apparently by two suicide bombers, who set off explosions within seconds of each other. More fatalities are expected.

Although PLO Chairman Yasser Arafat called Prime Minister Netanyahu to express his condolences, the latest violence indicated once again that Mr. Arafat and the Palestinian authority are not doing enough to root out terrorism. It is not enough to express mere condolences.

Apparently, that may be why the State Department has not issued a PLO Compliance Report in advance of any presidential certification for more money for the PLO. We now know what the State Department failed to acknowledge, that the PLO is not in compliance with its commitments and must do much more.

Legislation regarding this devastating loss is being prepared by the gentleman from California [Mr. LANTOS] and myself. We invite our colleagues to cosponsor the bill and to join us in extending our deepest sympathies to the families of the dead and injured, as we renew our steadfast support for peace for all the people of Israel and throughout the Middle East.

CONGRATULATIONS TO DR. RICHARD L. LESHER ON HIS RETIREMENT FROM THE U.S. CHAMBER OF COMMERCE

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

Mr. GOODE. Mr. Speaker, I wish to make a few comments on the retirement of Dr. Richard L. Lesher, who is retiring after 22 years as president of the U.S. Chamber of Commerce.

During his tenure, chamber membership has grown to 215,000 business members, 3,000 State and local chambers, 1,200 trades and professional associations, and he guided the creation of BizNet, the American Business Network, and its two award winning television programs, First Business and It's Your Business.

He oversaw creation of the Center for Workforce Preparation, which helps ensure that Americans are ready to meet the challenges of a new economy. And he credits retired Virginia Justice Lewis F. Powell with the high profile that the chamber has taken. He implemented many of Powell's suggestions over the years.

Congratulations to Dr. Lesher on his successful years at the U.S. Chamber and best wishes on his retirement.

ANXIOUS TO MOVE AHEAD ON ANOTHER TAX PACKAGE

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

Mr. KNOLLENBERG. Mr. Speaker, I am very pleased, and I know others are too, to hear that an agreement has been reached between the Congress and the White House on the tax cut package. I am especially pleased when I recall the last time Congress and the White House reached an agreement on the tax package Republicans were definitely not celebrating. They were not celebrating because that tax package was the largest tax increase in the history of this country.

So today marks a much different kind of agreement. And although I am pleased with the agreement on tax cuts, we should put this in perspective. Now, listen to this. The amount of net tax cuts over the next 5 years will be $91 billion. The amount of spending over the next 5 years will be $9 trillion. Nine trillion. Tax cuts $91 billion, spending $9 trillion.

So I would just like to say that this tax cut package is only a first step toward deeper tax cuts, more money in the pockets of Americans, and we also want to have some fundamental tax reform. I cannot wait to get going on another tax cut package.

CELEBRATION OF 100TH ANNIVERSARY OF WRIGHT BROTHERS FIRST FLIGHT

(Mr. HALL of Ohio asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, on December 17, 1903, two brothers in my district of Dayton, Ohio, solved the mystery of flying. Since that first flight by Wilbur and Orville Wright the airplane has changed the course of transportation and commerce and communication and war.

In the year 2003, our Nation will celebrate the hundredth anniversary of the miracle of modern technology, and today my colleague, the gentleman from North Carolina [Mr. JONES], and I will introduce legislation to create the Centennial of Flight Commission.

The purpose of the commission is to help coordinate our national celebration of this milestone. This effort is intended to follow other major commemorative celebrations, such as the anniversary of the Constitution and the American Revolutionary War.

We hope that our legislation will help all Americans take pride in our history and renew the value of American ingenuity that made the Wright brothers so successful.

WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED FROM COMMITTEE ON RULES

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 201 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 201

Resolved, That the requirement of clause 4(b) of rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is waived with respect to the following measures:

(1) Any resolution reported before August 3, 1997, providing for consideration or disposition of the bill (H.R. 2015) 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, an amendment thereto, a conference report thereon, or an amendment reported in disagreement from a conference thereon.

(2) Any resolution reported after July 30, 1997, and before August 3, 1997, providing for consideration or disposition of the bill (H.R. 2014) 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, an amendment thereto, a conference report thereon, or an amendment reported in disagreement from a conference thereon.

The SPEAKER pro tempore (Mr. GIBBONS). The gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 201 waives clause 4(b) of rule XI, requiring a two-thirds vote to consider a rule on the same day as it is reported from the Committee on Rules, providing for consideration of specified measures.

Mr. Speaker, House Resolution 201 applies to rules for the conference report on H.R. 2015, the Balanced Budget Act of 1997, an amendment thereto, a conference report thereon, or an amendment reported in disagreement from a conference thereon reported before August 3, 1997.

□ 1030

In addition, the resolution also applies to rules for the conference report on H.R. 2014, the Taxpayer Relief Act of 1997, an amendment thereto, a conference report thereon, or an amendment reported in disagreement from a conference thereon reported after July 30, 1997, and before August 3, 1997.

As Members are aware, House rules require a two-thirds vote to consider a rule on the same day it is reported from the Committee on Rules. In order to expedite consideration of this historic spending and tax cut package that will balance the budget, the Committee on Rules granted a rule that will waive the two-thirds vote requirement for another rule on the spending cut portion of the budget agreement for Wednesday, Thursday, Friday, and Saturday. The rule would further waive the two-thirds vote requirement for a rule on the tax component for Thursday, Friday, and Saturday.

Mr. Speaker, the House wants to see the spending cuts conference report on the floor today and the tax cut conference report on the floor tomorrow. We have waited since 1969 for legislation that will bring our Federal budget into balance, and this resolution will help assure that we achieve this goal. The authority granted by this resolution will allow us the flexibility to get the important job done before the August district work period and respond to any changes the other body may make to the legislation through the Byrd rule.

Mr. Speaker, this rule allows us to consider a budget that is a victory for American families and smaller government. It is a budget that will provide this Nation with its first balanced budget in 30 years.

For decades, Congress proved that it could not restrain itself from spending more money than the Treasury collected in revenues. Past Congresses actually managed to spend all revenues and then some.

A new majority arrived in Congress in January 1995 that understand that the solution to our budget woes would be found in controlling spending. When the new Congress arrived, the deficit was $164 billion. In fiscal year 1996, it dropped to $107 billion. It will be approximately $67 billion by the end of fiscal year 1997. There was a report recently that the revenue estimates coming in August may make it even less than that.

There was a chronic growth of Government for decades, but we have been reducing the size of Government constantly. We all know that these significant achievements would have been absolutely unthinkable only 3 years ago.

With the help of this rule, we will fulfill our promise to the American people to balance the budget by cutting wasteful Government spending, preserve, protect, and strengthen Medicare, and produce real tax relief for middle-class families.

House Resolution 202 was favorably reported out of the Committee on Rules yesterday. I urge my colleagues to support the resolution so that we may proceed with debate and consideration of a historic budget that has less Government, less taxes, and more freedom for Americans to spend their money how they see fit.

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

Mr. MOAKLEY. Mr. Speaker, I thank my colleague, the gentleman from Georgia [Mr. LINDER], for yielding me the customary half hour; and I yield myself such time as I may consume.

Mr. Speaker, anyone who thought the bipartisanship on the budget was too good to be true was right. Despite agreements with the White House, despite compromises on the part of my Republican colleagues, despite some very hard work by Democrats and Republicans, the Republican leadership has decided to throw bipartisanship right out the window.

The Republican leadership has decided to ram the budget bills through the House with this martial law rule. The Republican leadership, Mr. Speaker, has decided that the many, many days of hard work that went into these bills are not worth giving Members enough time to read them.

The rule we are considering today gives Members hardly any time to read the budget before they vote on it. These bills contain some $94 billion of tax cuts and $115 billion in Medicare cuts, $13 billion in Medicaid cuts, $1.8 billion in housing cuts. Some people say they are great bills, and I for one want to be able to vote for them.

But, Mr. Speaker, I need to know what is in the bills. I want to vote for tax cuts, but I want to know which tax cuts are in the bill. I want to vote for some of these spending measures, but, again, I want to know what spending measures are in this bill, and this rule certainly does not give me or anyone else in the House that opportunity. If this rule passes, the Republican leadership can bring up the spending and tax parts of the reconciliation bills immediately.

Mr. Speaker, the ink is not even dry yet. Mr. Speaker, 1,000 pages were dropped at my door at 3:30 this morning to read. It is impossible. Members have not even had that opportunity to see this bill. There is nobody, nobody in this House that has read this bill.

This is one of the most important bills we are going to be asked to vote

on this year, and I think the membership should at least have 10 hours to look at this matter in order that they can arm themselves and find out exactly what is in this bill. I think that something this important, this big, should be read as completely as possible before any vote is cast.

So I ask that my colleagues join me in defeating the previous question so we can guarantee that Members have at least 10 hours to read this bill. Mr. Speaker, this is not a dilatory tactic. I want to get out of here as soon as anybody else, but I want to be sure that my vote on this bill is as a result of being well-informed.

Nobody is well-informed on this bill. The only information we in the Congress have, most of us in the Congress have, is what we read in the papers this morning and yesterday or watched on TV. Mr. Speaker, that is not enough. So I urge my colleagues to oppose this rule. And, as I say, Members should at least have the chance to read this bill before we vote on it.

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

Mr. LINDER. Mr. Speaker, I am just shocked that this is the first time this has ever happened. I have been here 5 years, and it never happened before when the Democrats were in charge. We will try to make that better for the gentleman from Massachusetts [Mr. MOAKLEY].

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

Mr. GANSKE. Mr. Speaker, I appreciate the comments made by my colleague from Massachusetts [Mr. MOAKLEY]. There is a pile of paper there. I am in support of this rule, and I think we should move on with the votes today. I will support the tax cutting bill and the balanced budget bill.

As a member of the Committee on Commerce, I have been heavily involved in the Medicare portions; and, so, I feel like I have a pretty firm grasp of what is in that bill. I also have made an extra effort to figure out what is in the tax cutting bill; and on the basis of that knowledge, I feel that I am well-informed and can make a good decision on whether to support these bills.

Let me explain to my colleagues why I am supporting these bills, because I am one of the Republicans who voted against the balanced budget bill earlier this month. The reason that I did that was because I am concerned about how well the economy is going to do. Just like everyone else in this body, I am praying that the economy continues to do well. I was also concerned that we should do a little bit more with reducing spending rather than having more spending in the bill.

However, these two bills that we are talking about have to do with keeping promises. On the tax cutting side of the bill, I made promises before I went to Congress to fulfill a $500 per child tax credit. And we are doing that.

On the Medicare side, we are making some significant improvements in Medicare. For instance, in my home State of Iowa, a health care plan would get paid in some of my rural counties about $250 per month to provide services for senior citizens; whereas in other parts of the country, we are looking at $750 per month payment to a health plan. That means senior citizens in those areas can get pharmaceuticals and eyeglasses and hearing aids, even membership in health fitness clubs. Yet, we in Iowa who are paying the same taxes do not get those benefits. This bill will move toward an equalization of that funding formula. That is only fair, and it is very important.

The medical savings accounts. I am very much in favor of medical savings accounts as an option. I believe that senior citizens will take advantage of this. It is not more for the rich and the healthy. There are just as many incentives for those who have illnesses to pick medical savings account.

Fraud. We are tightening up the home health care area with the prospective payment system. In the current Medicare system, we have maybe 20 percent fraud in that program. In the current Medicare system of the bill, in the bill that we are going to be voting on, we are going to tighten up that and reduce that fraud in that component.

In patient protections, I have worked very hard working with the chairman of all of the committees on both sides of the aisle to get some important patient protections in there. I have written a bill, the Patient Right to Know Act, which would ban gag clauses, clauses that HMO's put into their contracts that prevent physicians from telling patients all of their treatment options. And guess what? In this bill, we have a ban on those gag clauses. That bill is cosponsored by 286 Members of this body in a bipartisan manner and is endorsed by over 200 organizations, and it is in the bill. And we have a lay person's definition of an emergency, so that if you have crushing chest pain and you go to the emergency room because you are worried about having a heart attack, you cannot have your coverage denied if they find out that you have an intestinal infection instead.

So there are many important things in this. So we have a funding formula fairness correction. We have medical savings accounts. We are addressing fraud. We have got good consumer and patient protection in the Medicare portion of this bill.

On the tax side, it is promises made, promises kept. We promised middle-class taxpayers a $500 per child tax credit, and we are delivering on that. There are many things in this bill that will be important for small businesses, for farmers.

I represent a lot of farmers. We are going to have 3-year income averaging for farmers. That is important because some years the crops do not come in, you have bad weather, or whatever, so you have highs and lows. And a 3-year income averaging will even that out for them.

We have capital gains tax reduction. People say, well, capital gains reduction is for the rich. I tell my colleagues, according to a 1993 IRS study, something like 70 percent of all capital gains that are filed with the IRS are filed by people who earn less than $75,000. That is not the rich. Capital gains reductions will help those who are selling homes, et cetera.

We have in this bill a movement towards 100 percent deductibility for your health insurance. A bill we passed last year over a period of time would increase out to 80 percent. But in this bill, we are increasing that over a period of time to 100 percent deductibility for the self-employed. That puts them on an even par with people who are receiving their health insurance through a major employer, like General Motors. That is only fair, also.

Finally, we have in this a commission to look at the long term implications of what we need to do for Medicare reform. We, in this bill, are making Medicare solvent for about the next 10 years. But we have got my generation, the baby boomers, coming down the road; and in about 15 years, the baby boomers start to retire and we are going to need to look at pensions and health care entitlements.

So we are setting up a commission that is supposed to report back to Congress and the administration in about 18 months, and then Congress will look at those recommendations and will need to act on that. So I do not think that we are abrogating our responsibility in that area, also.

So, Mr. Speaker, I would just close by saying I support this rule. For all of my colleagues who voted against the balanced budget, I think that they should support the tax bill that we are going to be voting on in the next few days and the balanced budget bill.

There are lots and lots of good things in both of these bills. They have been worked on in a bipartisan fashion with the administration and with Members of the opposite aisle. They are good first steps toward financial solvency, balancing the budget, saving Medicare, and providing tax relief for working families.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN of Virginia. Mr. Speaker, I rise to oppose this rule, but I want to make it clear that I support this bill. I think we will find that many Members, at least on the Democratic side of the aisle, will vote against the rule even though they do support the bill itself.

Now why would we vote against the rule if we support the bill itself?

□ 1045

We have a responsibility to learn as much as we can about what we are voting on. There are a thousand pages in this bill. None of us will have read it.

What we have to do is to take on faith what is contained in the bill. None of us would read all of the bill, even if we went by regular order and had an entire day. But what we would do is to look at those components of the bill that we have worked on personally, that we understand fully, and that we can advise our colleagues on. We do not have that ability when a thousand-page bill is presented at 3:30 in the morning and then the next morning we have to vote on it. That is what is going to happen today. I think our constituents expect more from us. They expect us to be better informed.

Why are we going to support the bill? What are we taking on faith? Well, this bill would accomplish 10-year deficit savings of $900 billion. Think of how important this bill is. Nine hundred billion dollars in reduced spending over the next 10 years. It would accomplish the first balanced budget since 1969.

It has $24 billion in block grants for children's health covering 5 million currently uninsured children. This is the largest expansion of children's health we have done in more than 30 years since Medicaid was enacted in 1965.

It increases taxes on cigarettes in the spending part of this bill, a very controversial issue, although one which I happen to support.

It restores SSI and Medicaid benefits to legal immigrants. It spends $3 billion in grants for welfare to work. It increases spending on food stamps by $1.5 billion for people who otherwise would have fallen through the cracks.

It cuts Medicare by $115 billion in 5 years, reducing payments to hospitals and doctors so that we can keep the Medicare trust fund solvent, but we need to know the particulars of that.

It cuts $4.8 billion from Federal employees' retirement plans, a very controversial issue, particularly in an area such as I represent where we have many Federal employees that are going to be paying half a percent more for their retirement plan. I would like to see the full legislative language on that.

It cuts $1.8 billion in student loans and $1.8 billion in housing over 5 years.

These are very controversial, very important issues. As we understand them, the decisions that were made were understandable compromises in virtually every case. But again we are having to take this on faith. I do think that the country would have been better served had this rule given the Members of this body a customary full day, as we normally have. There is a reason for that rule, so that if one is interested in an issue, they can take 24 hours and make sure that they know what they are voting on. We could be staying in Friday, we could have a full day, and we would have the opportunity to be knowledgeably voting on as important a bill as this body has considered for a very long time. We would be able to be much more responsible with respect to our vote which is what our constituents expect of us.

We have gotten into a pattern of waiving these rules. We ought to understand there is a reason for these rules, there is a reason why they should be followed, and I think we need to oppose this rule, although from everything we can learn that we have been told by others that were in the negotiations, a handful of people that were actually part of the negotiations, this is a bill we can and we should support and I would urge support for the balanced budget agreement itself.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume. I am entertained by the crocodile tears that I hear about the length of time not to read the bill when everybody knows they would not have read it anyway. I believe it was in 1984 when Speaker Wright brought a $1.3 trillion budget to the floor with 1 hour notice and even the Committee on Rules did not see it.

Let me tell my colleagues what is in this bill. A significant part of the problem with large Government programs has been the Soviet-style administration of them, the central command economy that decides on high what a doctor should earn, what a hospital visit should pay for. And over time, these all become absolutely rife with fraud. We just learned 2 weeks ago that an audit of the Health Care Financing Administration shows that about $23 billion a year is wasted in fraud, overpayment, and misuse. The records are in such disarray that we do not even know at the Federal level who is overpaid and how to recover it, and indeed we discovered in that audit that many people were writing checks or signing checks for the Health Care Financing Administration of the Federal Government without the legal authority to do so. This bill begins to crack down on that fraud. That $23 billion per year over 5 years is exactly how much we are reducing the rate of growth in the increase in spending of Medicare and it is taken out by just fraud and abuse.

We heard last week that in administering home health care across this country, roughly 40 percent could be fraud. As much as 40 percent is going to people who are not in homes, being treated for home health care, not unable to leave their homes. Going to the prospective payment system is going to eliminate the incentive to do that. We are going to change the way we deliver these services so that we have less incentive to cheat and more incentive to save.

The ability to provide not the $500 child tax credit to low-income working families, that only goes to people who have actual obligations to the Federal Government, but by changing the way in which we provide the formula for the earned income credit, after having learned that 21 percent of the money being spent in the earned income credit is fraudulent; by changing the formulas, the administration and the White House has decided that they can find ways to save $4.5 billion in that program and use that to enhance their earned income credit for low-income working people to replace what the $500-per-child tax credit does for higher earning families. By changing the model, the structure of the delivery of these services from the large Federal command-style bureaucracies, so well known by the Soviet Union that we seem to have adopted here, and getting out the fraud and abuse, we are confident that we can save hundreds of billions of dollars over time and provide better services with the money we are spending.

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

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I rise with hesitation and reservation about the rule, but with strong support for the underlying bill.

Mr. Speaker, this certainly is history in the making, and we do not use that term lightly when we bring both the tax cut and the spending bill before this body. This bill will receive my strong support both on the tax and the spending side because it helps small children, it helps small businesses and small farmers and it helps make Government smaller and smarter. It does that by structurally balancing the budget and balancing the budget with the right priorities. Structurally balancing the budget so we borrow $900 billion less but we also create new programs for children, new programs for education, restructure Medicare to extend its solvency by a decade to help our senior citizens. It is the right values to balance the budget and the right values on people. So I will strongly support this.

What does the $900 billion mean for us? That spending side of $900 billion in less borrowing is almost a tax cut by itself. That helps the American people by hopefully lowering their payments on mortgages and interest rates and helps the economy.

The other part, what about the tax cut part? What about the spending part on children's initiatives? I have to say, Mr. Speaker, that this bill for kids' initiatives for health came out of this body with $16 billion. It is now before this body with $24 billion, the largest expenditure on children's health since 1965 with the creation of Medicaid; the largest program for uninsured children in 32 years. I strongly support that.

I strongly support what this does for Pell grants. The largest increase in Pell grants in the history of the Pell grant program. We will spend more in new innovative ways to reform and modify education than the Great Society in the 1960's. This is a bill that helps our small farmers and small businesses, balances the budget, borrows less money, creates smaller and smarter Government, and I hope it receives bipartisan support.

Mr. LINDER. Mr. Speaker, I want to thank the gentleman from Indiana for his comments with respect to his comments on the Pell grants and funding for education. We are going to, without reducing any of the amounts of the numbers of students available for them, save $1.7 billion in improving the way they are administered, and that is a real savings that governments ought to look to.

Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

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

Mr. RAMSTAD. I thank my distinguished colleague for yielding me this time.

It is amazing, Mr. Speaker, what we can do, the President and the Congress, when we work together in a bipartisan, pragmatic way for this country. That is why we are here today on an historic threshold, and I rise in strong support of the legislation before us today, Mr. Speaker, which will balance the budget and expand health care choices for the seniors of our country while preserving and protecting Medicare.

Not only do we save Medicare from bankruptcy but we build a strong foundation so that Medicare can be preserved for the next generation. We give seniors the increased health care coverage where they need it most, Mr. Speaker, before they become ill, by increasing the amount of preventive care covered by Medicare.

There are a few specific reforms I would like to highlight. One is the reforms we make to the AAPCC reimbursement formula. That reform, very, very important to cost-effective States like Minnesota that have historically delivered health care in a cost effective way. What we do by changing the reimbursement formula is expand choices for seniors in States like Minnesota, those that have been efficient in their costs and in their quality. This is a major reform, Mr. Speaker, in the Medicare managed care reimbursement formula. It will mean more equity for States like Minnesota and more health care options for Medicare beneficiaries in our State and others like ours.

Incorporating a bill that I introduced earlier this year, this legislation before us today will establish a payment floor and will blend the formula to bring fairness and equity to beneficiaries living in rural and efficient provider States like Minnesota.

The bill also includes an important new study of ways to provide health care to seniors to let them stay in their homes longer, to let them live independently longer by extending for 2 years the community nursing organization demonstration project. I think, Mr. Speaker, this reform will prove to be one of the most important reforms ever in Medicare. These very important community nursing organizations allow seniors to stay in their homes, to make their choice of staying in their homes as long as possible and at the same time saving Medicare dollars. This CNO, community nursing organization demonstration project, is vital to seniors in Minnesota and all over the country who have enrolled in this project.

I am also pleased that this bill includes a provision to help certain hospitals that have merged with nursing homes meet necessary requirements to maintain appropriate geographical classification. This means a great deal to a hospital in Hutchinson, Minnesota. I am glad we were able to make this necessary change in the bill.

Finally, Mr. Speaker, I thank the conferees for making all the necessary changes to Medicare to save this absolutely vital system for the seniors of our country.

From extending the life of the Medicare trust fund, to ensuring quality care as a major tenet of the centers of excellence program, I commend the conferees for their hard work on behalf of current and future Medicare beneficiaries.

Mr. Speaker, I strongly support this important legislation to preserve and protect Medicare and urge all my colleagues to support it as well and to continue working in a bipartisan, pragmatic way for the betterment of America.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise in opposition to this rule, and I want to stress that it is not because of the underlying bill.

I feel very strongly that this spending bill does include a major program to cover uninsured children in this country and I am pleased with the fact that we have managed, I believe as Democrats, and particularly the President, in pushing the Republicans towards inclusion of a $24 billion package that will insure the majority of the Nation's uninsured children.

□ 1100

But it is for that very reason, because this bill is so important, that I think it is very unfair and wrong to present this bill at this time without having the opportunity to review the specifics of the measure. The bill, as my colleagues can see, is about a foot thick. I understand it was filed at around 3 o'clock in the morning. I have not had the opportunity to review all of the provisions in the bill. We did receive a summary of the bill this morning, but I think it is fair to say that a summary is not adequate.

Let me just give my colleagues an example on the kids' health initiative, which is such an important initiative and which I support wholeheartedly, but there are a number of things that we still do not know.

For example, many of us, including myself, on our Democratic Health Care Task Force were concerned about the benefits package. We knew we wanted to have the $24 billion, and we wanted to insure the majority of the kids. But we were concerned about whether the benefits package would be adequate, and language was put in and was negotiated in the last 24 hours on that, which I hope provides an adequate benefits package, but without reviewing the specifics of the bill myself and my other colleagues, we will not know whether it is completely adequate.

Similarly, we were concerned to make sure that the money was going to be spent so that States had to actually insure kids and not whittle it away or use it for other purposes. I understand in the summary we received this morning that 15 percent of the funds can be used for purposes other than to insure kids. Well, I would like to know the details of that and how specifically that 15 percent is set aside. We do not know that, and until we analyze it we will not know it.

And in addition to that, again on the kids' health care initiative, we were concerned, many of us on the Democratic side, to make sure that States had to keep providing the same level of funds, if not more funds, than they had in the past for kids' health care. We wanted to make sure the maintenance of effort, if my colleagues will, was in there. And we are not actually clear about the language for that as well.

So I want to join my colleague, the ranking member of the Committee on Rules, in saying, ''Yes, we think this is a good bill, and we probably will vote for it, but it's not fair not to have the details, and there is no reason why we couldn't wait in this Congress another 24 hours so that everyone, including our staff, had the opportunity to review the details in something that is so important to this Congress and to the American people.''

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Oregon [Mr. DEFAZIO].

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

This is not just an esoteric procedural debate. I was insulted when the gentleman on the other said, ''Well, so what if we're bringing up this bill delivered, one copy, to the Democratic side at 3:30 in the morning. They wouldn't have read it any way.'' Well, I was here a few years ago, and I read the catastrophic care bill before it came to the floor of the House. I was one of the few Democrats to vote against it, and a whole heck of a lot of people had to change their votes a year later because they cast their vote for a bad bill.

This bill is a bad bill. I will not yield to the gentleman. This bill is a bad bill. But we are not going to be allowed time to read it. If we split this up among the 200 or so Democrats here, we would have a hard time getting through it in the time allotted.

We are going to vote on this bill within the next three hours. Do my colleagues know why? Because it is

going to make prime time news. That is why we are going to vote on it.

This is an Alice in Wonderland budget process. We are going to get to the balanced budget by first increasing the deficit with retroactive tax cuts. It is slanted very much toward the wealthy people and the largest corporations in America. Then maybe later, we have heard this before, these cuts will go in place.

Do my colleagues know what the cuts are? A one-third cut in Social Security Administration. If someone has to wait 3 months now to get their claim processed, under this bill they will be waiting 6 months, 9 months or a year to get their claim processed. A 20 percent cut in veterans and cuts in other vital programs.

This is not a good path to the balanced budget. In fact, it is no path whatsoever.

This is stranger and stranger. We have stepped through the looking glass, it is getting more and more bizarre. This is no kind of a legislative process. No one on the floor can come to the floor today and say they have read this bill, they understand it and they are voting for it in good faith. That would be a lie.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Speaker, what a difference 4 years makes. It was a mere 4 years ago that a Democratic Congress, led by a Democratic President, passed the largest tax increase in American history. Today a Republican Congress will pass a budget that will be balanced by the year 2002. This Republican-led balanced budget will provide tax relief for families. It provides $24 billion to States for children's health, it provides $3 billion for welfare to work programs, and it saves Medicare for 10 years.

Yes, what a difference 4 years makes.

Tomorrow a Republican Congress will pass the first tax relief package for working Americans in 16 years. This Republican-led package provides $94 billion in tax relief over the next 5 years. It allows for a $500 per child tax credit, reduces the top rate of capital gains from 28 to 20 percent, and, most importantly, it provides immediate tax relief for the death tax for family farmers.

Mr. Chairman, this budget and this tax relief package is good for America. I am proud to join in support of this monumental agreement and support the rule and passage of this bill.

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

Mr. Speaker, I just want to reiterate that my argument is not against the spending bill, it is against the process, just asking that Members have enough time to read the bill.

Mr. Speaker, I yield 4 minutes to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY], the ranking member, for yielding me this time, and I can tell my colleagues, having been chairman of the Committee on Rules in my State legislature in Rhode Island, I know martial law when I see it, I know a bad rule when I see it, and this is a terrible rule. When we consider the monumental bill that we have before us, that does so many huge things to this country, to think that we are going to have a debate about it for less than an hour and a half to me is just outrageous.

First of all, think about this budget. This budget is not going to be balanced when we consider that we are going to front-load the tax cuts to the tune of $95 billion, and we are going to call on the spending cuts to be done in future congresses, spending cuts like the former gentleman from Oregon mentioned, up to one-third of the Social Security Administration spending cuts.

I can tell my colleagues now this Congress is not going to keep the promise to cut Social Security administrative costs by 23 percent. Veterans benefits and services; it is going to cut 19 percent. Justice Department; it is going to be cut 18 percent.

Now just tell me that the next Congress is going to make these cuts? I can guarantee that the tax cuts are not going to be tampered with. The tax cuts are going to be locked in, and we are not going to make the necessary cuts on the spending side because this Congress, because it will be listening to the people, will not make those cuts.

This is bad for Medicare. It cuts $115 billion out of Medicare. Remember, we shut the Government down 2 years ago because of cuts that rivaled this for Medicare, yet no one is going to think twice about cutting $115 billion out of Medicare. Furthermore, they put 190,000 senior citizens in medical savings accounts. Anybody who knows this knows this is the beginning of the end of Medicare because they are going to take the healthiest and wealthiest of our senior citizens and they are going to take them out of the Medicare system, thereby ruining the system because all they are going to leave are the people who cannot pay and who are sick.

So they are going to terrorize the Medicare System by not only cutting $115 billion, but they are going to, through this Medicare select and privatization of Medicare, lead to its eventual undoing.

Remember the Speaker's dying on the vine that he attributed to Medicare? This is the beginning of it right now, and this is going to be in the bill that everyone is going to vote for this afternoon.

And, finally, this is bad not only for the budget, as I talked about, because it front-loads the taxes and does not allow for spending cuts to be made until future congresses, bad for Medicare, but it is also bad for fairness. Do my colleagues realize that the top 5 percent of the income earners in this country are going to get four times; let me repeat this, the top 5 percent get four times what the bottom 60 percent get in this tax bill. Undisputed, my colleagues cannot deny me on that. That is fact. Get it, people? Top 5 percent in this country get 60 percent of the benefits, four times what the bottom 60 percent get. That is fact.

So whatever people talk about this being a fair bill is bogus. This is not a fair bill. And, my colleagues, know what? Finally this, the Republican side, and I might add many of my colleagues on the Democratic side, will not even bring out the income distribution charts. They will not want to tell us where this deal, so to speak, really who it benefits. The reason is because we are not going to have enough time on the floor today to debate this. What we are considering right now is called a martial law. What that means is we better be thankful we even have a right to vote.

Mr. Speaker, this is a dictatorship that what we are talking about here under martial law. It says, ''OK, read the newspaper, everybody, because you're not going to be able to read the agreement, because it's not going to be available to the Members of this Congress.'' I want to know as a Member of Rhode Island's delegation whether I am going to be able to go home and ask my constituents what they feel about this agreement when they know what is in this agreement. They do not know what is in this agreement.

I say to my colleagues today they do not know what is in this agreement, they do not know how this is going to gut Medicare, they do not know this is going to destroy veterans and the like, and I can tell my colleagues they are leaving it to future congresses to do the dirty work. That is what this budget agreement is all about, it is promises that are not going to be kept in future congresses.

Mr. LINDER. Mr. Speaker, I am compelled to yield myself 1 minute to point out to the gentleman from Rhode Island that rules of the House require that he address his comments either to the Chair or the House, not to the gallery; and, No. 2, his argument that the top 4 percent gets 60 percent of the benefits, or whatever, only is true if we use phony numbers to define who is wealthy; and, No. 3, I am curious to know when he referred to the former member from Oregon, the former gentleman from Oregon, whether it was formerly a gentleman or formerly from Oregon.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON] the chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I was upstairs. We were just having a Committee on Rules meeting, and we bring down the rule which will bring this magnificent piece of legislation to the floor. But I just am really taken aback by some of the comments by the last 2 speakers on the Democrat side of the

aisle, and I would just point to the signers of this conference, and one of those is a gentleman by the name of CHARLES RANGEL from New York.

Mr. Speaker, if this bill in any way, either this bill or the tax bill to follow it tomorrow, did any of the things that the gentleman from Massachusetts or the gentleman from Oregon said it did, I can tell my colleagues that the gentleman from New York [Mr. RANGEL], who has stood up for the indigent and poor of this country, and I will yield to my colleague when I am done perhaps, CHARLES RANGEL would never, never in a million years, sign this conference report.

Let me just say that the gentleman protests that he has not had a chance to look at the bill. This bill here was in front of the Committee on Rules at 3:14 and a half this morning down in room 152. It was given to the minority in the Committee on the Budget much earlier than that so that there have been 15 hours for people to sit down and talk to; I am talking about people on that side of the aisle, talk to distinguished Members from their party that have signed this conference report and know everything that is in it. Those members are people like the gentleman from South Carolina [Mr. SPRATT], the gentleman from Michigan [Mr. BONIOR] of the liberal wing of the Democratic Party, and I will yield when I am finished, the gentleman from California [Mr. FAZIO], the gentleman from Texas [Mr. STENHOLM] from the more conservative wing of the Democratic Party, and my colleagues know I can just go on, and on, and on: The gentleman from Michigan [Mr. DINGELL], who would never ever sign a bill, a conference report, as described by the previous two Democratic speakers. And as my colleagues know, they can look on through these signatures: The gentleman from Michigan [Mr. KILDEE], who is a very liberal member of the Democratic Party, but one of the most respected Members because he is very sincere in his beliefs.

□ 1115

Incidentally, he has two great sons that serve in the military, in an honorable career in our military. There is the gentleman from New Jersey [Mr. PAYNE]. Again, we can go on and on. There is the gentleman from Illinois [Mr. LANE EVANS], a noted liberal from Illinois; the gentleman from Michigan [Mr. LEVIN].

My point is this, Mr. Speaker: Everyone has to compromise. I have offered legislation on this floor that would have balanced the budget in 1 year, not 2, 3, 4, 5 or 7. I can remember getting only 16 votes for it. I can remember another time bringing a budget to the floor when my conservative group only got 75 votes, and then 99 votes.

But this is truly a bipartisan effort from liberals, from conservatives. We ought to be here working together on this legislation. We should not be here trying to tear each other apart on it. I think this matter is going to pass overwhelmingly with bipartisan, overwhelming support on the Democratic side, as well as almost every, if not every, Republican in this House. That is the way it should be.

Ronald Reagan once said to me that we cannot stick to our principles solely, because there is a House of Representatives, there is a Senate, and there is a White House. We all have to give a little. I think everybody has given a little.

I am going to give credit to the President of the United States of America, because he has given, too, as we Republicans have, to put together what is truly a great program that is going to mean that the future of my children and my grandchildren and all of the Members' are going to have a future in this country, and they are going to have a life as good as we have had when we were growing up. That is what we are here to do.

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Rhode Island.

Mr. KENNEDY of Rhode Island. Mr. Speaker, the point I am trying to make is this is a monumental agreement. The gentleman would agree with me on that?

Mr. SOLOMON. Yes, it is.

Mr. KENNEDY of Rhode Island. It effects $95 billion in tax cuts, 395,000 seniors going into Medicare Select, MSA's, all the cuts that are going to ensue, 15 percent in goals cuts, veterans, Social Security Administration, all that is to come down the road.

All I am saying to the gentleman is under martial law, we have an hour and a half to debate that. The gentleman points out, rightfully so, that there are a lot of good Members on my side of the aisle who signed onto this. But that does not excuse the fact that we will not have adequate time to debate something that I might add, if the gentleman would yield further for a second, that I might add would consume months of debate in future Congresses. The decision we are going to make today and tomorrow is going to impact enormously on the future of this country. Yet we have an hour and a half to decide something so huge.

Yet we are going to dilly-dally and spend months and months debating appropriations bills in future Congresses over just finite parts of this budget deal in the future.

Mr. SOLOMON. Mr. Speaker, I just have to reclaim my time to say to the gentleman, it is not an hour and a half. Under normal rules of the House we are having 1½ hours of debate, but we are having an extra hour on the rule we are bringing up; we will have an extra hour, so the gentleman is talking about 3½ hours of time.

All of the Members on both sides of the aisle have been briefed. I have sat through 17 hours of briefing on what is in this legislation. The White House has done the same thing with Members on the Democratic side of the aisle. So we have had ample time to discuss what is in this legislation.

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

Mr. SOLOMON. I yield to the gentleman from California.

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

I would simply like to respond to my good friend and neighbor, the gentleman from Rhode Island, that if we look at this debate that we are going to be having on this issue, it is really the culmination of what for many of us has been a decade or a decade and a half of debate on these issues.

My friend is relatively new to this body, and I think that he clearly should spend a lot of time discussing and looking at these questions. But the fact of the matter is, 90 minutes is not going to be the full debate time for this question.

In fact, we just had testimony upstairs, and let me just say that if we look at the fact that we 12 years ago introduced a resolution calling for the establishment of medical savings accounts, which my friend just raised, we have been debating that issue for well over 10 years.

So this really is the culmination of a very great, great accomplishment that has been done in a bipartisan way, and that is why I am strongly supportive of this rule.

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

Mr. Speaker, I do not know if my chairman was on the floor when I spoke, and I know he was not, he was attending to his duties, but this debate this morning right now is not about the spending bill. It is about the process. I just feel, and he said, this bill was dropped at my doorstep at 3:15 this morning. It is not enough time, not only for me but for the rest of the Members. To quote one of his favorite men in public office, Ronald Reagan, he said, ''Trust, but verify.'' All I want to do is verify.

Mr. Speaker, I yield 2½ minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, today Speaker GINGRICH seeks our approval of a resolution on a subject that this Republican Congress has quite obviously developed considerable expertise in. That subject is ignorance. Normally ignorance is demonstrated here in this House in ignoring the needs of the ordinary hard-working American family. Today that ignorance is demonstrated in a much more obvious way.

We know that an agreement was put together in the dead of night and presented to a committee, that copies of the bill are not even out here, that no one has seen this bill. Perhaps that is a bit of an overstatement. We have seen the bill. This is it. If Members have a photographic memory, perhaps they can see it right now. It is about a foot high. It weighs several pounds. It has what the Washington Post and the

Washington Times, two papers of very differing views, both describe as significant increases in spending, in social spending. In fact, this bill represents billions, if not trillions, of dollars in spending that the American taxpayer will be asked to finance.

Mr. Speaker, I would submit that the Members on the Republican side who are speaking in favor of this martial law rule do not have the slightest idea what is in most of this several pounds, and that indeed few Members of this Congress, if any, know what is in that bill in terms of spending hundreds and hundreds of billions of dollars of the American taxpayers' money.

No, the ignorance resolution they ask us to approve this morning is based on that fundamental principle that got us into some of this mess in the first place; that is, that we should vote first and read later.

I am for the principle of a balanced budget, just do not confuse me with the details. I do not want to take the pep out of their pep rally, but those of us who tried to get a meaningful enforcement provision on this budget, both in the Committee on the Budget and on the floor of this Congress, do not want a budget that is balanced for a millisecond. We do not want to approve hundreds of billions of dollars of new spending without knowing what it is going to do and without actually reading the bill. Who knows what provisions for special interests are buried in these pounds of new spending?

We need the opportunity, not just for this House but for the American people, to have an opportunity to see what is in this bill, to understand it. If it is that great, it can stand the test of time, not a matter of a few minutes.

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

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Speaker, I thank the ranking member of the Committee on Rules for yielding time to me, and I would address my comments to my colleagues and to the Speaker.

Mr. Speaker, we certainly, as many speakers have already said this morning, have seen a historic agreement reached. It certainly is uncommon for us to see a major controversial piece of legislation drawing support from the White House, from the Republican leadership in both the House and Senate, and from most of the Democratic leadership in the House and Senate. It is a massive bill.

This morning we have been treated to repeated demonstrations of the size of the bill and the awkwardness of even trying to work one's way through it. I think it is fairly safe to say that nobody in this body will have a chance to review this bill in detail before it is voted on.

It has large provisions which most of us are familiar with and most of us probably agree with. It has small provisions that only a few of us know about because they affect our areas. I would like to just mention one of them which I think is of significance to American agriculture, to point out that this is typical of small things that find their way into big bills.

We have labored in American agriculture with a very restrictive ruling from the Internal Revenue Service that prohibited farmers from taking advantage of deferred payment contracts. It is because of the alternative minimum tax. This legislation corrects that.

Many say the devil is in the details. If this is the type of detail, I think we have had an exorcist that has taken the devil out. But the question is, how many other details are there that we have not had a chance to examine, and do we need to give that exorcist more time?

On a larger scale, I would like to say in concluding that I think that there are some very significant omissions in this legislation:

Social Security. We are borrowing this year $79 billion to balance the budget with Social Security. By the year 2002, it will be over $110 billion.

Medicare. We have a temporary fix to Medicare. We do not have a long-term fix.

Finally, enforcement. Many of us on both sides of the aisle have struggled for enforcement provisions in this legislation. We have been rebuffed. I think it is absolutely critical that we move ahead with enforcement provisions before this session of Congress ends.

I anticipate supporting this legislation, but I am a reluctant supporter. I urge that we focus on these deficiencies.

Mr. LINDER. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I would point out that unlike 1984 when Speaker Wright brought a $1.3 trillion budget to the floor with 1 hour's notice, not even letting the Committee on Rules see it, everybody in America could have read this. The full text of this budget is on the Internet, Speakernews.house.gov. Speakernews is one word. The Members can do it on the Democratic side even as we speak.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, this is the legislation that we received this morning. On principle, nobody in this House should vote for legislation which he does not understand, has not seen, and contains hundreds and hundreds of pages with many provisions that we know nothing about.

But Mr. Speaker, we do know some of the aspects that we are going to be asked to vote on. We do know that in a time when millions of elderly people are unable to pay for their prescription drugs, when they are paying more and more for private insurance to cover what Medicare does not cover, we do know that we are going to be asked to cut Medicare by $115 billion. That is wrong. We also know there are significant cuts in the Social Security Administration and in veterans programs. That is wrong.

Mr. Speaker, in order to pay for the cuts in Medicare, in the Social Security Administration, and in veterans programs, what the Congress is proposing is to provide huge tax breaks for the wealthiest people in this country, unfortunately; precisely the people who do not need it. The wealthiest 5 percent of Americans will receive almost half of the tax cuts. The upper 20 percent will receive over 70 percent of the benefits. The upper 1 percent, when this plan is full-blown, the upper 1 percent will receive more benefits from this package than the bottom 80 percent.

So the people who really need the help are not getting the help. The people who do not need the help are getting more help than they are entitled to. Under this plan, the average tax cut for middle-income families and individuals will be less than $200. The wealthiest 1 percent, however, will receive over $16,000 in tax breaks.

□ 1130

As the New York Times said today in an editorial, and I quote:

> Even after last minute horse trading around the edges, the deal remains unfairly tilted in favor of the better off citizens of society. It drills scores of new loopholes into the tax code, mostly for the benefit of very wealthy families at the cost of opening up large deficits early next century conveniently beyond the 10-year period that the deal tracks.

In other words, what is going to happen is, 10 years from now, when we have all of these loopholes for the wealthy and for large corporations, we are going to be back here again with another huge deficit and we are going to have Members here saying, we have got to cut more into Medicare, more into Social Security, more into veterans programs, more into housing. So my friends, before we pass a budget like this, first of all, have the courage to look at it and, second of all, let us not balance the budget on the backs of the weak and the vulnerable in order to give huge tax breaks to the wealthy.

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Rhode Island.

Mr. KENNEDY of Rhode Island. Mr. Speaker, is the gentleman saying that the top 5 percent get four times the tax cut as the bottom 60 percent?

Mr. SANDERS. Yes, Mr. Speaker.

Mr. LINDER. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, there are some Members that would like to put off a decision on balancing the budget and having tax cuts. There are some Members that would hope that we could discuss this enough that they might discourage the President from going along with this tax cut and balanced budget for the American people. Regarding the questions whether

we have had time to review this legislation, we never have enough time for each Member to totally understand the text of this legislation without the help of specialists. Look at Medicare, which is the large portion of this bill.

It is essentially the same Medicare proposal that was offered by the Republicans over 2 years ago. It is the same Medicare bill that was demagogued last year in the election. Obviously Members have had 2 years to review that proposal. If we want to look at the other provisions of this bill, many are similar and we have talked about them since we voted on similar change in 1995.

This legislation, this agreement has been on the table since last April in terms of what Republicans and Democrats working together actually signed off on a detailed agreement. We are doing what the American people want us to do. That is balancing the budget and cutting taxes. There is a lot more to do but this is a good start.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. KAPTUR].

(Ms. KAPTUR asked and was given permission to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I want to say that I am not going to vote for this bill because I cannot even find the bill. I went down to the Clerk's office just now because I was told that is where the only copy of the bill was. In fact, I was told that it was filed at the Government Printing Office at 4:15 this morning. So then we call over to the Committee on Ways and Means. I said, I will run over to the Committee on Ways and Means and get the bill. I call over to the Committee on Ways and Means, and they said, we have only got the sections that deal with our committee. We have got Social Security, we have got Medicare, we have got Medicaid.

I said, let us take a look and see if it is up in the Committee on Rules. They said, no, the Committee on Rules does not have the bill. Maybe there is one copy down on the floor, maybe the gentleman from Massachusetts [Mr. MOAKLEY], maybe the gentleman from New York [Mr. SOLOMON] have that copy.

Then I said, well, let us go to the web site. So we went to Thomas.loc.gov. Guess what? The bill is not on the web site. I am not elected by the gentleman from New York [Mr. SOLOMON]. I am not elected by the gentleman from Massachusetts [Mr. MOAKLEY]. I am elected by the people of the Ninth Congressional District of Ohio. I cannot get a bill, and I do not want to listen to the gentleman from South Carolina [Mr. SPRATT] because he did not elect me. The people back in Ohio elected me.

To bring this kind of a bill to the floor today and tomorrow, what is the rush? Are we afraid the American people might actually know what is in this bill and would not want us to vote on this until September when we have had a chance to study the bill? What is the rush? I can see a fast ball when it comes.

Mr. LINDER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. DREIER], my colleague on the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me the time.

I would like to give this to my colleagues: Speakernews..House.gov.

The World Wide Web has it. It is there. It has been there since early this morning. Obviously my friend did not move to the appropriate site.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Speaker, I would love to know why the Clerk's office did not know what site it was at?

Mr. DREIER. Mr. Speaker, because I had not stood here yet to announce it: Speakernews.House.gov. That is maybe why the Clerk did not know it yet. The fact is, it is there. It can be found. At 3:14 this morning my very dear friend from Glens Falls pulled another all-nighter. He went right to the office of the gentleman from Massachusetts [Mr. MOAKLEY] and delivered this thing.

It was delivered at 3:14 this morning. The gentleman from New York [Mr. SOLOMON] wanted to take it to the house of the gentleman from Massachusetts [Mr. MOAKLEY], but his better judgment told him to simply take it to the office at 3:14 in the morning. This is in fact a very good package. We should move ahead with it as quickly as possible.

Mr. MOAKLEY. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, despite what we heard at the microphone from my very dear friend, if one calls up the Speaker's line, you will get a summary. This bill is not in print anywhere except the copies that I have and the gentleman from New York [Mr. SOLOMON] has. It will not even be in the Congressional RECORD until tomorrow. We are talking about the bill itself.

If the previous question is defeated, I will offer an amendment to the rule which would make certain that Members will have no less than 10 hours to read the bills before the House begins to consider them. I believe that is only fair for major bills such as these.

Mr. Speaker, I include for the RECORD the amendment to which I referred:

At the end of the resolution add the following:

''SEC. 2. The waiver prescribed in the first section of this resolution shall not apply to a resolution providing for consideration of any measure unless the measure has been available to Members for at least 10 hours before the consideration of such resolution.''

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

Let me point out that the White House, the conferees have read every word, every summary, every piece of it. And every bill that comes through here we have to trust the folks on the committee or on the conference report to give us the best advice. They have done that. We have got some of the most distinguished Democrats in this House who have signed onto this bill. They know what is in it. We have been debating some of these issues for 3 and 4 years. This is a specious argument to try and delay the action on a very good bill. Most of the arguments against the process have come from the most liberal Members who do not like the bill. I think that is curious.

Let me say, this is a rule that we have used in the past under Democrats and Republicans. It is a rule that should be supported as well as the bills.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore [Mr. GIBBONS]. The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to 5 minutes the minimum time for electronic voting if ordered on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 226, nays 201, not voting 7, as follows:

[Roll No. 341]

YEAS—226

Aderholt	Coburn	Goode
Archer	Collins	Goodlatte
Armey	Combest	Goodling
Bachus	Condit	Goss
Baker	Cook	Graham
Ballenger	Cooksey	Granger
Barr	Cox	Greenwood
Barrett (NE)	Crane	Gutknecht
Bartlett	Crapo	Hansen
Barton	Cubin	Hastert
Bass	Cunningham	Hastings (WA)
Bateman	Davis (VA)	Hayworth
Bereuter	Deal	Hefley
Bilbray	DeLay	Herger
Bilirakis	Dickey	Hill
Bliley	Doolittle	Hilleary
Blunt	Dreier	Hobson
Boehlert	Duncan	Hoekstra
Boehner	Dunn	Horn
Bonilla	Ehlers	Hostettler
Bono	Ehrlich	Houghton
Brady	Emerson	Hulshof
Bryant	English	Hunter
Bunning	Ensign	Hutchinson
Burr	Everett	Hyde
Burton	Ewing	Inglis
Buyer	Fawell	Istook
Callahan	Foley	Jenkins
Calvert	Fowler	Johnson (CT)
Camp	Fox	Johnson, Sam
Campbell	Franks (NJ)	Jones
Canady	Frelinghuysen	Kasich
Cannon	Gallegly	Kelly
Castle	Ganske	Kim
Chabot	Gekas	King (NY)
Chambliss	Gibbons	Kingston
Chenoweth	Gilchrest	Klug
Christensen	Gillmor	Knollenberg
Coble	Gilman	Kolbe

LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)

NAYS—201

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—7

Diaz-Balart
Foglietta
Forbes
Gonzalez
Lazio
Schiff
Young (AK)

☐ 1156

Mr. JACKSON of Illinois, Ms. SLAUGHTER, and Messrs. BOSWELL, JOHN, and GUTIERREZ changed their vote from ''yea'' to ''nay.''

Mr. ROYCE changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. GIBBONS). The question is on the resolution.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were— yeas 237, nays 187, not voting 10, as follows:

[Roll No. 342]

YEAS—237

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Foley
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manton
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Torres
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
White
Whitfield
Wicker
Wolf
Young (FL)

NAYS—187

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Christensen
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doolittle
Doyle
Edwards
Engel
Ensign
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hoyer
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
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Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Taylor (MS)
Thompson
Thurman
Tierney
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—10

Foglietta
Forbes
Gonzalez
Graham
Lazio
Ortiz
Riley
Schiff
Shaw
Young (AK)

□ 1205

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid upon the table.

PERSONAL EXPLANATION

Mr. SHAW. Mr. Speaker, on rollcall No. 342, I was inadvertently detained. Had I been present, I would have voted "yea."

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2015, BALANCED BUDGET ACT OF 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. 105–218) on the resolution (H. Res. 202) waiving points of order against the conference report to accompany the bill (H.R. 2015) 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, which was referred to the House Calendar and ordered printed.

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 202 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 202

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2015) 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. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The conference report shall be debatable for ninety minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY] pending which I yield myself such time as I might consume. Mr. Speaker, concerning the time just yielded to the minority, all time yielded is for debate purposes only.

Mr. Speaker, this rule is the standard rule for consideration of a conference report on reconciliation legislation. All points of order are waived against the bill and its consideration. The rule further provides that the conference report shall be considered as read.

Finally, the rule provides 90 minutes of general debate equally divided and controlled by the chairman and ranking minority members of the Committee on the Budget.

Mr. Speaker, I would also point out that we have extended the debate time from the customary 1 hour to 90 minutes in order to maximize the time for the House to debate this very historic agreement. And when I state ''very historic agreement,'' Mr. Speaker, I want to heap praise on the gentleman from Ohio [Mr. KASICH], chairman of the Committee on the Budget, who has brought to this floor something that many of us have worked so hard for over all these years. And it could not have happened without the leadership of the gentleman from Ohio [Mr. KASICH], certainly his committee, and the staff of the Committee on the Budget.

Mr. Speaker, on July 20, 1969, Neal Armstrong and the crew of Apollo 11 made their famous leap for mankind onto the surface of the Moon. Later that same year, the Federal Government recorded its first balanced budget in a decade, an actual budget surplus of $300 million. Both are milestones, Mr. Speaker, because the budget has not been balanced since that time back in 1969.

In fact, in 1997, the Government spent over $6,000 for every man, woman, and child in America. And that is up from $500 in 1960. Each person's share of that national debt is more than $14,500, and that is up from $1,300 in 1960. This goes to show us what has happened over the years.

And even worse, the Federal Government is three times larger than in 1960, and the tax burden is unconscionable on the American people, particularly middle-class American people, who make up the real backbone of this Nation.

Today, Mr. Speaker, this Republican Congress and President Clinton will stem the tide of this rising sea of red ink, and it will stop the growth of Government. Today, the Republican Congress will deliver America's working families the first balanced budget in a generation.

Mr. Speaker, as my colleagues recall, in 1994, when the American people gave Republicans control of the people's House, we pledged to balance the budget. Today, we deliver on that promise.

□ 1215

Mr. Speaker, this body has debated balanced budgets many times over the last few years, but today's debate is special. It represents a historic achievement for the future benefit of America's children, for their families and for the economy of this Nation. For today we do not just debate a balanced budget, we actually deliver one for the American people, what they have been asking of this body for so many years now.

This endeavor proves that Congress, working with the administration, can achieve common goals without compromising fundamental principles, showing the American people that we can work together to solve problems, and the American people are applauding this every day now since we came to this agreement.

Mr. Speaker, I am also proud to inform the American people that our democratic process, something that has been maligned in recent years, is working. This democratic process, even with the Congress and with a President of opposing parties has produced a bipartisan balanced budget agreement that cuts taxes for the first time in 16 years, that preserves Medicare and protects it from bankruptcy into the 21st century, that slows the growth of total Federal spending to 3 percent a year. That is no easy task. And that shifts power, money and influence away from Washington and to the people in the States and communities.

Mr. Speaker, while this is a bipartisan agreement, it is useful to recognize just how far we have come. Just 4 years ago, this Congress under a Democrat majority passed the largest tax increase in the history of the United States of America. Today we cut the tax burden on American families for every single working American in this country.

Just 4 years ago, Mr. Speaker, this Congress expanded new entitlement programs and they increased spending by tens of billions of dollars. What is different today? Today we slow the growth of entitlement spending. Today we increase budget enforcement, and today we actually reduce Federal spending to 18.9 percent of the Gross Domestic Product by the year 2002. That will be the first time since 1974, 25 years ago, that spending has fallen below 20 percent of the GDP.

Mr. Speaker, just 4 years ago this Congress passed increased Government spending packages. Today we make the Federal Government smaller, allowing the free market to provide the stimulus for the economy to create long-term job growth. Mr. Speaker, what a difference a Republican Congress has made to the economy.

Since the 1994 election, the Dow Jones Industrial Average has more than doubled from 3,900 points to 8,100 points, interest rates have dropped from 8 percent to 6 percent, and 6.4 million new jobs have been created. The economy is growing because taxes, spending, and the Government are not growing.

But, Mr. Speaker, we are not here today to only look at the past or even the present but to the future of this great country. The balanced budget we debate here today is built on a solid foundation of programmatic and economic assumptions, a foundation that will generate benefits to American working families for years to come. This is a package that will keep on delivering financial relief to families and to businesses in the form of lower taxes, lower interest rates, higher job growth and a stronger economy, and we are locking it all into law so that it has to happen.

For example, Mr. Speaker, in my district in upstate New York, a balanced budget will significantly enhance the opportunities of working families to care for their children and to help their communities. Alan Greenspan, greatly respected by both sides of the aisle,

Democrats and Republicans alike, and by the American people, he is the Chairman of the Federal Reserve, and he has testified that a balanced budget will lead to lower interest rates, as much as 2 percent lower on home mortgages, on family farms, on auto loans, on student loans. For the average homeowner in my district, before even calculating in the benefits of the cuts in the capital gains tax, a 2 percent lower interest rate on a home mortgage as a result of a balanced budget would save that family over $130 a month. That is $130 more a month to send a kid to college, to buy groceries or to pay for child care, which is so badly needed today in the pockets of the American people. It means more investment in the local community, a stronger local economy, and higher wages.

Under these circumstances, Mr. Speaker, these hardworking families will do more in 1 year to help the less fortunate, the young and the old, than this Congress could do under a banner of compassion in an entire decade. All these benefits result merely from Congress fulfilling its moral obligation to balance this budget year in and year out.

In closing, Mr. Speaker, I would like to make one final observation. During this debate today, many of my friends on the other side of the aisle will assert that Republicans are only interested in helping the so-called wealthy in America. Mr. Speaker, let me state for the record right now that I plead guilty to that charge. I believe that a growing economy helps all of America's families, for it was not a Republican President but it was President John F. Kennedy that said ''a rising tide lifts all boats.''

Furthermore, and this is so terribly important, a recent NASDAQ report summarized in a recent Los Angeles Times story found the following facts. These are facts, these are not Republican rhetoric, these are facts out of NASDAQ:

Fifty-five percent of the stocks in America today are held by household families. Fifty-five percent. That means middle class America holds 55 percent of the stock today.

Forty-seven percent of all investors are women. Fifty-five percent of all investors are under the age of 50. And 10 percent of all investors, and this is so terribly important, have started to invest within the last 10 years.

These numbers do not even include all of those who have their pensions invested in the stock market or in mutual funds, which is the case for many older Americans. These so-called wealthy people are middle class working families that know that a balanced budget, lower taxes, and a smaller Government mean higher wages, more jobs, and a stronger economy.

That is really what we are all here on this floor to try to do. That is why I urge all Members to join these American families in supporting the balanced budget we have here before us today. It is good for families, it is good for America. The future will be better because of what we do here today.

And, Mr. Speaker, what we do here today is what the Republican Party stands for, and that is cutting taxes for all working Americans, every single one of them, cutting runaway entitlement spending, saving Medicare from bankruptcy. But most importantly, Mr. Speaker, we are here today balancing the budget and shrinking the size and the power of the Federal Government.

Mr. Speaker, I have never been so proud to be a Republican Member of Congress for what we are doing here today.

Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. GINGRICH], the Speaker of the House.

Mr. GINGRICH. I thank the gentleman for yielding me this time.

Mr. Speaker, I just want to say to my good friend from Massachusetts, I was concerned by his earlier concerns. I went back and checked. The gentleman was correct. When we initially announced that the entire bill was available at http://speakernews.house.gov in fact it was not all fully uploaded. I waited to make sure the entire bill was totally loaded. It is now available not just to any Member of the House, not just to all the congressional staffs who I hope are watching this debate, all of whom can access it simultaneously without having to xerox it, but in addition it is available to every citizen in this country and anyone worldwide on the Internet.

As the gentleman knows, we are still having growing pains learning how to be in the information age, but we have now made this available to every citizen in the country. We are going to test this afternoon when we file the tax bill and see how long it takes to totally upload the tax bill for the same process. Sometime late this afternoon, every citizen in the country, without a lobbyist, without a trade association, without any payment, will have access to the tax bill in full. I do thank the gentleman for bringing it to our attention. We are still learning, but I did want to make that available.

By the way, if I might, this is the last page. We printed it out, because my good friend had pointed out earlier that he could not get them all printed out.

Mr. MOAKLEY. Mr. Speaker, I hope the Speaker will autograph it for me.

Mr. Speaker, I am very happy to hear that from the Speaker and I am glad that all the citizens of America have this now. If the Republican Party would just allow them a few hours to read it, I think the public service would really be done.

Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON], the chairman of my committee, my dear friend, for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, again I want to begin by registering my frustration at being expected to vote on this very enormous bill that was dropped outside my door at 3:30 this morning. It came the same time as the milkman. But I am not exactly sure if my Republican colleagues drafted the bill we expected them to draft, and I suspect that no one else is sure either. This bill has come to the floor with an unprecedented bipartisan compromise in cooperation. It is a shame that it ended today with the martial law rule. Members should have the chance to carefully consider this bill before voting on it.

Mr. Speaker, although this bill will balance our budget in the short term, I do not believe it gets us where we need to be in the long term. I know that quite a few of my colleagues will support this bill, and there are very good reasons to do so, but I at this present time cannot. It squeezes funding for education, training, health programs, and school construction, and I do not believe that it should.

One particular problem for me, Mr. Speaker, is the hit that the hospitals will have to take. We in Massachusetts are very fortunate to have some of the world's greatest hospitals and research facilities. They already bear an enormous share of the financial burden of our health care problems, but this bill will cut Medicare spending by $115 billion by reducing payments to these very same hospitals and the doctors that serve in them. It also cuts Medicaid spending by $13 billion by reducing payments to these same hospitals that serve large numbers of poor people, like our Boston City Hospital. Mr. Speaker, the hospitals in my district are already facing enormous budget crunches. They cannot stand it anymore.

This bill also cuts $4.8 billion from Federal employees' retirement programs over the next 5 years. Federal employees work just as hard as those in the private sector, but because they work in public service rather than the private sector, they are going to be penalized.

Mr. Speaker, this bill also makes changes that will cut $1.8 billion in student loans and $1.8 billion from housing programs. It reduces section 8 adjustments and replaces the FHA foreclosure relief program. Another provision in this bill which many of my colleagues may not be aware of is an increase in the public debt limit to $5.95 trillion.

Mr. Speaker, thanks to the Democrats in Congress and the Clinton administration, this bill is a lot better than it was. It expands health care for children, although not enough. It restores Supplemental Security Income and Medicare benefits to legal immigrants. It also contains funding for States to help welfare recipients find jobs. Again, Mr. Speaker, not enough.

There are good reasons to support this bill, and I understand why many of my colleagues will do so. But as I said,

because of those other matters, I just cannot at this time. For the sake of our hospitals, for the sake of our students, for the sake of our housing programs, I cannot support the bill.

I cannot support a bill that will hurt Massachusetts hospitals as much as this one will. I cannot support a bill that, although it provides much needed money to help poor children get health insurance, it provides the money in the form of block grants which may or may not be used for that purpose.

There are some very good provisions in this bill that I very much support, and I congratulate my colleagues for their hard work on this bill. I am relieved to see many of the education issues and the food stamp problem have been taken care of.

□ 1230

And although I strongly suspect that this bill will pass and that our President will sign it, I simply, as I said, cannot support it. So I urge my colleagues to defeat the previous question in order to increase debate time to 3 hours.

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

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina [Mr. SPRATT], the ranking member on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, I thank the gentleman from Massachusetts for yielding this time to me.

Mr. Speaker, I intend to vote for this conference report, and I am satisfied, and even proud, of the outcome, but I cannot vote for the rule in this case, and I want to explain why.

I think it is being brought to the floor, this conference agreement, with unseemly haste for something so serious and so far-reaching.

I was here until midnight last night. The Democratic staff of the Committee on the Budget were here until after 2:30. Most of that time of our staff on the Committee on the Budget was spent trying to prepare reports so that we could tell Members on our side from our inside perspective as the Committee on the Budget just what is in this conference agreement and what is not, what compromises have been cut, what deals have been done that they need to know about before they make their decision to vote, and it was a frustrating, sometimes fruitless, effort to call different places on the Hill and try to find out what was in the conference report because we did not have a copy of the conference report.

The staff left at 2:30, the conference report was filed at 3:20 this morning, it was not until we got back to work this morning, just an hour before the House convened that we found the conference report on our doorstep. We finished posthaste the reports so that we could deliver it to Members on our side. They got it at 10 o'clock this morning, just before the House convened to take up this matter.

Now there are strong reasons for having a certain delay. The rules of the House, the rules of the House longstanding, call for a 3-day layover for conference reports, 24-hour layover for rules which have been waived, but 3 days for a conference report, and there are good reasons for that. Conference reports are the last station on the track. We are making law. There are no more opportunities on our part to correct mistakes, to add something, change something, to perfect a piece of legislation.

Furthermore, in the House we have what in the State legislature they call free conference powers virtually. As everybody knows, conference reports are hammered out behind closed doors. The conferees make deals, cut compromises, go out of scope all the time, and the rule waives any points of order for going out of scope. And my colleagues will find plenty of things in this conference report, I am sure, which are out of scope, one in the House bill and one in the Senate bill, that have been concocted by the conferees.

That is why the longstanding rules of this House have provided 3 days for Members to see what is in it, sauce and blow it, weigh it and come to a deliberate decision as to whether or not they would support it.

And then when the matter finally comes to the floor, there ought to be ample time to discuss something so far-reaching as this because this is not just an ordinary conference agreement, this is probably the single most important piece of legislation that this Congress will adopt in the 105th Congress. Yet we are going to take it up in an hour and a half. The Senate provides for 10 hours of debate, 10 hours on the tax reconciliation bill, 10 hours on the spending reconciliation bill. We have an hour and a half, and I have Members over here pulling at my coattails because they want to say something.

Mr. Speaker, they want to explain why they are voting for it or why they are voting against it; they want to say they are in favor of this. That is the way the House operates. They want to have a real debate, and we will not be able to have it with the truncated time that has been allowed for this particular bill.

This is too fast a track for legislation so serious. It should not be railroaded against this House. We should vote against the previous question.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, I have heard the chairman of the Committee on Rules quote my uncle, President Kennedy, saying that a rising tide lifts all boats. I would say that in this tax bill what we have is a tax cut that will raise the yachts in places like the Ocean Reef Club and other Republican strongholds of this country, but the people that own the little bass boats of America, the only rise they are going to get is when they go up on the rocks as a result of the cuts that are going to be created in order to pay for the wonderful tax cuts that are contained in this bill.

Look, the Republicans shut down the Congress of the United States last year because of our protests about the level of budget cuts contained in terms of the Medicare budget. This bill, make no mistake, my colleagues, this bill contains the exact same level of Medicare cuts as last year's bill did. That is the hidden truth that we are not seeing everybody who is walking around, giving each other high fives and whooping and hooping down at the White House or on the floor or off in the Halls of the Congress saying what a wonderful thing this is. Everybody is all talking about how we are going to balance the budget of this country.

Mr. Speaker, we are balancing the budget in the most unbalanced fashion one can possibly imagine, lining the pockets of the wealthiest Americans, pretending to working people that they are going to get a tax cut. They get a tax cut. Seventy-five percent of these tax benefits go to the top 20 percent of the American people. It is a sham.

In order to pay for it what are we going to do? We have cut the housing budget by 25 percent, we are cutting the homeless budget by 25 percent, we come back, we are going to get rid of the fuel assistance program. They say they are going to do so much to help out education, but we come back, they are going to cut almost 20 percent of the entire research and development accounts of the Government. They say before the American people this year we are going to put 6 percent more into the National Institutes of Health budget in order to look after women's health and breast cancer research, but then we are going to come back somehow, according to these numbers, we are going to come back and cut 20 percent out of that same budget over the course of the next 5 years.

This budget is a sham, and we ought to have the truth about the budget come out before we are forced to vote on it.

This rule that we are going to be forced to vote on gives us 15 minutes, 15 minutes to discuss what is in fact in this bill, and I say, ''Take your 15 minutes and stuff it, stuff it the same place you ought to stuff this tax bill, stuff it the same place you ought to stuff these spending cuts. It's not right to force spending cuts on the working families in order to provide a tax cut to the rich.''

Get rid of this tax bill.

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

Mr. Speaker, I am somewhat surprised by the gentleman from Massachusetts in his delivery.

As my colleagues know, I was very proud to have been a John F. Kennedy Democrat, I was very proud of it, and I was for many years until the Democratic Party drifted away from the

principles of John F. Kennedy and JERRY SOLOMON, in my eyes, and that is why Ronald Reagan and I switched parties and became Republicans, because we really believe that the people back home know better than the people here in Washington.

Let me just take one more second to say I cannot believe the gentleman would tell these people to stuff it. The gentleman from South Carolina [Mr. SPRATT] a very, very distinguished Member from the gentleman's side, the gentleman from Michigan [Mr. BONIOR], a liberal Member from the gentleman's side, the gentleman from California [Mr. FAZIO], the gentleman from Texas [Mr. STENHOLM], the gentleman from Michigan [Mr. DINGELL], the gentleman from Michigan [Mr. KILDEE]; this reads like Who's Who in the Democratic Party, the gentleman from New Jersey [Mr. PAYNE], the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from Illinois [Mr. EVANS], the gentleman from New York [Mr. RANGEL]; Mr. Speaker, CHARLIE RANGEL signing this conference report and voting for this conference report. I do not think they are going to stuff it, the gentleman from Michigan [Mr. LEVIN], and on the other side of the aisle Senators LAUTENBERG, SARBANES, Senator MOYNIHAN from my State, very, very respected Democrat, and Senator ROCKEFELLER are going to vote for this conference report that the gentleman says, ''Stuff it.''

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

Mr. SOLOMON. I yield 30 seconds to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I thank the gentleman from New York for yielding briefly.

I would just point out that the gentleman probably had a long list of Democrats that voted for the 1981 budget cuts that in 1982 wished they had not, and probably a lot of Republicans felt the same way.

The truth of the matter is that for the gentleman from New York to use President Kennedy on this House floor indicating that he would support the kind of cuts in terms of the programs that are necessary to fund a tax cut that is largely going to the wealthy is, I think, reshaping the history of what President Kennedy stood for when he cut taxes in 1960.

Mr. SOLOMON. Reclaiming my time, Mr. Speaker, I not only think John F. Kennedy would be voting, and supporting and bringing this bill to the floor, I think TED KENNEDY, whose picture is here with the President yesterday in the New York Times applauding this legislation, would also be voting for it.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GOSS], a very distinguished member of the Committee on Rules and someone who has led the fight for balanced budget and fiscal responsibility in this House for many years.

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

Mr. GOSS. Mr. Speaker, I thank my friend from Glens Falls, NY [Mr. SOLOMON] for yielding me the time and I share his enthusiasm. I rise in strong support of this appropriate rule, and I believe his observation about the tide is correct.

Mr. Speaker, it has been nearly 30 years since Congress has balanced the Nation's books, a generation and a half that is, of spending money we do not have, running up the tab on our children and our grandchildren, avoiding tough decisions, and Americans are tired of that. So today and tomorrow and the day after we are going to be putting in place the final details of the first real achievable balanced budget in 30 years. The magnitude of the change in the direction this legislative accomplishment represents is very, very great indeed. Consider that just 4 years ago the White House and Democratic majority here pushed through the largest tax increase, the largest tax increase in American history, just 4 years ago. What a difference 4 years and a new majority can make.

I know some will be skeptical that may be just another promise that we cannot keep here, and I do not blame people who wish to withhold their full exuberance about this until the ink is dry and the effects of this historic agreement are felt across the land. But the bills we vote on in the coming hours and days hold more than a promise to balance the budget and bring about tax relief for American families. These bills are the implementation of the promises, and there is accountability built in for all of us. We cannot run, we cannot hide, we will be here, and we will be judged.

As chairman of a legislative and budget process subcommittee, I want to take a second to point out to Members that this bill includes a series of clean up provisions in our budget enforcement rules, including extending the pay as you go and spending limit procedures. Of course we know additional work is needed to beef up budget enforcement, and budget process reform will take place in this Congress as has been promised.

Mr. Speaker, for too long Americans have had to get by with less while the folks in Washington rolled merrily along taxing and spending to support the ever growing Federal Government. Look around, my colleagues will see it. This agreement means tax relief for individuals, for families with children, for students, for small businesses, for homeowners, for those with family farms. It brings a measure of fairness to the system, and it is predicated on the fundamental belief that Government taxes too much, not too little. We are getting control over spending under the discretionary side, and we are shrinking the size and scope of the reach of Government and, man, is that good news for America.

This legislation takes the first steps toward solving the long term problems with Medicare, laying the groundwork for us to come together on a comprehensive plan to rescue the problem for coming generations. We are expanding choice and benefits for seniors, clamping down on waste, fraud and abuse, a problem whose vast proportions have made news in recent days; in fact are in the headlines today. And we are modernizing the program's payment and care delivery systems. This is a long overdue down payment on Medicare, and America's current and future seniors come out the winners.

Mr. Speaker, there are many, many details in this plan, and I am sure it is still not perfect. I fully expect that the coming days will bring efforts by those who prefer the status quo of big government, to pick it apart provision by provision, and indeed we have already started to hear some of the clamor on the floor today. But we have done the unthinkable by Washington standards. We have kept our promise to the American taxpayers, and that is what this is about. We pledge to balance the budget. We are doing it. We pledge to save Medicare. We are doing it. And we pledge to cut taxes, and we are doing it.

I cannot think of a single reason to delay this process. It is all long overdue, it is wanted by the people we represent and work for in this country. The time is now. Any deviation to go to motions to commit or other dilatory tactics are just delaying the inevitable. We are going to give this country the relief this country deserves and wants, and we are going to do it this week.

Mr. Speaker, I urge support for this rule and for the wonderful agreement that has been worked out.

□ 1245

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the chairman in exile for yielding time to me, Mr. Speaker.

Mr. Speaker, we promised and we delivered. In August 1981, President Reagan, when he signed the tax bill of 1981, said that we will balance the budget as a result of this bill by October 1, 1983. That was the promise. What was delivered? Four and one-half trillion dollars of new debt.

Two courageous Presidents looked that debt in the eye and acted. One was a Republican, George Bush. In 1990, he said the deficit is a problem, and we must act. He was savaged, savaged by his own party and by the Speaker of this House.

In 1993, a courageous President with vision said we must confront this deficit, for this generation and for generations yet to come. Almost to a person, Republicans rose and said the economy is going to go into the dumpster, unemployment will rise, inflation will rise, and deficits will rise.

Mr. Speaker, exactly the opposite happened. Not one Republican had the courage or the vision to vote for the 1993 bill. But for that bill, we would not be here this day.

Mr. Speaker, I intend to support both of these bills. They are not what I would have written, and perhaps what no Member individually would have written, but we have collectively come together and we are going to act. In my opinion, it will be good for people and it will be good for the economy, which is good for our country and for our people.

But let there be no mistake about what the history of this fight has been. Bill Clinton said we needed to confront this deficit, but we needed to do so while investing in our people, in making sure that average working families were advantaged by this particular piece of legislation.

We came to grips with that issue, realizing full well that there would be a political cost, and indeed there was in 1994. There was a cost, because across this land our candidates were attacked as taxers and spenders. But in fact, what they did was bring the deficit down for 5 years in a row, and people say the last time it was done was 1969. That was, of course, following 8 years of Democratic Presidencies through January of 1969, Mr. Speaker; Democratic leadership, we had a balanced budget. And again, we are going to have a balanced budget because of Democratic leadership that has brought the deficit down 5 years in a row, the first time that has happened since before the Civil War.

I stand to say that I am proud of the fact that I voted for that 1993 bill. We would not be here today but for that. I am proud of the fact that my President, your President, has led us to a point where we can balance the budget while investing in America's future and our people.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise in opposition to the rule because of the time constraints on debate, but I support the underlying budget spending bill. The reason is because today Congress is taking a major step in cutting the number of uninsured children.

Over a year ago Democrats had made this a top priority, while Republicans were balking at finding a solution. Earlier this year, while Democrats were leading the charge to reduce the ranks of the 10 million uninsured children, Republicans were questioning the need to help working families provide for their uninsured children.

It was not until the President's inclusion, after Democrats' urging, of funding for children's health care in his initial budget that Republicans realized that resistance would be hopeless. Even then, though, they had to be dragged to the table. House Republicans pushed a children's health care block grant program that did not guarantee one penny to actually insure kids. The Congressional Budget Office estimated 500,000 kids would be covered and most of the $16 billion in funding could be drained away by the States for other purposes. Democrats protested the Republican plan and voted unanimously for a motion to recommit that would implement the proposal of our health care task force.

The idea was to attach requirements that States actually use the money to insure kids through Medicaid or an alternative State health insurance plan. We insisted as Democrats that the direct services option, which allowed certain exemptions from using money to insure kids, be eliminated or severely curtailed. In addition, Democrats demanded an adequate benefits package for kids.

As the negotiations over the budget continued, Democrats joined in the series of letters to the budget negotiators urging inclusion of an additional $8 billion through a cigarette tax, and provisions intended to insure that all the new funds for kids' health care would supplement and not supplant current State efforts to provide children with health coverage.

In the end, Mr. Speaker, the Republicans relented and the bill before us today includes $24 billion, requires that kids actually be insured with the money, and caps the direct services option to 15 percent of the funds.

The benefits package is adequate, in my opinion, and language is included so States have to spend at least what they do now on kids' health care.

Mr. Speaker, the kids' health care plan in this bill, in my opinion, is a major victory for the President and congressional Democrats. Thanks to Democratic values and perseverance, America's children will be the winners of this budget agreement.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CAPPS].

Mr. CAPPS. Mr. Speaker, I rise today in support of the balanced budget legislation. When I ran for Congress, I pledged to the voters of my district that I would work to make the House more bipartisan and solution-oriented. This bill and my support of it is a reflection of that pledge. It is good for the residents of the central coast of California, it is good for our country.

I am very happy that we have increased the amount of funding for children's health care to $24 billion. It is unconscionable that millions of American children have no health insurance. I also strongly support the restoration of benefits for millions of legal immigrants who were callously cut off from disability benefits under last year's welfare reform bill. Today we are finally treating these individuals with the dignity they deserve. I urge my colleagues to vote for this historic and important bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. TIERNEY].

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

Mr. TIERNEY. Mr. Speaker, I rise to discuss not the bill but the rule before us in this particular case.

Since I came here some 6 months ago or 7 months ago, it seems that all I hear from the party that said over and over again while it was in the minority is how it was going to do things better when it became the majority; in fact, all we hear now is, when they do something that is totally unconscionable, well, you did it, too, or you did another version of it.

In fact, that is not a good enough answer for people in this country, and I do not think people are going to be satisfied that this deliberative body or this body that is supposed to be deliberative spent virtually no time debating one of the more important bills that is going to come out of legislation this year.

The real issue is not whether we have this particular tax cut or this spending bill this year. There are larger issues in this country, not the least of which is what is happening to working families and why we have companies reporting 15 percent profits and 1 percent additional revenues, and we know the difference is because they are squeezing that out of American workers.

Those American workers have less health care benefits and they have less pension contributions, and they are told by employers that they are going to have the company move to Mexico or they are going to have replacement workers in if they try too hard to get a raise.

The real question is what does this tax package, what does this spending bill do for those American workers. And just a few minutes ago they said, we put it on the Internet, go read 20 inches of material and find the answer out for the voters. That is not appropriate. The American people say they want this body to deliberate. They want this body to know what is in that bill.

It is a darned good thing that I am a nocturnal sort of person, because since I have gotten here very little that is put on the floor by the majority is ever put on in the light of day, and very often that is because I suspect most of what they are putting forward will not suffer well the light of day.

In fact, this particular bill was delivered at 3:45 in the morning, and we have the audacity for the chairman of the Committee on Rules to say, like that is a great thing, like at 3:45 in the morning it was delivered to the minority member, ranking minority member, which gave us all plenty of time between 3:45 this morning and now to read 20 inches of documents and debate it and deliver it for the American people.

That is not conscionable. That is not right. This is not a good rule.

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

Mr. Speaker, I suggest to the previous speaker that he follow the rules of the House, and be a little careful about how he might reflect on the integrity or character of another Member.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Columbus, OH [Ms. DEBORAH PRYCE], who is a very valued member of the Committee on Rules, and someone who has been a true advocate of families and children in this Congress.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the distinguished chairman of the Committee on Rules for yielding me this time.

Mr. Speaker, I rise to express my enthusiastic support for this rule and for the Balanced Budget Act, and to point out to the last speaker, and to all the body, that we are already 50 percent fairer than the other party was in their rules in the last time they had control of this House.

What is exciting this day, Mr. Speaker, is that today Americans in this country, the earners, the savers, and the taxpayers, the people who play hard, work hard, take a few risks, strive every day to build a better future for their families and communities, are about to realize something for it.

For years, their message to us has been crystal clear. They wanted Congress to cut the tax burden on Americans. They wanted us to reduce Government spending and Government size. They wanted us to create new jobs and opportunities. They wanted us to shift power and influence to the States and local communities, where creative local solutions could take the place of broad Federal mandates. Most of all, they wanted us to balance the budget.

Finally, the message has sunk in. We are relearning the lessons of the 1980's, when we did cut taxes, when we did restrain Federal regulation and lower Government spending, because when we did those things prosperity made a huge comeback. Jobs were created, income started to rise, and people felt more secure about their economic futures.

Today we are about to kickstart that economic revolution again. Imagine that, Mr. Speaker, we will actually balance the budget by the year 2002, the first time since 1969. That was the year I graduated from high school. That was the year Neal Armstrong walked on the Moon. That was a long time ago, Mr. Speaker.

Not only that, we are extending the life of Medicare for 10 years. We are saving it from bankruptcy, and giving seniors expanded options in meeting their health care needs.

At the same time, the Balanced Budget Act makes important investments in people, like the children's health initiative, preventive health programs, and the new welfare to work program to move welfare recipients off the public assistance rolls and into the payrolls.

Mr. Speaker, these are just a few of the provisions in this historic legislation, and I commend the bipartisan negotiators who worked hard through many long days and nights to bring us to this conference agreement today.

I especially want to recognize my colleague, the gentleman from Columbus, OH, Mr. JOHN KASICH for his steadfast leadership in the fight to achieve a balanced budget over the years. Back in Ohio, we are so doggoned proud of Chairman KASICH that we could bust. Not only him, but all the negotiators that came up with this agreement are national heroes.

Mr. Speaker, we have the opportunity today to begin a new chapter in our Nation's history. Let us seize it. Let us grasp this once-in-a-lifetime opportunity. Vote for this rule. Support the conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, let us make no mistake on what we are about here today; the cuts we are about to adopt today, with precious little debate, are to finance the tax cuts of tomorrow. There is a direct and irrefutable relationship. So the cuts in Medicare, the cuts in veterans' benefits, the cuts in Social Security Administration costs, are to finance tax cuts tomorrow. Tomorrow perhaps we will get the debate on the merits of the tax cut.

The point is, earlier the esteemed chairman of the Committee on Rules responded to my earlier statement saying, well, so the gentleman has not had time to read the bill. So there is only one copy. Now it is on the Internet. That is great. But he said earlier, he said, he should just rely on the judgment of some of his colleagues. Can he not follow them?

□ 1300

First off, I doubt that they have had an opportunity to read the entire bill. And secondly, no, I did not check my brain at the door when I got elected to Congress. I do not hand my voting card to anybody else. And to say that, well, the Democrats were abusive so we should not give them adequate time to read and review the bill, so we are going to do the same thing, I voted against those reconciliation bills when we had a Republican President and a Democratic Congress, and they kept shoving them through here and we did not have to read them.

I even signed a pledge never to vote for another one unless we were given a minimum of 24 hours to read it. No one has been given 24 hours to read however many thousand pages there are, and I do not know, because there is no index and it is not numbered. But it is probably a couple of thousand pages. Makes amazing changes.

I would ask the gentleman if he is particularly familiar with the cuts in veterans. We have an aging veterans population, and by the year 2002 we are going to see a reduction of $4.1 billion in veterans benefits in the year 2002 to achieve this theoretically balanced budget or, if one wanted to be more cynical, to finance tax cuts for the wealthy, a 19-percent cut.

How is it we are going to reduce veterans benefits with a dramatically aging veterans population, not just the World War II people and the Korean war vets, my own generation, the Vietnam generation, is beginning to develop aging problems. We cannot do it. It will not work.

We are not going to debate those veterans provisions here on the floor. We are not going to debate the merits of them. We are not going to be given time to even examine them. It took me a while to find them in this pile.

Let us talk about the Social Security administrative costs. Social Security is underfunded for administration, and it is paid for out of the trust fund. It is paid for out of the trust fund, yet we are going to cut Social Security administrative costs by 25 percent. So the next time that your mom or dad or your grandparents or the gentleman from New York [Mr. SOLOMON] in a few years tries to find out what has happened to their Social Security check, they are going to be put on indefinite hold. Right now it takes 3 months on the average to process a claim.

Under this legislation, it is going to take 6 months or 9 months, and with an aging population, who knows how bad it will get?

These are not the places to cut the budget. They are not fair cuts. In fact, I do not believe these cuts will ever be made. In fact, under this bill the deficit gets larger next year for the first time in 5 years. Is that not ironic? We are going to balance the Federal budget, but the deficit has been going down since 1992. Under this for the first time since 1992, the deficit goes on.

Mr. SOLOMON. Mr. Speaker, I do not know whether the gentleman is a veteran or not, but I am a veteran. I am a member of the AARP. Half of the AARP are made up of veterans and their families and they support this bill, as I do very, very strongly.

Second, if you read the bill, spending on veterans programs will rise each year with outlays increasing from 39.4 billion in fiscal year 1997 to 42.4 billion in fiscal year 2002.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a very respected member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of the rule and of this budget. Together the budget and tax package we will pass this week demonstrate that hard work and able, commonsense leadership can balance the budget, cut taxes, and address critical unmet needs of our people responsibly and effectively.

With this budget we have won a great victory for our children. Three months ago people said Congress would not take action on children's health insurance this year and we are proving them wrong today. In this budget agreement we set aside $24 billion for a children's health insurance program under a law that allows States to structure their

program to effectively reach the uninsured children of working parents. Six million kids from working families, families who need and deserve our help, will get that help to ensure that their children will have the health care that they need. We have worked long and hard, and millions of children will lead healthy lives as a result of our bipartisan efforts today. This Congress should be proud of its accomplishments. There is no higher priority than protecting the health of our children.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. GUTIERREZ].

Mr. GUTIERREZ. Mr. Speaker, it is interesting to see so many of my colleagues so eager to vote on this spending bill. They are excited. They cannot wait. And I know what it feels like. I know what it is like to vote for a deficit reduction package, to vote for a bill that puts our fiscal house in order.

I already cast my vote that makes a balanced budget a reality. None of my colleagues on the other side of the aisle have ever done so. But I already did it. Did I sneak onto the floor last night to cast that vote? Or is it true what they say about Chicagoans, that we vote early and often?

Mr. Speaker, I cast that vote 4 years ago in 1993. I passed and voted for the largest deficit reduction package in U.S. history. It was a package that represented fairness, demanded shared sacrifice in the name of common good asked those of us who were doing well to share in the burden. Unfortunately those principles that just 4 short years ago appeared to be antiquated, out of style, and politically unpopular today, it was a package that passed without the vote of a single solitary member of the Republican Party. In fact, rather than standing with us in 1993, they stood and they jeered and they taunted us who voted for it. And yet look at the facts.

It is only thanks to what we did in 1993 that we can even consider this package today. You see, I hear a lot of my colleagues slapping each other on the back congratulating each other for doing something historic. Let me tell my colleagues about historic deeds and the people who were responsible for them, our veterans, men and women who fought for our country. And what does today's historic agreement mean to them? It means $2.7 billion in cuts to the VA medical services, $4.1 billion in cuts in total.

It means under this bill a low-income veteran who took a bullet or two at Iwo Jima or in Vietnam has to make another sacrifice to help an investor who wants to take a profit on Wall Street. It tells a veteran: You saved us from fascism in World War II; I hope you saved up some money, too, to pay for your health care; you are going to need it, now in your seventies and eighties.

Vote against this rule and these spending cuts.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY], ranking member on the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I very badly wanted to vote for this budget deal. I had expected I would be able to because I thought that the White House would hold out long enough to have a package that would truly be fair to average working Americans, and I am sorry that they did not do that.

I support three-quarters of this deal. I support the child tax credit. I was one of the original four sponsors of that proposal with Vice President GORE when he was then in the U.S. Senate. I am a sponsor of the education tax breaks because I believe in them deeply. I support the children's health care package. There is much that is going to be good in this deal. But there are certain standards that must be met when we are talking about distributing almost $600 billion of the people's money.

First of all, most of that relief should go to middle-income working families, not the economic elite of this country. Second, this bill should be used to close rather than widen the gap in income between the wealthiest 2 percent of the people in this society and everybody else.

Third, this should prevent the unraveling of Medicare and, last, it should not cripple the long-term investments necessary for our country to grow in the future.

These bills fail those tests. The most well off 5 percent of people in the country, as demonstrated by this chart, the most well off 5 percent of the people in this country, those who make $112,000 a year or more will gain six times as much tax relief in these bills as the 60 percent of the American people, well over a majority, who make less than $37,000 a year. That is not fair.

The wealthiest 1 percent of people in this society who make more than $250,000 a year will get a $16,000 tax cut under this proposal. But if you make under $19,000 a year, on average you will have a tax increase. That is not fair.

This package is also based on the assumptions, as have been indicated in the past, that we will cut the Social Security administration by 25 percent over the next 5 years. We already have a 3-month backlog now in handling Social Security cases.

Do we really believe Congress is going to vote for a package that will extend that waiting period for a year? We are told that we are supposed to cut health care by 16 percent over the next 5 years. The bill which will come to the floor later today for this year is going to raise National Institutes of Health spending by 6 percent. Are we really going to vote to raise it this year and then to cut it by 16 percent in future years? Come on. I cannot believe this House would be that dishonest.

Are we really going to vote to cut veterans benefits by 19 percent over the next 5 years? I cannot believe we would be that ungrateful.

Are we really going to vote to cut community development programs by 30 percent? Seventy percent of the funding to the community development block grant program or to FEMA for emergencies? We just raised the budget for FEMA. Are we really going to cut it 30 percent? Come on. Get real.

Are we really going to cut agriculture programs 23 percent over the next 5 years? Not if you come from agricultural districts, I will bet my colleagues. But those are the promises upon which this deficit reduction package is based. Those are false promises. I do not believe a majority of Members of either party will vote for those kinds of reductions when the time comes. That means the reality of this package in terms of the deficit is that we will be causing upward pressure, not downward pressure on the Federal deficit.

I am sorry about this today. I am sorry that we do not even have the chance to further examine this package. It is a national disgrace to make decisions over the future content of the Tax Code, to make decisions which will determine for 5 years or more what happens to people's pocketbooks, what happens to their education, what happens to their veterans benefits, it is unconscionable that that is going to be made without having at least 5 hours to review what is in this package. Who knows what other special gimmicks are wrapped into this package. Vote against this rule. Vote against these bills tomorrow. You do not know what is in them and you will come to regret what is hidden from the public in all of these packages.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Speaker, in 1 minute I do not have time to answer all of the charges by the last speaker.

I would point out that we are dealing with a tax cut of about $90 billion. About $70 billion of that $90 billion over the next 5 or 6 years goes to a $500-per-child tax credit for families that earn less than $110,000.

But I want to answer the charge that people have not had time to look through this bill. Here is the Medicare bill. It is not like this was just dumped on people's doorsteps last night. It is 95 to 98 percent of this bill that has been out there for weeks. This was what the House and the Senate passed. The great majority of this bill was agreed to weeks ago by the administration, and the House and the Senate.

Yes, there were some differences and in the last couple weeks there has been ample newspaper and news coverage of how we have come to a resolution on some of those contentious issues. I am very interested in this issue. So for those last final remaining items that were in dispute, all we have to do is look in those sections and know what is in the bill. For those who are interested in housing or veterans, the same thing applies.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I thank the chairman of the Committee on Rules for this time.

I again rejoice for this debate on the House floor because once again it points up some very important differences. I listened with great interest to the ranking member of the Committee on Appropriations essentially call this exercise, and I believe I am using his words accurately, ''a national disgrace.''

□ 1315

Mr. Speaker, I do not believe it is a national disgrace to allow hard working people to hang onto more of their own money and send less here to Washington. I do not believe it is a national disgrace to allow for the reduction in the overall growth of spending, to make sure we save and preserve programs for Americans.

That is what we are doing with this Balanced Budget Act, as we work to preserve Medicare into the next generation, as we preserve veterans' benefits, as we work to make sure that this Government takes less money out of the pockets of working Americans, to allow them to keep more of their money to save, spend and invest as they see fit.

The fact that over 70 percent of these tax cuts go to families making under $75,000 is not disgraceful, it is the truth, and it is good for the American people.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Claremont, CA [Mr. DREIER], the vice chairman of the Committee on Rules, one of the most distinguished and respected Members of this body.

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from New York [Mr. SOLOMON] for yielding me this time.

It is very clear Bill Clinton will, by virtue of supporting this measure, be leaving one of the greatest Republican legacies in recent history, and we are very proud to be able to play a strong role in bringing that opportunity about.

This debate that has been going on has to do with whether or not Members have utilized Speakernews.House.Gov. When I last stood here, I said that it was on line. Obviously, I was a real visionary. It was about to be on line, and it now is there and available.

I did speak a little too soon, but the fact of the matter is virtually everyone has been following this debate. The Democratic Caucus and the Republican Conference have been discussing this measure for a long period of time. We have had hearings, we have had debates on these issues for years in some cases.

I am particularly proud of several of the provisions that are included in this balanced budget agreement. One of them includes 390,000 demonstration cases for medical savings accounts. As we were discussing this up in the Committee on Rules earlier this morning, I mentioned the fact our former colleague French Slaughter and I, 12 years ago, introduced legislation called the health care savings account.

It was modeled after a package put together by the Center for Policy Analysis in Dallas, TX, and it actually was designed to be a successor to Medicare, because even more than a decade ago we were looking at the problems of Medicare and pursuing the idea of health care savings accounts. So I am hoping that these 390,000 demonstration cases will be a real plus and a benefit as we look at baby boomers moving toward retirement and the health care costs for retirees.

One of the other provisions that I think is very important is what is called the Disproportionate Share Hospital funding formula, known as DSH. It is not perfect from the perspective of a Californian, but I believe it goes a long way toward addressing a number of the very important concerns.

Mr. Speaker, I also want to point to this issue, which a number of us have been very sensitive to, specifically on our side of the aisle the gentleman from Florida [Mr. DIAZ-BALART], the gentlewoman from Florida [Ms. ILEANA ROS-LEHTINEN], and a number of us from California, and that has to do with legal immigrants who could conceivably be thrown off of SSI. I believe as we look at the fact that a legal immigrant clearly is to have a sponsor, we did not want to see those who were elderly or infirm in any way jeopardized. This agreement addresses that.

Most important, it gets us right on to that glidepath toward a balanced budget, and I believe we have a very, very good opportunity to do that. That is why this is a great day for both the Republican and the Democratic Parties and all of the American people, and I urge strong support of the rule and then support for this package, and tomorrow the greatest tax cut that we have had in 16 years. I anxiously look forward to supporting that.

Mr. MOAKLEY. Mr. Speaker, I yield myself the balance of my time.

If the previous question is defeated, Mr. Speaker, I will offer an amendment to increase the debate time to 3 hours. Everybody is calling this measure an historic agreement. With only 90 minutes of debate, Mr. Speaker, there will not be much of an historical record.

Republicans refuse to give us sufficient time to read it; they should at least give us time to discuss it. So I ask that my amendment be printed in the RECORD immediately before the vote on the previous question, and I urge my colleagues to vote ''no'' on the previous question so that I may offer that amendment.

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

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Earlier in the debate I mentioned that Ronald Reagan and this Member of Congress used to be John F. Kennedy Democrats until the Democrat Party abandoned Kennedy's principles and moved so far to the left.

I vividly recall back in 1962 that President John F. Kennedy, in introducing his tax cut plan to the American people, he, President Kennedy, stated, and this is a quote, ''Prosperity is the real way to balance the budget. By lowering tax rates, by increasing jobs and incomes, we can expand tax revenues and finally bring our budget into balance.''

President Kennedy was right then and the bills before us today are right also. Members should come to this floor, cast their vote to cut taxes, to cut spending, to balance the budget, to save Medicare and, most of all, to shrink the size and the power of this Federal Government.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore [Mr. BOEHNER]. The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 226, nays 197, not voting 11, as follows:

[Roll No. 343]

YEAS—226

Aderholt	Castle	Fawell
Archer	Chabot	Foley
Armey	Chambliss	Fowler
Bachus	Chenoweth	Fox
Baker	Christensen	Franks (NJ)
Ballenger	Coble	Frelinghuysen
Barr	Coburn	Gallegly
Barrett (NE)	Collins	Ganske
Bartlett	Combest	Gekas
Barton	Cook	Gibbons
Bass	Cooksey	Gilchrest
Bateman	Cox	Gillmor
Bereuter	Crane	Gilman
Bilbray	Crapo	Goode
Bilirakis	Cubin	Goodlatte
Bliley	Cunningham	Goodling
Blunt	Davis (VA)	Goss
Boehlert	Deal	Graham
Boehner	DeLay	Granger
Bonilla	Diaz-Balart	Greenwood
Bono	Dickey	Gutknecht
Brady	Doolittle	Hansen
Bunning	Dreier	Harman
Burr	Duncan	Hastert
Burton	Dunn	Hastings (WA)
Buyer	Ehlers	Hayworth
Callahan	Ehrlich	Hefley
Calvert	Emerson	Herger
Camp	English	Hill
Campbell	Ensign	Hilleary
Canady	Everett	Hobson
Cannon	Ewing	Hoekstra

Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCrery
McDade
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
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Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)

NAYS—197

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Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
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Bonior
Borski
Boswell
Boucher
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Brown (CA)
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Brown (OH)
Capps
Cardin
Carson
Clay
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Clement
Clyburn
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Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
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Dicks
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Frank (MA)
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Hall (OH)
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Hastings (FL)
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Hilliard
Hinchey
Hinojosa
Holden
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Jackson (IL)
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Jefferson
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Johnson (WI)
Johnson, E.B.
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Poshard
Price (NC)
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Schumer
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Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—11

Blagojevich
Bryant
Fattah
Foglietta
Forbes
Gonzalez
Houghton
McCollum
McIntosh
Schiff
Young (AK)

☐ 1339

Mrs. KENNELLY of Connecticut changed her vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BOEHNER). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF JOINT RESOLUTION WAIVING CERTAIN ENROLLMENT REQUIREMENTS WITH RESPECT TO TWO SPECIFIED BILLS OF 105TH CONGRESS

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–219) on the resolution (H. Res. 203) providing for consideration of a joint resolution waiving certain enrollment requirements with respect to two specified bills of the 105th Congress, which was referred to the House Calendar and ordered printed.

FURTHER MESSAGE FROM THE SENATE

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

H.R. 408. An act to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

☐ 1345

CONFERENCE REPORT ON H.R. 2015, BALANCED BUDGET ACT OF 1997

Mr. KASICH. Mr. Speaker, pursuant to House Resolution 202, I call up the conference report on the bill (H.R. 2015) to provide for reconciliation pursuant to section 104(a) of the concurrent resolution on the budget for fiscal year 1998.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SOLOMON). Pursuant to House Resolution 202, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 29, 1997, Volume II.)

The SPEAKER pro tempore. The gentleman from Ohio [Mr. KASICH] and the gentleman from South Carolina [Mr. SPRATT] each will control 45 minutes.

Mr. SPRATT. Mr. Speaker, I yield 15 minutes to the gentleman from Washington [Mr. MCDERMOTT] and ask unanimous consent that he be permitted to yield that time to Members on my side in opposition.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I yield myself 1 minute. This obviously is the beginning of a very important debate and the beginning of a very exciting 2 days. We bring before the House today and tomorrow the first real budget in real terms with real savings starting immediately, for the first time adding up to a balanced budget for the first time since Neil Armstrong, a great American and fellow Ohioan, walked on the Moon. It will also be the first tax cuts to provide jobs and to help families for the first time in 16 years.

Mr. Speaker, I know there are a lot of people out there that still think that this is all being done with disappearing ink, but at the end of these 2 days and upon the signing of the President of the United States, we should have a deal that commences the era that recognizes the limits of Government and begins to transfer power, money, and influence from this city.

Mr. Speaker, I yield 3 minutes to my young protege the gentleman from Wisconsin [Mr. NEUMANN], a member of the Committee on the Budget.

Mr. NEUMANN. I thank the gentleman for yielding me the time.

Mr. Speaker, this truly is a great day for America. What an exciting thing to be a part of out here. The first time since 1969. I was a sophomore in high school, the first time since I was a sophomore in high school, 1969, that we are actually going to balance the Federal budget. It is about more than words. It is about the hopes and dreams of the children in America today and the restoration of their opportunity to live the American dream. That is what this is all about today.

In 1995 the American people. And they should get credit for this, too, the American people had a mandate. The mandate was get us a balanced budget, get the tax burden off our back and restore Medicare for our senior citizens. Between today and tomorrow, we are going to make good on all three of those points.

To the gentleman from Ohio [Mr. KASICH], the chairman of the committee on the budget, to the gentleman from Georgia [Mr. GINGRICH], the Speaker, to the folks on the other side of the aisle that were so actively involved and

the rest of the Republican leadership team, and all the Members and my colleagues here, this truly is a tribute to what can be done if we work in a bipartisan way for the good of the future of this great Nation that we live in.

I think we need to look at why this is happening. It is equally important as the fact that it is happening. When we came here in 1995, we had a vision for a different America. We had just gone through the tax increases of 1993, and the American people rejected those tax increases. In 1995, we came here with a new mission. The mission was to curtail the growth of Washington spending. Spending had been growing by 5.2 percent a year before we got here. It has been curtailed to 3.2, a 40 percent lowering of the growth of Washington spending. That means Washington spends less, so they borrow less. When they borrow less, there is more money in the private sector, so the interest rates stay down and this is where it gets out of Washington and back to America. When the interest rates stayed down, people could afford to buy houses and cars, and when they bought houses and cars, somebody had to build them. So that meant job opportunities. And all of a sudden, the opportunity to work hard and live the American dream is back available to the American people. It is the right way to go about doing this.

What a great opportunity we have here today. For our senior citizens, they can go to bed tonight resting assured that Medicare has been restored for them for at least a decade. That job is done. For the people in the work force, tomorrow we will pass the first tax reduction in 16 years, 16 long years, and for the first time that tax burden on American families, on American workers, it is about to come down. What a great 2 days this is going to be.

Most important of all, for the children in America today, for our children and for our grandchildren, for the first time since 1969, the people in this Congress are going to do the right thing for the future of this country. We are no longer going to continue the practice of spending more money than we have. We are going to fulfill the mandate of 1995 and balance the budget. For seniors, Medicare has been restored. For workers, taxes are coming down, and for their children the future is once again secure in this great Nation that we live in.

The SPEAKER pro tempore. Without objection, the gentleman from Connecticut [Mr. SHAYS] controls the time on the majority side.

There was no objection.

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

Mr. Speaker, this is the last station on the track. The train leaving here will take us to a balanced budget. But I would never let the occasion to open up pass without recalling exactly why we are here, what brings us to this point where we can say credibly that we are within reach of a balanced budget.

I have to take us back to 1993. George Bush was about to leave office. January 13. He filed his Economic Report of the President, and in it he predicted that the deficit for that fiscal year would be $332 billion. That was the deficit that President Clinton found on the doorstep awaiting him when he arrived at the White House 1 week later. On February 17, he laid on the doorstep of the Congress a plan for dealing with that deficit.

I would take exception with the gentleman from Wisconsin who said this is the first time we will begin to stand up to this problem. We stood up to it in 1993. We passed that deficit reduction bill by the skin of its teeth, and the deficit went down in 1994 to $203 billion, in 1995 to $164 billion, last September 30 when we closed the books on fiscal year 1996, the deficit was $107.8 billion. Five fiscal years in a row, because of that legislation, the deficit has come down.

This year, according to today's predictions, this year when the books are closed on fiscal year 1997, the deficit should be less than $50 billion; almost certainly it will be. It will probably be less than $40 billion. We have come from a projected deficit of $332 billion in 1993 to an actual deficit in 1997 of about $40 billion. That is phenomenal progress. It is the reason we are here, the reason we are about to claim victory, because of the foundation that has been laid since 1993. The deficit has been brought down by 80 percent.

Nevertheless, when we started this session of Congress with a divided government, the House and the Senate held by Republicans, the White House held by a Democrat, it was not clear at all that in a divided government we could mount this effort to finish the job, balance the budget and say we had finally achieved victory. We did it. We are here today because the President leaned into the problem, he called the Republicans to negotiate, and they responded earnestly, in good faith. We sat down to talk, then to negotiate, and finally to hammer out the elements of an agreement which took months and months to accomplish.

That agreement, when it came to the floor in the form of our budget resolution, drew big support on this side of the aisle. One hundred thirty-three Democrats, if I recall correctly, voted for it. That is a margin of nearly 2 to 1.

But when the budget resolution was put out to the committees of jurisdiction, it picked up all kinds of unwanted baggage, controversial, contentious things from medical malpractice to multiple employer welfare arrangements, things that we not only did not support, we had resisted and fought for years. As a consequence, we lost traction on this side. A number of Members simply said they would not vote for the bill with those things in it.

I stood here in the well of the House and said I am going to bet on the come. I am going to bet we can go back to conference and recapture that bipartisan agreement that built the agreement in the first place and bring both parties back together behind an agreement, a genuine budget agreement that deserves the moniker, deserves to be called a bipartisan budget agreement. I can say to my colleagues on this side of the aisle today, I think we have succeeded to an extent that I was not sure at all when I cast that vote we would succeed.

There are more successes by far than setbacks as a result of this conference. We call this a deficit reduction act but we need to remind ourselves that what we have here is more than just a deficit reduction bill. What we have hammered out in this bill is a plan to balance the budget over 5 years, yes, but it is really more than that. We have not been so caught up, so fixated on balancing the budget that we forgot that the country has got other problems, too. We are wiping out the deficit but we are also doing more than has been done in years to see that all Americans have the opportunity to obtain higher education. We are taking down the deficit but we are also taking steps to see that children in working families have medical insurance. We hope to reach at least 5 million of them as a result of this bill. We can all be proud of that.

We are lowering the cost of Medicare and Medicaid because Medicare is the biggest spike in the budget, the fastest rise. Yet not only are we protecting beneficiaries, we are actually making the program solvent so that they do not have to worry about its solvency for 10 years; but we are adding $4 billion in preventive care benefits for things like annual mammograms, and in time I think they will more than pay for themselves.

There are still provisions in this conference agreement that I do not like. I wish they were not there. They will be hard to swallow. No doubt there are many on my side who will find many other things in this agreement to which to object. But on the whole, I think what we have achieved here accomplishes far more than we on our side as Democrats could ever have achieved without a bipartisan compromise. I am satisfied with the outcome, and I plan to vote for the conference agreement today, and I encourage my colleagues, particularly those on this side of the aisle, to do the same.

□ 1400

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

Mr. SHAYS. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. THOMAS], the chairman of the Committee on House Oversight, a senior member of the Committee on Ways and Means and chairman of its Subcommittee on Health.

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

Mr. THOMAS. Mr. Speaker, I want to start off by complimenting everyone.

We have a portion of the balanced budget bill in front of us, and it is amazing what has occurred in a relatively short period of time in terms of everyone's reaction to making changes in the Medicare portion of the package.

One of my favorite old songs is a song by Dinah Washington: What a Difference a Day Makes. What a difference a year makes, what a difference a willingness to sit down and fundamentally address the problem makes as well.

I am very pleased to say that my ranking member, friend, and colleague from California [Mr. STARK], and his chief of staff Bill Vaughan have been with us on this journey from the beginning, through subcommittee, full committee and during conference to make sure that although at times they may not have been in agreement with what we were talking about doing, they were at least informed. And I cannot help that the gentleman's President did not do what he believes he should have done during the conference.

I want to thank not only the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget, and the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means, but the members of the subcommittee on Health of the Ways and Means Committee who worked long hours to make sure on a bipartisan basis they understood not only what needed to be done, but just as importantly what could be done, and I think the package we have in front of us today, with the able help of the staff headed by Chip Kahn, is the most fundamental reform in the history of Medicare.

I know we have some friends on the other side of the Capitol who are disappointed that we did not go farther, but we have to appreciate how far we have gone. Oftentimes we judge ourselves by our failures rather than our successes.

Before we started this process we had a Medicare system which was a fee for service when someone who was sick. When this measure is signed by the President, we will have a Medicare which is a preventive and wellness structured Medicare. It will provide choices for seniors that are available in the general health area. It provides, as was indicated, a preventive package which will be expanded, when science tells us to expand it and not politics. It provides opportunities for choice over a broad spectrum so that people do not have just one other option, they have a number of options, and to help them in those choices we have a handsome educational package long overdue.

So I am here basically not to talk about what is in the bill, but to thank all those people who worked with us to put together a Medicare package in which no one will be afraid to run on in the next election. We will all embrace it and say this is a handsome first step, obviously we need to do more, we have a commission built in to do more, but before that commission even triggers we are going to sit down and continue to build a Medicare Program which is based upon prevention and wellness. The seniors deserve nothing less.

Mr. MCDERMOTT. Mr. Speaker, I yield myself as much time as I may consume.

The gentleman from South Carolina has said that the budget deficit has been reducing, begun by the Democrats in 1993, and it would be balanced within a year or so without this whole exercise. So make no mistake, what we are doing here is making cuts in this bill in entitlements in order to give tax breaks tomorrow. Today, if today did not happen, tomorrow would not and could not happen.

Now as I see it, this issue of Medicare is the reason I will vote against the bill because it is a sugar-coated poison pill, it will taste good going down, everybody will say, well, we are saving Medicare, but there is no question in my mind that the social insurance principles on which Medicare was created are being eroded in this bill. Rather than strengthen the program, which everyone says they are doing here today, the bill creates a multitiered Medicare Program, one for the super rich, one for the rich, and one for the rest of the folks.

Now in Germany when they did that in their health care program, if someone wants to opt out of the system, as this bill will now allow seniors to do, they can never come back. But our wisdom in this body did not say we will not let people back. We will let them go out, take advantage of the system, game it in every way possible, and then when the problem comes they can jump back into our system. It creates incentives for for-profit health care plans to siphon off America's healthy and wealthy seniors and leave the rest of the problem for the Federal Government. In my view, that is in the long term not good for the country.

Now also in the area of health care is the reduction in the DISH payments. For those listening who do not understand, DISH means disproportionate share. It is those hospitals that take care of a disproportionate share of people who do not have health care insurance. We have 44 million Americans. Not one single one of them is better off because of this bill, because they are not getting insurance in it. We are taking away the money that the hospitals use to cover those people when they show up at the emergency room in a crisis. And my view is that the city hospitals and the rural hospitals of this country within 2 years will all be in serious problems because of the reductions we have made in the disproportionate share payments.

For that reason I think we should not be passing this bill, we do not need to make tax breaks tomorrow, the American public is not clamoring for tax breaks, especially tax breaks where 50 percent of them go to people making $109,000 or more, and yet we rush forward here today to make these cuts in Medicare and the service that we provide through the disproportionate share payments.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas [Ms. GRANGER], the former mayor of Fort Worth and a member of the Committee on the Budget.

Ms. GRANGER. Mr. Speaker, I am pleased to rise in strong support of this historic bipartisan agreement to balance the budget.

This proposal we consider today is more than a blueprint to balancing the budget. It is a blueprint to building the future. This budget is not about numbers or theories. It is about people, real people with real dreams for themselves and for their children, for their parents. We owe them, we owe our constituents a budget that balances just like they have to balance themselves. We owe our children a nation that is debt free, and this balanced budget cuts off the flow of red ink for the first time since 1969; that will be 30 years ago.

We owe our working young parents access to the American dream of more jobs and home ownership. This balanced budget will create more than 4 million new jobs and reduce the cost of a typical new home by more than $30,000. We owe our parents and our grandparents a Medicare system that takes care of them if they become ill, and this balanced budget will protect Medicare and let us keep our commitment to our seniors. And finally, we owe the American people something more important and much more profound. We owe them our word.

The balanced budget agreement ends 28 years of promised balanced budgets and broken promises. Twenty-seven years, 5 Presidents and 14 Congresses have not balanced our budget. If we pass this budget today, the 105th Congress will be different. Today we can say to the American people, promises made, promises kept.

I urge my colleagues to support this historic agreement to balance the budget for our children, our working parents and our seniors. We now have a blueprint, so let the building begin.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, first I want to concur in the comments that the gentleman from South Carolina [Mr. SPRATT] made a little earlier, and that is we need to look first to 1993, to the Deficit Reduction Act that was passed under the leadership of President Clinton and the Democrats in Congress, for why we are able to reach this point today. I am very pleased that the final chapter we are doing in a bipartisan manner, the passage of these two bills.

There are many reasons to support it. We are at last going to have a balanced budget, and we are going to protect the priorities that are important for the future growth of this Nation.

Let me just mention some of the specifics that are in this bill for why the Members should support it:

First, the Medicare, we are providing for 10-year solvency, additional solvency of the Medicare system, improving benefits to our seniors in preventive health care and access to emergency care. Our academic centers will be getting some badly needed relief to make sure that we have excellence in health care in this country. Twenty-four billion dollars to expand health care for our children.

This bill acknowledges the special needs of Amtrak and capital involvement, and the welfare bill from last year has changed to provide more resources for welfare to work and to remove some of the punitive aspects against legal immigrants.

It is a good bill. I urge my colleagues to support it.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington [Ms. DUNN], an elected member of the Republican leadership and a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, today we take a historic step in reducing the size of Federal Government and providing for a balanced budget in 5 years. We are building a path to the future that restores both hope and opportunity for all Americans. Today and for the future we are dramatically changing the fiscal direction of our country from a path of out of control growth of Government to a path of sustained expansion of the economy and job creation.

Achieving a balanced budget will provide lower interest rates, higher productivity, improved purchasing power for all Americans, more exports and accelerated long term-growth. It will also, we believe, revive the possibility once again for the American dream. Americans can once again look toward their children having the chance to do better than they.

Our balanced budget is about more than just accounting and tidy bookkeeping. Budget deficits sap private investment, they drive up interest rates and they provide that the service on the national debt is a cost to the average taxpayer of $800 in 1 year in taxes.

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

Mr. Speaker, with this bill we can embark on a new and responsible course by balancing our Nation's budget by restoring hope, confidence and opportunity. This balanced budget agreement is the first in a generation. It represents GOP ideals, and it shows that a Republican majority at the helm in Congress can and will deliver on its promises.

Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Speaker, I believe this is a good blueprint to get us into balance by 2002. We have to remember of course this is a blueprint, there are no guarantees, but we certainly all hope that that is the case if it does become law. It is also far better than what we saw in the 104th Congress.

Just for instance, if we look at Medicare and Medicaid, we are looking at reductions of $130 billion versus $450 billion that we saw in 1995 and 1996 that led to Government shutdowns. So we have come a long way; the largest increase in education since the Eisenhower administration and starting to address children's health care.

Now, let me address just a couple of issues very quickly in specifics. With respect to disproportionate share for Medicaid, I want to thank the gentleman from South Carolina [Mr. SPRATT] the chairman, the gentleman from Ohio [Mr. KASICH], my colleague from Texas [Mr. ARCHER], and the administration for fixing that program, ensuring that States like mine of Texas and 12 other so-called high DISH States are treated more fairly under this bill than they were when the bill left the House of the other body.

In addition, as the other gentleman from Maryland just spoke, we are finally addressing the needs of the academic medical centers, such as those in my district, by carving out and requiring the managed care companies to pay into medical education through medical education. This is a good compromise. I hope my colleagues will support it.

Mr. Speaker, I rise in support of this legislation to balance the Federal budget for the first time since 1969. What a difference 2 years makes. In 1995 and 1996, Congress was in stalemate over budgets that would gut Medicare, education, and environmental protection. Now after the American people rejected that approach, we have before us a bipartisan compromise that not only balances the budget, but improves and strengthens Medicare and makes necessary investments in the health and education of our children. This is the commonsense approach we should have been taking all along.

I especially want to thank the conferees and the administration for addressing one issue of special significance to my State of Texas, and that issue is fairness in the way cuts are made to the Medicaid Disproportionate Share Hospital [DSH] program. When I voted for this legislation on June 25, I did so with the commitment of Budget Committee Chairman KASICH, Budget Ranking Member SPRATT, and the administration that they would address this issue in conference. They have made good on their word, and I want to thank Mr. KASICH, Mr. SPRATT, the administration, Ways and Means Chairman ARCHER, my colleagues in the Texas Delegation, and the many others who have worked to return some equity to the way Medicaid cuts are carried out.

Under this agreement, no State will have its total Medicaid funding cut by more than 3.5 percent in any 1 year. I want to emphasize that no State will lose more money than it would have lost under the original House bill. This agreement is much more fair to Texas and the other 12 so-called high-DSH States that would have had their Medicaid disproportionate share funding cut by twice as much as other States, while some States had no cuts at all. High-DSH States would have had their Medicaid DSH funding cut by 40 percent in the year 2002, and Texas would have lost $920 million under the House bill and $1.15 billion in the even worse Senate bill.

While not perfect, this agreement is much more equitable. It restores Medicaid funds that Texas hospitals desperately need to provide basic health care to the poorest patients. This funding is especially critical to our public and children's hospitals, which have high Medicaid and indigent caseloads.

I also want to call attention to two provisions in the Medicare reform section of this legislation that I and other Members have advocated and that would greatly benefit our Nation's health care system. These provisions, which are similar to legislation I have introduced, will help ensure that senior citizens have real choice under Medicare and our Nation continues to invest properly in medical education at teaching hospitals.

The first provision would give senior citizens who choose a managed care plan the right to buy supplemental insurance, or Medigap, to pay for prescriptions, copayments, and other uncovered services if they return to traditional fee-for-service Medicare. Many seniors now fear that if they choose managed care they may be locked in forever. That is because, if they choose later to return to traditional Medicare, they may not be able to purchase Medigap. Current law requires insurers to sell Medigap policies to seniors only when they first enroll in Medicare. The agreement requires insurers to also sell Medigap to seniors who, within the first year of enrolling in Medicare managed care, decide to switch back to traditional Medicare, ensuring real choice in health care for seniors.

This agreement will also ensure that Medicare managed care plans help fund medical education in the same way as fee-for-service Medicare. Under current law, the Medicare Program provides extra payments to teaching hospitals based on the number of fee-for-service Medicare patients served at these hospitals. However, Medicare managed care plans are not required to make such a contribution, causing a funding shortfall as more senior citizens join managed care plans. This agreement includes a provision to carve out graduate medical education [GME] amounts from the Average Adjusted Per Capita Cost [AAPCC] payment to Medicare managed care plans and direct this funding, approximately $5 billion over the next 5 years, to teaching hospitals. This plan does not increase Federal spending; rather, it recaptures funds from the current Medicare managed care reimbursement formula so that all Medicare plans help pay for the cost of graduate medical education.

This agreement is an important step toward ensuring that our Nation continues to support its teaching hospitals in this era of managed health care. It will ensure stable, guaranteed funding to train future doctors and other health care professionals and conduct vital clinical research. This is an essential step toward ensuring that the United States continues to have the best health care system in the world.

Altogether, the Medicare provisions of this legislation will extend the solvency of the Medicare Hospital Insurance Trust Fund for 10 years, while providing more health care

choices, consumer protections, and preventive benefits for our Nation's senior citizens. This agreement includes $4 billion to provide a package of preventive benefits for Medicare beneficiaries, including new or expanded coverage for mammography, pap smears, screening for prostate and colorectal cancer, diabetes self-management, and the diagnosis of osteoporosis. It increases the health insurance options available to Medicare beneficiaries beyond the traditional fee-for-service program to include the various managed care options generally available from private plans. And it includes important consumer protections for Medicare beneficiaries, including the Medigap protection I have already discussed. Other protections include provisions banning gag rules that restrict what Medicare managed care doctors can tell their patients; requiring managed care plans to have a grievance and appeal process to protect patient rights; and establishing a ''prudent layperson'' definition of an emergency to ensure patients are covered by Medicare when they seek care from emergency rooms.

Mr. Speaker, I also strongly support the important investments included in this agreement, especially in the areas of children's health and education.

This agreement makes a $24 billion investment in children's health, which will help end the national shame that 10 million children lack health insurance and access to basic health services such as immunizations and regular checkups. My State of Texas leads the Nation in the number of uninsured children—2.6 million Texas children lacked health insurance for at least a month over the past 2 years. This agreement will go a long way toward helping these children and their families. It will help more children get cost-effective preventive health care rather than more expensive care when they get sick.

I also applaud this agreement's investment in education, which is absolutely the right priority in our global, information-age economy. We must expand access to college because more and better education is needed to get ahead and earn a good wage in this economy. Together with the tuition tax credits in the tax reconciliation bill, this legislation makes the largest investment in higher education since the G.I. Bill in 1945. It includes the largest Pell grant increase in two decades; boosting the maximum Pell grant from $2,700 to $3,000 and expanding the program to more poor independent students.

This legislation is a bipartisan compromise that, like all compromises, requires each of us to accept provisions we may not support. But on balance, it is a good bill, a fair and fiscally responsible bill that makes necessary investments in our future. I urge my colleagues to support the Balanced Budget Act of 1997.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Speaker, I am delighted to stand today in support of H.R. 2015, the Balanced Budget Act of 1997, because my wife and I have five wonderful, healthy, vibrant children, and this bill is all about them and all about their future.

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After almost three decades of deficit spending, finally we see an end to this generation spending the resources that belong to future generations, to our children and to our grandchildren. Finally, we have taken the first step toward reducing our Nation's terrible debt.

Am I 100 percent in agreement with every provision in this bill? Of course not. No, not one Member of this body, Democrat or Republican, is in 100 percent agreement with every provision of this bill. But I am in 100 percent agreement with the fact that we have scored a major victory for our kids and for our grandkids.

We have gone from increasing taxes in 1993 $265 billion to reducing taxes by over $90 billion in this legislation. We have scored a major victory for the next generation of Americans. We have taken the first step toward passing on to them an America that is not crippled by debt or deficits, but liberated by a responsible government that lives within its means.

Vote today for America's kids. Vote today for America's future. Vote ''yes.'' I encourage a yes vote, in favor of the Balanced Budget Act.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN of Virginia. Mr. President, nice going; White House staff, nice going; the gentleman from South Carolina [Mr. SPRATT], well done; the gentleman from Ohio [Mr. KASICH], we have a good balanced budget agreement here.

The most important thing is that it is balanced not just in terms of dollars and cents, but in terms of priorities: A $900 billion reduction in deficit spending over the next 10 years, but the highest increase in higher education since the GI bill of 1945, the largest increase in children's health protection since Medicaid in 1965, more than 30 years ago.

We have got a $500-per-child tax credit for 27 million families. We have got entitlement reform. We have got a lot of the brownfields and empowerment zones tax initiatives, $3 billion for welfare to work initiatives. The fact is that speaking as a Democrat, the White House got what it wanted, which is our priorities—better education and health care for our children, tax fairness for middle class families, and an end to the legacy of debt we have been deferring to our children.

This bill deserves to be supported. It is a fiscally responsible bill, it is a bill that emphasizes our priorities. It is a bill that on both sides of the aisle we should vote for.

Mr. MCDERMOTT. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. STARK].

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

Mr. STARK. Mr. Speaker, I am having a little trouble. I guess I am the only person here who does not have both arms broken from patting myself on the back. I am having a little trouble understanding this bill.

Before I explain it, I want to take this opportunity to thank the chairman of the Subcommittee on Health of the Committee on Ways and Means, the gentleman from California [Mr. BILL THOMAS] for his open and fair manner in handling the Medicare portion of this bill, which, as the House originally wrote it, was quite good; but the Senate gooped it up and the White House caved to the Senate, so we do not have a very good Medicare bill.

But the fact is we have a lousy bill. We would have been better if we had stayed home. Look, the budget is going to balance next year without a bill. In this bill, it takes 5 years to balance. After it balances, we get deficits again. If we had no budget bill, we would balance and get surpluses. So I say to the Members, great job. They just stretch out the time and then give us more deficits.

Medicare, it is going to go to 2007. Hot dog. If we did not have a tax bill, we would have the money to take Medicare to 2022. So these geniuses have just cut 15 years off the salvation of Medicare. Good job again.

What about children's insurance? Super job. They are going to spend $2,500 bucks a kid to insure 2 million more kids, and if Members had let it alone and used that same money to put them into Medicaid, they would have had 5 million kids insured, so I thank the geniuses for the 3 million kids who are going to walk around without any health insurance due to this budget.

Here is the perfect example of government run amok. They have fixed everything. The Senate bill adds the Kyl amendment and others, which will, for the first time, allow doctors to charge Medicare beneficiaries an unlimited amount of money and basically kick them out of Medicare.

My heavens, how awful, to suddenly find that we are going to have Medicare live up to the Speaker's intention of withering on the vine because it is going to be a two-class system. Medicare beneficiaries will be able to be charged unlimited amounts for the rich. This is the country club health care relief act to end them all. Medicare costs are going to go up $1.5 billion to try out a medical savings account, which will only, again, help the wealthy and the healthy.

So as we go along, we have the right-to-life group who wanted to have this Medicare amendment that Senator KYL put in there, and it is useless. We were going to cut $100 million out of poor inner-city hospitals; save it, as we like to say. Where are we now? We are going to save $600 million out of inner-city hospitals, $500 million bucks more out of the poorest hospitals in every one of the Members' districts, those hospitals that help the needy and the indigent.

Mr. Speaker, this is a lousy bill. Vote ''no.'' Go home and know you are going to be better off for not having a bill.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Kentucky [Mrs. NORTHUP], a new Member

to Congress and a very important member to the Committee on Appropriations.

Mrs. NORTHUP. Mr. Speaker, it is a privilege to be here today. Before I comment on this balanced budget, I want to thank all of the people who have come before me that have kept the hope alive and the belief alive that it was possible to balance the budget, to cut taxes, to save Medicare, and to meet the emerging needs of our communities.

They were often ridiculed. They sat through years of where we raised taxes, where we spent more money, and they kept the hope alive for Americans that it was possible to change that course. They inspired me, and they inspired my community that this was a possibility. So for them, I thank them for the leadership and the lonely days they spent in this Congress.

Mr. Speaker, this bill says I love you to our children. For me, it is my six children: David, Katie, Joshua, Kevin, Erin, and Mark. For all the other parents who have children that believe that we should restrain our spending and pass on better opportunities to our children, that is what we are doing today when we vote for this bill.

It is a pleasure to be here. It is an honor to be a part of this. I think more than the numbers, more than what it does to interest rates, more than what it does to stop the bleed of red ink, it also helps to reestablish the faith and the trust that the American people have that this system of Government can address its needs, can come to an agreement, and can reflect what they have believed in so long. That is that we should balance our budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

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

Mr. LEVIN. Mr. Speaker, the basic principle of the Democratic Party has been economic growth with equity. The 1993 Deficit Reduction Act was instrumental in promoting economic growth. Despite the overall growth, there were pressures on middle-income families, so this bill includes a child credit and also an educational tax credit and deduction. I support both bills.

Let me say a word about the piece that I worked most on, the human resource piece. I supported the Welfare Reform Act. People on welfare should move from welfare to work. But when the President signed the bill he pointed out several inequities. One related to legal immigrants. He promised to work to provide benefits to elderly and disabled legal immigrants who should not have been penalized in the first place. I joined in that promise. Today we are keeping that promise. It is a much better bill in that respect than when it left the House.

The President also promised to work for a welfare to work provision. We have kept that promise. There was an effort, though, in this House to penalize people who move from welfare to work, to treat them as second-class citizens, to withdraw them from the protections of Federal law in terms of wages, in terms of safety on the job.

We have today, in this bill, repelled that effort. People who work are to be treated as first-class citizens, without discrimination. We have also repelled the effort to withdraw from mostly elderly women the protections of maintenance of effort under SSI in terms of payments from the State. This is a bill that is a step in the right direction. I urge broad support for it.

Mr. SHAYS. Mr. Speaker, I yield 30 seconds to the gentleman from Washington [Mr. NETHERCUTT]), a new member of the Committee on Appropriations and the Committee on Science.

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

One of the many good reasons to vote for this bill, this legislation, is its impact on diabetes. This particular bill has a component, a prevention component relative to diabetes that will improve the health of all Americans with diabetes. There is also a special section entitled ''Special diabetes programs for children with Type 1 diabetes.'' There is a funding for special diabetes program for Indians.

Diabetes is a very serious disease. The gentlewoman from Oregon (Ms. Furse) and I are chairmen of the Diabetes Caucus. We have had great support in this body for the cause of diabetes and curing it. I am delighted to be involved in supporting this bill along with my colleague, the gentlewoman from Oregon.

Mr. SPRATT. Mr. Speaker, in order to complete the colloquy, I yield 30 seconds to the gentlewoman from Oregon [Ms. FURSE]).

Ms. FURSE. Mr. Speaker, like my cochair, the gentleman from Washington [Mr. NETHERCUTT], I want to see that this budget contains good news for 16 million Americans, 16 million Americans who suffer from diabetes, including my own beloved daughter, Amanda. Thanks to my good friends, the gentleman from Florida, [Mr. BILIRAKIS], Mr. BROWN, and the 87 members of the Diabetes Caucus, we have put together a strong, bipartisan effort that will truly make a difference to the lives of people with diabetes.

I want to thank the gentleman from Florida [Mr. BILIRAKIS], who is the chairman of our committee, and all the diabetes organizations who worked so hard on this.

Mr. SHAYS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BILIRAKIS], a senior Member of Congress and the chairman of the Subcommittee on Health and Environment of the Committee on Commerce.

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

Mr. Speaker, it has been an honor for me to work with the gentleman, members of the budget conference and Committee on Commerce and Committee on Ways and Means members on historic legislation which will balance our Nation's budget for the first time, the first time since Neil Armstrong walked on the Moon, and at the same time reduce taxes, save Medicare and Medicaid, provide education and other family incentives and opportunities, and guarantees $24 billion to provide better health care for children.

In recent years many have said that we could not balance the budget and also reduce taxes. We have done that and more.

Regarding Medicare, we have saved the program for the next 10 years without hurting beneficiaries in any way. In fact, this legislation contains many worthwhile changes which greatly benefit the elderly. Our legislation gives seniors a choice of coverage through the new Medicare Plus Program, provides consumer protections, addresses fraud and abuse, and adds additional preventive health benefits. It also creates a commission to make recommendations on how Medicare could be preserved for future generations.

Regarding Medicaid, this legislation allows States to provide better and more cost-effective medical coverage for low-income people by giving States more flexibility. Under the children's grants, States will receive funds to initiate and expand health coverage and services to uninsured low-income children.

This bill, Mr. Speaker, must be judged on its merits, must be judged on its benefits to our constituents today, and to their future, and to the Nation and its future.

This legislation would not have been possible, Mr. Speaker, without the great work of staffers Howard Cohen, Eric Berger, Patti DeLoache, Ed Grossman, and others, many others, that put in many hours over the past several months, and I want them to know how much I and all Americans appreciate their efforts.

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Mr. MCDERMOTT. Mr. Speaker, I yield 1 minute to the gentleman from Chicago, IL [Mr. GUTIERREZ].

Mr. GUTIERREZ. Mr. Speaker, we are hearing the word ''balance'' a lot today. We applaud ourselves as we balance the budget. It is an important accomplishment, a difficult accomplishment to balance our budget. But I am afraid our Nation is losing its balance in a lot of other areas, like keeping our promises to our veterans who are facing cuts in this budget, like protecting our seniors who face an uncertain future because of this budget, like acknowledging the contribution of immigrants who are still targets for blame and discrimination in this budget, and like the simple idea of tax fairness that the wealthiest in our Nation should contribute a little more to our Treasury.

Our budget might be balanced, at least until the tax cuts explode again

in the future. But we are creating a lot of new deficits. Deficits of keeping our promises. Deficits of fairness. Deficits of equity. Deficits of caring. These are the deficits I cannot support today, and that is why I will cast my vote against this budget.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

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

Mrs. CLAYTON. Mr. Speaker, I intend to vote for this bill, not because it is a perfect bill. Not because I agree with all that is in it. There is much that I do not agree with, but there is much more I do agree with. I think balancing our budget is important for our country. Some of the things I do agree is that we have made more provisions for education. We have made scholarships for those families who are going to college. We have made provisions to give tax relief for families with children. Also importantly, we have made provisions not to take away the working rights for mothers and those who are on welfare to make sure that they have the same opportunities as others in there.

Yes, there are things in this bill you wish were not in there. But there is also tax relief for farmers and small businesses which they critically need in my area and also tax relief for education. On balance it may not be perfect, but I think it is good for America. I intend to vote for it and I urge my colleagues to do the same.

Mr. SHAYS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means and the chief architect of this historic budget agreement between the White House and Congress.

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

The conference agreement that we vote on today is a bridge, a bridge that reaches across to unite generations today and tomorrow. It saves Medicare for this generation of seniors, and it balances the budget so that we can save the next generation from the crushing burden of debt. It says that Washington has to change its ways so the American people will not have to change theirs. It tells the American people that Congress does not live by special rules. We will no longer spend more than we take in. The American people understand this.

They know they have to balance their family budgets each month. And so should we. Last year my 12th grandchild was born. When I went to visit him as a little premature baby, and I am happy to say he survived and he is home with his parents and doing well, I could not help but think that his pro rata share of the interest on the national debt during his lifetime would be $189,000, if he was an average income earner. That is unconscionable for our generation to leave to the coming generations. Today we do something about it. I say to Archer Hadley, my little grandson, this is for you.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. DAVIS].

Mr. DAVIS of Florida. Mr. Speaker, I would like to highlight two portions of this conference report that lead me to support it today. The first is getting us to a balanced budget. The amount of interest that we are paying annually right now on the Federal deficit more than exceeds the total amount of income tax payments paid by every individual west of the Mississippi.

We need to get the budget balanced and then attack the deficit. This spending plan is accompanied by tax cuts that are paid for while we will still balance the budget. The White House succeeded in keeping those tax cuts affordable. That is terribly important.

Second, this budget agreement constitutes a massive reallocation of our resources into education. To encourage more of our high school seniors, more community college students, more university students to be the best they can be in school and to succeed in obtaining well-paying jobs for themselves and their families. Most importantly it will send another strong message to adults throughout our country to engage in a lifetime of learning, to go back to school supported by their employers or supporting themselves, to further their jobs skills, to broaden their job skills, to sharpen their job skills to prepare for the 21st century.

Mr. Speaker, I rise in strong support of H.R. 2015, the Balanced Budget Act, which will balance the budget within 5 years while at the same time protecting our Nation's commitment to our seniors, investing in health care coverage for children, expanding educational opportunities for students, and restoring fairness for thousands of legal immigrants.

Mr. Speaker, as a member of the Budget Committee I want to first commend my ranking member, the gentleman from South Carolina [Mr. SPRATT] for his hard work and dedication throughout these long negotiations. Without his leadership and his commitment to working with both the administration and the Republican negotiators, this agreement would not have been possible. Our Nation owes a debt of gratitude for all that he has done over the past 6 months.

H.R. 2015, the spending portion of the reconciliation package, is truly a historic bill—historic not only for what it does, but also for what it represents. This bill demonstrates a commitment by both parties to the principle that we should not be spending beyond our means; that we must not saddle our children and grandchildren with debt; and that we should balance the budget while protecting our Nation's spending priorities. Furthermore, this bill is an example of what bipartisan cooperation can accomplish. If we set aside the rhetoric and work together toward a common goal, we can find areas of agreement and compromises on those areas of disagreement. The result is truly a win for the American people. I hope the spirit of cooperation, embodied in this Balanced Budget Act, will continue when we return from our August recess and as we sit down to tackle other critical issues such as campaign finance reform.

Specifically, H.R. 2015 includes much needed entitlement reforms which would balance the budget in the near term and lay the groundwork for long-term reforms as the baby-boomers approach retirement.

The majority of the savings in this package are designed to preserve and strengthen the Medicare Program by extending the solvency of the trust fund for at least 10 years. The bill will expand choices for Medicare beneficiaries and protect low-income beneficiaries from premium increases. The Balanced Budget Act also invests $4 billion in preventive benefits to fight breast cancer, diabetes, and colon cancer through annual tests and screenings.

Additionally, the bill implements tough new antifraud provisions, many of which are identical to those I introduced earlier this year in the Medicare Anti-Fraud Act, H.R. 1761. With recent revelations over the amount of fraud and abuse in the current system, I believe these initiatives, such as requiring certain providers to post a surety bond, are essential to restoring the integrity of the program.

Furthermore, with respect to Medicare, this bill will establish a bipartisan commission to make recommendations on a comprehensive approach to preserve Medicare as the baby-boomers approach retirement. Clearly, we must take steps to address the pending demographic changes in the program and I hope Congress will approach the recommendations of the commission, due in March 1999, with the same bipartisan cooperation that has prevailed throughout these budget negotiations.

In addition to protecting Medicare for our Nation's seniors, this agreement will expand health coverage to as many as 5 million of our Nation's uninsured children. This unprecedented investment in children's health care, the largest expansion of coverage since the enactment of Medicaid in 1965, will give States flexibility in determining how best to accomplish this important goal while guaranteeing that these moneys will be spent solely for this purpose.

On many issues, this conference agreement represents a great improvement over the House-passed version, which I supported but with numerous reservations. For example, I believe this final agreement offers adequate protections to workfare participants, guaranteeing that they will be treated fairly as workers. This conference agreement also restores protections for both disability and health benefits to 350,000 legal immigrants who would be denied these benefits as result of the welfare reform law of last year. All of these provisions ensure that as we move forward with our plan to balance the budget we are guaranteeing an element of basic fairness for all Americans.

Finally, amid all of the celebrations over what this bill will do, I would raise one word of caution. Just last week, this House rejected an attempt to include tough budget enforcement provisions which I supported that would ensure that we meet our deficit targets and reach the goal of balancing the budget by the year 2002. If we are not willing to enact such enforcement provisions, then we must be even more diligent in future years to ensure that the projections in this bill translate into reality. Only when the budget is certifiably balanced will we truly be able to celebrate.

Mr. Speaker, I again commend my colleagues on both sides of the aisle for their

hard work throughout this process and urge all of my colleagues to support this historic legislation.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio [Mr. PORTMAN], a member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I think we need to step back a moment and think about what a victory this is for the American people. For the first time in more than a generation we are actually going to balance the budget. We are going to stop spending more than we take in every year, an immoral practice that leaves the bill for the next generation.

There has been a lot of discussion about how we got here. I think it really is a tribute to the persistence, to the energy of a lot of Members. One is the gentleman from Ohio [Mr. KASICH]. He brought his first balanced budget bill to the floor in 1989, before I got here. He got about 30 votes. The next year he got about 64 votes. The next year he got about 80 votes, then about 100 votes and so on. Today, this afternoon on this floor, I think we will have a bipartisan majority of about 250 votes.

I want to commend him and commend all the Members who have worked long and hard to get us to where we are today. It is not legislation that every Member here supports, and all of us would like to see it a little different. But it is a significant step because we are, in fact, doing what we have just talked about for the past couple of decades and that is actually balancing the budget for the next generation. I want to pay tribute to them and to this House this afternoon.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, Justice Brandeis once said that the best disinfectant was sunshine. I guess my litmus test is how does this several-hundred-page bill treat children. Is it fair to children? As I go through the bill and read through how it treats children, I come out with a resounding yes, it shines on children.

We have moved from a $15 billion children's health initiative to now, finally, a $24 billion health initiative for 5 million children that were not previously covered. We have education spending at the highest level in 30 years since the Great Society. We now have disability SSI payments for children that were not eligible before, the most vulnerable children in our society. And we have the largest increase in the history of the Pell grant program to get parents who cannot afford to send their children to college into college and come out without a huge debt.

This is positive for small children, positive for small businesses and small farmers and positive for smaller, smarter government.

Mr. McDERMOTT. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I wanted to vote for this bill, as I indicated earlier. There is much in it that I would like to support. I was one of the original sponsors of the child tax credit, for instance, with Vice President Gore some 5 years ago. I certainly supported the education tax credits. I support what we are trying to do for health care for kids. But there are a number of fundamental tests which this bill fails.

The most important test to me is whether or not it provides most of the tax relief to middle-income families. The fact is it does not. As this chart will show, the wealthiest 5 percent of people in this country, those who make over $112,000 a year, will get six times as much tax relief as the 60 percent of all Americans who make less than $36,000 a year. I do not describe that as being fair.

In fact, the wealthiest 1 percent, who make more than $250,000 a year, will get more in tax relief than the 80 percent of American people who make less than $60,000. That is simply not fair.

Secondly, if we take a look at what happens with the wealthiest 1 percent, the wealthiest 1 percent will get $16,000 on average for a tax cut. The poorest 20 percent who make on average $8,000 will actually have a tax increase of $39. That does not shrink the gap between the wealthy and the poor in this country. It makes it worse. I do not think this Congress should do that. I think it can do better.

Third, I do not think that we ought to fail the test of whether or not this package provides the needed investments that we need to make the economy grow over the next 10 or 15 years. The fact is, when Members of this House say that this is going to balance the budget, that promise is built upon the promise that we are going to cut Social Security Administration by some 25 percent. Does anybody really believe that we are going to extend the waiting time for getting the Social Security check from 3 months to a year? Is this Congress really going to do that?

This chart will demonstrate that it is built on the promise that we are going to cut health appropriations by 16 percent over the next 5 years. The bill which is scheduled to come to the floor next will raise the spending for the National Institutes of Health by 6 percent. Yet this Congress is going to pretend that we are going to cut that spending by 16 percent over the next 5 years. I do not think this Congress will and I do not think the American people would want us to.

Are we really going to cut veterans? Are we really going to cut veterans health care by 20 percent over the next 5 years? Just last week this House voted to restore money to the veterans health care budget. Are we really going to tell people we are going to balance the budget by cutting veterans health care 20 percent? Come on. We ought to know better than that. Are we really going to see a Congress cut agriculture programs by another 23 percent? Agriculture programs have already been cut more than any other part of the budget. I would like to see the Members from rural districts who vote for this budget today, who are going to vote to cut agriculture budgets by 23 percent over the next 5 years. It simply is not going to happen.

Last week on the House floor this House refused to cut the science budget by 3 percent, and yet it is promising in the budget before us today that we are going to cut science by 18 percent over the next 5 years. Who is kidding whom? Do Members really believe these are anything but false promises? I do not. I have seen this Congress since 1982 break its promises on deficit reduction. I do not want to see them break more. That is what we will be doing if we vote for this bill. I urge Members to vote ''no.''

Mr. SHAYS. Mr. Speaker, I yield 1¾ minutes to the gentleman from Ohio [Mr. HOBSON], a member of the Committee on the Budget and Committee on Appropriations and also a major participant in this historic agreement between the White House and Congress.

Mr. HOBSON. Mr. Speaker, today the House takes another step toward making budget history. As we consider the conference report on the Balanced Budget Act, we are closing in on the most significant legislative accomplishment this body has enacted in a generation and its benefits are going to be felt for many generations to come.

The Balanced Budget Act is an expression of the responsibility of this Congress feels to the American people, not only to those who are living today but to those Americans who will inherit our country tomorrow such as my grandchildren. This budget slows all the growth of Federal Government spending to just 3 percent for the next 5 years. That is a savings of $289 billion. In doing this, we are controlling the runaway growth that threatens to put our country further in debt.

The Balanced Budget Act also saves Medicare from bankruptcy and expands health care options for seniors. Millions of seniors have been spared crushing poverty with Medicare and I want this program to be there for my children and grandchildren as well. Out-of-control entitlement programs are being reined in and States are being given more freedom from Federal bureaucrats so they can generate their own innovative solutions to solving their citizens' problems.

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In a separate bill that is part of the overall budget agreement, we are providing the first tax relief American families have seen since the mid 1980's. Families will get tax relief to help with the cost of raising kids and sending them to college; and small business owners, especially farmers like those in Ohio's 7th District, will get estate tax and capital gains relief.

This budget has been assembled by working together across the aisles.

This spirit of cooperation demonstrates that Congress and the administration can work together, as they should, to solve the problems. That same spirit of agreement, of putting the American people first, will be seen again in this conference committee and I am proud to be a part of it.

I urge all Members to join me in balancing the budget, saving Medicare and continuing the extraordinary spirit of cooperation. Support the conference report, and congratulations to the gentleman from Connecticut [Mr. SHAYS] and all the members of the committee, and especially our chairman, the gentleman from Ohio [Mr. KASICH].

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Speaker, I thank the ranking member from South Carolina for yielding me this time.

This balanced budget agreement is an historic opportunity and the first time since 1969 that we will have an opportunity to do this. I would like to commend the administration, President Clinton and Vice President GORE, and those in Congress that supported the agreement that enabled us to be at this particular point, that voted for a document in 1993 which took a deficit at $290 billion and brought it down to less than $10 billion today.

It was the work that was done by the Members of Congress and the administration that got us to this point. And the point that we are at today is an opportunity to make an investment. The document we are voting on today allows us to make an investment in education. Young people, 36,000 families in Maine, do not have the opportunity to go on to higher education because of the cost, the financial burden. That education presents the future to them. That is that bridge to the 21st century.

The 100,000 families that are on the earned income tax credits will get a tax break because we will reward work. We will not reward not working. And with small businesses, family businesses and agriculture, they are going to get a break, and this is what this represents today.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota [Mr. GUTKNECHT], who is a very important member of the Committee on the Budget and also on the Committee on Science.

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

We talk about the balanced budget and this agreement and what it means in terms of dollars and cents and percentages and so forth, but in many respects this agreement is about generational fairness.

I represent an awful lot of farmers, and some of the greatest wisdom I have ever heard has come from some of my farm families. Back in farm country they know one of the great parts of the American dream is to pay off the mortgage and leave our kids the farm. But what we have been doing here in this government for the past 40 years is, in effect, we have been selling off the farm and leaving our kids the mortgage. We all know deep down in our bones that there is something morally wrong with that.

An old farmer told me a couple of years ago, and perhaps the best way I have ever heard it put, he said the problem is not that we are not sending enough money into Washington. He said the problem is that Congress spends it faster than we can send it in, and that has really been true. And every time we have raised taxes the deficit has actually gone up.

Balancing the budget, saving Medicare and allowing families to keep more of what they earn is not just some accounting exercise. Balancing the budget is about preserving the American dream for our kids. Saving Medicare is about keeping our commitment to our parents. And tax relief for families is about making it easier for those families to pay for their kids' education and save for their future.

This is a glorious day for America. It is an historic day, and I am glad to be a part of this Congress and this Committee on the Budget.

Mr. McDERMOTT. Mr. Speaker, I yield 15 seconds to myself to point out to the last gentleman that every time we raise taxes the deficit does not go up. In 1993 we raised taxes and the deficit came down.

Mr. Speaker, I yield 2 minutes to the gentleman from California, [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, there are some very good things in this bill. The restoration of benefits for immigrants and the child health provisions are two of the most important.

But let us not forget we essentially are talking about a flawed bill that the administration tried to make better. Making a bad bill better doesn't make it good.

In the area of Medicare, and I want to talk about some points that I find most troubling. We have raised the premium as a result of this legislation. But we have not guaranteed help for low-income people. We have made some changes in the Medicare Programs, such as MSAs and a fee-for-service option and private contracts with doctors, which I think may undermine the Medicare program, which has a broad-based risk pool. We may well see healthier and wealthier seniors leave that risk pool and opt for private insurance coverage.

In Medicaid, we repeal the requirement to pay nursing homes and hospitals an amount adequate to meet their costs for decent quality care. Let me underscore that. We do not have to pay them what is adequate to provide decent quality care. And we have made cuts in the support for hospitals and health care centers which serve as the safety net for the poor.

Now, why are we making all of these cuts in areas where it really does not make sense from a policy point of view? We cannot divorce this bill from the tax bill. We are doing it so we can give tax breaks to many people in the upper income bracket. What I am afraid we will see, and I expect we will see as a result of these tax cuts, will be greater pressure on domestic social spending. Particularly greater pressure on the Medicare Program as the baby boom generation ages. I think that we are going to run the risk of going right back into the huge deficits we have seen in the past.

I congratulate the administration on doing as good a job as they could under the circumstances. For me, it is just not good enough.

Mr. SHAYS. Mr. Speaker, I yield 3½ minutes to the gentleman from Florida [Mr. SHAW], a senior member of the Committee on Ways and Means, the chairman of the Subcommittee on Human Resources, and the architect of the most important legislation to pass this Congress, the welfare reform bill.

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

Mr. Speaker, I rise to engage the gentleman from Missouri in a colloquy. Members may be aware of the ongoing debate in this budget legislation over whether workfare participants are employees, but they might benefit by some background on this issue, including a clarification of the intent of last year's welfare reform law.

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

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

Mr. TALENT. Mr. Chairman, last year's welfare reform bill was about, in part, getting welfare recipients into work. One of the most effective ways to do that is through community service and community work experience programs which we generally know as workfare.

Since the 1960's Federal welfare laws have allowed States to place recipients in workfare which requires recipients to work in exchange for their welfare benefits. The workfare program created under the 1988 Family Support Act specified public and private sector workfare recipients' hours and compensation, and included specific health and safety, nondiscrimination and other protections for workfare participants, but did not treat the workfare participants as employees.

I would ask the chairman if that is his understanding, the chairman of the Subcommittee on Human Resources with jurisdiction over welfare reform.

Mr. SHAW. Mr. Speaker, reclaiming my time, the gentleman is absolutely correct. That is my understanding.

The 1996 welfare reform law specified that States can continue to operate effective workfare programs, and community service and work experience workfare are among the work activities States may count as work. Unlike prior law, that act did not spell out the compensation or other rules for workfare positions, because it was assumed that previous distinction in

statutes and case law between workfare and employment would continue to be recognized.

However, in May of this year the Department of Labor issued an outrageous guide to ''How Workplace Laws Affect Welfare Recipients'' in which it indirectly claimed that most if not all participants in workfare programs under the welfare law would be considered employees under the law.

Mr. TALENT. Mr. Speaker, if the gentleman will continue to yield, I would ask the gentleman if it was the intention of the authors of the 1996 welfare reform law that workfare participants be considered employees, and thus covered under at least 25 labor laws, including prevailing wages, unemployment compensation, and social security taxes and benefits, none of which previously applied to workfare?

Mr. SHAW. I say to the gentleman, absolutely not. In fact, section 417 of the 1996 welfare reform law specifically provides that, and I quote, ''No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.'' So the Department of Labor is usurping congressional authority.

Further, when proposals were put forth in Congress which attempted to treat workfare participants as employees, they were defeated. For example, an amendment offered by the gentleman from California [Mr. BECERRA] requiring that workfare participants be covered by labor laws was defeated right here in this Chamber.

The bottom line is that the legislative history is very clear. Congress did not intend for the Department of Labor to ruin the welfare reform law by outlawing work. The Clinton Administration has thrown down the gauntlet, first by issuing an outrageous ruling and then by refusing to go along with our efforts to correct this unwarranted attack on welfare reform. Congress will react in an appropriate fashion before this session is over to make sure that families can receive the training and experience they need to leave welfare for work and to support themselves.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, the same Republicans who said the only way this Congress could balance the budget was by amending the Constitution stand here today to take credit for something that they said could never be done without that.

The same Republicans who spent 5 years attacking our President as a taxer and spender have embraced his plan to balance the budget. That is the truth of the matter.

Democrats took this balanced budget bill and made it ours; and now, as the long-distance race to a balanced budget plan passes the grandstand, the Republicans want to join us for the last victory lap.

The President and congressional Democrats said their top priority was to put college within the grasp of working families, and here is what we got: A $1,500-a-year grant for the first 2 years of college, a lifelong learning tax credit, an increase in scholarships for low-income and middle-class families.

The President and congressional Democrats said that every kid in America deserves health care when they need it, not just when they can afford it. This bill does that.

The President and congressional Democrats said that Medicare should cover preventive health services, such as screening for prostate cancer and mammography. This bill does that.

The President and congressional Democrats said that a balanced budget and tax legislation should help those who need it most, not the richest of the rich. This bill does that.

We have scored a major victory for a balanced budget, for fair tax cuts, for our kids, for our future. The winners? Not Republicans and not Democrats. This time, the American people.

I urge my colleagues to put aside their concerns, both sides have many, and to follow through on the work we began in 1993, to honor our colleagues whose courage made it possible for the rest of us to be here today to take credit for finishing the job.

Mr. SHAYS. Mr. Speaker, I yield 2½ minutes to the gentleman from Virginia [Mr. BLILEY], one of the senior Members of Congress, the chairman of the very powerful Committee on Commerce.

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

Thirty years ago the Federal Government's budget was in balance. Thirty years ago families kept more of their hard-earned money. Thirty years ago Government programs were by and large helpful, not hopeless. How far we have fallen in three decades.

We now face nearly $6 trillion in debt, crushing tax burdens and uncontrolled spending. The programs we throw taxpayer dollars at often do not help the people they were supposed to help, and every day there are more rules and regulations to limit our freedom as Americans.

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But today is different, because today we are saying enough is enough. Although we may not like certain parts of this package, it is the whole that counts. And the whole is the first balanced Federal budget in nearly three decades.

But this budget does more than achieve balance in 2002. Among the budget's many provisions are a number of notable achievements crafted by the Committee on Commerce. We preserve Medicare for the next generation of beneficiaries and give seniors more choices than ever before. We make long overdue reforms to the Medicaid program, making it more flexible for States and more effective for recipients.

We chart a new course in American health care away from Washington-knows-best control and toward greater innovation by establishing a block grant to provide coverage and services for poor, uninsured children. And we strengthen America's prohibition on the use of Federal funds for abortions, making clear that our efforts today are on behalf of all children, born and unborn. Most of all, this budget is an important step in our quest to make the Federal Government serve the American people and not the other way around.

After this budget is passed and signed into law, our work will not be finished. We have a duty to remain vigilant against wasteful Government spending. We need to reallocate existing resources to make sure the taxpayers get a dollar's worth of value for every dollar spent. And we need to prepare now for the budgetary needs of the baby-boom generation.

I am proud of the first steps we have taken in this balanced budget plan, and I look forward to building on this achievement in the months and years to come.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Speaker, I am very pleased to rise in support of this budget agreement. The very first year I ran for Congress, I talked about the need to abolish our Federal deficits. Putting our Nation's fiscal house in order has been my highest priority throughout my career. At long last, it appears we are going to accomplish that goal.

The efforts of President Clinton and Congress have resulted in 5 consecutive years of declining deficits and the lowest deficit this year since the Carter administration. The agreement builds on this tremendous achievement and continues this glidepath to a balanced budget. While I will personally wait until the budget is balanced, in fact, instead of projections before I pop the champagne cork, this is a tremendous step for the future of our country.

Two years ago, those of us in the coalition set out to prove it is possible to balance the budget while protecting education, health care and other important priorities. This agreement is a vindication of that effort. This reconciliation bill reflects the influence of Blue Dog budgets in many areas. The savings levels and the policies for Medicare and Medicaid and other programs are quite close to the savings levels and policies proposed in our budget that have bipartisan support.

There are many important features of this reconciliation bill in addition to the promise of a balanced budget. The changes to payments to health care plans in underserved areas and the provisions allowing health care providers

to form provider sponsored organizations will expand access to health care for seniors, particularly in rural areas. The formula for DSH payments to States is improved substantially over the bill originally passed by the House.

The education and children's health initiatives are important investments in our future. The funding for local programs to move welfare recipients to work will help make welfare reform a success. Although the budget enforcement provisions fall far short of what I believe is necessary, there are some important improvements in the area of budget enforcement that closes some of the loopholes in the current budget process.

Mr. Speaker, I urge everyone to support this agreement.

Mr. SHAYS. Mr. Speaker, at this time, it is our pleasure to yield 2 minutes to the gentleman from Texas [Mr. DELAY], the House majority whip and a senior member of the Committee on Appropriations.

Mr. DELAY. Mr. Speaker, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding me the time.

Mr. Speaker, I rise in support of this legislation that finally balances our Federal budget. It is about time. I have waited my entire adult life for it. Some Members of the Democrat minority just still do not get it. Indeed, if they were in charge, we would not be cutting taxes or cutting spending at all. If the Democrats still ran Congress, this deal would have contained more Government spending and tax increases instead of tax cuts.

We need to look at the big picture, and the big picture shows how we are moving toward smaller, smarter government and greater freedom for our citizens. We have to give President Clinton some credit. He has rejected the left wing of his own party and publicly embraced conservative commonsense values of lower taxes and smaller government.

But this budget is only a first step. We still have a lot of work to do. We need to come up with a long-term plan to fix entitlements. If we do not, our children's future might be miserable.

We still need to reform spending. The Federal Government today is not as small or as smart as it could be. We still have too many stupid, harmful, and counterproductive Federal regulations. The Federal bureaucracy is still too big and still spends too much money.

But this legislation is a very, very good start. It will balance the budget by the year 2002 or even sooner. It will slow the growth of spending for some entitlements and for some discretionary programs. But this is a compromise with the President, who wants to spend more money. He has consistently and persistently fought for more Federal spending programs.

This legislation reflects the President's desire to spend more money. We have tried our best, and for the moment our best is only good enough. But this budget is not the end of the line. It is simply another landmark on the road to fiscal responsibility. Next year is another budget and more tax cuts.

I urge my colleagues to vote for this legislation.

Mr. SPRATT. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. SISISKY].

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

Mr. SISISKY. Mr. Speaker, this legislation is an important step toward improving the health of our Nation's senior citizens by providing Medicare coverage for colorectal cancer screening. For the first time, America's seniors will have access through Medicare to preventive screening for colorectal cancer, the second most deadly cancer disease next to lung cancer. Preventive screening has been proven to reduce mortality from colorectal cancer, yet, a large majority of America's senior population has never been screened.

I am very glad to see that this legislation establishes an expedited process to assure Medicare coverage for all colorectal cancer screening procedures that are currently available and can help reduce the incidence and mortality rate of this disease. The fecal occult blood test, sigmoidoscopy, and colonoscopy are covered by Medicare upon enactment of the legislation, and the barium examination will undergo an expedited review by the Department of Health and Human Services [HHS]. A determination regarding Medicare coverage for the barium examination will be made within 90 days.

Mr. Speaker, I strongly urge the HHS in conducting this review and determination to adopt the same approach to evaluating colorectal cancer screening procedures as the American Cancer Society [ACS]. The objective of the ACS was to maximize the number of people who get screened for colorectal cancer. In explaining its colorectal cancer screening guidelines, the ACS emphasized that four currently used colorectal cancer screening procedures are cost-effective alternatives for colorectal cancer screening, whose widespread use will result in fewer deaths from colorectal cancer. The barium examination was among the screening options recommended by the ACS.

The approach taken by the ACS clearly reflects the ultimate goal of colorectal cancer screening legislation—to provide a basis for as many Medicare patients as possible to be screened. It is appropriate, therefore, for HHS to adopt the same approach in evaluating Medicare coverage of the barium examination. I am confident that, on the basis of this review, HHS will determine that the barium examination is a highly effective colorectal cancer screening procedure, and that the addition of the barium examination to colorectal cancer screening under Medicare would increase screening, save lives, and save money.

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

The SPEAKER pro tempore (Mr. SOLOMON). The Chair will make note of the time remaining. The gentleman from Connecticut [Mr. SHAYS] has 16 minutes remaining, the gentleman from South Carolina [Mr. SPRATT] has 11 minutes remaining, and the gentleman from Washington (MCDERMOTT) has 1¾ minutes remaining.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], a 9-year member of the Committee on Banking and Financial Services and chairman of the Subcommittee on Financial Institutions.

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

Mrs. ROUKEMA. Mr. Speaker, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding me the time.

Mr. Speaker, when I first heard of this Balanced Budget Act, I kind of drew a breath and said, this sounds too good to be true. But, in fact, it was true. Apparently, we can work together here in the Congress for the good of the people, without a lot of partisan bickering. And I am very grateful for that. I support it.

We must understand that, on the whole, this is a very good package. Not to say that we agree with everything, but we must understand that the Balanced Budget Act and the Tax Relief Act are joint efforts to put our fiscal house in order, and they must be linked together. We must remain mindful not to cut spending to the extent that we may endanger programs that are vital to our elderly and to children in order to provide for tax cuts. I do not believe we have done that here.

For years, I have been advocating a save-and-invest-in-America program, and I will vote on this bill today and the taxpayers bill tomorrow. However, we cannot ask American people to save and invest unless we force the Government to live within its own means.

However, I must say that this is a good bill, but some of the savings do concern me. The impact of these decisions on New Jersey and the outyears is particularly worrisome in connection with the Medicare payments. But I have been assured by the responsible members of the committee that we will continue to monitor the changes in the disproportionate share hospital payments on transfer payments to hospitals.

New Jersey is in a unique position, and I have been assured that we will be treated equitably in making those transfer payment arrangements.

Mr. Speaker, I rise today in support in H.R. 2015, the Balanced Budget Act of 1997. In fact, this sounds too good to be true. Apparently, we can work together for the good of the people without all the partisan sniping and bickering.

For the first time in a generation, we are on the verge of crafting a balanced budget. The Congress and the President have come together to agree on this long held goal to put our children's future on a strong fiscal footing.

On the whole, it is a good package. That is not to say that I agree with everything. We must understand that both the Balanced Budget Act and the Taxpayers Relief Act are joint efforts to put our fiscal house in order. Both must be linked together. We must remain mindful not to cut spending to the extent that we may endanger programs that are vital to our elderly and children in order to provide tax cuts.

For years, I have been advocating a save and invest in America program and the Taxpayers Relief Act, which I will vote for tomorrow, includes many key provisions. However, we cannot ask the American people to save and invest until we force this government to live within its own means.

We have a responsibility to our children and the future. Perpetual deficits threaten to straddle our children with crushing debt that could lead to low paying jobs, economic stagnation, and possibly a lower standard of living.

The need for a balanced budget has never been greater. The national debt is increasing by close to $9,500 per second. In 1996, Americans paid $900 in taxes per person to service interest on the debt. In fiscal year 1997 we will have spent $248 billion on interest on the debt, that is 15 percent of all Federal spending. That is money not spent on our children, on education, or health care. It is money that goes into the fiscal black hole created by our continued indebtedness.

Our Nation is on the verge of tremendous generational change. The baby-boom generation will, in the next decades, begin to retire. With this great influx, the next generation will be asked to carry on the responsibility of ensuring that their parents are cared for by a system that is fair and equitable. It is our responsibility, in this Congress, to ensure the viability of worthy Federal programs and to create a strong and vibrant economy in which our children and grandchildren can thrive, succeed, and enjoy the promise of what America has to offer. The Balanced Budget Act of 1997 is the first step in this process.

In order to avoid this calamity, the Balanced Budget Act will require everyone in the United States to share some of the sacrifice associated with reducing the size of the Federal Government and reforming spending. This act attempts to reduce spending in the most equitable manner possible.

Significant savings will come from Medicare and Medicaid. The Federal health care programs for the elderly and low-income respectively will be asked to spend over $128 billion less than current CBO projections.

Without question, this area of savings raises the most concern, and I must state my healthy skepticism about how much can, or should, be accomplished in the near-term.

Some of the aspects of this act will receive criticism for concerned groups. Clearly, strong action must be taken to ensure that our elderly will be able to receive necessary medical treatment through the Medicare Program, and that Medicare will be there for many hard-working families who will become eligible in the next 10 or 20 years.

The Balanced Budget Act will keep the Medicare trust fund solvent for at least the next 6 years. Most of these savings come from reducing payments to hospitals and health care providers. I applaud the establishment of a special commission to study how to make Medicare solvent well into the future and secure for when the baby-boom generation begins to retire. I have long supported a commission and believe that it will offer Congress intelligent and balanced information.

The provision in this act that greatly concerns me is the issue of medical savings accounts. The bill allows for a pilot program of 390,000 accounts to be set up. Mr. Chairman, medical savings accounts are a bad idea for America.

We must not let our drive to make Medicare solvent lead to us to destroy the best elements of that program by moving elderly Americans into dubious health plans like MSA's. We can not lose sight of the quality of care that Medicare provides. MSA's are riddled with problems. There exists the danger of fraud and abuse of poorly informed seniors. MSA's could result in a lowering of the quality of care of our elderly, an increase in Medicare premiums for the elderly, and an undermining of the system as a whole, because the healthy seniors will be removed from the system along with the more financially secure thereby eroding Medicare as an universal system.

I would like to highlight some of my concerns in this budget dealing with the hospitals of New Jersey. I have been concerned about the changes in the disproportionate share hospital [DSH] payments to hospitals in New Jersey.

I have been assured that no one State will take a much greater hit than any other State—that a formula has been worked out that takes an even approach in this formula calculation. We must work to ensure that New Jersey and other States do not shoulder an unfair amount of burden.

Also, I have been concerned over changes in the different hospital payments for a transfer versus a discharge. While I understand that a compromise has been reached where the new definition change will only apply in a limited capacity, I am further heartened that this will not be implemented until after October 1998, and that the Commerce Committee is open to holding hearings and looking further into this definition change. I pledge to work with the Commerce Committee to deal equitably with New Jersey's unique status.

One last issue of concern I had affecting our hospitals is over Medicare. I am glad we were able to work out a compromise which would phase in adjustments to the prospective payment system for the first 2 years. By allowing a phase in, the various hospitals affected would be able to adjust accordingly. We must continue to work with this Nation's hospitals so that all people receive the care they need.

In reforming the health care system, we must make sure that we maintain the quality of care to those who need it, maintain access to care, and that all changes are fair and equitable. We must ensure that those who have the least do not give up the most. As I have said, ''let's not be a penny wise and a pound foolish.''

The Balanced Budget Act should be applauded for other important reasons. This act expands health care coverage to millions of children across the Nation. This is possibly the best investment we have made in a generation.

I am very pleased about the increase in the cigarette tax and the use of that money to provide for the expansion of children's health care. This was one of my top legislative priorities this year and demonstrates the best in public policy.

I must compliment the conferees for including parity treatment of mental health coverage. Mental and physical health care for our children are inseparable. Healthy bodies means healthy minds and vice versa. Parity treatment of mental health coverage demonstrates our wisdom and compassion. Our children are the most important resource we have.

Indeed, if the truest judgment of a society is the way they treat their children, then we have taken a major step to secure that our generation believes that our children should be cared for in the most comprehensive and compassionate manner.

The Balanced Budget Act is the strongest statement this Congress can make on the direction we intend to take in the future. We must remember that this is the first time we will have balanced the budget in over a generation. It is important for us to stay focused on maintaining a balance and running surpluses.

We must avoid the temptation of declaring victory and leaving. We must continue to balance budgets in the future. We must reform the entitlement programs to prepare them for the retirement of the baby boom generation. We must be prepared to enforce our agreement in the future. There is much hard work and many tough decisions to make in the future.

The Balanced Budget Act sets forth our priorities. We still protect the programs that provide care for the elderly, the poor, and the young. We will create a new program to protect our children who currently have no health coverage. And we will balance the Federal budget and put our fiscal house in order for the future. It also demonstrates what this body can do when it agrees on a goal and is determined to reach an agreement. This Act shows us the result of bipartisan action. Let us use this as a lesson for future action.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE of North Carolina. Mr. Speaker, this bill before us today is a truly bipartisan achievement, a vast improvement on the budget bill approved in this Chamber a month ago, one that we can vote for with great confidence. I want to applaud colleagues on both sides of the aisle who have brought us to this day.

This agreement includes $24 billion for our Nation's children. Five million American children who are not now covered will have health insurance protection because of this agreement.

The agreement also protects our veterans, ensuring that any shortfalls in medical care collections do not translate into less health care for those who have fought for our country.

Finally, this agreement protects the elderly of this country. It expands Medicare coverage for diagnostic and preventive health care services. It extends the life of the Medicare trust fund for another 10 years. And it establishes a commission to ensure the long-term solvency of the trust fund so our Nation's senior citizens are not continually put at the mercy of budget negotiators.

I want to thank my colleagues, whose tenacity enabled us to reach a solid bipartisan budget agreement, and I urge all my colleagues to support it.

Mr. SHAYS. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH], a new Member in the class of 1994, a sophomore now, and a member of the House Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Connecticut,

Mr. SHAYS, for yielding to me and thank my colleague from North Carolina, Mr. PRICE, for his thoughts on this bill.

Mr. Speaker, it is difficult at times for a career politician to go do this, but I would ask all of us to leave the spin cycle in the laundry room. The fact is historians and the American people will judge us on how we arrived at this important date with this important piece of legislation.

What we can truly say today, Mr. Speaker, is that this is not a victory of party. Quite the contrary, it is a victory for our country. Because we put aside some partisan differences, we tried to reach accommodation on some deeply held beliefs, and such is the essence of our Democratic lifestyle and the principles we embrace.

It is interesting for me personally, Mr. Speaker, as I reflect back to the summer of 1969, to the year of the miracle Mets and man on the Moon, the summer before the sixth grade for me, and the last time the American people had a balanced budget. How important it is that, in waiting a quarter century or more, an entire generation, in effect, we now have the chance to embrace a balanced budget. How important it is, too, that we have taken a new look at how we administer the different rules in Washington, DC, how we are now willing to transfer money, power, and influence out of the hands of Washington bureaucrats and back closer to home so that people on the front lines can make decisions, so that parents are free to save, spend, and invest for their children as they see fit.

And how pleased I am, Mr. Speaker, that we join in a bipartisan fashion to preserve and strengthen Medicare through the next decade. For my parents, who, so youthful in 1969, turned 65 this year; we owe it to my parents and other parents to make sure that Medicare is preserved. This budget agreement does just that. We can do no less and also establishing a framework for the future as the baby boomers begin to retire.

I thank my colleagues for joining together. I urge passage of this important legislation.

Mr. SHAYS. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. GUTKNECHT], a member of the Committee on Ways and Means.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding me the time. I also thank him for appointing me to the Committee on Ways and Means. I am actually on the Committee on the Budget and delighted to be so.

Let me talk just for a minute about some things because I know that, among the general public and amongst some of our colleagues, there is a certain amount of cynicism in terms of whether this budget agreement is real, whether we will actually balance the budget, whether we really will have the discipline to follow through to make the tough choices as we go forward.

I think those are legitimate questions. But I think Benjamin Franklin may have said it best when he said, ''I know no lamp by which to see the future than that of the past.''

I would like to remind Members of what we said just 2 years ago when we passed our budget resolution, the blueprint, our 7-year plan to balance the budget. We said in fiscal year 1997 we would spend no more than $1,624 billion in fiscal year 1997. That is the year we are in. Two years ago we said we would spend $1,624 billion. This year we actually are going to spend in fiscal year 1997 $1,621 billion.

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At a time revenues have increased by over $100 billion, we are spending less than we said we were going to spend just 2 years ago.

Mr. SPRATT. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. BONIOR], the minority whip.

Mr. BONIOR. I thank the gentleman from South Carolina for yielding me this time.

Mr. Speaker, this budget deal helps America's working families. It cuts their taxes, it gives health insurance to millions of children, it offers scholarships to students, and extends the life of the Medicare trust fund for another decade. So it is for these and other good provisions in this bill that I thank my colleagues, the gentleman from South Carolina [Mr. SPRATT] and the gentleman from New York [Mr. RANGEL], and my colleagues on this side of the aisle who worked on this bill.

This deal also promises to keep the budget in balance. I say keep the budget in balance because we already balanced it with our 1993 deficit reduction package. That plan dropped the deficit from nearly $300 billion then to roughly $40 billion deficit this year, and it is still falling.

So we made tough choices in 1993. Some of my Republican colleagues have criticized that plan as a tax increase. What they do not say is that the people whose taxes went up in 1993 were the richest 1 percent in America. What they do not say is that we cut spending. And what they do not say is that we gave a tax cut to 20 million working families. I think what galls them the most is that our plan back in 1993 has worked. The economy has boomed, the deficit has disappeared.

Today's budget deal builds on the great success of that plan. The Children's Defense Fund told the Washington Post that $24 billion for children's health insurance is an initiative that will do extraordinary good for millions of children. Families USA called it the most significant advance in health care coverage since Medicaid and Medicare programs were enacted 32 years ago.

This budget deal does other good things, too. It provides a $500-per-child tax credit to working families. It provides thousands of dollars in tax credits for students to pursue their education after high school. It protects wages, pensions, health care, and it gives tax relief to millions of American homeowners.

But let me caution here. While I support these measures for working families, my Republican colleagues have exacted a heavy, heavy price for them. In addition to rewarding the richest Americans with a huge cut in the capital gains tax rate, they are rolling back the corporate minimum tax. That is a $19 billion giveaway to America's richest corporations. It is an outrage, it has no place in this deal, and I and others will be fighting it in the future. Because we will be watching to make sure that the tax breaks now going to the wealthy do not end up costing working families in the future.

But as I vote for this budget deal, I think of its immediate impact on the lives of those working families. I think of that young police officer's family not scrimping so much thanks to the new child tax credit. I think of all the children who are going to get health insurance for the first time, 5 million of them, with the $24 billion program. I think of all the young students who will now be able to afford community college, acquiring the skills to land them jobs where they can support their families. And I think of those people who have lost their jobs, who will be able to go back to their community colleges to learn the skills to support their families.

When I vote yes on this budget deal, I am going to vote for them and I am going to vote for America's working families.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

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

Mr. LEVIN. Mr. Speaker, I heard the colloquy between the gentleman from Florida and the gentleman from Missouri, and I just want the record to be clear. They are attempting to write a bill through a colloquy and you cannot do that. The reference to 1988 is very mistaken. It was a very different bill. It was not a broad welfare-to-work bill as we are now implementing.

I worked hard on the 1993 legislation, and no one can get up here and simply give their gloss on it and expect that to become law. But most importantly, the effort in this House by the majority to exclude people who would be classified as employees under FLSA and other Federal laws from those protections was specifically rejected in the conference committee. It is not in this bill. No colloquy can erase that. People who move from welfare to work have the dignity of the protection of Federal law if they are employees.

Mr. SHAYS. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. I thank the gentleman from Connecticut for yielding me this time.

Mr. Speaker, again we see where there are genuine differences honestly held and where there may be other measures that have yet to be taken to address problems that people on both sides of the aisle have. But again I come down to speak on behalf of this legislation because of the many positive effects we will see, not only, although goodness knows it is important enough to balance the budget for the first time in a generation, not only because we preserve and protect Medicare for the next decade and set up the framework with a bipartisan commission to look at the very serious questions that confront us when the baby boomers start to retire, but also because of the second part of this agreement which we will come to tomorrow, the first meaningful tax cuts for working Americans in 16 long years.

Again, it is part of the difference in philosophy, where we honestly believe that working Americans deserve the chance to hold onto more of their hard earned money and send less of it here to Washington, and these two measures fit together like hand in glove. Today we deal with spending, tomorrow with tax cuts. The bottom line is a better future for the American Nation.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Speaker, as many of us have recognized, this agreement and this legislation have multifaceted advantages, and of course there is always a downside. I would like to emphasize one of what I think is the most positive attributes of the legislation, and that is its recognition of health care needs of Americans.

First and foremost, we are now attempting to assist States in providing coverage to children who do not have health care insurance. Second, we are addressing the imbalance that exists between rural health care financing and urban. Altogether too long, Mr. Speaker, the rural portions of our country have been denied the chance to participate in managed care because of highly discriminatory regional reimbursement rate structures.

Third, tomorrow we will take up legislation that addresses the tax deductibility of premiums for health insurance by self-employed individuals. These features together, I submit, are important reasons for supporting this legislation.

Mr. MCDERMOTT. Mr. Speaker, I yield myself such time as I may consume. I include for the RECORD an editorial from the Washington Post yesterday entitled ''Budget Week,'' as follows:

BUDGET WEEK

As a country, we seem about to enter a week of self-congratulatory rhetoric in which the president and congressional Republicans will celebrate the balanced-budget agreement they appear to have reached and that Congress may finally pass as it leaves town for its summer vacation.

The president will say, not without cause, that he was successful in taking some of the rougher edges off the initial Republican proposal. He will argue that the final product balances the budget without doing violence to the values of the Democratic Party, finishes the job of deficit eradication that he began in drawing up in his first budget in 1993, provides a steady platform from which to head into the future and proves that, when there's a willingness to compromise, the political system can work.

The Republicans, for their part, will say that while they've had some tough times lately, and while they lost some battles to the president, they basically won the war. Glossing over the history of the 1980s, they will claim it is they who have always wanted a balanced budget. With greater cause, they will say it is they who have been the party of tax cuts and smaller government. If those are now both parties' goals, they win, even if the president, in coming their way on the issues, has partly shouldered them off center stage.

But in our view those are the wrong standards by which to judge this deal. They are mostly short-term and political, as is the deal itself. It will be no surprise to readers of this page that we apply a different lens.

(1) The balanced budget, assuming one is achieved, will owe as much to the continuing strength of the economy as to any policy changes Congress will vote this week. You could argue—we would—that the strong economy derives in part from some of the policy changes for which the president successfully fought in 1993. The fact is that this budget would actually undo some of the most important of those changes. In terms of fiscal discipline, it is less the advance its sponsors claim that a retreat from high ground that the president himself once occupied over Republican objections.

(2) The distinctive element in the deal remains the tax cut, for which the rest is mostly cover and a gloss. The long-term effect of the tax cut will be to add, regressively, to a deficit that the deal will at best only temporarily erase. The president played a double role in this, first agreeing to the cut, then working to make it a little more palatable around the edges. But the basic structure is still wrong. The children's credit, which will be the costliest provision in the early years, is mostly a political sop for which neither party has been able to think up a convincing economic justification. In the later years this will be overtaken by large, late-blooming tax cuts mainly for the highest-income households in the country. They will begin to drain the Treasury in earnest about the time the baby boomers retire. There is no economic or social justification for most of them either.

(3) Meanwhile, even though these are the most propitious of economic times and possibly political times as well in that the next president election is three years off, the plan, by mutual agreement, does next to nothing about the real fiscal problem—the one that will come with the boomers' retirement—that everyone acknowledges but wants to defer. Let the next folks do it. The tax cuts would compound this problem. The Senate proposed some first steps to cut longer-term Medicare costs, like asking higher-income beneficiaries to pay a slightly higher share of program costs. They dropped it from the final bill. This is a bill that, in the name of solving the nation's fiscal problem, systematically avoids and in some respects worsens that problem. The wrapping is great; the gift is dross.

The bill has some good features. Medicare will be a tidier program as a result of its passage. The number of children in the country lacking health insurance could be reduced (though that could end up an empty initiative, also). But most of the things that are good about the bill are good only in that the alternatives were worse. The legislation reverses some of the worst features of last year's welfare bill and of the original budget bill that the Republicans put forward this year. But the welfare bill should never have been signed, and likewise the first draft of this year's budget bill is a pretty poor standard on the strength of which to measure victories.

We assume that Congress will pass this package; the president and the Republican leadership are both invested in it. By now a lot of other people have larger or small investments in it as well. But this is a lost opportunity that, on balance and in the long run, will likely do a fairly large amount of harm—the tax cuts—for relatively little good.

Mr. Speaker, we hear people here talking about this whole issue as though it was a long-term fix, but in fact if my colleagues read this editorial, it says the strong economy derives in part from the policy changes which were made in 1993 by the Democrats, by the Budget Deficit Reduction Act that we passed.

But more important this editorial has a warning in it. It says the distinctive element in this deal remains the tax cut, for which the rest is mostly cover and a gloss. The long-term effect of the tax cut will be to add regressively to a deficit that the deal will at best only temporarily erase. The late-blooming tax cuts, mainly for the highest income households in the country, will begin to drain the Treasury in earnest about the time the baby boomers retire. There are no economic or social justifications for most of these cuts.

My concern is we are going to touch down with a balanced budget in 2002 like a 747 doing a touch-and-go landing in learning to fly the plane. The budget deficits will take off at precisely the time the budget will have to face the problems of baby boomers. People will be caught between their kids going to college and their parents in nursing homes, and there will be no money in the Treasury to deal with their problems because we are taking away the essence of the social safety net in this country.

That is why people ought to vote against this. It is making a long-term problem for ourselves for short-term political gains.

The SPEAKER pro tempore (Mr. SOLOMON). The time of the gentleman from Washington [Mr. MCDERMOTT] has expired.

Mr. SHAYS. Mr. Speaker, I yield 1½ minutes to the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Speaker, I rise to address some of the things that we have heard from our side of the aisle today and from both sides of the aisle, some of the concerns that somehow this is not real. I would like to just bring some of the facts to light here. I have heard, for example, that discretionary spending, the part of spending that we actually control out here, is going up under this plan. Let me give my colleagues the facts. Nondefense discretionary spending is going from

$281 billion a year to $288 billion a year 5 years later. That is less than a one-half of 1 percent increase each year. If we take inflation into account, that is a decrease in nondefense discretionary spending by about 1.5 percent per year. Yes, this is real, yes, it does what it is supposed to do, putting our financial house back in order, yes, it restores this Nation so our children can have hope of living the American dream.

I want to give another number. Total discretionary spending, again the part of the budget that we have the most control over. Total discretionary spending is going from $549 billion this year to $561 billion 5 years later, again less than one-half of 1 percent spending increase.

How about the overall spending increase? Overall spending increase is going from $1,621 billion to $1,889 billion. That is an increase of about 3 percent a year, roughly the rate of inflation. Yes, this is real, yes, it does what it is supposed to do. Our seniors can count on Medicare, our working families can count on additional tax reductions, and our children can count on us for a change, the first time since 1969, to do the right thing for this great Nation that we live in.

Mr. SHAYS. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. LATHAM], a member of the Committee on Appropriations.

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

Mr. LATHAM. Mr. Speaker, I wanted to obviously stand here in support of the Balanced Budget Act and the provisions as far as the taxes. But one thing that is very, very important to the State of Iowa and all rural parts of this country is the reimbursement changes that are made in Medicare. In my congressional district, our reimbursement averages about $311 per person per month. In some of the urban parts of the country, it is $750 per person per month. In those areas, seniors have the option in their health care for eyeglasses, hearing aids, prescription drugs, even memberships at health clubs. We have none of that available. In this act we finally address the inequity between rural and urban parts of this country with the base now going to $367. It is extremely positive. I want to thank the committee and all the people who worked so very hard on this to address this real problem.

Mr. Speaker, I am proud to support the Balanced Budget Act as it comes before this body for a vote. Although this bill includes some items that I support and others that I would have preferred to have been left out, we should all recognize the bill as a product of bipartisan compromise and achievement. I am especially proud of the work this House and the Senate have done to increase Medicare choices for seniors.

Bring equity to seniors from rural areas, like northwest Iowa, has been a priority of mine since I've been in Congress. I want to ensure that seniors in rural northwest Iowa are going to enjoy Medicare benefits not just in the next couple of years, but for the next generation and beyond.

The majority party of this Congress has repeatedly vowed to bring choices to seniors as part of Medicare reform. One of those choices that has been denied up until now has been managed care for rural seniors. However, fulfilling a commitment made in the budget resolution earlier this spring, this Balanced Budget Act makes substantial reforms of the way the Medicare Program pays managed care plans.

Iowa seniors have paid into the Medicare System and have every right to expect efficient health care coverage. Unfortunately, the current Medicare System has always comparatively overcompensated urban areas in regard to the Medicare reimbursement rate at the expense of rural States like Iowa. By efficiently utilizing our health services in the past, the current Medicare law punishes Iowa seniors through low reimbursement rates. Some urban areas receive 2½ times the reimbursement rate per person than rural areas like northwest Iowa do.

The budget agreement will immediately establish a payment floor of $367 per month per beneficiary, which represents a tremendous increase for some Iowa seniors who are currently allowed $250 per month. The Balanced Budget Act also includes a 50/50 local/national blended payment rate for health plans beyond 1998. This blend will gradually bring the reimbursement rate for rural areas more in line with the rate of increase in urban areas, a goal of fundamental fairness.

Bringing fairness and equity to the Medicare System has always been my agenda, along with Members from both sides of the aisle from rural parts of the country. Iowa Medicare beneficiaries deserve the same options and benefits as any other seniors in the country. I am proud to say that the Balanced Budget Act increases choices for Iowa seniors, and brings equity to the Medicare Reimbursement System.

Mr. SPRATT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to support this Balanced Budget Act because this bill does good things for children's health, welfare mothers, and for rebuilding our schools.

Mr. Speaker, I rise to express my wholehearted support for the bipartisan balanced budget agreement that the President and the Congress have agreed on implementing.

This historic agreement will result in the first balanced budget agreement in a generation, with a net savings of $900 billion over 10 years.

The President's economic plan has cut the deficit more than 75 percent from $290 billion in 1992 to $67 billion or lower by the close of this year. This agreement will finish the job by balancing the budget in 2002 and puts the budget in surplus at least through 2007.

This agreement will mean an unprecedented $24 billion for children's health care, a $500 per child tax credit for approximately 27 million families, a $1,500 HOPE Scholarship for the first 2 years of college and a 20 percent tuition tax credit for college juniors, seniors, graduate students, and working Americans pursuing lifelong learning.

As first balance budget since 1969, I know that the American public has waited long for a recognition that a budget that is not in balance hurts the economy, and robs our children of their future. More important than the agreement are the incentives to ensure that regardless of who has political control the agreement will be adhered to by both parties.

The important domestic priorities that we have agreed should be met are accomplished under this agreement. It allows people to move from welfare to work and treats legal immigrants fairly. There will be $3 billion to help States and local communities move people from welfare to work, along with $12 billion to restore both disability and health benefits for 350,000 legal immigrants in 2002 who are currently receiving assistance or become disabled.

This balanced budget agreement is a victory for middle-class parents trying to pay for their children's college and for working people trying to upgrade their skills.

We know the level of computer literacy and skills currently held by 20 percent of American workers, which is well below the 60 percent that will be required by the year 2000. Our Nation's workers will need opportunities to train for and acquire new skills to adapt to the new economic realities of the next century.

By crafting this agreement we will allow workers and their families to find greater freedom through job mobility and higher wages through acquisition of skills that are marketable.

Along with creating opportunity for current workers we must also maintain our support for youth summer jobs programs for future workers.

In 1997, Houston Works Summer Youth Program plans to serve 6,500 young people between the ages of 14 and 21, with a projected budget of $8.9 million. This funding would only allow 3 percent of those who would qualify to be included in the program. The potential number of applications for this important jobs program is 43,000 young people which reflects the total number of disadvantaged youth in the area served by Houston Works. Nationwide, there are 4 million youths who would qualify for this summer jobs program if funds were available.

Last year Houston Works provided 5,177 jobs to youth ages 14 through 21 years, with a budget of $6.5 million.

This program has made a significant difference in the lives and fortunes of Houston's young people who were fortunate enough to have their application accepted.

This balanced budget agreement will also aid the environment through a new tax cut plan to clean up and redevelop Brownfields. The 3-year Brownfield tax incentive will reduce the cost of cleaning up thousands of contaminated abandoned sites in economically distressed areas by permitting clean-up costs to be deducted immediately for tax purposes.

I along with many of my colleagues have worked hard to find solutions to this country's budget deficit and are pleased to see this type of bipartisan progress.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY of Connecticut. Mr. Speaker, may I take this opportunity

to thank the gentleman from South Carolina [Mr. SPRATT], my leader, for his good work in the conference, the conference report that as a Democrat I am proud to stand here today and support, although I agree with many of my colleagues that we should have had more time to study the language as written. But this legislation really contains many Democratic priorities. To begin with, it balances the budget without a constitutional amendment and continues the direction made and begun in 1993 by that very, very difficult budget vote.

□ 1530

But that is only the beginning. The bill also includes the largest investment in our Nation's history since Medicaid, $24 billion. This funding will help States provide health coverage for millions of uninsured children, and I really hope I can believe what I heard, that this coverage will be as good as State and Federal workers have.

Furthermore, the legislation restores Federal aid for thousands of legal immigrants and provides $3 billion to help people make that transition so important from welfare to work.

These and other changes make good on the pledge that many of us made, led by the President, to fix the problems in the recent welfare bill, and I thank the gentleman from Florida [Mr. SHAW] for his hard work in this area.

And, finally, the bill will enhance Medicare's coverage for preventive care including, annual mammograms. The legislation also does spend $1.5 billion to help more low income Medicare beneficiaries pay for that all important part B premium.

I also want to applaud the majority for agreeing with Democrats to drop earlier provisions on reducing employment protections for welfare workers and on reducing State supplemented SSI payments for 2.8 million elderly.

Mr. Speaker, the bill balances the budget while protecting democratic principles. This is a goal that many of us have been fighting for for a long time. I urge support for this conference report.

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

Mr. Speaker, a long battle began in 1989 when a fairly young Member of this House, the gentleman from Ohio [Mr. KASICH], offered an amendment to balance the Federal budget to get our country's financial house in order. There were 30 Members who supported him in that long march. In 1990, 106 Members supported him. In 1991, 114 Members supported him. He did not offer an amendment in 1992, but in 1993, 135 Members supported JOHN KASICH in his effort to get our country's financial house in order. In 1994, 165 Members supported him in his effort to get our country's financial house in order, and then with the election of 1994 we had the dynamic class of 73 Republican freshmen who came in and helped this man and helped this Congress get our country's financial house in order. In 1995, 235 Members voted to get our country's financial house in order, and the President vetoed that effort. In 1996, 216 voted for that, and the President vetoed it.

Today we are at a historic point. We are at a point where this Democrat President and this Republican Congress have come together to get our country's financial house in order and balance the Federal budget.

The President wanted more spending in certain areas, and this Republican Congress wanted tax cuts and changes to entitlements to slow the runaway costs of entitlements. This has been an effort of both sides, and this is an effort that needs to be supported.

CALL OF THE HOUSE

Mr. SHAYS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 344]

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Borski
Boswell
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
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Foley
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gejdenson
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
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.
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
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
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
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
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

□ 1555

The SPEAKER. On this rollcall, 410 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON H.R. 2015, BALANCED BUDGET ACT OF 1997

The SPEAKER. The Chair recognizes the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. STEARNS], a member of the Committee on Veterans' Affairs, for the

purposes of a bipartisan colloquy with the gentlewoman from Michigan [Ms. RIVERS].

Mr. STEARNS. I thank my colleague for yielding time to me, Mr. Speaker.

Ms. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. STEARNS. I yield to the gentlewoman from Michigan.

Ms. RIVERS. Mr. Speaker, in today's House Action Report analysis of the bill before us relative to the Veterans Administration, that publication says that there is going to be a $2.7 billion cut in veterans' programs over the next 5 years.

Unfortunately, this analysis makes no reference to third-party insurers or to this body's agreement to keep the Veterans Administration whole relative to third-party insurer dollars. This has caused a lot of concern here in the House, as well as out in the community.

Can the gentleman speak to this?

Mr. STEARNS. Mr. Speaker, I want to thank my colleague from Michigan for this question. I think it is very important.

As a member of the Committee on Veterans' Affairs and chairman of the House Subcommittee on Health, let me answer by saying we in the Committee on Veterans' Affairs have agreed with the proposal to allow the VA to retain $600 million per year, or over a 5-year period it is $3 billion, in collections from third parties.

But we are also aware of the uncertainty among veterans this policy creates. We in the Committee on Veterans' Affairs have addressed these fears by developing language in the bill that would authorize an automatic supplemental appropriations if collections fall short by more than $25 million.

Ms. RIVERS. Mr. Speaker, I thank the gentleman from Florida.

Mr. SPRATT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, today for the first time in the 15 years that I have served in the House, we stand within reach of a balanced budget. The question before us is will we finish the job. We stand here within reach of a balanced budget because we stand on the shoulders of those who went before us, Democrats in 1993, who leaned into this problem at great political cost. We paid for it at the ballot box. The deficit was ratcheted then at $190 billion and rising. We voted to do something about it.

To frame the context of what we are doing, I pulled from my office shelf this afternoon the Economic Report of the President filed by George Bush on January 13, 1993, 1 week before Bill Clinton came to office. If Members turn to page 69 of that economic report, they will see that the Bush administration projected that the deficit for fiscal 1993 would be $332 billion. The next year, 1994, they said it would be $297, the next year $265, the next year $241, and this year, $266 billion.

□ 1600

They had another track. They assumed that possibly we could rise to a better result if we had higher growth in the economy. And in that case they assumed the deficit this year would be $207 billion. Members know the results. As Yogi Berra says, you can look it up. It is a matter of record.

We passed that bill with one vote in the House and the skin of its teeth in the Senate. Guess what? The deficit came down in fiscal year 1993 to $255 billion. The next year when we closed the books on fiscal 1994, it was $203 billion. In 1995, when we closed the books on that year, it was $164 billion. And last September 30, 1996, the deficit was $107.8 billion. Phenomenal. We cannot deny it.

We are now looking and confidently expecting a deficit which will be this year below $50 billion, probably below $40 billion.

The question is, will we complete the job? Will we finish what we started in 1993 and claim the victory to which we are entitled?

I address now my side of the aisle. This is our legacy, and today we should lay claim to it by voting this bill up and by finishing the job.

When we started this year, it was not clear at all that we would be able to muster the effort, mount the bipartisan kind of cooperation that would be necessary to bring together a bipartisan agreement and finish the job.

I want to give credit again to President Clinton because as in 1993, again this year he leaned into the problem. He issued a call for us to come together, those of us who are on the Committee on the Budget, to sit and talk, then to negotiate and finally to hammer out the terms of a bipartisan budget agreement.

And I give full credit to the Republican leadership of the committee and of the House, because they responded in earnest and in good faith to that call for talks and for negotiations, and they stood firmly with the process to the very end. The talks were hard fought, no doubt about it. We can sit here and believe that the product that lies before us was hammered out, hard wrought. But throughout those negotiations, there was civility and cordiality from the beginning to the very end. That is why we come here with an agreement that I think we can call a bipartisan agreement.

I noted earlier that when we brought that bipartisan agreement to the floor of the House in the form of a budget resolution, in the form that we had negotiated it, 133 Democrats, nearly two-to-one, voted in favor of it. When the Committee on the Budget then put the resolution out to the committees of jurisdiction, nine all together, it picked up a lot of extra baggage. From my side that baggage contained some bitter pills. It was hard to swallow. We lost more than half of our support for this bill.

I voted for the reconciliation bill, notwithstanding all of those contentious provisions that were bitter to swallow for my side of the aisle. And when I did it, I said, I am betting on the come. I have seen the bipartisan cooperation that we have had in the negotiations so far. If it prevails in the conference, I think we can clean out the bitterness in this bill and bring back to the House a reconciliation bill that a large majority on my side can and should support, because a large majority of the things in this will be things that were our ideas, our initiatives, things for working families who are our constituents and our supporters.

I stand before my colleagues today to say I think we have reached that result. I am not completely pleased with this legislation, of course not. But I have rarely had the occasion to vote for the perfect bill in the 15 years that I have been in the House. And I think that this conference, in this conference we have had far more successes than setbacks. We have a bill that is as close to the budget resolution as we could possibly make it.

This is called a deficit reduction bill. Most of the focus has been on balancing the budget. But in truth, this is more than just a balanced budget, more than just a deficit reduction plan. As I have said before and I think it bears saying again, we did not get so fixated on the deficit that we forgot that other problems exist in this country. Working families need relief. They need help, and we have tried to reach out and help them provide health insurance, ensure that they have got an educational opportunity, an opportunity for higher education.

We have taken Medicare and dealt with Medicare because it is the biggest spike in the budget, fast growing, high spending, we have to deal with it. We cannot ignore it. We have reduced the cost by a net of $115 billion.

But we protected the beneficiaries, and Democrats can be proud of that because we fought hard for that. We saw that that had to be in this final package. We have not only protected beneficiaries, we have added $4 billion in preventive care coverage to this final package, which is something, too, that we can be proud of.

There are lots of victories in here. I say to my colleagues on my side of the aisle in particular, count the victories. Count the wins that we have got in this package. Count the ideas that are our ideas, that we should lay ownership to and take credit for in the passage of this package.

I think this bill achieves far more than we as Democrats in the minority could ever have hoped to achieve acting by ourselves alone, even with the help of the administration. I am pleased with the outcome. I am going to vote for it. I urge all of my colleagues to do the same.

Mr. SHAYS. Mr. Speaker, on behalf of the Republican Conference, I very proudly yield the balance of my time to the gentleman from Ohio [Mr. KASICH], chairman of the House Committee on the Budget.

Mr. KASICH. Mr. Speaker, you wonder about Ronald Reagan and his wife Nancy in California. This is his legacy, to balance the budget and cut taxes.

The effort to do this, to shake us out of the status quo, has been driven by the energy of a great Republican President like Teddy Roosevelt.

Let me say that there are many, many Members here who are winners. It could not have been done without the gentleman from South Carolina [Mr. SPRATT], working very hard, in a bipartisan way, to sell this package. The Blue Dogs and my great friend, the gentleman from California [Mr. CONDIT], who came to the floor on a very tough amendment and gave us the votes we needed to keep the package together.

The Republican leadership, I look over at the gentleman from Illinois [Mr. HASTERT] and the gentleman from Texas [Mr. DELAY] and the gentleman from Texas [Mr. ARMEY] who came to this Congress to get this done, to balance the budget and cut taxes. Our Speaker, NEWT GINGRICH, who had the will at times to lead when it was difficult. The gentleman from Texas [Mr. ARCHER] who has been here for almost all of his adult life trying to balance the budget and cut taxes and cut capital gains. And there are just so many Members, the members of the Committee on the Budget, starting in 1993, Rick May, my staff director, who worked day and night, along with the rest of the Committee on the Budget staff. They all deserve credit.

But let me, in a nutshell say to everyone here, starting in the period of the Great Depression, my dad was on the WPA. Roosevelt decided we needed a lot of solutions. And the American people said, we are willing to send some of our power and some of our money and some of our influence to the central government. Over the course of the last 40 or 50 years, when we add up Medicare and Medicaid and civil rights and education, so many wonderful things happened over the course of that time.

But let me tell my colleagues where we are today, because everything in life really is a balance. Everything in life is really a pendulum. What this bill represents today, a balanced budget that is real, the savings start today, what this really represents, along with tax cuts that give people power, it really represents the dawning of a new era. It is an era where we recognize the limits of government, and we begin to one more time count on the strength, the innovation, the creativity and the pure energy of the American people, all of us, every single boy and girl, mom and dad, grandma and grandfather, to begin to heal our country. Because what Americans have been saying is, government did a good job to get us over a lot of the hurdles and government still has a job, but what Americans are saying today is, let me get up to the plate, put the bat in my hand, let me heal my family, let me heal my neighborhood, let me heal my schoolhouse, let me heal my community and let me, working with my neighbors, begin to heal my country on the basis of my individual strength, innovation and ingenuity.

This is not the end of the day, obviously. We face a generational war that must be avoided. It is the passing of the baton in a great relay race from one generation to another. We, as the baby boomers, and we, as those who are nearing the time when we will retire, have a responsibility to our children and our grandchildren.

We have to make sure that we can pass that baton and that is work that lies ahead of us. But what is clear in this bill is that we are now committing to limiting the power of government and enhancing the power of the individual.

It is a start. It started by giving our senior citizens more choice. It is happening by giving our Governors more flexibility to design programs to help people that fit their model and their communities. It is a program that enhances the power of individuals through medical savings accounts. It is a program that puts power in people's pockets by reducing the size of Government and letting people keep more of what they earn so they can help their family and their community. That is what this bill represents.

The fact is, Mr. Speaker, I say this to Members on both sides of the aisle, the third millennium will not be a time period where we will talk about the power of regulators or regulations or lawmakers. The third millennium is going to be about the power of the individual, the spirit that created this country and drives this country.

I want to make one final observation to my colleagues. There are many of you on both sides of the aisle that have a burning coal deep inside of your souls, whether it is in regard to children or whether it is in regard to national security or whether it is in regard to helping our senior citizens to prosper or standing up for the best education for a tool for everybody that breathes inside this country or for America to continue to be a bright shining light to the world.

I have one message for you: Do not ever let your colleagues tell you you cannot get there. Do not ever let your staff say, it cannot be done, the mountain is too high. If you will maintain integrity, if you will build a team, if you will be inclusive, if you will stay honest to yourself, I do not care what your dream is, you can get it done through this House. The message here today is that people working together with a great goal in mind, they can be successful and that this House works.

Let us support this bill and let us send a strong message across this country that we are going to win the future and ignite our country to do even better.

God bless you.

Mr. BLUMENAUER. Mr. Speaker, it would be easy to join the administration and friends on both sides of the aisle in their acclaim for their tax and budget agreements, unfortunately, I don't believe a ''yes'' vote is in the best long term interest of our country.

To be sure, the proposals are better than when the process started. They are more fair and do less long term damage. In fact, there are some elements I strongly favor: the adjustment of capital gains on the sale of residential property, certain adjustment inheritance tax on farms and small business, spending more money for education and the repair of obvious flaws in the welfare legislation passed last year. These are all worthy goals that I support.

In the final analysis there are still three basic problems.

First, the tax changes are premature. We have not done any of the hard work on balancing the budget. The tax changes are scattered and political rather than focused and economically driven.

Second, people most in need, students and working families, don't get enough and that which they do receive is not efficiently delivered. For example, students around America are clear that there are far better ways to provide assistance to make sure that young people get the college education they need. The tuition credit for tax deduction is an expensive indirect way to help them.

Third and most fundamentally, the long term structural problems remain unaddressed. Our challenges may be harder because we lose several years of potential progress while the long term problem gets worse. It continues the illusion that budget cuts and entitlement reform can be done effortlessly and without pain.

While acknowledging the good intentions of the crafters of these proposals and the progress they have made, they are still at their core a short term political adjustment when we need long term fundamental change. I will continue my efforts in supporting any reasonable efforts to achieve that basic goal.

Ms. FURSE. Mr. Speaker and my colleagues, I rise today in support of H.R. 2015, the Balanced Budget Act. I am pleased that the conference report before the House includes important expanded preventive benefits in the Medicare Program, including improved coverage of diabetes education and supplies. This is a long-overdue change, one that I have worked on for 4 years.

My daughter Amanda has diabetes. As a family, we know that diabetes is the only disease that is managed on a daily basis by the patient. If a person with diabetes lacks the education and/or the proper supplies to manage their disease, they'll do a poor job. When people do a poor job of managing diabetes they end up in the hospital, go blind, suffer heart attacks and strokes. Currently, Medicare won't pay for adequate coverage of self-management training and the necessary tools to manage diabetes, but it will pay for all the avoidable, preventable, costly complications of this disease. This legislation makes these important changes in Medicare and will improve the quality of life for people with diabetes. It is a remarkable achievement.

My colleague, Mr. NETHERCUTT of Washington State, also has a daughter with diabetes. Earlier this year, Mr. NETHERCUTT and I introduced H.R. 58 to improve Medicare coverage of self-management training and blood testing strips. H.R. 58, which has the support of over 282 members of the House, corrects two critical gaps in Medicare coverage which result in

thousands more emergency room visits, increased hospitalizations, and cases of blindness, amputation and stroke. I am pleased to report that the conference report includes improved coverage of self-management training and blood-testing strips, as well as blood glucose monitors. This is a dramatic achievement that will save billions of dollars and improve the quality of life for the 16 million Americans with diabetes.

Numerous studies have clearly demonstrated how improving coverage of diabetes education and supplies saves money, and many private sector companies are implementing diabetes programs to save precious health care dollars. In many ways, the bill before the House today modernizes the Medicare Program and brings it in line with changes occurring in the private sector.

I want to thank my colleague on the Commerce Committee, Mr. BILIRAKIS, as well as Mr. BROWN and Mr. THOMAS for their support of making this change. I also want to again thank my colleague from the Pacific Northwest, Mr. NETHERCUTT, who cofounded the Congressional Diabetes Caucus with me. Together, as parents of children with diabetes, we have proven that there is no place for partisanship in tackling this devastating disease. This is a landmark achievement in the Medicare Program and I urge all my colleagues to support passage of this conference report today.

Mr. VENTO. Mr. Speaker, I rise today in support of the spending reconciliation bill, which builds upon the past success of deficit reduction agreements made by Congress, and outlines a plan to lead to a balanced budget by the year 2002. Each of us could and would change the priorities and adjust the way we arrange the tax expenditures which we will be considering tomorrow, but this agreement includes many compromises needed to find common ground.

Mr. Speaker, it's been a long hard path back from President Reagan's 1981 river boat gamble, slashing revenues and lavish Pentagon spending. Those dark years of annual deficits punctuated by rhetoric and finger pointing and constitutional amendments are no substitute for a good congressional constitution for the membership. This year the deficit is estimated to be less than $40 billion through September 30, 1997, the lowest annual deficit since the late 1960's. While a strong economy has helped budget numbers, the lower deficit is in large part finally the result of major work done by the Democratic majority in Congress in 1993 working with President Clinton. Ironically, that year we passed a deficit reduction package with close to $500 billion in deficit reduction, more than double the amount we are talking about today. Not one Republican voted for that package, but the improved budget numbers we are working with now in 1997 are principally a result of those tough choices some made in 1993. The current budget resolution builds upon solid framework and stands on the shoulders of the 1993 budget action. Most importantly, none of the 1993 measure is being repealed or greatly modified in the agreement being offered as a solution today. That speaks volumes concerning the validity of that 1993 budget achievement.

We have made positive progress in the annual deficit, and we must continue to make progress without extreme actions. Today's budget agreement, hammered out by President Clinton and the Congress, demonstrates that we can pursue fiscal balance without creating social imbalance. It extends the Medicare trust fund, even while adding several preventative benefits such as annual mammograms; protects the Medicaid Program; enacts the most significant expansion of health care in three decades, and reinstates fair benefits for legal immigrants lost in the name of reform in 1996. Without the need of a majority vote, each of us no doubt would change this budget. But we must examine and judge this budget based on what is possible politically and practically today, against the backdrop of 1995–96, when polarization and the shutdown of the Federal Government were employed to achieve the ends that the Republican majority in Congress sought, those goals were wrong. The public, the President, and political system rejected the Republican agenda. Today we are acting on an agenda that the public, President, and political system will accept, good for our economy and a sound fiscal policy path to a balanced budget.

Certainly one of the most important achievements of this budget agreement is the significant expansion of health care coverage for children. I have been a longtime advocate of efforts to expand access to health insurance for American families. This measure takes a step forward by expanding coverage for 5 million of the 10 million uninsured children in this Nation. This is the largest expansion of health care for children since the enactment of Medicaid in 1965. In fact, the bill before us today actually goes beyond the original budget agreement by providing an additional $8 billion over a 5-year period from a new tobacco tax to assure that the child health care insurance is accomplished.

However, while I am pleased that Congress is acting to secure health insurance for children nationwide, I do not believe that the bill includes an equitable formula for distributing the funds to States. Minnesota has made pioneering efforts in providing health care coverage for children, so that it currently has the lowest rate of uninsured children in the Nation. However, because the bill's formula is based on the number of uninsured children in each State, Minnesota is being penalized because it has already worked to expand children's health care. Several of my colleagues and I attempted to change the bill so that the formula would be based on the number of children in poverty, but the budget agreement only allows for partial consideration of the poverty rate beginning in the year 2001.

While the Republicans did not sufficiently change the children's health formula, they have withdrawn several other negative policy proposals which were included in this bill when it originally passed the House. The pea and shell game that was put forth concerning protections for legal immigrants has been corrected; they are now conforming to the important commitment of the original budget agreement to assist low-income seniors with the Medicare part B premiums; they have dropped their proposal to exempt some health plans from State solvency requirements and consumer protections; they have deleted changes to medical liability laws to cap malpractice damages; and they have backtracked on several antiworker provisions, including a provision which would have undermined basic employment protections for people on welfare.

The devil of any budget is in the details and President Clinton working with our Democrat budget leaders excised most of the devils which would have derailed this agreement. The numbers and policy recommendations in today's reconciliation bill reflect the fact that our country does not need to renege on basic commitments to the American family and our constituents in order to reduce the deficit and balance the annual budgets. We do not need to create a human deficit in the name of deficit reduction. We can invest in our nation's future through health care, education, infrastructure, and the environment, and still achieve a sound budget. In fact my view is that a human deficit would soon lead to a fiscal deficit especially in today's global economy.

This budget agreement serves as a fair outline for an economic agenda over the next five years while not perfect. Overall, this budget agreement is a very positive step, the product of compromise, which is necessary in today's political climate and tomorrow's. The budget builds on our past successes in deficit reduction, finishing the job in a reasonable, if not an ideal manner. No doubt some adjustments and modification will be made as we correct for economic realities and attempt to reprioritize in the years ahead. It will be important for us to protect an re-examine the priorities important to the American people as we work to craft the bills to implement the budget agreement over the long term, but I believe this is a worthy product putting in place. The public policy knowledge at our disposal with the political symmetry of our national government into positive action for today, for the benefit of the American families we represent.

Mrs. FOWLER. Mr. Speaker, 3 years ago, when we gained control of the House of Representatives, Republicans made a commitment to cut taxes, balance the budget, and save Medicare.

The spending and tax relief bills we take up this week represent the fulfillment of those promises. The Balanced Budget Act we are considering today is essential to balancing the Federal budget for the first time since 1969.

Of special interest to my constituents who are senior citizens are the provisions relating to Medicare. The Balanced Budget Act will restore solvency to Medicare by saving $115 billion over the next 5 years and implementing structural reforms. These reforms include giving new health care choices to seniors, including provider-sponsored networks; a demonstration program for medical savings accounts, which would permit 390,000 MSA plans; and new benefits, including mammograms and Pap smears, screening for prostate and colorectal cancer, and a program to help with diabetes management.

Mr. Chairman, this is the kind of news that really means something to people. I am pleased and proud that I can go home during the August recess and tell my constituents that their elected Representatives have taken responsibility for the fiscal health of this Nation—and for the future of their children and grandchildren—by preserving Medicare, giving them back more of the hard-earned money, and balancing the budget.

Mr. DINGELL. Mr. Speaker, the spending reconciliation bill before us has a number of important and commendable provisions. At the same time, like many compromises, it includes some provisions which I consider quite objectionable.

On the positive side, the bill represents the first major expansion of health care in many

years by establishing a $24 billion program to insure our Nation's children. Extending health care to as many as 10 million uninsured children has been one of my most important goals, and this bill takes the first step in that direction.

The bill also makes useful and important reforms of the Medicare Program that will extend solvency of the Medicare trust fund, while expanding new preventative services and adding consumer protections. Similarly, new consumer protections have been added to the Medicaid Program.

Unfortunately, despite these commendable provisions, we should not delude ourselves that this bill will likely provide a balanced budget, in part because it uses $24 billion in phony revenues from sale of the public spectrum. These telecommunications provisions will give away the public spectrum for pennies on the dollar, and tamper with the public's Universal Service Fund that provides affordable telephone service to all areas of the country.

In addition, I have serious problems with some of the Medicare provisions, such as medical savings accounts and private fee-for-service plans, that threaten the long-term viability of Medicare.

I also have strong objections to the provisions in this bill that make unnecessary cuts in our veterans' health programs by as much as 20 percent. This is undoubtedly the worst place we could choose to balance the budget.

Any bill that is so comprehensive and filled with compromise is bound to have both very good and very bad provisions, but as a Member of Congress we must choose either yes or no. In this case, Mr. Speaker, I believe there are too many important provisions in this bill, particularly in improved health care, to turn it down.

Therefore, I intend to vote yes to this conference report.

CHILDREN'S HEALTH

The most significant achievement in this budget, which I have fought hard to achieve, is a $24 billion in new spending for a new health insurance program for at least half of the 10 million uninsured children in this country.

These children in the families of working Americans will now have a real chance at access to vital health services, such as the prescriptions they need when they have an earache or a sore throat, and eyeglasses so they can read the blackboard in school.

There is no better investment that this Congress can make than helping children get a jump start on life by giving them access to health insurance to give them the opportunity to grow strong and happy.

SPECTRUM

The telecommunications provisions contained in this conference report have merely two flaws: They will gut vital telecommunications policy goals that have enjoyed bipartisan support for decades. And they will do nothing to achieve a balanced budget.

The Budget Committee and the leadership of this body have made it clear that getting a good score from CBO is more important than good policy. But this is not the congressional baseball game. That was played last night.

Today we are not playing a game where good score is the only objective—we are trying to do what is best for the American people.

One only needs to examine a few of the telecommunications provisions to answer that question: The bill forces the Government to liquidate a valuable natural resource—the public radio spectrum—for pennies on the dollar. It requires the auction of frequencies used by the Government that experts say will put our country's military operations at risk.

It takes the unprecedented step of tampering with the Nation's universal service fund—a dangerous move that will hold affordable telephone service hostage to the budget process from this day forward.

MEDICARE

This bill includes many positive changes for Medicare—tough new fraud and abuse provisions; substantial consumer protections for Medicare-managed care; and excellent changes in Medigap.

I also noted that, thanks to efforts by Chairman BILEY and BILIRAKIS, the bill includes a number of proposals offered by my Democratic colleagues during Commerce Committee markup. However, the bill unfortunately includes several proposals that I fear will prove dangerous to Medicare.

Specifically, medical savings accounts and private contracts between physicians and certain Medicare beneficiaries, for health services outside of Medicare, are dangerous proposals. While this bill includes commendable limits on both approaches, I continue to believe they are inherent menances to Medicare.

Also, the conference report includes a remnant of a very misguided Senate proposal for so-called private fee-for-service health plans. Even with the limits on beneficiary copayments and balance billing wisely included in the conference report, this is a perilous idea which chips into the foundation of Medicare and could lead to the crumbling of that critical foundation, brick by brick.

MEDICAID

The conference report includes several vital improvements in the Medicaid Program: It provides individuals with a choice of managed care programs; it establishes a prudent layperson definition of medical emergencies, so that people experiencing chest pains cannot be denied payment for emergency room services; it requires Medicaid plans to have grievance procedures for people who have been denied services; and it provides consumer information on managed care plans.

I am pleased that payments to community health centers have been preserved over the next 6 years. I intend to keep a close watch over these payments, so that we do not put these important health centers at risk.

I am concerned, however, by the repeal of the requirement of adequate payment to nursing homes, which I believe will threaten important protections of seniors.

Finally, while there was much in this reconciliation process which precluded a careful debate on these issues, I do want to express appreciation to my colleague and chairman of the committee, TOM BLILEY and his excellent and hard-working staff for their willingness to work with members of the minority and our staff, to hear our concerns, and include our staff in important drafting sessions. I commend the committee staff for their professionalism and their cooperation. I also want to thank the hard efforts of our Democratic staff on this bill, and for their many hours of work on this bill.

Mr. THORNBERRY. Mr. Speaker, I rise today in support of the Balanced Budget Act of 1997. Achieving a balanced budget has been a major priority of mine since I first ran for Congress. I am very pleased that today we will vote on a measure that will balance the budget for the first time in 28 years.

In addition to balancing the budget, important headway is made with this legislation in several areas. The Medicare Trust Fund is preserved to the year 2007. The package contains structural reforms and expands choices for seniors. The bill includes preventive care benefits for mammographies, pap smears, diabetes, prostate, and colorectal cancer screening, vaccines and others. Tough, new anti-fraud measures will increase accountability through stiff penalties for those in violation of the law. Medical Savings Accounts [MSA's] will allow tax-free annual contributions to an individually controlled account and can be used to pay for qualified medical expenses. The project will cover 390,000 seniors and would be combined with a high-deductible insurance policy to provide protection against catastrophic injuries or illnesses.

This bill also increases the freedom and options available to beneficiaries. Patients will finally be allowed to privately pay for services not offered by Medicare. Additionally, Medicare can no longer restrict providers' advice to beneficiaries about medical care or treatment. Beneficiaries will also be given a voice via a new toll-free number to report fraud and billing irregularities directly to the inspector general of Health and Human Services.

While I am in support of the provisions that will preserve Medicare to the year 2007, I also understand the need for continued reform. With this legislation, a National Bipartisan Commission on the Future of Medicare will address Medicare's long-term solvency crisis and make recommendations to Congress on how to preserve the Medicare Program.

In addition to the Medicare provisions, the Medicaid portion of the bill projects savings of $13 billion over 5 years and increases State flexibility, allowing States to provide more cost-effective medical coverage for low-income persons. The legislation also reforms the disproportionate share hospital [DSH] payments through a revised formula designed to protect States from excessive reductions.

There are many positive provisions in this bill in addition to the ones I have mentioned. However, there are also a variety of provisions that I do not support. For example, I do not support increasing taxes and do not believe this increase is the appropriate forum to deal with the question of tobacco. I also have concerns about the children's health provisions. While I definitely want to see every child receive necessary medical attention, I do not believe that the Federal Government can or should replace parents in caring for children. I am also disappointed States like Texas will not be permitted to use nongovernmental personnel in the determination of eligibility for certain benefits. As this Congress strives to achieve a fiscally responsible government, programs like the Texas Integrated Enrollment System need to be given every opportunity to run as efficiently and effectively as possible.

In this bill, there is good and bad legislation. Ultimately, the good outweighs the bad. For the first time in 28 years, Congress will bring some fiscal responsibility to the Federal budget. Additionally, preserving the Medicare Trust Fund is critical to seniors and action is necessary immediately. For these primary reasons, I support the Balanced Budget Act of 1997.

Mr. RUSH. Mr. Speaker, I rise today to oppose the balanced budget agreement. This deal is praised as a bipartisan victory—that we have balanced the budget and increased spending for some social programs. Nothing is further from the truth.

This balanced budget deal was achieved primarily by drastic cuts—$115 billion from Medicare—the major health program for the elderly, and $13 billion in savings from Medicaid—the major Federal program providing health care for poor people. The budget gets balanced by cutting Medicare payments to doctors, hospitals, and other health care providers. The budget deal freezes Medicare payments to hospitals at the fiscal year 1997 level—even though we all know that the demand and costs are rising. And this deal reduces Medicare and Medicaid payments for hospitals that serve a disproportionate number of low-income patients—the very poor—the uninsured. These include public hospitals like Cook County Hospital in Chicago and the University of Chicago Hospital in the First Congressional District. And the cuts also hurt those whose very breath depends on home oxygen. The budget cuts payments for oxygen and oxygen equipment. This budget deal was paid for with another deal—generous tax cuts that favor those who are better off. Only a quarter of these cuts go to people making less than $100,000 a year. Thirty-six percent of these cuts go to the top 1 percent of income earners.

With due respect to the President, and my colleagues on both sides of the aisle—this budget does contain some hard-won provisions—but let's not forget they were fought for and won—by poor people, working people, and advocates for children and immigrants. This bill does include expanded health insurance for poor children. The bill restores benefits to legal immigrants who become disabled and it guarantees minimum wage and workplace protections to workfare participants. But 5 million children who need health insurance will not be covered. Legal immigrants will not receive food stamps. And our Nation's schools that need serious rebuilding so they can move our children into the 21st century and get connected to the information superhighway do not have the funds they need.

Last spring, I cast my vote for the Congressional Black Caucus [CBC] Budget. I was proud to vote for that budget. That budget both balanced and fully funded vital safety net programs like WIC and Head Start. The CBC budget protected the constituents of the First Congressional District. I represent a district where 20 percent of my constituents live in poverty. Thirty-six percent of the children under 18 in my district live in poverty. How could I vote for a budget deal like this when mothers in my district like Grand Boulevard watch their babies die at three times the national average?

My decision to vote ''no'' on this budget agreement is not a close call. I believe it is a disgrace. It is a betrayal of our basic democratic ideals.

Mr. DOYLE. I rise today to support this spending package, H.R. 2015. This proposal, combined with the tax package we will consider tomorrow, establishes a framework where, for the first time since 1969, our Nation will achieve a balanced budget by the year 2002.

Past efforts in Washington to achieve this type of fiscal balance have been met by partisan gridlock and an unwillingness to compromise. This left the American people with a budget problem and no solutions, with a budget deficit growing larger each year.

During this most recent effort, however, Members of Congress and the President not only listened to our constituents and other affected parties, we also listened to each other. The result of this effort is the balanced budget proposal we are considering this week.

H.R. 2015 represents the spending portion of this bipartisan budget package, which outlines an intelligent solution to not only bring the budget into financial balance, but also to implement other initiatives that improve the lives and health of our most vulnerable citizens.

It is never easy reforming a program, such as Medicare, that so many people depend on for essential services. However, if left untouched, by the year 2001, the Medicare Program would no longer be able to pay for the services it provides to eligible beneficiaries. It is because of this financial instability that Congress took action to develop a proposal that extends the solvency of the Medicare Program.

The majority of the reforms included in the bill primarily affect health care providers by making changes to reimbursement rates or the method Medicare uses to reimburse these providers. This bill also expands coverage of preventive care for senior citizens, including services related to diabetes, osteoporosis, and certain types of cancer, and it includes provisions to further reduce fraud and abuse in the program. Additionally, to respond to an increasing use of managed care entities in the health care system, the bill institutes important consumer protections for Medicare beneficiaries, ensuring that seniors who enroll in managed care plans are provided adequate medical services.

This legislation will not only ensure continued access to health care services for Pennsylvania's seniors, but it also protects the Commonwealth's youngest residents by setting aside $24 billion over 5 years to provide health coverage for uninsured children. This important initiative would provide essential health coverage to as many as 5 million children who are currently living without health benefits.

These initiatives will help secure a healthier future for our Nation, and, at the same time, ensure that our Nation's financial health improves as well. I am pleased to support H.R. 2015, which will balance the Federal budget in a manner that is fair and equitable to all Americans.

Mr. SNOWBARGER. Mr. Speaker, I strongly support the main intent of this bill, namely to restrain entitlement growth and balance the Federal budget. That is why I voted for the budget resolution in May as well as for this bill when it was approved by the House earlier this month. Since that time, however, so much has been added in the form of increased spending and increased taxes that I cannot vote for passage of the conference committee report.

As I have said many times, I did not come to Washington to raise taxes, whatever the source may be. I know that tobacco companies are an inviting target for those who are constantly seeking additional sources for governmental revenue. But the issue is not where the money comes from. I am no fan of the tobacco industry. In fact, I have voted in the Kansas Legislature for increases in the State tobacco tax and, since coming to Congress, I have voted against subsidies for the tobacco industry. Moreover, I have never accepted a dime of tobacco money in my seven campaigns for public office. The issue here is whether the Congress should raise taxes with one hand even while it reduces them with the other.

To put it simply, the Federal Government already has too much money. It does not need more. Although this tax is ostensibly to fund increased health care availability for kids, the House earlier this month passed, with my support, a far more responsible version of this bill, fully funding the program at the level requested by the President without a tax increase.

Furthermore, the increase in the tobacco tax runs the risk of robbing States of Medicaid reimbursement from the tobacco industry. I am told that this tax on the tobacco companies is credited against the obligations under their agreement with the States' attorneys general. I have repeatedly inquired whether the tobacco companies may be able to avoid some portion of their obligations under the agreement to compensate the States for Medicaid payments. Because no one has been able to assure me this is not the case, I am reluctant to risk taking this hard-won money away from State Medicaid programs.

This bill also contains unacceptable increases in Federal spending. While purporting to reduce and reform entitlements, it actually creates a new entitlement for children's health care, costing $24 billion over 5 years, a full $8 billion more than even President Clinton requested.

Finally, the bill reverses the welfare reform approved by Congress just 2 years ago. It significantly increases food stamps and other welfare spending, sets up yet another Federal jobs program costing $3 billion over 4 years, and extends SSI and Medicaid eligibility to non-citizens even while benefits for American citizens are being curtailed.

There are, of course, many laudable provisions in this bill. Reforming of some entitlements and slowing the growth of government spending are crucial elements to balancing the budget. But my support for these positive elements does not require that I accept every destructive provision inserted at the demand of the other body or the White House. Unfortunately, what was a good bill when it left the House has simply been loaded up with unnecessary taxes and spending. It stands in stark contrast to the conference report on the tax portion of this balanced budget, which to a great extent remained faithful to our pledge of less government and lower taxes. When the House considers the conference committee report on the tax bill, I will proudly support it.

Mr. POSHARD. Mr. Speaker, I rise today in support of the conference report on the balanced budget agreement. I would also like to offer my praise and congratulations to all of the House and Senate members, as well as President Clinton and his administration, who worked so hard to reach this momentous agreement. Throughout my tenure in the House of Representatives, I have championed balancing the federal budget, and I am proud that this often elusive goal has finally been achieved. Although this agreement is not exactly as I would have drafted it, nor is it likely

to precisely mirror the priorities of any one member of Congress, it is nonetheless a good budget which will provide significant benefits to every American. In addition, I applaud the remarkable spirit of bipartisanship which has generally characterized the long and complicated path that led us to this point.

Of particular importance to myself and my constituents are the provisions of this budget regarding health care and education. I am pleased that more meaningful education tax credits than ever before will be available to American parents struggling to send their children to college. In addition, the increase in Pell Grant funding will enable more students to receive critical financial assistance as they pursue their education. Congress has demonstrated through this agreement its dedication to educating the youth of this nation, and I hope this will prove to be the beginning of a lasting bipartisan effort to help families of every income level afford higher education for their children.

I also believe that this budget agreement represents a victory for rural health care. As a member of the Rural Health Care Coalition and its co-chair for the last three years, one of my foremost priorities has been to restore equity to the AAPCC, which determines how Medicare reimburses health plans. This bill enacts an adequate minimum floor and, most importantly, a 50/50 blend over six years, which will provide rural seniors with increased health care options. In addition, this agreement establishes a limited-service hospital model that will allow rural hospitals to remain financially viable. We have also taken steps in regard to rural referral centers, including permitting them to be reclassified for the purposes of disproportionate share hospital payments. All of these provisions were included in H.R. 1189, the Rural Health Care Improvement Act of 1997, which I co-authored. These, combined with numerous other valuable provisions, represent a significant step forward for our rural residents.

Again, Mr. Speaker, I am proud that this Congress will have the honor of reaching an agreement to balance the federal budget for the first time in decades, and I urge my colleagues to vote in support of it. It is a victory for our children and grandchildren and a monumental achievement for us all.

Mr. BORSKI. Mr. Speaker, I rise today in opposition to H.R. 2015, the Budget Reconciliation Spending Act Conference Report.

I am no stranger to the tough, courageous decisions that must be made to balance our budget. In 1993, when faced with a record $290 billion deficit, Democrats, including myself, stood tall and—without a single Republican vote—passed the original ''Balanced Budget Plan,'' which has reduced the deficit almost 90 percent. As a result of the 1993 budget, the deficit has been reduced every year for five years in a row for the first time since Harry Truman was in the White House. In fact, many economists project that the 1993 Budget Plan will balance the budget next year if no other plan is passed.

While the Majority Leader prefers to credit the free-spending economic policy of President Reagan, the Congressional Budget Office projects that—without the 1993 Budget Plan—we would be facing a deficit of $319 billion right now, and a whopping $519 billion by the year 2002.

Instead, today our deficit stands at $30 billion—it's lowest point in three decades, and we are on the threshold of balancing the budget. All that remains is to take the final step. Unfortunately, this plan is a step in the wrong direction.

Mr. Speaker, this spending plan would achieve most of its saving through deep cuts to two programs—Medicare and Medicaid. In fact, the $115 billion being stripped from Medicare is, by far, the single largest cut in the plan.

Unlike many, I am not consoled by the fact that other, more devastating provisions have been eliminated from the plan. Until recently, this budget included proposals to means-test Medicare, raise the eligibility age, and set a dangerous precedent by requiring copayments from seniors for benefits that have always been fully paid for by Medicare. While these plans may have been tabled for now, H.R. 2015 would create a commission that will undoubtedly revisit these issues again in the coming years.

Dropping a few irresponsible, misguided attacks on the Medicare Program has not blinded me to the fact that this budget raises seniors Part B premiums $275 a year by 2002. Abandoning plans to raise the Medicare eligibility age does not hide the fact that this scheme attempts to privatize Medicare.

It is ironic that on the 32d anniversary of the creation of Medicare, we are considering legislation that would dismantle the program. Simply put, Medicare works. It is one of the most successful programs in American history, guaranteeing health care coverage for every American in their golden years. And it works for one very simple reason—everyone pays into Medicare, and everyone enjoys the benefits, regardless of income.

Instead, provisions in this budget will destroy the universality of Medicare by allowing some Americans to opt out of the program. These provisions create Medical Savings Accounts (MSAs) and private fee-for-service plans that will give the healthiest and wealthiest beneficiaries the option to abandon the traditional Medicare system, leaving behind low-income and chronically ill seniors. Once the healthy and wealthy seniors have left the system, health care costs will skyrocket, quality of care will deteriorate, and Medicare will—as Speaker Gingrich predicted—''wither on the vine.''

Other spending cuts that will undermine Social Security and Medicare are much more direct. This budget cuts 61 percent of the total administrative funding from Social Security, Veterans Benefits, and Medicare, crippling their ability to run these vital and important programs. I am told it currently takes between six months to a year to process a Social Security claim. These cuts would bring that already slow pace to a virtual stand-still, inconveniencing thousands of beneficiaries who rely these services for their sole source of income, and emergency health care needs. Clearly, this budget is not concerned about the health and welfare of America's veterans and senior citizens.

But seniors and vets aren't the only ones who bear the brunt of these spending cuts—hospitals that serve the neediest children and families will also take an enormous hit. The $13.6 billion in Medicaid cuts that this budget calls for would come primarily from disproportionate share hospital payments (DSH). These cuts would hurt only those hospitals that serve the sickest and neediest among us. In addition, the multi-level cuts contained in this bill make it impossible for struggling, nonprofit hospitals to shift the burden of the cuts and will eventually force them to close their doors. Those hospitals that are able to remain open would face the same burdensome cuts in funding, while being expected to absorb the patients formerly served by the closed hospitals.

The obvious result of this plan would be a sharp decline in the quality of care, inevitable job losses, and the closing of many hospitals in my district. Since nearly 15 percent of my region's economy depends directly on providing health care, these cuts would have a ripple effect that would be felt in every sector of the local economy.

Mr. Speaker, the Third District of Pennsylvania is home to over 101,000 senior citizens, making it the 20th oldest district in America. Well over half of all hospital admissions in my district are dependent entirely on either Medicare or Medicaid. Clearly, substantial cuts to these important programs would have a profound impact on the hospitals' ability to provide quality care to my constituents.

Few, if any, districts in the nation will be hit as hard as mine by these devastating cuts to Medicare and Medicaid. The absence of ill-considered provisions into Medicare that would completely gut these important programs does nothing to soften the crushing blow this budget will deliver to the sick, the needy, and the elderly in my district.

Mr. Speaker, I cannot, in good conscience, vote for a budget that takes money from the pockets of senior citizens, turns its back on the uninsured, and threatens to undermine the integrity of the Medicare Program. For that reason, I must oppose this budget.

Mr. BALLENGER. Mr. Speaker, I rise in opposition to the conference report on this legislation to balance the federal budget by 2002. Let me stress that I am committed to balancing the federal budget, but I cannot vote for this compromise budget package.

I believe my ten-year voting record speaks to my commitment to balance the budget. In fact, last week I was one of 81 members who voted for the Budget Enforcement Act. Clearly, this was not a very popular vote, but it demonstrated my dedication to balancing the budget. Similarly, I have cosponsored and voted for Constitutional amendments designed to impose a balanced federal budget. I understand the benefits to the economy, my constituents and their families' futures of a balanced federal budget and debt reduction. I believe we need to balance the budget as soon as possible, and I disagree with too many elements of this compromise to be able to support it today.

In my opinion, there are several major shortcomings in the budget deal just finalized by Congressional leaders and the White House. Specifically the deal allows spending increases for existing non-defense discretionary programs—and the creation of new programs—which were required to ensure President Clinton's support and signature. These spending increases will lead to an expansion of the federal bureaucracy and an expected increase in the deficit until 2001, when it finally will begin to drop. While the spending increases are promised in the short run, the spending cuts that are required to bring the budget into balance are what we call ''back loaded,'' meaning that they will not be made until near the final years of the agreement.

Finally, the new tobacco taxes are unacceptable to the overwhelming majority of my constituents. Under this agreement, tobacco will be hit with a complicated new tax scheme which among other things will mandate an additional 10 cents per pack tax in 2000 and another 5 cent one in 2002. As you can see, an additional 15 cents a pack will be levied by this budget deal. I believe that this is an unfair attack on a legal product, one that would hurt nearly 45,000 tobacco farmers in North Carolina (including over 4,000 in the 10th district alone), and more than 31,000 workers in related industries in my district and the state. Moreover, this excise tax is regressive, hitting hardest those who can least afford this tax increase.

In sum, although I could not vote for the compromise balanced budget package, I will continue to work to balance the federal budget. However, we can and must do so without all the unnecessary spending, unfair taxes and budget tricks included in this particular package. In fact, estimates show that we could balance the federal budget in just a few short years if we hold down spending. Why wait until 2002, if we don't have to?

□ 1615

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

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

RECORDED VOTE

Mr. SHAYS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 346, noes 85, not voting 4, as follows:

[Roll No. 345]

AYES—346

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Boehlert
Boehner
Bonior
Bono
Boswell
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Clyburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Flake
Foglietta
Foley
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kasich
Kelly
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McKeon
McKinney
Meehan
Meek
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Molinari
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Sessions
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tierney
Torres
Traficant
Turner
Upton
Vento
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (FL)

NOES—85

Baesler
Ballenger
Barton
Berry
Blumenauer
Blunt
Bonilla
Borski
Boucher
Bryant
Burr
Clay
Coble
Coburn
Conyers
Davis (IL)
DeFazio
Delahunt
Dellums
Dickey
Doolittle
Engel
Etheridge
Filner
Frank (MA)
Gephardt
Goode
Graham
Gutierrez
Hastings (FL)
Hilleary
Hilliard
Istook
Jackson (IL)
Jones
Kaptur
Kennedy (MA)
Kennedy (RI)
Kilpatrick
Kingston
Kucinich
Largent
Markey
McDermott
McGovern
McIntosh
McIntyre
McNulty
Mica
Mink
Moakley
Mollohan
Moran (KS)
Nadler
Oberstar
Obey
Owens
Paul
Payne
Pombo
Rahall
Rangel
Rohrabacher
Royce
Rush
Ryun
Salmon
Sanders
Sanford
Scarborough
Serrano
Shadegg
Smith, Linda
Snowbarger
Stark
Stokes
Taylor (MS)
Tiahrt
Towns
Velazquez
Waters
Watt (NC)
Waxman
Weldon (FL)
Yates

NOT VOTING—4

Forbes
Gonzalez
Schiff
Young (AK)

□ 1643

Mr. CUMMINGS changed his vote from ''no'' to ''aye.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHAYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

EXPRESSING SENSE OF CONGRESS REGARDING TERRORIST BOMBING IN JERUSALEM

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the concurrent resolution (H. Con. Res. 133) expressing the sense of the Congress regarding the terrorist bombing in the Jerusalem market on July 30, 1997, and I ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. LANTOS. Mr. Speaker, reserving the right to object, and I do not intend to object, I would merely like to ask the gentleman from New York to explain the resolution before us.

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

Mr. LANTOS. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. Mr. Speaker, this concurrent resolution expresses the sense of Congress regarding the terrorist bombing in a Jerusalem market on July 30, 1997. The terrorist attack on a Jerusalem marketplace that killed 14 people and injured more than 150 is a devastating blow to the peace process.

The gentleman from California [Mr. LANTOS] and I have worked together in introducing House Concurrent Resolution 133 expressing the sense of Congress regarding these heinous explosions which were claimed by Hamas

terrorists who want Palestinian terrorists, including Sheikh Ahmed Yassin, released from Israeli jails.

Mr. Arafat and the Palestinian Authority are doing too little to root out terrorism. Arafat must systematically arrest suspected terrorists and those who incite violence if the peace process is to survive. He has not done so to date and his commitment and credibility are being questioned.

The legislation before us today underscores the urgent need for Mr. Arafat to immediately undertake unequivocal action against terrorists and eliminate all illegal weapons and explosives.

Mr. LANTOS. Mr. Speaker, further reserving the right to object, I yield to the distinguished gentleman from Georgia [Mr. GINGRICH], our Speaker.

Mr. GINGRICH. Mr. Speaker, let me first thank both gentlemen for bringing this resolution to the floor and for doing so in such a timely manner. Let me say that my only regret is that this is not even stronger. I think every American needs to look at this two-sided game that is being played.

First we see in the media that the Palestinian Liberation Organization has suffered some diplomatic slight and we are told that Israel should make more concessions. Then Israelis die, but no one is responsible. Then we are told in the media that the Palestinian Liberation Organization has suffered some slight and Israel should make concessions. Then Israelis die but no one is responsible.

Let it be very clear. For at least 7 months, Yasser Arafat and the Palestinian Liberation Authority have consistently failed to pursue and lock up terrorists, they have released convicted terrorists, they have put back on the street people guilty of murder, they have turned their eye, and in fact their justice minister and their head of security have been engaged in actions which are terrorism, although so far the only recorded acts are terrorist against Palestinians who did something as bad as sell land to Israelis.

Let us be clear. Yasser Arafat and the Palestinian Authority has an absolute obligation as a function of its existence to join in the fight against terrorism, and the United States Government should insist unequivocally that we will hold the Palestinian Authority responsible for any failure to lock up terrorists and to abide by its half of the agreement. There can be no security and no peace when innocent people are killed by terrorist bombings and, frankly, Mr. Arafat and his Authority are failing in their obligation to keep up their half of this relationship.

Mr. LANTOS. Mr. Speaker, further reserving the right to object, I yield further to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the Speaker for his supportive remarks.

Mr. Speaker, without security cooperation by the Palestinian Authority, there is no peace process. Israel's participation and commitment to the Oslo accords are predicated on this. But it has been clear that since March the Palestinian Authority has drastically curtailed its security cooperation with Israel. That is evident by the lack of a compliance report by the State Department certifying that the PLO is in compliance with its commitments. We have no report. And we will have no certification because the State Department knows it cannot certify Mr. Arafat and the PLO as being in compliance with their commitments voluntarily undertaken to fight terrorism at its core.

Today's explosion magnifies those concerns among the American people and heightens the lack of trust. Mr. Arafat must make a 180-degree turn against terrorism, incitement to violence and releasing dangerous suspects. The Government of Israel warned repeatedly that terrorist attacks were brewing because of the lack of Palestinian commitment to fighting terrorism and the green light Arafat was giving to Hamas.

Accordingly, Mr. Speaker, I condemn the actions taken today against innocent individuals in Israel. I extend my deepest sympathy to the families of the dead and injured, reiterate my support for the Government and people of Israel for peace, and urge our colleagues to support the Lantos-Gilman measure that is now before us.

Mr. LANTOS. Mr. Speaker, further reserving the right to object, I would like to express the condolences of the Congress of the United States and the American people to the families of the victims and to the people of Israel for the loss of life and the 172 serious injuries that have been suffered in this preposterous and outrageous terrorist bombing in a Jerusalem market. I wish to express the solidarity of the American people with the people of Israel in the face of this tragic, senseless, brutal, bloody act. I would like to reaffirm the determination of the Congress, Mr. Speaker, to join with the Government of the State of Israel in fighting international terrorism. I want to urge Yasser Arafat to undertake immediately and unequivocally action to bring to justice the leaders of all the terrorist organizations and extremist groups currently residing in territory under his control, to confiscate their weapons and their explosives, and to keep convicted criminals and terrorists in prison and not to release them.

I wish to reaffirm, Mr. Speaker, the commitment of the Congress of the United States to the peace process in the Middle East. I want to urge all parties to work together to bring lasting peace and security without violence and terrorism in this region.

I also want to urge President Clinton and our Department of State and other executive agencies to provide all appropriate assistance to the Government of Israel, to provide medical and other assistance to the victims of this terrorist act, and to bring to justice the terrorist leaders behind this and similar acts of violence and to work to prevent future such terrorist acts.

Mr. Speaker, I also want to identify myself fully with the words of the gentleman from Georgia [Mr. GINGRICH] our distinguished Speaker. He made it clear that there is an asymmetry in the Middle East peace process; that from time to time outrageous terrorist events occur, dozens of innocent Israeli men, women and children are massacred, and then there is some diplomatic move which presumably calls for evenhanded action.

I think the time is long past due for Yasser Arafat to live up to his obligation, to use his vast police apparatus to ferret out the terrorist nests and to put an end to this nightmare. It is unacceptable for a civilized society to have to live with constant terrorist threats.

At Oklahoma City we learned what it means to have a terrorist act take place on the territory of our own Nation. We are a Nation of 260 million people, and in the last few years we had two terrorist acts of significant proportions, the one at the World Trade Center, and the one at Oklahoma City. The people of Israel suffer from such terrorist acts on a regular basis. A country of a few million people, every one of these incidents hits every single family because they have a sense of community and commitment and belonging.

It is long overdue, Mr. Speaker, that the United Nations also show some balance in recognizing the threat under which Israel lives day in and day out: the Islamic Jihad, the Hamas and the other terrorist organizations, hellbent on destroying the attempt to create peace in the region that millions of decent Israelis and Arabs so desperately crave.

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

Mr. LANTOS. Further reserving the right to object, I yield to the distinguished gentleman from Illinois.

Mr. YATES. Mr. Speaker, I should like to associate myself with the very eloquent remarks of the gentleman from California in support of the resolution which is now pending. It was a most despicable act that took place today and certainly our Government must make clear to the PLO that our Government will not tolerate such actions. I thank the gentleman for yielding.

Mr. LANTOS. I thank the gentleman for his contribution.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, I thank the gentleman from California for putting forth this resolution with the gentleman from New York [Mr. GILMAN]. All people of goodwill are outraged at the terrorist bombings that happened today in Jerusalem. All people of goodwill throughout the world cannot and will not tolerate acts of terrorism.

Mr. Arafat and the Palestinian authorities have to understand that there

is a limit to people's patience, that the United States supports and helps facilitate the peace process, but if all sides are not actively working towards peace, there unfortunately can be no peace.

I think it is not a coincidence, Mr. Speaker, that as the peace process has seemed in the last few days to perhaps get back on track, American envoy Dennis Ross is going to the Middle East, it is not a coincidence that these bombings happened because the people that are doing this want to disrupt the peace process, they want to disrupt peace. They do not want to see peace happening. We cannot allow them to succeed. However, Mr. Arafat has to stop talking out of 16 sides of his mouth. He has to stop mouthing certain words and saying he supports peace while at the same time he and some of his ministers and some of the people in the highest ranks of the Palestinian Authority are fanning the fires of terrorism by winking, or looking the other way, or keeping the rhetoric going and showing that they are dissatisfied, and when the terrorist attack inevitably happens, they say, ''Well, it wasn't me. My hands are clean. It wasn't me.''

But what has Mr. Arafat done to prevent it? What has he done to try to stop terrorism from occurring? The Palestinians arrest people who they know are terrorists and then they release them. It is a revolving door system of justice. This has gone on and on and on for months and even years. So until the Palestinian Authority and Mr. Arafat and his people are serious about combating terrorism, terrorism will never be eradicated.

The Prime Minister of Israel, Mr. Netanyahu, said many, many times that the people of Israel do not expect 100 percent results in combating terrorism, but they certainly expect 100 percent effort. We in the Congress, we in the United States feel the same way.

□ 1700

If the effort is not made, then terrorism will not be eradicated, and Mr. Arafat cannot have it both ways. We in the U.S. Congress provide a lot of funding. In MEPFA we provide money to keep the peace process going. I support the peace process very, very much, but I must say that our patience is wearing thin. We cannot keep saying and making excuses and saying, ''Well, OK, we're going to keep providing money, let's overlook this incident because it really wasn't Arafat's fault, and let's overlook that incident because it really wasn't his fault.'' How many times can we overlook it until we say enough is enough?

So I would personally like to serve notice on Mr. Arafat and the PLO, and I think by this resolution we are serving notice, that our American patience is wearing thin and money will not continue to flow unless there is an absolute commitment to eradicating terrorism. Again, a 100-percent commitment, a 100-percent effort, not necessarily a 100-percent results, but if they have a 100-percent effort, they will approach a 100-percent results. But if they are not making the effort, they will never have the results.

And so I think that we have to ensure that Arafat and his people go after the terrorists, stop the revolving door of justice. Enough is enough. Too many innocent people have been killed, men, women and children. Terrorism is never an acceptable vehicle for negotiations, and that is what the Palestinians are doing. They are using the spectrum of terrorism to kind of hold it over everybody's head and say that if we do not like what is happening, we are going to use rhetoric to say, ''Well, you know terrorism might happen because we don't like what the Israeli government is doing.'' That is what the Palestinians are saying. Well, terrorism is not acceptable, it never will be acceptable, we in the Congress will not accept it, and by passing this resolution we are sending word to Mr. Arafat enough is enough, our patience is wearing thin.

My heart goes out to all those massacred today, to all those maimed today and to the Israeli people. The United States of America will stand by Israel and the fight against terrorism.

Mr. LANTOS. Mr. Speaker, under my reservation of objection, I yield to the distinguished gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I would like to begin just my short, very brief remarks by just saying I would like to associate myself with the remarks of the gentleman from New York [Mr. ENGEL] and the others who have spoken and to say that as terrible, as terrible as today's event was in Jerusalem, where there were at least 18 people killed and up to 200 apparently injured by 2 suicide bombers, today's event unfortunately was not unique. It was not unique because when people are killed in a cafe in Tel Aviv or a fruit and vegetable market in Jerusalem or any of the other in a long series of events like this, civilized people in a civilized society cannot tolerate it, and obviously those of us who are here who feel as deeply as the gentleman from New York [Mr. ENGEL] obviously does and others do as well, that we have got to take steps which are left to our devices to see to it that those events stop.

And without going into further explanation, I would just say that either later tonight or tomorrow or the next time we consider the continuation of the foreign ops bill that we are going to start momentarily, I have filed an amendment which will do that. It makes a very strong and substantive statement on direct aid, I underline the words ''direct aid,'' to the Palestinian Authority and puts very strong and certain conditions which must be met by the Palestinian Authority and Mr. Arafat before any further funds are released directly to the PA.

So I hope that when we get to that bill we can find unanimous agreement in this House that this is the proper course at this time, given the string of events which were capped by the event in Jerusalem today.

Mr. LANTOS. Mr. Speaker, I want to thank my friend for his comments, and under my reservation of objection I yield to the distinguished gentleman from California [Mr. SHERMAN].

Mr. SHERMAN. Mr. Speaker, I thank the distinguished gentleman from California [Mr. LANTOS], who time and time again tirelessly has brought to the attention of this Chamber the misery and the death that have occurred, brought to our attention the victims of terrorism in the Middle East, and we ought to take a minute, as several of the other speakers have indicated, to reflect on the 18 or more who died today.

We ought to remember how the Palestinian Authority came to control territory in the West Bank in Gaza. That territory came under Israeli administration because Israel defended itself in a war of aggression.

Mr. Speaker, how often does a country seize territory in a defensive war and then voluntarily give that territory up? But the territory was put under Arafat's control, initially the Gaza Strip, and then additional areas, land for peace. Where is the peace? Instead, we see pieces of men and women whose lives and bodies have been shattered by explosives in a market in Jerusalem.

We can do something positive today. We cannot only mourn the dead, but we can do something positive. The State Department could announce today that we are moving our embassy to Jerusalem, that we are acknowledging Jerusalem as the indivisible permanent capital of the State of Israel.

Congress has called upon the State Department to do this again and again. It would have the positive effect, the positive impact, of telling all the terrorists in the Middle East that they cannot fight for Jerusalem with terror, that this issue is off the table and that America stands behind Israel's decision long ago to make all of Jerusalem its indivisible and indisputable capital.

So perhaps today can be the last time when terrorists believe that the way to negotiate over the status of Jerusalem is through terrorism. I want to thank the gentleman from California [Mr. LANTOS] for yielding.

Mr. LANTOS. Mr. Speaker, I thank the gentleman from California for his comments, and under my reservation of objection I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, today's bombings represent yet another failure by the Palestinian Authority to clamp down on terrorism as well as their failure to work with Israel to prevent such attacks. By failing to fulfill its commitments with Israel, the Palestinian Authority has sent a very clear and strong signal to the enemies of peace that it is just a step in obtaining its ultimate goal, the destruction

of Israel. The failure again, Mr. Speaker, of the Palestinian Authority to contain terror and to work with Israeli authorities to maintain security for Israeli citizens is written in blood again of 13 bodies of today's attack. The use of terrorism as a tool to win concessions from the Israeli Government is unacceptable and it must be stopped.

Mr. Speaker, we call on the Palestinian community to condemn this horrific attack and continued use of terrorism in the strongest terms. Palestinian Authority Chairman Yassir Arafat in his condolence call to Prime Minister Netanyahu is meaningless if it is not accompanied by a serious effort to assure that future acts of violence against Israeli citizens do not occur.

Our hearts go out to those killed and wounded in today's attack and to their families. It is our deepest hope that the people of Israel will soon be able to live in true peace and security, and I urge my colleagues to support House Concurrent Resolution 133, and I thank the gentleman from California [Mr. LANTOS] and the gentleman from New York [Mr. GILMAN], the chairman, for their leadership on this issue and for ever being strong and making sure we defend the rights of those who are peace loving, and also thank the gentleman from California [Mr. BERMAN] and the gentleman from New Jersey [Mr. SAXTON] and the gentleman from New York [Mr. ENGEL] for their support of the Lantos and Gilman legislation.

Mr. LANTOS. Mr. Speaker, I want to thank the gentleman from Pennsylvania, and under my reservation of objection I yield to the gentleman from Virginia [Mr. MORAN].

Mr. Speaker, the suicide attacks today in Jerusalem's open air market are cause for deep sadness on everyone's part. First and foremost, the sympathies of all people of conscience go to the victims and their families. The loss of life and limb in such circumstances is painful beyond words. Our heart goes out to those who have suffered from this callous act of terrorism. These were innocent people who did not deserve to die, who did not deserve to have their bodies mangled for life.

Beyond the individual tragedy is the impact this crime will have upon the peace process. The risks which any government is willing to take for peace are limited by its concerns for the security of its citizens. The limits of trust between negotiating parties are defined by the integrity of each in resolutely safeguarding the security of the other.

Both sides have been disappointed. Israel has been repeatedly disappointed in its request from the Palestinian Authority for a return to previous cooperation in preventing attacks on civilians and bringing perpetrators to justice. It is not likely that there will be concessions of autonomy and territory if the result is going to be terrorism. Without mutual cooperation, the cycle of hostility will continue delaying, perhaps destroying, the peace which Israelis and Palestinians alike desire.

Mr. Speaker, I condemn entirely the terrorist act in Mahane Yehudah and the terrorists who perpetrated and who strategized it. They must be brought to justice, and there must be no gain for them from this crime. I urge all the parties involved to find constructive responses which preserve the ability of citizens to live peaceful lives and prevent the extremists from achieving their goal of derailing the peace process.

Mr. Speaker, this was a clearly calculated effort to destroy progress toward peace between Arabs and Jews. Let us resolve not to let it succeed.

Mr. LANTOS. Mr. Speaker, I thank the gentleman from Virginia for that eloquent statement and, further reserving the right to object, I want to emphasize in concluding, Mr. Speaker, that this House is united in denouncing this outrageous and brutal act of terrorism.

Mr. FORBES. Mr. Speaker and my colleagues in the House, once again bombs have exploded in the streets of Israel killing at least 13 and wounding more than 150. Living with this kind of senseless violence is unbearable for all in the region and my deepest condolences go out to the families, friends, and neighbors who lost a loved one in the explosion. Every time an innocent life is taken through violence, especially a child's it is a tragedy. It chips away at the fabric that binds us together as a human race. More than lives were killed in its explosion—the explosion struck a deadly blow to the peace process. The attackers, Hamas claimed responsibility in a leaflet, whose overall aim has been to scuttle the peace process achieved a short-term goal: President Clinton postponed a new peace initiative by U.S. envoy Dennis Ross, who was to arrive in the region on July 31, 1997. No new date for the trip was set.

This latest example of violence leads me to ask the question—what kind of peace is this? Since the signing of the Oslo Accords in 1993, the world has witnessed rioting and bombs exploding in the streets of Israel, buses exploding, and Prime Ministers assassinated. I do not want to see the Israelis and Palestinians retreat from the principle of peace but peace they don't have. The time is at hand, and has been, for the U.S. To demand compliance under the Oslo accords. Tangible and measurable results are possible and we need to stick to the task of requiring compliance as a condition of sending U.S. aid to the region. Unfortunately, the Administration and many in Congress are willing to turn a blind eye to evidence of Palestinian violations and misconduct in the name of the peace process. Again, I ask what peace is there? As a result of Congressional inaction, $100 million annually in U.S. assistance is available to the Palestinians.

Since the signing of the Oslo Accords, the Palestinian Authority has engaged in blatant violations of the agreement in addition to disregarding international norms and practices. With the Fiscal Year 1998 Foreign Operations Appropriations bill, Congress has an opportunity to press the Palestinian Authority to comply with its agreements by suspending aid for 3 months to the Palestinian Authority until the President can report and certify that various aspects of the Oslo accords and other human rights conditions are met. Suspending aid to the Palestinians for 3 months is an important demonstration of the American determination to hold both Israelis and Palestinians equally accountable for their actions in the peace process. Until we can be confident that the Palestinians have closed the spigot of violence, we should not be squandering taxpayer dollars on the Arafat regime.

Mr. PAUL. Mr. Speaker, I rise in opposition to House Concurrent Resolution 133 expressing the sense of Congress with regard to the terrorist bombing in the Jerusalem marketplace.

Certainly, I can agree with the language in the resolution that this attack is a violent, vicious, and reprehensible assault upon the individual citizens in Israel. For the victims and the victims' families I have the utmost sympathy. However, while expressing my sincerest personal condolences to these families and victims, I, at the same time, take very seriously my oath to uphold the U.S. Constitution.

Insofar as H. Con Res. 133 ''[u]ges the President and appropriate Executive agencies to provide all appropriate assistance to the government of Israel . . . [and] . . . bring to justice the terrorist leaders . . . [and] . . . prevent such terrorist acts in the future,'' I am unable to vote in favor of this Resolution. Constitutionally, it is not within the enumerated powers of the National Government to police the world. At the same time we are asked to support this resolution to urge intervention by the United States Government to ''prevent such terrorist acts in the future'' in Israel, would we be so receptive to allowing foreign entities to, for example, intervene to bring to justice the individual who initiated the bombing in Atlanta, GA, during the recent Olympic games.

It is not the responsibility of foreign governments to police the United States and constitutionally, it is not the responsibility of the United States to police the world. Mr. Speaker, for these reasons and with the deepest regrets for the victims and families of this act of brutality in Jerusalem, I oppose passage of H. Con. Res. 133.

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

The SPEAKER pro tempore (Mr. SOLOMON). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 133

Whereas on July 30, 1997, two terrorist bombs exploded almost simultaneously in the open market in Jerusalem killing at least 13 people and wounding more than 150 others, and

Whereas this attack is a violent and vicious assault against the peace process and against citizens of Israel: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) Expresses the deep condolences of the Congress and the American people to the families of the victims and to the people of Israel for the loss of life and the serious injuries that have been suffered in the terrorist

bombing in the Jerusalem market and expresses the solidarity of the American people with the people of Israel in the face of this tragic and senseless act;

(2) Reaffirms the determination of the Congress to join with the government of Israel in fighting against international terrorism;

(3) Urges Yassir Arafat and officials of the Palestinian Authority to undertake immediately unequivocal action to bring to justice leaders of terrorist organizations and extremist groups and to eliminate all weapons and explosives in the hands of such groups;

(4) Reaffirms the commitment of the Congress of the United States to the peace process in the Middle East and urges all parties to work together to bring lasting peace and security without violence and terrorism to that region; and

(5) Urges the President and appropriate Executive agencies to provide all appropriate assistance to the government of Israel to provide medical and other assistance to the victims of this terrorist act, to bring to justice the terrorist leaders behind this and similar acts of violence, and to work to prevent such terrorist acts in the future.

The SPEAKER pro tempore. The question is on the concurrent resolution.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question will be postponed.

GENERAL LEAVE

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, and that I may include tabular and extraneous materials.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

The SPEAKER pro tempore. Pursuant to the order of the House of Thursday, July 24, 1997 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2159.

□ 1712

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 consideration of the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, with Mr. Thornberry in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, the bill is considered read for the first time.

The gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI] each will control 30 minutes.

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

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

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

Mr. CALLAHAN. Mr. Chairman, it is my privilege today to summarize the work of the Subcommittee on Foreign Operations as well as the full Committee on Appropriations in developing the fiscal 1998 Foreign Operations, Export Financing and Related Agencies appropriation bill.

First, I want to publicly express my appreciation for the cooperation extended by my colleague the gentlewoman from California [Ms. PELOSI], San Francisco to be specific, and her staff for their help in crafting this bill. Like the gentleman from Louisiana [Mr. LIVINGSTON] and the gentleman from Wisconsin [Mr. OBEY]] before us, the ranking minority member and chairman do not agree with every detail of this bill, but we jointly recommend this bill to the House.

Again, this year the committee recommends a bill that is less than in previous years. We as well as our counterparts in the Senate fully recognize that foreign programs are not entitlements and must be subjected to the same scrutiny as domestic programs.

This year less than 5 percent of the money in this bill goes to the headline countries, such as Bosnia and Cambodia and Haiti. Another 43 percent supports the Middle East peace process, and that amount will not increase. But most of the money goes elsewhere to places where diplomats are seldom seen. What is it used for? It helps children, it protects victims of disasters and war, it promotes responsible economic growth in poor countries, it creates jobs at home through trade and investment, and that is why the $12.267 billion is needed to fund this appropriations bill.

□ 1715

Let me move on to some of the specifics in this bill, beginning with the possible impact of the Congressional Budget Resolution.

At $12.267 billion in discretionary budget authority, this bill is now $233 million under our 602(b) allocation, it is $4.6 billion less than the President's request, and $4.5 billion less than the Senate bill. It is also $87,000 below last year's appropriation bill. Let me once again reemphasize that this year, once again, in voting for the final passage of this bill, Members will be cutting foreign aid as we have done for the last 2 years.

Not every dollar level nor every policy in this bill will find its way into the final conference report in September. The President has no objection to the House passage of this bill, but his advisers signal that he is unlikely to sign a bill at this appropriation level. The House conferees will do our best to hold the line, but the final outcome will be different from what we recommend today, I am sure.

Let me move on to some of the policy issues we have addressed this year, and then to some of the major programs funded through this measure.

The committee again directs through the report language that Israel and Egypt receive the traditional amount of economic and support funds and military assistance. However, leaders of Israel and Egypt have publicly indicated their intention to gradually reduce the burden of economic support by American taxpayers. Our efforts are complicated by the urgent needs of Jordan, Israel's principal peace partner today.

With regard to the South Caucasus and Black Sea-Aegean region, the committee has worked hard to develop a balanced approach. The bill language directs the administration to provide humanitarian assistance to conflictive zones throughout the South Caucasus, including Karabagh for the first time.

We also provide for democracy training in Azerbaijan, and a cap of $40 million in ESF for Turkey, half of which is to be in the form of projects for specific purposes, as directed by section 571. Finally, the committee has reiterated current law with regard to trade and export agencies in the region.

Our chairman, the gentleman from Louisiana [Mr. LIVINGSTON], and the gentleman from Illinois [Mr. PORTER] and the gentleman from Michigan [Mr. KNOLLENBERG] have worked hard on the provisions I have just discussed.

They and the managers oppose all amendments that would disadvantage the United States' efforts to mediate conflict in the Caucasus and Aegean regions.

There are several policy regions involving spending in our own hemisphere. Many of our Members favor tighter control over training at the School of the Americas. We have included language in the bill this year which I believe will address most of the concerns. Before taking a position on any amendment to ban IMET funding for the School of the Americas, I ask all Members to take time to read the committee's bill language on page 29.

Guatemala, Haiti, and Panama are three other countries that have drawn attention from many Members. The committee welcomes and supports the peace settlement in Guatemala. Several Members had the opportunity to witness this first hand in April of this year.

The stagnation in the Government of Haiti makes it difficult for the committee to recommend types of long-term development assistance that cannot be implemented by the weak government there. We encourage USAID to focus on humanitarian assistance, including food aid, as long as former President Aristide blocks progress in rule of law and privatization.

Finally, the committee is disturbed by the situation in Panama. Critical port facilities have been leased to Chinese companies in a less than transparent manner. These leases are also a potential threat to United States national security.

As it has for many years, this bill includes language in two places prohibiting the use of funds to pay for abortions or involuntary sterilization. The underlying law, the Foreign Assistance Act of 1961, also explicitly prohibits the use of funds in this bill for abortion. I repeat, none of the funds in this bill can be used for abortion.

Like a majority of the House, I voted two times earlier this year for the Mexico City policy legislation. That legislation is in conference in the Senate as part of the U.N. reform legislation. Our Mexico City policy champion, the gentleman from New Jersey [Mr. SMITH] is a senior conferee. I wish him luck in working out this issue with the President and with the Senate.

Our new child survival and disease programs fund is retained, and incidentally, we received more correspondence from Members of this body requesting that we continue the funding of the child support program than any other single issue in our entire bill. We have increased this funding this year to $650 million, with the increase aimed at the alarming increase in the incidence of infectious diseases. Again this year we recommend at least $100 million to UNICEF, and that it be provided from the child survival fund.

For export and investment assistance programs the committee recommends a gross total of $753 million, which is partially offset by collections of $251 million. The subsidy appropriations for the Eximbank is $632 million, the same as the request. At a later point in the process the committee will consider increasing this amount if a further request is received from the bank's new President and the director of OMB. Although the committee has deferred acting on the request of $60 million for subsidy appropriations for the OPIC, it fully supports $32 million needed for its administrative expenses.

As an extension of OPIC's statutory sunset operating statute is expected to be reported by the Committee on International Relations within a few days, I will oppose any amendment to kneecap OPIC by slashing its operating expenses. With bipartisan support for an expanded OPIC role in moving Africa from aid dependence to global trading presence, this is no time for us to cripple OPIC.

Other AID development assistance programs as well as disaster assistance are amply provided for. Our report directs that an additional $10 million be provided for the microenterprise grants so many Members have also endorsed. It also directs an additional $20 million for Latin America and the Caribbean, and it recommends a full request for Africa be funded in the child survival and disease programs fund and the development assistance fund. In all of these cases the emphasis is on alleviating poverty through economic growth.

Mr. Chairman, I am going to abbreviate the rest of my remarks, but let me again emphasize to Members in the House that this is once again a cut in foreign aid. We recognize it is far below the President's request, some $4 billion below what President Clinton has requested.

We at the same time want to express our appreciation for the talent of Secretary Madeleine Albright. She is a remarkable and delightful diplomat, and we want to do everything we can to provide her the necessary tools that she needs to continue her quest for world peace, and to continue the diplomacy that she so professionally has performed in her tenure as Secretary of State.

Once again, we are facing cuts. We are facing a time in this country when the American people want us to cut back on government spending, and they did not send us to Washington to cut everything but foreign aid. So Members can proudly, as Members of this House, go home and tell their constituents that they did the responsible thing: gave the administration an acceptable level of funding, but at the same time, recognizing the austerity program that we are in, we are respectfully cutting the President's request by $4 billion.

Mr. Chairman, I include for the RECORD a letter dated 16 July 1997 from Carol Bellamy, Executive Director, UNICEF,

UNICEF
New York, NY, July 16, 1997.

Hon. SONNY CALLAHAN,
Chairman, Subcommittee on Foreign Operations, Export Financing, and Related Programs, Capitol Building, Washington, DC.

DEAR MR. CHAIRMAN: As you may be aware, the Secretary-General has today unveiled before the UN General Assembly an ambitious UN reform proposal. For your information, I have today welcomed the proposal and expressed gratitude to the Secretary-General for taking into consideration UNICEF's unique identity, mandate and relationship with its partners in the field. I personally look forward to working with the Secretary-General, his senior staff, and our sister UN agencies over the months ahead to work out the details associated with these reforms. I know that together, and with your support, we can indeed improve the effectiveness and efficiency of the United Nations funds and programs.

I want to take this opportunity as well to thank you again for responding so quickly to UNICEF's concerns about earlier versions of the UN reform proposals that failed to appreciate the unique public/private nature of UNICEF, its relationship with national governments, and its role as the sole UN agency focussing on the survival, development and protection of the whole child. Your letters and report language have ensured that the highest levels of the United Nations, which are truly committed to effective reform, understand that we can move forward with reform without damaging UNICEF.

We will be fully engaged in the UN reform process over the next several months and look forward to keeping you informed of our progress.

Sincerely,

CAROL BELLAMY,
Executive Director.

Mr. Chairman, I include for the RECORD the following tabular material:

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL (H.R. 2159)

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation on Program Activity:					
Subsidy appropriation	726,000,000	632,000,000	632,000,000	-94,000,000	.....
(Direct loan authorization)	(1,270,000)	(1,330,000,000)	(1,330,000,000)	(+1,328,730,000)	.....
(Guaranteed loan authorization)	(11,050,000,000)	(11,300,000,000)	(11,300,000,000)	(+250,000,000)	.....
Administrative expenses	46,614,000	48,614,000	48,614,000	+2,000,000	.....
Negative subsidy	-58,000,000	-51,000,000	-51,000,000	+7,000,000	.....
Total, Export-Import Bank of the United States	714,614,000	629,614,000	629,614,000	-85,000,000	.....
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	32,000,000	32,000,000	32,000,000	.....	.....
Insurance fees and other offsetting collections	-224,000,000	-251,000,000	-251,000,000	-27,000,000	.....
Direct loans:					
Loan subsidy	4,000,000	4,000,000	.....	-4,000,000	-4,000,000
(Loan authorization)	(80,000,000)	(133,000,000)	.....	(-80,000,000)	(-133,000,000)
Guaranteed loans:					
Loan subsidy	68,000,000	56,000,000	.....	-68,000,000	-56,000,000
(Loan authorization)	(1,360,000,000)	(1,800,000,000)	.....	(-1,360,000,000)	(-1,800,000,000)
Total, Overseas Private Investment Corporation	-120,000,000	-159,000,000	-219,000,000	-99,000,000	-60,000,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Trade and Development Agency					
Trade and development agency	40,000,000	43,000,000	40,000,000	.....	-3,000,000
(By transfer)	(5,000,000)	.....	.....	(-5,000,000)	.....
Total, title I, Export and investment assistance	634,614,000	513,614,000	450,614,000	-184,000,000	-63,000,000
(Loan authorizations)	(12,491,270,000)	(14,563,000,000)	(12,630,000,000)	(+138,730,000)	(-1,933,000,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Child survival and disease programs fund	600,000,000	.....	650,000,000	+50,000,000	+650,000,000
Development assistance	1,181,500,000	998,000,000	1,167,000,000	-14,500,000	+169,000,000
Development Fund for Africa	.....	700,000,000	.....	.....	-700,000,000
International disaster assistance	190,000,000	190,000,000	190,000,000	.....	.....
Debt restructuring	27,000,000	34,000,000	27,000,000	.....	-7,000,000
Micro & Small Enterprise Development program account:					
Subsidy appropriations	1,500,000	1,500,000	1,500,000	.....	.....
(Direct loan authorization)	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
(Guaranteed loan authorization)	(39,000,000)	(48,000,000)	(48,000,000)	(+9,000,000)	.....
Administrative expenses	500,000	500,000	500,000	.....	.....
Urban and environmental credit program account:					
Subsidy appropriations	3,500,000	3,000,000	3,000,000	-500,000	.....
(Guaranteed loan authorization)	(29,400,000)	(46,000,000)	(46,000,000)	(+16,600,000)	.....
Administrative expenses	6,000,000	6,000,000	6,000,000	.....	.....
Subtotal, development assistance	2,010,000,000	1,933,000,000	2,045,000,000	+35,000,000	+112,000,000
Payment to the Foreign Service Retirement and Disability Fund	43,826,000	44,208,000	44,208,000	+382,000	.....
Operating expenses of the Agency for International Development	470,750,000	473,000,000	468,750,000	-2,000,000	-4,250,000
Operating expenses of the Agency for International Development Office of Inspector General	30,000,000	29,047,000	29,047,000	-953,000	.....
Subtotal, Agency for International Development	2,554,576,000	2,479,255,000	2,587,005,000	+32,429,000	+107,750,000
Other Bilateral Economic Assistance					
Economic support fund:					
Camp David countries	2,015,000,000	2,015,000,000	2,015,000,000	.....	.....
Other	328,000,000	482,600,000	385,000,000	+57,000,000	-97,600,000
Subtotal, Economic support fund	2,343,000,000	2,497,600,000	2,400,000,000	+57,000,000	-97,600,000
International fund for Ireland	19,600,000	.....	19,600,000	.....	+19,600,000
Assistance for Eastern Europe and the Baltic States	475,000,000	492,000,000	470,000,000	-5,000,000	-22,000,000
Assistance for the New Independent States of the former Soviet Union	625,000,000	900,000,000	625,000,000	.....	-275,000,000
U.S. Russian Investment Fund (by transfer)	.....	(50,000,000)	.....	.....	(-50,000,000)
Subtotal, Other Bilateral Economic Assistance	3,462,600,000	3,889,600,000	3,514,600,000	+52,000,000	-375,000,000
Total, Agency for International Development	6,017,176,000	6,368,855,000	6,101,605,000	+84,429,000	-267,250,000

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL (H.R. 2159)—Continued

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriations	.....	22,000,000	20,000,000	+20,000,000	-2,000,000
African Development Foundation					
Appropriations	.....	14,000,000	11,500,000	+11,500,000	-2,500,000
Peace Corps					
Appropriations	208,000,000	222,000,000	222,000,000	+14,000,000	.....
(By transfer)	(12,000,000)	.....	.....	(-12,000,000)	.....
Department of State					
International narcotics control	213,000,000	230,000,000	230,000,000	+17,000,000	.....
Migration and refugee assistance	650,000,000	650,000,000	650,000,000	.....	.....
Refugee resettlement assistance	5,000,000	.....	5,000,000	.....	+5,000,000
United States Emergency Refugee and Migration Assistance Fund	50,000,000	50,000,000	50,000,000	.....	.....
Anti-terrorism assistance	.....	19,000,000	.....	.....	-19,000,000
Nonproliferation and Disarmament Fund	.....	15,000,000	.....	.....	-15,000,000
Nonproliferation, anti-terrorism, demining and related programs	151,000,000	.....	118,000,000	-33,000,000	+118,000,000
Total, Department of State	1,069,000,000	964,000,000	1,053,000,000	-16,000,000	+89,000,000
Total, title II, Bilateral economic assistance	7,294,176,000	7,590,855,000	7,408,105,000	+113,929,000	-182,750,000
(By transfer)	(12,000,000)	(50,000,000)	(4,500,000)	(-7,500,000)	(-45,500,000)
(Loan authorizations)	(69,400,000)	(95,000,000)	(95,000,000)	(+25,600,000)	.....
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	43,475,000	50,000,000	50,000,000	+6,525,000	.....
Foreign Military Financing Program:					
Grants:					
Camp David countries	3,100,000,000	3,100,000,000	3,100,000,000	.....	.....
Other	124,000,000	174,250,000	159,250,000	+35,250,000	-15,000,000
Subtotal, grants	3,224,000,000	3,274,250,000	3,259,250,000	+35,250,000	-15,000,000
(Limitation on administrative expenses)	(23,250,000)	(23,250,000)	(23,250,000)	.....	.....
Direct concessional loans:					
Subsidy appropriation	60,000,000	66,000,000	60,000,000	.....	-6,000,000
(Loan authorization)	(540,000,000)	(699,500,000)	(657,000,000)	(+117,000,000)	(-42,500,000)
FMF program level	(3,764,000,000)	(3,973,750,000)	(3,916,250,000)	(+152,250,000)	(-57,500,000)
Total, Foreign military assistance	3,284,000,000	3,340,250,000	3,319,250,000	+35,250,000	-21,000,000
Special Defense Acquisition Fund:					
Offsetting collections	-166,000,000	-106,000,000	-106,000,000	+60,000,000	.....
Peacekeeping operations	65,000,000	90,000,000	77,500,000	+12,500,000	-12,500,000
Total, title III, Military assistance	3,226,475,000	3,374,250,000	3,340,750,000	+114,275,000	-33,500,000
(Limitation on administrative expenses)	(23,250,000)	(23,250,000)	(23,250,000)	.....	.....
(Loan authorization)	(540,000,000)	(699,500,000)	(657,000,000)	(+117,000,000)	(-42,500,000)
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development:					
Contribution to the International Finance Corporation	6,656,000	.....	.....	-6,656,000	.....
Contribution to the Global Environment Facility	35,000,000	100,000,000	35,000,000	.....	-65,000,000
Contribution to the International Development Association	700,000,000	1,034,504,000	606,000,000	-94,000,000	-428,504,000
Total, World Bank Group	741,656,000	1,134,504,000	641,000,000	-100,656,000	-493,504,000
Contribution to the Inter-American Development Bank:					
Paid-in capital	25,610,667	25,610,667	25,610,667	.....	.....
(Limitation on callable capital subscriptions)	(1,503,718,910)	(1,503,718,910)	(1,503,718,910)	.....	.....
Fund for special operations	10,000,000	20,835,000	20,835,000	+10,835,000	.....
Contribution to the Enterprise for the Americas Multilateral Investment Fund	27,500,000	30,000,000	.....	-27,500,000	-30,000,000
Total, contribution to the Inter-American Development Bank..	63,110,667	76,445,667	46,445,667	-16,665,000	-30,000,000

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL (H.R. 2159)—Continued

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Contribution to the Asian Development Bank:					
Paid-in capital	13,221,596	13,221,596	13,221,596	.....	.....
(Limitation on callable capital subscriptions)	(647,858,204)	(647,858,204)	(647,858,204)	.....	.....
Contribution to the Asian Development fund	100,000,000	150,000,000	100,000,000	.....	-50,000,000
Total, contribution to the Asian Development Bank	113,221,596	163,221,596	113,221,596	.....	-50,000,000
Contribution to the African Development Fund	.....	50,000,000	25,000,000	+25,000,000	-25,000,000
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	11,916,447	35,778,717	35,778,717	+23,862,270	.....
(Limitation on callable capital subscriptions)	(27,805,043)	(123,237,803)	(123,237,803)	(+95,432,760)	.....
North American Development Bank:					
Paid-in capital	56,000,000	56,500,000	56,500,000	+500,000	.....
(Limitation on callable capital subscriptions)	(318,750,000)	(318,750,000)	(318,750,000)	.....	.....
Contribution to the Bank for Economic Cooperation and Development in the Middle East and North Africa:					
(By transfer)	.....	(52,500,000)	.....	.....	(-52,500,000)
(Limitation on callable capital subscriptions)	.....	(157,500,500)	.....	.....	(-157,500,500)
International Monetary Fund					
Contribution to the enhanced structural adjustment facility	.....	7,000,000	.....	.....	-7;000,000
Loans to International Monetary Fund	.....	3,521,000,000	.....	.....	-3,521,000,000
Total, International Financial Institutions	985,904,710	5,044,449,980	917,945,980	-67,958,730	-4,126,504,000
(Limitation on callable capital subscript)	(2,498,132,157)	(2,751,065,417)	(2,593,564,917)	(+95,432,760)	(-157,500,500)
International Organizations and Programs					
International organizations and programs	169,950,000	365,000,000	194,000,000	+24,050,000	-171,000,000
(By transfer)	(17,500,000)	.....	.....	(-17,500,000)	.....
Total, title IV, Multilateral economic assistance	1,155,854,710	5,409,449,980	1,111,945,980	-43,908,730	-4,297,504,000
(By transfer)	(17,500,000)	(52,500,000)	.....	(-17,500,000)	(-52,500,000)
(Limitation on callable capital subscript)	(2,498,132,157)	(2,751,065,417)	(2,593,564,917)	(+95,432,760)	(-157,500,500)
Grand total	12,311,119,710	16,888,168,980	12,311,414,980	+295,270	-4,576,754,000
(By transfer)	(34,500,000)	(102,500,000)	(4,500,000)	(-30,000,000)	(-98,000,000)
(Limitation on administrative expenses)	(23,250,000)	(23,250,000)	(23,250,000)	.....	.....
(Limitation on callable capital)	(2,498,132,157)	(2,751,065,417)	(2,593,564,917)	(+95,432,760)	(-157,500,500)
(Loan authorizations)	(13,100,670,000)	(15,357,500,000)	(13,382,000,000)	(+281,330,000)	(-1,975,500,000)
Total mandatory and discretionary	12,311,119,710	16,888,168,980	12,311,414,980	+295,270	-4,576,754,000
Mandatory	43,826,000	44,208,000	44,208,000	+382,000	.....
Discretionary	12,267,293,710	16,843,960,980	12,267,206,980	-86,730	-4,576,754,000

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

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

Mr. Chairman, I rise in support of the foreign operations export, finance, and related programs legislation, and in doing so, commend our chairman, the gentleman from Alabama [Mr. CALLAHAN], for his exceptional leadership in forging the bipartisan bill to the floor today. Although we may not agree on all of the issues in the bill, we come with a unified message.

Hopefully the amendments that have been introduced on the floor will not do damage to the bipartisanship that the gentleman from Alabama [Mr. CALLAHAN] imposed upon us, that he nurtured as we went along. He indeed is the gentleman from Alabama. I am grateful to him for his accessibility in terms of hearing our case and putting some of our priorities into the legislation.

I also want to join him in commending our chairman of the full committee, the gentleman from Louisiana [Mr. LIVINGSTON], for his participation in the bipartisan spirit to bring this bill to the floor, and the gentleman from Wisconsin [Mr. OBEY], our ranking member of the full committee, a longtime chair of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations for his great wisdom and spirit of bipartisanship.

Before I begin, Mr. Speaker, I want to acknowledge the hard work of the majority and minority staff, Charlie Flickner, Bill Inglee, John Shank, Nancy Tippens, Lori Maes, Mark Murray, and Carolyn Bartholomew, and thank them for their very, very hard work, not only in bringing the legislation to the floor, but for the hearing process and all that went into developing this piece of legislation today.

Before I proceed on the substance of the bill, Mr. Chairman, I want to join our colleagues, the gentleman from New York [Mr. GILMAN] and the gentleman from California [Mr. LANTOS], in the resolution that preceded our bringing the foreign operations bill to the floor.

I, too, want to extend my condolences to the people of Israel for their suffering because of the tragic terrorist act. It is appropriate that this resolution preceded our bill, because our bill has made a very, very strong commitment to peace in the Middle East. These senseless terrorist acts are not in furtherance of that peace. I wanted to add my voice of sympathy to those of our colleagues who spoke on the resolution.

Mr. Chairman, this legislation addresses foreign operations, export financing, and related programs, as its title describes. As the world's sole remaining superpower and as the beacon of hope and opportunity for people around the world, it is within our ability and indeed it is vital to our national interest to provide the necessary resources to meet our collective foreign policy goals.

We have and will continue to have disagreements in this body about the framework of our foreign policy goals and just what constitutes our national security interest. The fact of the matter is, however, that the overwhelming majority of funds in this bill go to an agenda on which we can all agree.

These include alleviating poverty, fighting illness and eradicating disease worldwide, educating the poor, caring for refugees and displaced persons, teaching women about their choices, saving the lives of starving children, facilitating the transition to free markets and to democratic society, addressing environmental degradation, helping American companies enhance their export opportunities, providing small loans to those who need help to start businesses in the microenterprise arena that the First Lady and the administration has taken such leadership in, and promoting basic human rights and democratic freedoms.

These goals, as I say, are those which we can all agree upon. They are important and they should be funded adequately.

We are all familiar with President Kennedy's inaugural address when he said, and Americans of a certain age and generation all know what he said in the inaugural address, ''To those peoples in the huts and villages of half the globe, struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required, not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are richer.''

Many things have changed since that day in 1961, but many things have not. Our foreign policy is no longer based on containing communism, but there are many more people in the world struggling to break the bonds of mass misery today than there were in 1961. We are in fact providing those people with vital assistance.

Thus, we have an even greater challenge before us today than we had in 1961, and should not be bound by artificial limits on what we are spending to meet our basic responsibility as the world's only remaining superpower to make the world healthier and more secure for all of us.

We as Members of this body have a challenge before us with respect to demonstrating to the American people that their lives are indeed affected by what happens in today's world. The fact is that an overwhelming majority of people in this country support providing needed humanitarian assistance and helping poor women and children better their lot in life throughout the world.

□ 1730

Secretary Albright, and I wish to associate myself with the remarks of our distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN], in his praise of our distinguished Secretary of State, Secretary Albright, has said that 1 percent of our budget may determine 50 percent of the history that is written about our era; and it will affect the lives of 100 percent of the American people. We have a challenge before us, and that is to convince the American people that, as I mentioned before, that their lives are affected by what happens inside our borders and that we can effectively respond to those needs. But their lives are also affected by what happens outside our borders.

We on a more practical note also have to demonstrate that the funds we do provide make a difference. I for one intend to respond to this challenge by speaking out and working for higher funding level than what is currently in this bill. With all due respect to my distinguished chairman, this is one area where we have disagreement and that is on the funding level.

The total funding level in this bill is simply too low to meet these challenges that I mentioned above. The total of $12.3 billion is $1 billion below the administration's request level of $13.3 billion, if we are just counting what is appropriated in this bill. We have not provided enough to even meet our annual contribution level for the International Development Association, known as IDA, much less pay the over $200 million in past due payments. These funds enable the World Bank lending to the poorest countries in the world. Underfunding of this account has led to the imposition of procurement restrictions against American companies, and this funding level means that these restrictions may continue to be in effect.

The bill provides little or no funding for the new Partnership for Freedom initiative for the new independent states. Indeed, there is funding in here for the Partnership for Peace but not for the new initiative. These new republics are making strides toward democracy and the establishment of free market economies, with our help and against overwhelming internal obstacles.

It is now time to refocus our aid programs, having learned what works and what does not. There should be absolutely no question that we need to remain engaged with an enlightened and robust aid program in these newly independent states and more funding is needed to accomplish this.

Again, I want to compliment my distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN], because of some of the items in the bill that it does fund adequately. The bill contains funding for many vital programs such as the child survival account which is a special one for our chairman, development assistance programs, refugee assistance, export assistance, anti-terrorism, nonproliferation, demining and the Peace Corps, to name a few. Given

these funding levels and the cooperation shown by the gentleman from Alabama [Mr. CALLAHAN] and the leadership shown by the gentleman from Alabama [Mr. CALLAHAN] in putting this bill together, I would like to support the bill and fully intend to. As I said, I hope that the amendments on the floor do not do violence to our spirit and the peace that the gentleman from Alabama [Mr. CALLAHAN] has created around this bill.

The committee has acted responsibly in putting together a bill which reflects bipartisanship and compromise. While its funding level is too low in some areas, as I have previously stated, it has many aspects worthy of support.

In closing Mr. Chairman, I want to again quote President Kennedy. As I said earlier, many Americans are familiar with President Kennedy's inaugural address in which he said, ''ask not what your country can do for you but what you can do for your country.'' But how many Americans know the line that follows, and that line is, ''my fellow citizens of the world, ask not what America will do for you but what together we can do for the freedom of men.''

President Kennedy laid down a challenge to the American people to act to improve their own country and to act to work with the peoples of other nations to work for freedom and alleviation of poverty. We must respond to this challenge by meeting our responsibilities in the spirit of humanity and generosity and in the national interest of our great country.

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

Mr. CALLAHAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOLLENBERG], a member of the appropriations subcommittee.

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of H.R. 2159, the 1998 appropriations bill for foreign operations. As a member of this subcommittee, I want to commend my friend, the chairman of the committee, the gentleman from Alabama [Mr. CALLAHAN], who has been, I think, outstanding in his ability to work with all sides. Shepherding this bill is no different than any other, of course, but it is difficult when it is an appropriations bill and he has done it, I think, with grace, with diligence and with impartiality.

I want to thank also the gentlewoman from California [Ms. PELOSI] for her work with the chairman and the committee. The entire subcommittee staff should also be thanked for all the work that they have done to bring about this bill. Each member of the subcommittee has worked in a bipartisan way to craft this bill so that it reflects the Nation's international priorities while maintaining a goal of fiscal responsibility and a balanced budget.

The bill again holds the line on foreign aid spending. At the same time, the bill maintains funding for our most important foreign aid priorities. I want to especially thank the chairman for working with myself and others to include increased funding for the microenterprise program. This helpful program provides small loans to the poorest individuals of the less developed countries in an effort to create self-reliance. That program has been very successful.

I applaud the bill's continued commitment to the Middle East peace process. In addition to maintaining the funding levels at the same level for both Egypt and Israel, the bill requires now a detailed report of the progress toward compliance with the Oslo peace accords.

The bill contains our strong commitment to democracy building in Russia while addressing our concerns about Russian exports of nuclear and ballistic missile technology. With Russia and the United States already at odds over the Russian sale of nuclear reactors to Iran, Russia now plans to aid Cuba in revitalizing a dangerous Chernobyl style nuclear reactor just 90 miles off our coast. This must not be allowed to happen. This grave situation is addressed in the bill by stipulating that aid to Russia is contingent upon stopping the development of any nuclear program or ballistic missile capacity. We are sending a powerful signal to Russia that its interaction with dangerous rogue states like Iran is unacceptable.

Finally, I want to highlight the provisions of this bill that deal with the ongoing conflict in the Caucasus. Many people do not even know about the history of this small troubled region of the former Soviet Union. But this conflict will continue to have an impact upon America, on our interests because of the neighboring countries that surround that community.

I am glad and proud to have worked with the chairman and with members of this subcommittee to craft what I consider a productive, positive proposal that will facilitate peace in the region and reinforce the U.S. role as an unbiased mediator in the peace process. Whether you know it or not, each of us has a vested interest in the outcome of the Caucasus. U.S. interest can best be served through a swift and meaningful resolution to conflicts plaguing this troubled region.

This proposal also removes obstacles to the delivery of humanitarian relief to needy people throughout the Caucasus. It clarifies section 907 of the Freedom Support Act and allows democracy building and electoral reform activities in Azerbaijan. Section 907 should not preclude programs designed to create a more democratic Azerbaijan because democratic nations are inherently more peaceful.

The bill contains the $95 million package of assistance to Armenia meeting the pressing humanitarian and development needs there and hopefully hasten its progress toward stability, peace and prosperity.

With our support we may finally see this region free of bloodshed and conflict and rich with prosperity and opportunity.

The subject of foreign aid often sparks heated debate on the floor. We all have strong opinions about of course how we feel about things and about a number of programs that are close to us. I asked my colleagues not to let these heated discussions keep us away from coming to closure to resolution on the business at hand which is to pass this bill, a fair bill. We need them to unite behind it.

I want to again thank the chairman, the gentleman from Alabama [Mr. CALLAHAN] for all of his work and his leadership in bringing the influence, his influence into this to bring about, I believe, a very, very outstanding bill.

I ask Members to support the bill and I want to in closing thank the chairman for yielding this time to me.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia [Mr. MORAN], distinguished member of the Committee on Appropriations.

Mr. MORAN of Virginia. Mr. Chairman, first of all, I hope this bill passes because I doubt that there are any two Members of this body that are any more well liked and respected than the gentlewoman from California [Ms. PELOSI] and the gentleman from Alabama [Mr. CALLAHAN]. But I would like to enter into a colloquy with the chairman if I could.

Mr. Chairman, I want to thank you and the gentlewoman from California [Ms. PELOSI] and the members of the subcommittee for the attention and the funding that you have given to demining activities in this bill. I know that you and the gentlewoman from California [Ms. PELOSI] are well aware of the challenge that land mines pose to humanitarian development, refugee resettlement and rehabilitation throughout the developing world. Many of these efforts cannot even begin or must be suspended or terminated until the land mines are marked or removed. These areas, mine awareness, education and demining activities, must go hand in hand with humanitarian relief and development programs.

A number of our private voluntary organizations, nongovernmental organizations are trying to initiate and implement these sorts of antiland mine programs. However, we have learned that these demining funds have not been made available to them. It is my understanding that private voluntary organizations and nongovernmental organizations may apply for these demining funds and that these funds may be used for mine awareness and education programs, mapping and marking and the training of deminers as well as the removal of mines. Can the chairman confirm my interpretation?

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

Mr. MORAN of Virginia. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, the gentleman is correct. It is the understanding of the committee that the nongovernmental agencies that you are talking about can apply for these funds for the activities the gentleman mentioned.

Mr. MORAN of Virginia. Mr. Chairman, I thank the gentleman very much for this confirmation and his strong leadership in this area. I thank my friend and the ranking member of the subcommittee, the gentlewoman from California [Ms. PELOSI], as well. I hope the bill passes.

Mr. CALLAHAN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. PACKARD], who is also a member of the appropriations subcommittee.

Mr. PACKARD. Mr. Chairman, I wanted to take a moment to compliment the chairman of this subcommittee and the ranking Democrat, the gentlewoman from California [Ms. PELOSI], for their very fine leadership in crafting this bill. I am proud to rise in support of the bill that has been brought to the floor today. I especially rise in the hopes that all the Members will recognize the strong leadership of the gentleman from Alabama [Mr. CALLAHAN] and also the gentlewoman from California [Ms. PELOSI] in crafting this financially prudent and yet socially and morally responsible bill.

As the gentleman from Alabama [Mr. CALLAHAN] likes to point out, there are not many people in his district in Alabama who even know much about foreign operations and fewer that would probably care about it. Yet he as chairman has taken the time to become extremely familiar with the issues and expert in management of the bill. And so I certainly want to compliment him.

There is no greater testament than the example set in creating, recreating, and increasing funding for the child survival account in this bill. The administration chose not to include this account in their budget submission and I cannot imagine them leaving this important area out of their budget submittal. This administration chose not to include an account which provides child survival and disease eradication throughout the world. What is worse, they chose not to include it. When they chose not to include it, they would have provided less money for it while increasing funding for Russia.

I am proud to say that the chairman and ranking member of the committee and members of the subcommittee not only corrected this situation but increased the funding for child survival and the basic functioning of our foreign operations funding.

I certainly recommend this bill to all Members of the House. I hope that it will pass. I hope that we will be able to keep unwanted and undesirable amendments from cluttering the bill. We would like to send this bill to the President in a form that he can sign.

I again want to compliment the leadership of this committee. It is a pleasure for me to serve with them. I am very proud of this bill. I think that we have done a lot of good things. We have fenced some of the money, particularly to Russia, and also another one of our independent states where a serious problem with corruption takes place. We fenced the money with the requirement that they make improvements on corruption in these countries before the money would be able to be released.

□ 1745

Also, I was pleased to see us fence some of the money as it relates to going to Russia and tying it to religious freedom in Russia.

All in all, I am very proud of the bill, very proud to sign on to it and recommend its vote.

Ms. PELOSI. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. YATES], the distinguished gentleman who is the ranking member of the Interior Subcommittee; more importantly for this bill, he has been a Member of this House since the inception of the Marshall plan.

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

Mr. YATES. I thank the gentlewoman very much. She can always introduce me. I thank her very, very much for that very gracious introduction.

The gentlewoman from California is correct, when the Secretary of State testified before the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations earlier this year, we spoke about foreign aid, and foreign aid stemming from the time of Thomas Jefferson. And although my tenure on the committee does not quite go back that far, I did begin my association at the time of Harry Truman.

At that time the Marshall plan had just been inaugurated. I was lucky enough as a freshman to become a member of the Marshall Plan Committee. And during the almost 50 years that I have served in this House, I have been on the subcommittee on foreign aid. I have seen a major transition in both the political situation in the world and how foreign assistance and export programs can address these changes.

I believe that the Committee on Appropriations has been at the forefront in initiating reform and guiding the new direction of foreign assistance following the ending of the cold war. This bill continues that tradition, because this bill is essentially the product of two of the ablest Members of the House, and I refer of course to the chairman and the ranking member, the gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI].

I have worked with every chairman and every ranking member of this subcommittee for almost the last 50 years, and I would say that the two that have drafted this bill are essentially the most able that I have witnessed in all that time. This bill does reflect the touch that they have given to us.

The ironic truth about foreign aid is that it is much cheaper than Americans think it is, and it does things that most Americans do not realize that it does do. Like defense, it helps preserve our national security. And as stated in USA Today, ''This is no time to be penny-wise and pound-foolish.'' Our foreign assistance program helps finance the building blocks of a new international structure that is more peaceful and more stable than the one we left behind.

I can say that now after working on this committee for so many years. I have seen how it has helped rebuild Europe under the Marshall plan and I have seen how it has helped bring underdeveloped countries to a much more developed state. I believe this bill is a worthy one and I believe that it deserves our support. Certainly I look forward to supporting it as it goes through the House.

Mr. CALLAHAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise today in strong support of the bill. I want to begin by commending my friend, the chairman of the subcommittee, the gentleman from Alabama [Mr. CALLAHAN], for the bipartisan and consensus promoting manner in which he has brought the bill to the floor of the House. I think he has reflected very well the concerns of the members of the subcommittee in crafting the bill and he has done just an outstanding job of bringing us together in support of it.

I would also like to say that we have had the wise counsel and support of the gentleman from Louisiana, Mr. BOB LIVINGSTON, and I appreciate especially his flexibility and thoughtfulness in dealing with me and with my colleague the gentleman from Michigan, Mr. Joe Knollenberg, who I have worked very closely with on the very difficult issues of the Caucasus and Turkey.

I also want to commend the gentlewoman from California [Ms. PELOSI] in her first year as ranking member of the subcommittee. She has done an excellent job of working to improve the lives of people around the world, and it is always a delight and a pleasure to work with her.

I believe, Mr. Chairman, that this is a good bill and one which all the Members of the body should support. I am pleased that we have been able to move forward in funding initiatives that reflect our commitment to the values of democracy, freedom, economic opportunity, the rule of law, and respect for human rights.

An example of this cooperation is involved with United States involvement and relations with Armenia, Azerbaijan, Nagorno-Karabakh, and Turkey. In the past, these issues have always been a stumbling block in this bill, which led to angry floor debate which allowed Members, including myself, to achieve perhaps moral victories

but may not have been the most productive manner to advance the ideals and goals we have for this region.

This year we have taken a different tack by attempting to work out a balanced and fair approach to the region before the bill reached the floor in an effort to avoid that ugly floor fight that neither advanced our cause nor inspired trust among the other countries in the region.

I am pleased with the committee's overall funding level for development assistance and their support for the United Nations' development program and the World Conservation Union.

My dedicated colleague and friend, JOE KNOLLENBERG, approached me earlier this year about bringing together a package of legislative and report language ideas which could address the concerns that many Members have about these issues. Joe and I, with the help of our chairmen, our staff, and the subcommittee staff, took a great step forward through cooperation and consensus and I am very proud of the work that we did on this bill. Joe, congratulations on your fine work on this bill and your leadership on this issue in general.

Many of my colleagues have asked me about the provisions in this regard and what they will mean for the United States' policy there. We have included in the bill an exception to section 907 which allows for the first time for democracy building assistance to go to Azerbaijan. President Aliyev of Azerbaijan is in town this week to meet with President Clinton and Members of Congress, and I hope that the members of the subcommittee were able to speak with him this afternoon about the provisions of the bill.

As in all the former Soviet republics, the development of democracy in Azerbaijan has been uneven. We are confident that by making it possible for the NED and similar institutions to begin working in Azerbaijan, we are taking an important step towards improving the lives of the average Azeri citizen.

Moreover, we have provided legislative direction for the State Department to give assistance to all needy persons in the Caucasus. This would include refugees in Azerbaijan, needy people in Nagorno-Karabakh and internally displaced persons in Georgia.

I am hopeful that this provision will remove the artificial barriers to assistance which our State Department has set up once and for all so that the people who desperately need our help can get it. Other than these important exceptions, however, we have left section 907 intact.

With regard to Turkey, Mr. Speaker, this bill showcases a new approach that we are cautiously optimistic about. One-half of the economic support funds for Turkey will be directed to projects run by NGO's, private voluntary organizations and others to promote democracy, encourage economic development of areas that have been affected by internal conflicts, and other purposes that we have been encouraging the Turkish Government to undertake for years.

This new approach has taken a leap of faith by those of us with strong feelings on both sides of this issue. These have been difficult times for Turkey, and the dramatic shifts in the situation there have caused all of us to reexamine our approach to that important ally. Concerns about the future of democracy and the spread of Islamic fundamentalism have lead us to look for new ways to support Turkey on the path that is not only in Turkey's best interest but in our own as well.

It would be easy to come to the floor, as I have in the past, to talk about the serious problems that Turkey has, but these problems have not gone away and in many ways they have worsened in the past year. But I believe that if we want to truly help the Turkish people, we must bring about reforms from within the country and promote an atmosphere where democracy is secure enough to take bold steps, such as ending the armed conflict in the southeast. I believe that what we are doing in this bill will quietly and profoundly have that effect.

In addition to creating the climate in which we could make these steps forward on the caucasus, I want to thank the chairman for including funding and language concerning important initiatives in Burma, China, Northern Iraq, Tibet, Cyprus, and other areas which are of great concern to me. I wish that all Members could have the privilege of having such a cooperative Chairman.

While I am very proud of the efforts we have made in this bill and appreciative of Chairman CALLAHAN's work, I must again express my disappointment that this House continues to cut overall levels of foreign assistance. I believe that this is the era of American leadership, and we are squandering a golden opportunity to bring an ever-expanding circle of countries into our sphere of influence. I hope that we can begin to realize this opportunity and that the Republican Party, which for so long led the way in international affairs, can return to engagement in this vital area of our national policy.

The reduced appropriation for the multilateral financial institutions from the requested amount is of particular concern to me. These institutions have received significant reductions in past years, resulting in vast arrears. The administration has negotiated an agreement to pay off these arrears and I believe that the subcommittee should work to honor this agreement.

I am also concerned that the so-called Leahy provision, which is intended to keep U.S. counter-narcotics assistance out of the hands of human rights abusers, was stricken from the bill on a point of order due to the objection of my friend from New York, Mr. GILMAN, and my friend from Illinois, Mr. HASTERT. I hope that we can work together to deal with their concerns about the administration's implementation of this policy, and resolve this issue prior to the conference on the House and Senate bills.

I would also like to address an issue—the situation in Cambodia—that was brewing as we drafted the bill earlier this year but has exploded in violence and bloodshed in recent weeks. In January, several of my colleagues and I visited Cambodia. We met with human rights activists and others who had so much hope for the future of Cambodia. These individuals had dedicated their lives to bringing a better life to the people of Cambodia, to cementing the gains of democracy and freedom in Cambodia, and to securing a stable society for their children. We also met with Prime Ministers Ranariddh and Hun Sen. The meeting with Mr. Hun Sen was ominous, looking back on it, for he did not have the same hopefulness as the people of his country. I am devastated by what has happened in Cambodia, and I support the effort by Congressman ROHRABACHER to mover our policy to take a strong stand against the lawless acts of Hun Sen and a strong stand with the people of Cambodia. I hope that Chairman CALLAHAN will also support this amendment when it comes to the floor.

Finally, I would like to take this opportunity to express my condolences to the families of those who lost their lives in the horrible terrorist attack in Israel today. I am outraged by this act of cowardice and I am angry at the failure of those who could have prevented this heinous act. I am hopeful that the House can be a force to end this pattern of hatred and violence, and I urge all parties to continue to move forward on the path to peace in spite of the actions of extremists.

Mr. Chairman, this bill, I think, is in excellent condition. Sure, there are places where I disagree with it, but I think the chairman has done an outstanding job of bringing both sides of the aisle together, people with divergent interests, and crafting a bill that we can all be proud of, and I urge the support of all Members.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. VISCLOSKY], a member of the Committee on Appropriations.

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

Mr. VISCLOSKY. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I would like to commend the work of the chairman, the gentleman from Alabama [Mr. CALLAHAN], as well as the ranking member, the gentlewoman from California [Ms. PELOSI]. I recognize the committee faced a number of very difficult issues, and I believe that they have done the very best job possible.

While I support the general thrust of the bill, I am very concerned about the specific issue of the current United States relationship with several countries located in the Caucasus, specifically Turkey, Greece, and Armenia.

The committee has decided to provide assistance to all three countries and has conditioned some of the aid. This conditioned aid is a reasonable response by the United States to a difficult situation. However, I am concerned about the very unreasonable attitude Turkey has displayed with respect to the conditions that we are placing on our assistance.

I would like to remind the House that last year this Chamber cut economic support fund assistance to Turkey on two separate votes. This year, the gentleman from Florida [Mr. BILIRAKIS], others and I will not be offering an amendment to cut United States assistance to Turkey. That decision, at least for myself, is based only on the firm understanding that Turkey will act responsibly during the next 12 months.

Mr. Chairman, I want to make it clear that I do support the consensus policies on the Caucasus and Turkey developed by the committee. However, it is important for Turkey to understand that the assistance we are providing this year is not a blank check. The situation in Turkey must improve or next year I do not believe the House will be as accommodating as it has been this year.

Mr. CALLAHAN. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN] a member of the subcommittee.

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

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this bill. First, I want to thank our chairman, the gentleman from Alabama [Mr. CALLAHAN], and our ranking member, the gentlewoman from California [Ms. PELOSI], for their leadership of our subcommittee and our excellent staffs.

As the chairman has stated, the subcommittee has again done more with less, as have the agencies that carry out U.S. foreign policy objectives. For less than $12.3 billion, slightly less than last year's bill, we continue to provide the essential tools to promote and protect America's leadership and interests around the globe.

With this bill we maintain our strong commitment to Israel and the Middle East peace process. We provide critical funding for child survival programs, and we continue America's longstanding support of development assistance for the poorest of the poor. We provide support for the new democracies of Eastern Europe and place increased emphasis on important priorities in our own hemisphere.

Further, we have provided resources to help American companies enter new markets, to provide global environmental resources, and to combat the threat of international narcotics and terrorism from reaching our shores. And these investments are made for less than 1 percent of the overall budget and within the framework of our balanced budget plan.

Despite this, most Americans remain skeptical about foreign aid. They either believe that we spend far more on it than we do in reality or they simply are not convinced of its value. I believe that it is imperative that we explain to the taxpayers the return on our investment in these programs.

Earlier this year I invited AID Administrator Atwood to my district to explain to my constituents the value of our investment in AID programs. He showed how a small New Jersey company in Morris Plains, with the help of AID, developed a product to keep polio vaccines safe for use around the world.

Success stories like that are a direct result of our foreign aid programs. This new product is helping our efforts to eradicate polio throughout the world and has created economic growth and opportunity in New Jersey.

Again, the amount for all these programs, from building democracy and feeding hungry children to fighting the war against drugs and opening new markets for America's goods and services, equals less than 1 percent of the budget.

Lastly and most importantly, Mr. Chairman, I believe now is an especially critical time for the President, President Clinton, to exercise his leadership in making a stronger case for this investment to the American people.

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I urge my colleagues to support this bill and reject proposals for further reductions.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY], a member of the subcommittee.

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

Mrs. LOWEY. Mr. Chairman, I rise in support of H.R. 2159.

I want to thank our distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN], and the gentlewoman from California [Ms. PELOSI], our outstanding ranking member, who have worked so very hard in a bipartisan way to report out a bill that strikes a delicate balance on a number of very difficult issues.

Mr. Chairman, this bill is far from perfect. The overall funding in the bill is substantially lower than what I would have liked, and several specific accounts are also too low. But this bill does represent a very serious bipartisan compromise. And again, I want to thank the chairman and our ranking member.

The bill also includes the full $3 billion in aid package for Israel and the critical $80 million for refugee resettlement assistance. With the tragic bombings today in Jerusalem, we have seen once again how very important it is for the United States to express its strong support for Israel and the Israeli people.

Although the development assistance account is lower than the administration requested, an issue I would like to see corrected in conference, it does include a critical $10 million increase for international microcredit programs, which I think are absolutely critical to help raise the level of prosperity around the world.

Mr. Chairman, I remain concerned about the item in the bill for International Development Association, which is unacceptably low. The $606 million included in the bill is only slightly more than half of what the administration has requested for IDA, and I would call on the chairman to work with me and my colleagues to increase this amount in conference, as well.

Mr. Chairman, the bill does have some compromises which we worked very hard to support. The bill preserves current law, prohibiting the U.S. funds for the performance of abortions or to lobby for or against abortion. It also prohibits the funds from being used to support any biomedical research that relates to the performance of abortions.

Mr. Chairman, I offer my very strong support for this bipartisan bill.

In the past, we have spent many hours debating amendment after amendment on the floor regarding Greece, Turkey, and the Caucasus region. This year, we have reported out a bill that addresses most of our concerns in this area. Now there are some provisions I would have written differently, and I'm sure some of my colleagues feel the same way, but what is in the bill represents a good balance on this issue. And I want to thank the chairman and Ms. PELOSI, and also Mr. KNOLLENBERG and Mr. PORTER for all of their hard work on this issue. Microcredit is a critical tool in the fight to eradicate poverty worldwide and enjoys wide bipartisan support in the Congress and the administration.

Providing these small, low interest loans to the millions of low-income entrepreneurs around the world would be a major step toward the eradication of poverty. This is especially true among women, who are very often the heads of households, and benefit tremendously from microcredit programs. This is a critical time for microcredit. We have come a long way this year alone, but we must do more. The increase for microcredit in this bill will allow us to help thousands of people pull themselves out of poverty.

IDA makes critical investments in the development of the world's poorest countries. It provides assistance in health care, education, and other areas of human capital, creating the climate needed for sustainable growth and helping to turn these nations from aid recipients to trading partners.

This bill also strikes a balance in the area of international family planning assistance, one of the most important forms of aid that we provide to other countries. No one can deny that the need for family planning services in developing countries is urgent and the aid we provide is both valuable and worthwhile.

Nearly 600,000 women die each year of causes related to pregnancy and childbirth—most live in developing countries.

Each year, 250,000 women die from unsafe abortions. Most of these disabilities and deaths could be prevented.

Only 20 to 35 percent of women in Africa and Asia receive prenatal care.

Five hundred million married women want contraceptives but cannot obtain them.

This bill preserves current law prohibiting the use of U.S. funds for the performance of abortions or to lobby for or against abortion. It

also prohibits the funds from being used to support any biomedical research that relates to the performance of abortions as a method of family planning.

These restrictions represent a compromise in this area and I hope that we will pass this bill without upsetting this compromise. Unfortunately, some of my colleagues see this matter differently and are planning to offer an amendment that, if passed, could hold the entire foreign aid bill hostage for the third year in a row. I strongly urge my colleagues to oppose these efforts to disrupt our bipartisan compromise.

Mr. Chairman, as I have stated, I do have some very serious reservations about specific provisions in this bill. But on the whole, it represents a good compromise between Chairman CALLAHAN, Ranking Member PELOSI, and all of the members of the subcommittee. I urge passage of this bill.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to my colleague, the gentleman from California [Mr. TORRES], a distinguished member of the subcommittee.

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

Mr. TORRES. Mr. Chairman, I thank the chairman, and I thank my ranking member for that kind introduction.

I rise, of course, to commend both the gentleman from Alabama [Mr. CALLAHAN], the chairman, and the gentlewoman from California [Ms. PELOSI], the ranking member, for their diligent work in crafting this year's foreign assistance package. I also want to commend the majority and minority staff for their tireless efforts to produce this very fine bill.

However, I must note that the bill falls short in certain areas. While I respectively acknowledge the willingness of the gentleman from Alabama [Mr. CALLAHAN] to work with me and members of the subcommittee in addressing concerns that we all have about the School of the Americas, I am not convinced that we should continue to spend one more dime on this facility.

And that is why I intend to offer an amendment, together with my colleagues, the gentleman from Illinois [Mr. YATES] and the gentleman from Pennsylvania [Mr. FOGLIETTA], to prohibit any of the bill's funds from being used at the school.

I am also deeply troubled that there may be a move to strike from the bill a critical counternarcotics assistance accountability provision, specifically referred to as the Leahy amendment. This provision, which I supported in last year's bill, prohibits U.S. counternarcotics aid from going to human rights violators in certain foreign countries. It prevents U.S. aid from going to specific military units where there is credible evidence they have been involved in violations.

The Colombian armed forces and their paramilitary allies are implicated in hundreds of murders a year. Colombian military units responsible for some of the worst human rights atrocities in recent years were also those that received U.S. assistance. We should be doing everything possible to ensure that U.S. aid is used for counternarcotics efforts and not for murdering civilians.

The human right provisions is the very minimum standard we should utilize before releasing millions of dollars in military aid to combat narco-trafficking. Rather than striking it from the bill, I believe we should be expanding the provision to include all forms of counternarcotics assistance. Regrettably, the rule does not permit this important provision from a point of order.

Mr. Chairman, I rise today in support of H.R. 2159, the fiscal year 1998 Foreign Operations appropriations bill as reported out of the full committee. I want to commend Chairman CALLAHAN and the distinguished ranking member, Ms. PELOSI, for their diligent work in crafting this year's foreign assistance package. I also want to commend both the majority and minority staff for their tireless efforts to produce this bill.

However, I must vote that the bill falls short in several areas. While I respectfully acknowledge Chairman CALLAHAN'S willingness to work with me and others on the subcommittee in addressing concerns we all have about the U.S. Army School of the Americas, I am not convinced that we should continue to spend one more dime on this facility. That is why I intend to offer an amendment, together with my colleagues Mr. YATES and Mr. FOGLIETTA, to prohibit any of the bill's funds from being used at the school.

I am also deeply troubled that there may be a move to strike from the bill a critical counternarcotics assistance accountability provision, specifically referred to as the Leahy amendment. This provision, which I supported in last year's bill, prohibits U.S. counternarcotics aid from going to human rights violators in foreign countries.

It prevents U.S. aid from going to specific military units where there is credible evidence they've been involved in violations. The Colombian Armed Forces and their paramilitary allies are implicated in hundreds of murders a year. Colombian military units responsible for some of the worst human rights atrocities in recent years were also those that received U.S. assistance.

We should be doing everything possible to ensure that U.S. aid is used for counternarcotics efforts and not for murdering civilians. The human rights provision is the very minimum standard we should utilize before releasing millions of dollars in military aid to combat narco trafficking. Rather than striking it from the bill, I believe we should be expanding the provision to include all forms of counternarcotics assistance. Regretfully, the rule does not protect this important provision from a point of order.

I am, however, pleased that this bill provides full funding for the fund for special operations, the concessional lending arm of the Inter-American Development Bank. The FSO extends loans to the poorest countries in Latin America and the Caribbean for programs designed to alleviate poverty. FSO programs benefit those most in need, especially women and children and microentrepreneurs who have little access to credit through regular financial sources.

The U.S. contribution to the Fund for Special Operations is an effective investment in the development of our poorest neighbors in the Western Hemisphere. The fully funded level of $20.83 million for the FSO is critical in leveraging funds from other donor nations around the world and I am pleased that this bill provides the administration's request.

I am also pleased that the bill directs an increase of $20 million for programs in the Latin America and Caribbean region. U.S. assistance to Latin America has been scaled back dramatically in recent years. Despite bill and report language in last year's bill, aid to Latin America has continued to be slighted. The relatively modest sums directed toward sustainable development in Latin America are a worthwhile long-term investment in the economic and political stability of our closest neighbors.

Further, the United States has made certain commitments to the region, such as contributions to consolidating peace in Central American nations, which should be honored.

I also want to note that the bill provides the fourth and final tranche to complete the capitalization of the North American Development Bank, or NADBANK. This funding is critical for the Bank to realize its potential to clean up the border region and address the domestic needs of displaced workers and businesses.

Again, my thanks to Chairman CALLAHAN for his cooperation in working with all members of this subcommittee to craft this bill in a bipartisan manner.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2½ minutes to the distinguished gentleman from New Jersey [Mr. PALLONE].

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

Mr. PALLONE. Mr. Chairman, I rise in support of the foreign operations appropriations bill. The bill makes a significant effort to realize the balanced policy in the Caucasus region. And I am urging my colleagues in the bipartisan Armenian caucus to support the consensus position on the Caucasus, which was so painstakingly worked out by the subcommittee members.

I urge those who will participate in the House-Senate conference to do everything possible to retain the House position in conference. The House bill maintains the economic sanctions on Azerbaijan which were enacted into law under section 907 of the Freedom Support Act in response to that country's continuing blockade to Armenia and Nagorno Karabagh. Unlike the Senate bill, the House bill does not allow for funds to go to Azerbaijan from the Export-Import Bank, the Overseas Private Investment Corporation, or the Trade and Development Agency. The House bill maintains the integrity of section 907, while the exceptions in the Senate bill render the prohibition on aid to Azerbaijan virtually meaningless.

One of the truly honorable provisions in this bill is the language making funds available for humanitarian assistance through nongovernmental organizations in conflict zones throughout the Transcaucasus, including Nagorno Karabagh.

And finally, the bill provides a $95 million soft earmark for Armenia. Given the challenges facing Armenia, with blockades imposed by neighbors on their east and west, and in light of the strides that Armenia is making in terms of establishing democracy and a market economy, I believe this earmark is fully justified.

Mr. Chairman, I would also like to stress our policy with regard to India. I believe we should remain consistent with the longstanding American goal of promoting greater cooperation with countries like India that promote democracy, free markets, and stability.

I understand that we will be asked to consider an amendment to cut development aid to India. I urge Members not to support this unjustified proposal. Last year, India held nationwide elections in which more than 400 million people voted for free and fair elections. And this year, in the Indian state of Punjab, some 60 percent of the voters turned out for free elections, which resulted in the election of a Sikh dominated government. India has taken concrete steps to address human rights issues with the establishment of a national human rights commission that has won international praise for its independence and effectiveness.

Finally, Mr. Chairman, I am extremely concerned about a provision in the Senate foreign ops bill which would relax current United States sanctions on Pakistan. Under the Glenn-Symington provision, certain key United States trade and export promotion programs have been withheld from Pakistan in the past because of Pakistani involvement in nuclear proliferation. In recent years, Pakistan has moved forward with an aggressive program of acquiring nuclear technology and weapons.

I urge the Members not to recede to the Senate on this ill-advised provision in conference.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Maryland [Mr. HOYER], a distinguished member of the Committee on Appropriations.

Mr. HOYER. Mr. Chairman, I thank the gentlewoman from California [Ms. PELOSI] for yielding me the time.

Mr. Speaker, U.N.- and NATO-led forces were involved in the recent apprehension of two individuals and the killing of a third who had been indicted by the International War Crimes Tribunal. The recent arrests and the tribunal's sentencing of Dusan Tadic to 20 years in prison for his part in the torture and murder of innocent civilians are a major step forward.

Yet the fact remains that, while the war crimes tribunal has publicly indicted 76 people to date, 66 indicted suspects remain at large, despite the fact that the tribunal has been issued international indictments, despite the fact that the Dayton accords requires the parties to that agreement to surrender those who are within their effective jurisdiction, and despite the fact the U.S. Security Council Resolution 827 requires all states to cooperate in this effort.

This must stop, Mr. Speaker. If countries do not live up to their international obligations and cooperate with the tribunal, we should not cooperate with them. I am pleased that the legislation before us provides for sanction against those countries which harbor war criminals. The bill permits the President to withhold foreign assistance from these states and instructs the Secretary of the Treasury to oppose assistance from the international financial institutions.

I would have preferred frankly an outright ban on such aid but am pleased that we are moving in the right direction. I want to thank the gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI] for their support and leadership in this effort.

I am pleased this committee has recommended a $3 million voluntary contribution to the war crimes tribunal to assist in its challenging work. In closing, Mr. Speaker, let me just say that I would have preferred that we had done more to assist the emerging democracy in Russia and other CIS states. I understand the constraints that the committee was under. And I am rising in support of this bill and looking forward to their success in conference.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. GOSS], member of the Committee on Rules.

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

Mr. GOSS. Mr. Chairman, I thank the distinguished chairman for yielding me the time. I point out that less than 1 percent of the Federal budget we are talking about here, foreign aid spending, is not the problem when it comes to our budget ills. But it is clear that everything is on the table when we talk about the budget.

The reason I am supporting this bill is not budgetary, however. It is because this bill was crafted by making difficult choices, shifting limited resources and reflecting new priorities. And I congratulate both the chairman and ranking member for that. Also of course it keeps spending down, and Chairman Callahan has done a fabulous job at that.

In fact, Chairman Callahan has delivered a bill that comes in, I understand, at $4.6 billion below the President's request and below the spending allocation. That is a pretty good trick in these tight budgetary times.

But the important point is the committee has prioritized spending to fund child survival programs and to fund efforts in nonproliferation, antiterrorism, and counternarcotics. As chairman of the House Permanent Select Committee on Intelligence, that is a very important area for me. And it is an area of critical concern involving both the security and the quality of life for Americans at home and abroad.

And I think it is very important that this bill focuses on that. And I am pleased it does, and that is one of the reasons I strongly support it.

But as a southwest Floridian, I am pleased that this bill will choke off some of the international assistance that might be funneled to Fidel Castro to complete dangerous nuclear reactors at Juragua. The foreign operations bill also includes $72 million in funding for operations in Haiti. But the gentleman from Alabama [Mr. CALLAHAN] has wisely conditioned that aid on progress on economic reforms and investigations into political killings since President Preval's election.

Although I would have preferred language that included all the killings since the troops returned President Aristide, I am nevertheless pleased to see that we have some specific markers set out on accountability in this area.

To date, and to the best of our ability to get an accounting from the Clinton team, we know that more than $3 billion has been spent for Haiti and we see little evidence for that $3 billion of good governance or any other progress we were hoping for in that nation. I urge support for this legislation.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I rise in strong support of the bipartisan consensus that the committee has reached in this bill on the troubled Caucasus region in Armenia.

Since Azerbaijan began its blockade of Armenia 5 years ago, the citizens of Armenia have suffered from lack of shelter, lack of heat, lack of food and lack of crucial medicine. In fact, the world food bank has described Armenia as a prefamine state. Even worse, Mr. Chairman, the Armenians in Nagorno Karabagh have been blockaded by Azerbaijan for 8 years.

That is why we must maintain economic sanctions against them. That is why economic sanctions will send a clear and straightforward message to the perpetrators of this cruel and senseless blockade. It is a message that their actions will no longer be tolerated.

Mr. Chairman, I urge my colleagues to join me in congratulating the committee on a job well done and in supporting this important consensus.

Ms. PELOSI. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I rise to support the fiscal year 1998 foreign operations appropriations bill.

Especially at this critical juncture of the peace process, and in light of today's tragic bombing in Jerusalem, the United States must continue to support Israel and help assure its

security as it takes the very difficult steps needed to secure peace. Any cuts in foreign aid to Israel now could damage Israel's security, its negotiating posture, and the peace process, as well as other United States interests in the region. As one of the United States' strongest allies and the only true democracy in the Middle East, Israel is certainly deserving of this support.

I want to emphasize that this measure is in the United States' strategic and economic best interest. Israel is the most reliable ally of the United States in the Middle East and continued foreign aid funding will maintain a solid partnership with the United States. Because of the depth of the United States-Israel relationship and the permanence of Israel's democracy, the United States knows we can depend on Israel in a crisis. By its continued support of Israel, the United States honors a historic commitment to a fellow democracy with which we share unique security, economic, and cultural ties.

I am especially pleased by the growing relationship between Israel and my State of Texas. Texas and Israel are substantial trading partners, sharing economic interests in telecommunications, medical technology, hightech computers, and agriculture. In 1996, Texas exports to Israel totaled nearly $580 million in goods and services, which represented an 89 percent increase since 1995. With regard to medical technology, Israel and Texas have established many joint research programs. For example, the Texas-Israel Telemedicine Exchange has brought together the Texas Children's Hospital in Houston and the Rabin Medical Center in Petach Tikvah in developing a telemedicine framework for Israel's hospitals and health care clinics. As this partnership continues to develop, new business opportunities will make the economies of Texas and Israel stronger and more competitive in the 21st century.

The United States has a strong national interest in bringing peace, stability, and economic growth to one of the most strategic and potentially destabilizing regions of the world. The United States can best achieve these goals by continuing its commitment to ensuring Israel's security. I urge my colleagues to continue a proud tradition of support for Israel and to recognize that our Nation's national interests will be reinforced by voting for this appropriation.

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Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE].

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

Mr. CASTLE. I thank the distinguished gentleman for yielding me this time.

Mr. Chairman, I am the chairman of a subcommittee on the Committee on Banking and Financial Services called the Subcommittee on Domestic and International Monetary Policy. We deal with the Eximbank as well as the international financial institutions.

My 1 minute will not allow me to go into all the different aspects of this, but we are very supportive of this legislation. We are also very supportive of the concept that the United States of America needs to continue to be involved with some of these organizations, including the World Bank, the International Development Association and some of the various development funds which are out there.

We think that the International Development Association has become a symbol of the willingness of the United States to meet its international obligations. We will not be able to effectively advance our reform agenda unless we stay fully involved and keep our payments up to date, which we are attempting to do at this point and which this legislation indeed attempts to do.

These are difficult choices. Few Members really wish to in some instances subsidize export promotion or be involved in some of these supports overseas with respect to these areas, but as we go more and more into international trading and an international economy, I feel they are necessary.

I hope that all Members would take the time at some point to more fully understand what we are doing. It is relatively limited compared to most countries that offer the same level of support. But for today, I believe the foreign operations appropriations bill is doing just the right thing.

Mr. Chairman, I rise to comment on the provisions of this bill regarding the international financial institutions [IFI's] and the Export-Import Bank of the United States [Eximbank]. Both the IFI's and Eximbank are within the authorizing jurisdiction of the Subcommittee on Domestic and International Monetary Policy, which I chair.

For fiscal year 1998, the administration requested the support of the Banking Committee for authorization of U.S. contributions to the 11th replenishment of the International Development Association [IDA]; the 7th replenishment of the All Development Fund [ADF]; the European Bank for Reconstruction and Development [EBRD]; the Inter-American Development Bank [IDB]; the Enhanced Structural Adjustment Facility of the International Monetary Fund [IMF]; and the New Arrangements to Borrow [NAB], a new multilateral line of credit available to the IMF in the event of a serious threat to the international financial system. In addition, the committee has been requested to reauthorize the Export-Import Bank of the United States for 4 additional years.

Specifically, with respect to the international financial institutions, the administration requested authorization of appropriations in the amount of $1.6 billion over 2 years for U.S. contributions to IDA–11; $400 million over 4 years for the U.S. contribution to ADF–7; $285 million over 8 years for the U.S. contribution to the second general capital increase of the EBRD; $76.8 million over 3 years for a scheduled capital subscription to the IDB; $75 million over 10 years for the interest subsidy account of the ESAF facility of the IMP; and approximately $3.4 billion (as valued in special drawing rights) for U.S. participation in the NAB.

On May 8, 1997, the Subcommittee on Domestic and International Monetary Policy considered and favorably reported by voice vote to the full Banking Committee H.R. 1488, the International Financial Institution Reform and Authorization Act of 1997. That bill fully authorizes over 2 years the U.S. contribution to the 11th replenishment of IDA, the World Bank facility that provides concessional lending to the world's poorest developing countries. The subcommittee intends to work closely with the Treasury and other interested parties to ensure that the World Bank remains on the reform path and that U.S. taxpayer resources are used effectively. This commitment to ongoing reform is reflected in the policy provisions of H.R. 1488.

But the subcommittee also recognized that IDA has become a symbol of the willingness of the United States to meet its international obligations. I believe the United States cannot effectively advance reform or our policy priorities if we remain in arrears to IDA and other multilateral lending institutions. In this regard, I would strongly support efforts to address past due payments to the international financial institutions in a manner consistent both with the overall request, and the assumption of a cap adjustment for exchanges of monetary assets and for international organization arrears as provided for in the budget resolution. Let's get these arrears behind us to ensure that America can effectively lead these institutions in a way that advances our national interests.

The regional development banks were all authorized at the fiscal year 1998 appropriations request level, not because of a lack of subcommittee support, but in recognition of existing fiscal constraints. The ESAF was also authorized at the fiscal year 1998 level, although future subcommittee support for the ESAF will depend on the results on an ongoing external review of this facility. The subcommittee also authorized U.S. participation in the NAB. As you know, U.S. participation in the NAB entails no scoring of budgetary outlays.

On May 8, 1997, the Subcommittee on Domestic and International Monetary Policy also considered and favorably reported by voice vote to the full Banking Committee H.R. 1370, a bill to reauthorize the U.S. Export-Import Bank through September 30, 2001. That bill was passed by voice vote, as amended, by the full Banking Committee on July 9 of this year.

These international issues present Congress with difficult choices. Few Members wish to subsidize export promotion, but the heavy hand of our foreign competitors in trade finance makes continued U.S. support for Eximbank imperative. Likewise, many observers can point to specific failings by the international financial institutions, and the bipartisan agreement on the need for reform suggests that a good deal of the criticism of the IFI's has been at least partially valid. Yet there is also strong bipartisan agreement that the IFI's continue to make an important contribution to economic development and to the stability of the international financial system. On balance, they were serve U.S. international economic as well as foreign policy interests. I would urge my colleagues to give them their support.

Mr. CALLAHAN. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Chairman, I thank the gentleman for yielding me this time. I would like to engage the gentleman from Alabama in a brief colloquy regarding the sustainable desert

development program for combating desertification, a program which I support. Am I correct to understand that the committee's intent is that the $5 million made available under this bill is to be administered by the Agency for International Development on a competitive peer-reviewed basis?

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

Mr. PASTOR. I yield to the gentleman from Alabama.

Mr. CALLAHAN. The gentleman from Arizona is correct.

Mr. PASTOR. Mr. Chairman, I thank the gentleman for his time and assistance in this matter.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I will take more time when I strike the last word on an OPIC amendment.

A company from my district agreed to be a model investment company in Gaza under OPIC, and they experienced a number of unethical and downright illegal activities that must be brought before the Congress. The company is Bucheit International and, among other things, they allowed a private individual over there to cancel checks, to put up as collateral their account for a private loan. I have never seen such type of banking irregularities ever.

This was the only company to make an investment of $4.4 million in Gaza which caused them to default on a $2 million loan. Under the 5-minute rule I am going to explain it more fully, but I am hoping we do not conclude business today and that I could put some language in here that will protect American companies that are being ripped off. We cannot have the PLO, who sponsors terrorism, also ripping off American companies.

Ms. PELOSI. Mr. Chairman, I yield myself the balance of my time.

In closing, I want to commend our distinguished chairman for his tremendous leadership in crafting this legislation and bringing such a strong bipartisan bill to the floor. I think the strength of our bill today and the consensus that he built will go a long way to taking us to passage and to conference, where some of the fights will be tougher ones and where we will have the battle over priorities and how much money is the appropriate figure to have in this legislation.

I want to once again thank the majority and the minority staff and, very important, the distinguished members of the subcommittee, both Republican and Democratic members of the committee for the cooperation they gave to our chairman and to me as ranking member.

I believe that this bill is a very important one to the Congress and to our country. Because of the resources that we are appropriating here today, the Clinton administration will be able to promote democratic freedoms, stop proliferation of weapons of mass destruction, promote U.S. exports through the export finance provisions of this legislation, and indeed work for our national security by promoting peace throughout the world.

I come from a different kind of district than the district of the gentleman from Alabama [Mr. CALLAHAN]. I am sympathetic to him in terms of having to sell foreign assistance back home. I come from a very globally oriented district that places a very high value on the leadership role that the United States plays in the world, and I think that the commitment that we make here today and hopefully an expanded one that we will come out of the conference with is one that does promote the values of our country. I urge my colleagues to support the legislation the gentleman from Alabama [Mr. CALLAHAN] has brought to the floor today.

Mr. CALLAHAN. Mr. Chairman, I yield myself the balance of my time.

In closing let me reemphasize that this once again cuts last year's appropriation level. It is $4.6 billion below the President's request and it is $233 million under our 602(b) allocation.

Once again, this is a vote on final passage of this bill to cut foreign aid.

Mr. POMEROY. Mr. Chairman, I want to express my appreciation to the House Appropriations Committee for its support of overseas programs by U.S. cooperatives and credit unions. I have supported the work of cooperatives and credit unions in my state. These people-to-people assistance programs are the types of foreign aid that the American people fully support.

In its report (105–176), the Committee stated that:

> The Committee continues to support development efforts carried out by United States cooperatives and credit unions. These programs promote free markets, create business linkages with the United States, export American technology, and build local economies, and help create a friendly climate for new and expanding United States markets. They enable people to achieve dignity and lasting economic benefits through member-owned businesses.

Overseas cooperative development is a unique type of self-help assistance, carried out in America's tradition of humanitarian assistance and in America's national interest. Critical support for these efforts comes from the U.S. Agency for International Development.

Cooperatives provide private sector approach to international development that combines a humanitarian concern with a business discipline. Cooperatives give people a stake in the system by bringing them into the marketplace. They introduce democratic business practices in many countries with little experience in democracy.

In the U.S., they have enhanced and promoted the economic well-being of farmers and spread the benefits of free markets through credit unions and community-based businesses. Cooperatives have used their domestic experiences to share their business know-how abroad. In turn, these overseas programs directly benefit America by enhancing stability in developing countries, building long-term business partners and increasing international sales and investments by U.S. businesses.

The following are a few examples of overseas U.S. cooperative development efforts:

In El Salvador, illegal immigration is slowed as cooperatives develop two-way trade in non-traditional and non-competitive products. In Bolivia, United States agricultural and electric cooperatives support alternative crops to coca production, and thus are combating illegal drug trafficking.

In Africa, cooperatives and credit unions are carrying out micro-enterprise programs that reverse the flow of capital and bring it back to rural communities. In Indonesia, cooperatives are helping micro-entrepreneurs in the production of specialty export crops, integrated livestock and fishery production and rural enterprise development including joint ventures with United States companies.

In Romania, United States housing and other cooperatives are playing a crucial role in strengthening civil society to address decaying social problems by providing training and technical assistance in management, accounting, fundraising, marketing and financial analysis to new and struggling non-governmental organizations.

In Georgia, United States agricultural cooperatives have built a network of growers with a seed production cooperative and are building a supply association for inputs to private farmers. The new cooperative is a private sector alternative to the defunct government wheat seed and multiplication and supply system.

Through programs like these, cooperatives provide hope for economic prosperity through grassroots businesses that provide jobs, income, basic education and democratic experience. By providing private sector to private sector assistance, rather than government to government assistance, U.S. cooperatives are better able to link American communities and cooperative businesses with overseas partners that, in turn, serve U.S. economic interests.

Mrs. KENNELLY of Connecticut. Mr. Chairman, I rise in support of the fiscal year 1998 foreign operations appropriations bill and wish to express my strong support for a provision in the bill which would permit $95 million in aid to promote important economic reforms in Armenia.

Armenia, can play an pivotal role in American foreign policy in the Caucasus region with our continued support. Current economic and political reforms taking place offer important opportunities for the emergence of a strong pro-western government that can compete on the world market, and open trade opportunities for the United States.

Continued economic support combined with an expanded U.S. role in the Caucasus region as co-Chair of the Organization for Security and Cooperation in Europe, Minsk Group, will be critical to breaking the current impasse between Armenia and Azerbaijan over Nagorno-Karabagh. Further, a lifting of the blockade of Armenia by its neighbors in conjunction with a peaceful settlement to the Nagorno-Karabagh issue will only lead to greater stability and growth in the region. I urge the Administration to remain diligent on these important issues and applaud the committees decision to earmark foreign assistance to Armenia.

Mr. KOLBE. Mr. Chairman, I have been a longtime advocate of funding for research in the field of sustainable development of arid lands in order to fight desertification, and I applaud the committee's decision to recommend greater resources be made available for this

important work. Significant work has been accomplished in this field by the University of Arizona and its cooperating partners in the International Arid Lands Consortium. It is vital, however, that the funds for Middle East Desertification activity be administered by AID in a competitive, peer-reviewed program that will encourage the best scientists, researchers, and land managers in this important field to seek solutions to the complicated problems associated with desertification.

Resources for important research have become all too scarce, and I know my colleagues on both sides of the aisle agree that we must ensure that those funds we do make available are expended in a fashion that will produce tangible results and inspire taxpayer confidence. Peer-review is vital to assessing the quality of the science produced by federal funding, and increasing the number of disciplines involved in arid lands sciences will help bring about a greater utilization of sustainable arid land management techniques.

It is for these reasons I ask that Congress require any program that results from this funding for the Middle East Desertification activities be administered through a peer-reviewed, competitive process.

Mr. UNDERWOOD. Mr. Chairman, I am pleased to note that there are several provisions in the FY 1998 Foreign Appropriations bill aimed at curbing human rights violations and promoting democratic ideals. A number of countries affected by these stipulations are Guam's neighbors in the Asia-Pacific region. Not only are we in close proximity to nations such as South Korea and China, the people of Guam also enjoy social and cultural links with them.

I stress the importance of promoting democracy and human rights in Asia, and I am confident that certain aspects of this bill will contribute towards greater acceptance of self-determination and individual liberties. For example, the Committee's recommendation that the State Department select a special envoy to facilitate the peaceful resolution of the East Timor dilemma should United Nations efforts fail is a clear signal of American commitment to the plight of the East Timorese. I had the pleasure of meeting Bishop Carlos Ximenes Belo, a co-recipient of the Nobel Prize for his work in East Timor, and was amazed by his dedication to provide the East Timorese with an international voice. We must continue our support for leaders such as Bishop Belo in their peaceful quest for basic human rights.

I am also pleased that an arrangement is provided for an East-Asian Pacific democracy fund, as proposed in the President's budget request, which would promote democracy and democratic institutions in China. Although the details of this fund have yet to be finalized by the State Department and approved by Congress, it is yet another pledge to protect democracy. As we cautiously observe China's management of Hong Kong, we must continue to constructively engage China economically and politically. Through economic relations, diplomatic maneuverings and democratic influences, it will not be long before China and its territories enjoy the same freedoms we experience every day.

The United States is a major player in the global area, and the provisions we debate in Congress tonight command international attention. Democracy and human rights do not stem merely from a nation's automatic self-awareness. Sometimes we must prod and remind others and ourselves that democratic principles and respect for individual liberties are necessary components of a strong, stable nation.

Mr. ORTIZ. Mr. Chairman, I rise today in support of the Overseas Private Investment Corporation and to express my opposition to the amendments offered by Mr. ROYCE and Mr. PAUL to H.R. 2159, the fiscal year 1998 Foreign Operations Appropriations Act. These amendments would do nothing but hurt American businesses and American workers.

Mr. Chairman, at a time when American businesses are facing increased competition in the global marketplace, it is inconceivable to me that we, the very Government charged with helping our businesses, would obstruct the most important means to this end. To those who support the elimination of OPIC, I implore them to give up the isolationist belief that if we ignore foreign trade deficits, they will simply go away. Nothing could be farther from the truth. We must engage our competitors in the global marketplace or we will become a second place economic power.

Mr. Chairman, there is a reason we have trade deficits with some foreign nations—they actively support their businesses to a much greater extent than we do. If we cut OPIC, we tie the hands of American businesses just as they are poised to step into the ring. My colleagues have to understand this essential fact: the global marketplace is not going to go away. If we stick our heads in the sand and let foreign businesses get the upper hand in the global marketplace, then we are turning our backs on our own people and our own future. Let us make no mistake, Mr. Chairman, we need OPIC.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the order of the House of Thursday, July 24, 1997, the bill shall be considered for amendment under the 5-minute rule.

Amendments printed in House Report 105–184 may be offered only by a Member designated in the report or the order of the House and only at the appropriate point in the reading of the bill, are considered as having been read, are debatable for the time specified in the report or the order of the House, equally divided and controlled by the proponent and an opponent, are not subject to amendment except as specified in the report, and are not subject to a demand for division of the question.

No other amendment shall be in order unless printed in the CONGRESSIONAL RECORD.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

H.R. 2159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided,* That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $632,000,000 to remain available until September 30, 1999: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, and insurance obligated in fiscal years 1998 and 1999: *Provided further,* That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase of lease of any product by any East European country, any Baltic State, or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the board of Directors, $48,614,000: *Provided,* That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further,* That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1998.

OVERSEAS PRIVATE INVESTMENT CORPORATION NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to

it and in accordance with law as may be necessary: *Provided,* That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $32,000,000: *Provided further,* That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

Mr. PORTER. Mr. Chairman, I move to strike the last word to engage the chairman of the subcommittee in a colloquy.

Mr. Chairman, I am seeking clarification with regard to a provision we included in the bill regarding Economic Support Funds for Turkey. It is my understanding that this provision limits the overall level of assistance to $40 million, with no less than half of the funds to be spent on democracy building and other activities by nongovernmental organizations, private voluntary organizations or other instrumentalities, and these funds will be administered through the Agency for International Development.

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

Mr. PORTER. I yield to the gentleman from Alabama.

Mr. CALLAHAN. The gentleman is correct. The Agency for International Development will be responsible for administering the project elements of section 571 utilizing NGO's, PVO's and other instrumentalities consistent with the purposes outlined in this section and in consultation with this subcommittee.

Mr. PORTER. I would also like to clarify that these two tracks of assistance are not severable, and if for whatever reason the directed assistance were not provided and spent in the manner provided in the bill, then the government of Turkey would not receive the direct government-to-government assistance.

Mr. CALLAHAN. That is the intention of the committee in including the provision, and the administration will be apprised that this is the appropriate interpretation of this provision.

Mr. PORTER. I thank the gentleman for taking the time to clarify this matter and for his leadership on this issue.

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

Mr. PORTER. I yield to the gentleman from Florida.

Mr. BILIRAKIS. I thank the gentleman for yielding.

Mr. Chairman, I wish to engage the distinguished gentleman from Illinois, a member of the Committee on Appropriations, in a further discussion on the issue of Economic Support Funds to Turkey.

Mr. PORTER. I am pleased to engage in a discussion with the gentleman from Florida.

Mr. BILIRAKIS. As the gentleman knows, I had originally intended to offer a bipartisan amendment with the gentleman from Indiana [Mr. VISCLOSKY]. However, based on this discussion and the one preceding it, I will not offer my amendment.

It is my understanding that the concept of the Economic Support Fund was first established in the foreign assistance act of 1961 because Congress recognized that special circumstances, either economic, political or security conditions, may necessitate the need to give economic assistance to foreign countries. The ESF is a flexible but complex aid category and continues play an important role in promoting U.S. interests overseas.

Last Congress ESF funds were made available to Turkey to support efforts to reform its economy. This Congress only $20 million in ESF funds will be made available as a cash transfer to the Turkish government, a 10 percent reduction from the fiscal year 1997 level.

Mr. PORTER. The gentleman is correct. The Economic Support Fund helps provide economic assistance for countries that, given special circumstances, may require U.S. aid. In addition, the ESF funds made available as a cash transfer to the government of Turkey will be no more than $20 million for fiscal year 1998.

Mr. BILIRAKIS. If the gentleman will further yield, it is my understanding that the NGOs and PVOs referred to in the gentleman's colloquy with the distinguished gentleman from Alabama [Mr. CALLAHAN], the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations, referred to nongovernmental organizations and private voluntary organizations. It is also my understanding that at least $20 million of the assistance available in section 571 will be spent on democracy building and other economic development activities administered by the U.S. Agency for International Development. This agency will utilize NGOs, PVOs and other instrumentalities.

Mr. PORTER. The gentleman is correct. My understanding of the assistance made available in section 571 is that no less than half the funds are made available for democracy building and other activities by nongovernmental organizations.

Mr. BILIRAKIS. I thank the gentleman so very much for his clarification on this issue.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the last word to engage in a colloquy with the gentleman from Alabama, the chairman of the subcommittee.

Mr. Chairman, I intended to offer an amendment to establish a pilot program to provide affordable housing in the Russian Federation. This program would prohibit any funds from being used to support Russian military housing. It has the support of the gentleman from New York [Mr. GILMAN] the authorizing committee chairman, and also the gentleman from Indiana [Mr. HAMILTON], the ranking member. I understand that the gentleman will pursue this program with the executive branch. It is my understanding that he will also pursue this concept in conference. Therefore, my legislative language is not necessary. Is that the understanding of the gentleman from Alabama?

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

Mr. TAYLOR of North Carolina. I yield to the gentleman from Alabama.

Mr. CALLAHAN. I thank the gentleman first of all for withdrawing his amendment because he knows my feeling on language in this bill, but by withdrawing it, we will pursue this issue in conference and I will also discuss this pilot program with the executive branch as well.

Mr. TAYLOR of North Carolina. I thank the gentleman very much.

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

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, 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. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 2014, TAXPAYER RELIEF ACT OF 1997

Mr. ARCHER submitted the following conference report and statement on the bill (H.R. 2014) 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:

[The conferent report will be printed in the next issue of the RECORD.]

☐ 1830

ANNOUNCEMENT OF AVAILABILITY OF H.R. 2014, TAXPAYER RELIEF ACT OF 1997, ON THE INTERNET

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

Mr. ARCHER. Mr. Speaker, I rise to alert all Members that this evening this entire bill will be on the Internet so that any Member who wishes to peruse it and to learn its entire contents will be able to do so tonight before it comes out on the floor tomorrow.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

The SPEAKER. Pursuant to the order of the House of Thursday, July

24, 1997, 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. 2159.

□ 1831

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. 2159) making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 1998, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the bill had been read through page 4, line 24.

For what purpose does the gentleman from California [Mr. ROYCE] rise?

AMENDMENT NO.13 OFFERED BY MR. ROYCE

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

The Clerk read as follows:

Amendment No. 13 offered by Mr. ROYCE: In Title I, under the heading ''Overseas Private Investment Corporation Noncredit Account'' after ''$32,000,000'' insert ''(reduced by $11,200,000)''.

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes and that the time be equally divided.

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

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. ROYCE] will control 20 minutes. Does the gentleman from Alabama [Mr. CALLAHAN] seek time in opposition?

Mr. CALLAHAN. Yes, Mr. Chairman, I seek time in opposition.

The CHAIRMAN. The gentleman from Alabama [Mr. CALLAHAN] will control 20 minutes, and the gentleman California [Mr. ROYCE] is recognized for 20 minutes in support of his amendment.

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

Mr. Chairman, the Royce-Andrews-Kasich amendment cuts the operating expenses of the Overseas Private Investment Corporation. It puts it to a level that is more in keeping with the level of business this House has authorized for OPIC. Specifically, this amendment reduces the administrative appropriations by $11.2 million, from $32 million to $20.8 million.

This amendment is supported by a diverse coalition of 12 organizations, organizations who come at it from differing perspectives but groups united by the view that the U.S. Government should not be in the business of insuring American corporations to invest abroad and making loans to American corporations to encourage them to invest abroad.

Now, there are many in this body who would like to see OPIC closed. That is the position of the 12 groups. Many of us fundamentally question why the American taxpayer should be supporting a government agency that makes loans and issues risk insurance when these services are available privately. And despite what OPIC and its supporters say, there are companies that would do this business. Maybe not at the rates that OPIC offers, but that is the point. OPIC is a business subsidy.

So let me ask my colleagues, many of whom have worked hard to give to the private sector what government services can better be done by the private sector, let me ask them to ask themselves why should OPIC be an exception to this rule? Why do we have a government agency competing with the private sector? That is the American financial services sector that they compete with, the most efficient in the world. And also ask why the American taxpayers should be liable to potentially multi-billion dollar losses, and that is what we are talking about.

Do Members in this body recall the S&L crisis? It was not that long ago. Yes, OPIC has not had large losses, but the problem is there. Remember, we were given assurances that there would be no S&L problem.

So I want to point out OPIC's risky loans. Members, look at how many are rated D or D-minus or F or F-minus and FF-minus. Common sense should tell us something is not right here.

And many of us wonder why some of our largest businesses should benefit from OPIC subsidies. Do Coca-Cola and AT&T and McDonald's really need OPIC to make a profit abroad?

Let us not show so little faith in the power of American businesses and the American economy, which year after year ranks as the most competitive in the world, and please do not tell me that Coca-Cola, which just announced an 88 percent increase in earnings for the second quarter, is not a world class company because of the Overseas Private Investment Corporation.

Do not get me wrong, these are great companies, the backbone of the American economy, but they do not need OPIC, and we hear that OPIC does not cost the American taxpayers a dime. That is a mantra of OPIC supporters, yet the Congressional Research Service has reported that OPIC has cost a minimum of $73 million over the last few years, and the Congressional Budget Office tells us that we would save $296 billion if we ended the program.

Last, we hear that OPIC creates jobs. I ask my colleagues that logic. Members come down to the floor every day and praise the American economy. They say how dynamic it is, and they are right. We have the most dynamic economy in the world. That is not because we have OPIC creating jobs. Consider that the Congressional Research Service has reported there is little theoretical support or empirical evidence which supports claims that subsidizing exports or overseas investment offers a positive net gain in jobs in the U.S. economy.

There is simply no justification for appropriating $32 million to OPIC today. This is a 50 percent increase in appropriations from 1994, and no more business is being authorized than was authorized then.

I ask my colleagues why does OPIC need this additional money? Let us cut it back.

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

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that one-half of my time be yielded to the gentlewoman from California [Ms. PELOSI] and that she be allowed to further yield time.

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

There was no objection.

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the amendment, and in staunch opposition, but I first yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER], who is chairman of the Committee on International Relations' Subcommittee on Asia and the Pacific.

[Mr. BEREUTER asked and was given permission to revise and extend his remarks.]

Mr. BEREUTER. Mr. Chairman, I do rise in strong opposition to the Royce amendment.

Mr. Chairman, they are laughing and gloating in Germany, France and Japan over this amendment to gut the Overseas Private Investment Corporation. Those three countries, among others, will be fighting over the hundreds of thousands of jobs and trillions of dollars in infrastructure projects if the House votes to pass the Royce amendment and gut OPIC, United States foreign policy and investment insurance agencies. The Japanese Government already out-subsidizes our investment insurance 6 times to 1 as a percentage of GDP. Germany spends 5 times more, and France 4 times more than the United States to help their companies win lucrative infrastructure projects in the developing world, and those infrastructure projects lead to a whole series of other American job creating activities.

Mr. Chairman, this Member finds it truly amazing that some of our well-intended colleagues would thus hurt our Nation in so shortsighted an effort to eliminate funding for an agency of the Federal Government which runs at no net cost and helps make our companies competitive in the global marketplace.

At a time when the U.S. trade deficit is hitting record highs, supporters of the Royce amendment feel compelled to remain in those isolated, academic, ivory towers chastising government involved in overseas investments. Well, Mr. Chairman, in a perfect world governments would not have to be involved in subsidizing overseas investments.

In fact, I have added an amendment to an OPIC authorizing bill moving through the House Committee on International Relations which requires U.S. officials to negotiate with foreign competitors and put an end to these subsidies, and that is what we try to do through the OECD. We are making progress, but we are nowhere close. But until that time, therefore, our workers, our exporters, our businesses cannot afford to have the U.S. House of Representatives vote like a bunch of isolationists in ivory towers. The fact remains that foreign governments will fight and spend money to rustle jobs away from hard-working Americans.

Mr. Chairman, this Member urges his colleagues to vote for American workers and vote against the Royce amendment.

Let me bring, finally, a few facts to the attention of my colleagues. OPIC makes a profit every year since its creation. Here is what the net, net annual income was for OPIC. Starting in 1971, $25.9 million. Today, last year, that particular year, 1996, $208 million, nearly $209 million. Here is the cumulative impact of U.S. exports generated, I hope, by OPIC. It has increased from $687 million the first year, and we believe this, $52,823,000,000 this last year. That is how much U.S. exports cumulatively was generated by OPIC.

Finally, take a look at the cumulative U.S. jobs created and generated by OPIC, and I mean directly, despite what we heard a minute ago. It has increased from a relatively small amount, 4,800 the first year; this year, 225,000 plus. That is how many additional American jobs were created by OPIC.

I urge my friends to oppose the Royce amendment.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, let me get the attention of my colleagues in the House on both sides of the aisle. We were just able to pass a bill that started to dramatically reform the operation of the Federal Government and get us to a balanced budget.

What is this vote about? This vote is about reforming corporate welfare.

Couple years ago we passed a bill that reformed welfare for people who did not have lobbyists. Now we have a family friendly bill that is on the House floor, and the reason why I say it is a family friendly bill is there have been more lobbyists hired to defend this big giveaway of the Federal Government, put more food on the plates of more people who were hired to represent the special interests in this regard. The fact is this program does not make any money. This program only gets money because of transfers of interest payments, intergovernment. It would be like arguing that the Department of Education makes money on their student loan program. It makes no money.

It also says to all of my colleagues back in their districts, when you have a woman, when you have a man come up to you and tell you they want to start a small business and they would like a loan to open up a small business, they do not get these kind of sweetheart deals that the most profitable large multinational corporations get. Our operations in the amount of business we do with China does not involve one dime of any of these guarantees.

The fact is, if these business agreements make sense, let them get loans like everybody else does in this country. We do not need sweetheart deals, loan guarantees and direct loans from the Federal Government to help big business. Big business can compete and win, small business can compete and win by having an aggressive strategy to market their products, by balancing the budget and having an element of fairness.

So what I would suggest to Republicans as well as Democrats, if they marched to this floor and they voted for welfare reform bill that reformed the welfare programs for people who do not have lobbyists, it is time to come to the floor and cast a giant vote against corporate welfare and for the people who live next door.

Ms. PELOSI. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Connecticut [Mr. GEJDENSON], a senior member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, if the fact that there was a lobbyist in this town working on a bill was a reason to vote against it, then I guess everybody is going to vote against the tax cut tomorrow because the reality is on the merits we cannot beat OPIC. It makes money for the Treasury, it pays its own way, and it has created in the range of a quarter of a million high paying jobs in America. Where OPIC is rightfully prohibited from participating in places like China, when an American company goes after a contract, it gets a German Government insurance program and has to use German subsidiaries to provide much of the working product. The American private sector that is in financial instruments of this nature supports OPIC. They are not for its closure.

This is taking a great racehorse that has won race after race, tying up a leg or two and say, gee, it does not run so well any more. If we cut the money out of OPIC; it is its own money, it is not taxpayer money, it is money that is made in profit on its operations; we will end up with an agency that will not adequately be able to monitor its own operations. Kill it rather than vote for this amendment; $2.7 billion in reserves in the Treasury, $52 billion generated in exports, a quarter of a million jobs; if this is welfare, where is the welfare in this? This is a place where the private sector will not go, it is a place the private sector supports our Government's actions. It puts American families to work, it keeps us competitive internationally.

□ 1845

Some people around here talk, posing for holy pictures. This may be one: Members stand up and pose that they want to end a Government program; but do they not look at the facts if they are going to try to do that? Because the facts say this program is good for America, it is good for taxpayers, it is good for families that depend on the jobs from this very program.

Reject the amendment. It hobbles a great racehorse that does well for our economy.

Mr. Chairman, I urge Members to defeat this amendment and support a program that organizations and men and women in unions and nonunions alike benefit from the contracts American corporations get. This is an ill-advised amendment that will harm American workers.

Mr. ROYCE. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. ANDREWS].

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

Mr. ANDREWS. Mr. Chairman, I would like to thank my friend, the gentleman from California, for yielding time to me.

I urge my colleagues to vote in favor of this amendment. Mr. Chairman, I think the American people ought to know tonight where their money is going. Some of it is going to provide a loan guarantee for McDonald's to open restaurants in Brazil. Some of it is going to help subsidize the operation of a luxury hotel in Bermuda; or Jamaica, excuse me. Some of it is going to help General Electric Co. build a light bulb factory in Hungary.

Mr. Chairman, that is where the American people's money is going tonight, courtesy of OPIC. Where we should go tonight is a yes vote in favor of this amendment.

We are going to hear the arguments about the miraculous and wonderful things OPIC does. OPIC makes money because they invest in profitable deals. Mr. Chairman, if the deals are so profitable, then let OPIC proceed as a private firm with private risk and private capital and put their money at risk, not the money of the men and women that we represent.

We will hear that OPIC does not cost the taxpayers any money because what OPIC brings in is greater than what it puts out every year. The Congressional Budget Office disagrees. Its analysis is that if we terminated OPIC, over a 5-year period we would save $296 million.

Mr. Chairman, OPIC also makes money the way another Federal agency used to make money. In 1987 the head of that Federal agency said that times are bright, good times are ahead, the revenues are rolling in. The head of that agency was the head of the Federal Home Loan Bank Board. He was talking about the savings and loan institutions. The good times ended, our money rolled out, and that agency lost

money, the same way OPIC would if its deals go sour.

We will hear that OPIC creates lots of jobs. But then we will hear the Congressional Research Service say that there is little or no empirical evidence to support that claim.

We will hear that exports for our country will dry up, that we will be unilaterally disarming in the war for exports if we get rid of OPIC. Here is the evidence. In countries that were eligible for OPIC treatment, U.S. firms exported $3.6 billion last year. But in the Peoples Republic of China, ineligible for OPIC treatment, without one nickel of assistance from OPIC, exports were $52 billion without OPIC. Mexico, which is also ineligible for OPIC subsidy, United States exports, $28 billion, without a shred of help from OPIC. The evidence shows the exports do not increase.

Finally, we will hear that OPIC is a valuable tool to pursue the foreign policy goals of our country. Mr. Chairman, the foreign policy goals of our country should be decided and executed by us as the duly elected Representatives of the people, and by those who work for the President and the State Department, not by a quasi-public taxpayer-subsidized corporation, which, by the way, has been using its public subsidy this week to lobby us against cutting off its funding.

The letters have arrived, the doors have been knocked on, the advertising campaign has begun. For no other reason, for no other reason, our colleagues should support this amendment because we do not like the idea of people we are funding using that funding to lobby us on how to vote.

Do the American taxpayer a favor. Support our amendment.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New York [Mr. RANGEL], the distinguished ranking member of the Committee on Ways and Means, who is working on the tax bill.

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

Mr. RANGEL. Mr. Chairman, let me tell Members why I oppose this amendment and support OPIC. There is no question that this great democracy of ours has been responsible for taking a lot of dictatorships, a lot of military governments, and trying to make democracies out of them. We have had tremendous success in Africa, tremendous success in South America, and the one thing that makes democracies work is not just a good feeling, but that people are eating and people have jobs and people are doing things. That is what is necessary in order to have a democracy.

What is it that really makes a country not look for aid but is willing to be looking for trade? That is where we are looking for economic expansion. It is not just love and affection. We want markets there to sell our goods. If there is no disposable income, if they are only asking for assistance, they cannot buy American goods.

Take Africa. The President of the United States finally recognized that here was a continent that was rich with resources that have not been developed. There are people that are skeptical about investing in Africa because they think these new young governments are unstable. Now comes OPIC and says, we will be there with you. We will give the guarantees. Just the President recognizing for trade purposes Africa has more than doubled the investments that are there.

What I am suggesting: Why would we shoot ourselves in the feet where the investments have increased when we started having OPIC in Asia, it has done well in Latin America, and now comes Africa's chance at bat to say we, too, need investment.

I do not know why when something is working and not losing money, and when the American people go and invest that money, and we know we get our return because our investors normally are buying American-made goods, and if we enrich the people that know that it was America, not France and not Germany that was there for them, for God's sake, do not tell Africa they have the opportunity to enjoy free trade with us and then we encourage American firms not to be there when they need them.

I oppose the amendment. The thing is working. Let us continue to support it.

Mr. ROYCE. Mr. Chairman, I yield 2¼ minutes to the gentleman from Illinois [Mr. JACKSON].

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, if we are serious about Africa, we should give direct loan guarantees to the country that we are serious about, just like we do for Egypt or for Israel. Direct loan guarantees is the way to be serious about investments in these countries.

OPIC, however, is not the vehicle by which we should make these investments. The amendment reduces the administrative appropriation for the Overseas Private Investment Corporation from $32 to $20.8 million. OPIC uses taxpayer money to provide direct loans and risk insurance to Fortune 500 companies, who are in turn firing American workers.

One year ago, the President and this Congress put an end to a six-decade minimum floor of entitlements for poor people, Aid to Families with Dependent Children, or AFDC. In my judgment, that minimal entitlement was justified on the basis of simple humanity and basic morality. But that view was defeated, and the minimum floor was pulled from underneath the poor.

Yet, the corporations, many of whom have been lobbying us all week long, want to continue their AFDC program, or aid for dependent corporations, with their record profits and management salaries and benefits. They have no such humanitarian claim or moral claim to this particular subsidy. The cost to American taxpayers and workers simply cannot be justified.

OPIC bestows upon these corporations welfare through direct loans, subsidized loan guarantees, and political risk insurance. Imagine that, a Fortune 500 company needing political risk insurance in a Third World country.

With the full faith and credit of the U.S. Government and backing of business ventures, OPIC's corporate clients have eliminated thousands of American jobs. With the destabilizing effects of corporate downsizing on American workers and their families, we should not be providing these incentives for America's corporate giants to invest abroad, taking advantage of low-wage costs, lower standards, and often exploitive working conditions of the Third World.

Mr. Chairman, in the final analysis, we must raise their standards, the standards of people in the Third World, not lower ours to meet theirs in an increasingly global economy. Mr. Chairman, if we are serious about Africa and serious about the Third World, let us give the same kinds of loan guarantees to African nations that we also give to Israel and to Egypt. That is fair. Vote in support of the Royce-Andrews-Kasich amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, OPIC provides a unique service to this country. It provides political risk insurance. That does three things: currency and convertibility, political violence, and seizure of assets. That is pretty unusual.

There is a statement made that OPIC, if it is really great, can be privatized. The answer is no. I have a letter here from Zurich Insurance Group that is addressed to me in direct response to a Dear Colleague letter sent around by the gentleman from California [Mr. ROYCE] and the gentleman from Ohio [Mr. KASICH] asking if Zurich America intends to enter the same market as that of OPIC, if OPIC is eliminated. The answer to that is no.

Sean Cassidy, the vice president of Federal Affairs, said that Zurich does not intend to compete directly with OPIC, but rather, complement OPIC's coverage. So, therefore, there is no company that is ready to pick up OPIC should it be privatized.

Second of all, here is how OPIC makes money. This is Price Waterhouse's statement for the past year. OPIC takes in $299,000, and here it comes, through political risk insurance premiums, that is $81 million, investment financing, $52 million, interest on U.S. Treasury securities, $166 million. Even if we take out the interest on the U.S. Treasury securities, it still comes up making about $45 million a year. It actually makes money. OPIC makes money and it provides an insurance

service that nobody else can provide in this country.

What amazes me is the fact that OPIC steps into very unique situations and makes projects nobody else can do. Look what is going on just in Africa alone: In Uganda, Agro Management; in Tanzania, NBS Card Service in Africa; in Ethiopia, the Louisiana-Baton Rouge Schaffer & Associates; in Tanzania, a small business with ACG Co.; with Tanzania suppliers, ADCO.

All over Africa we see OPIC stepping into the gap, so we have small, emerging companies that are getting a foothold, and then after a while, such as in Hungary, OPIC backs out because it is no longer necessary to have political risk insurance, because when a country becomes a member of OECD it no longer is eligible for political risk insurance under OPIC.

So we have an organization here that actually makes money; not on paper, it actually makes money. We would urge the defeat of that amendment.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PAUL].

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding time to me. This is a form of welfare that should be stopped. We have poor man's welfare, foreign welfare, and corporate welfare. This is an example of foreign and corporate welfare. The program really ought to be abolished.

If it is true that this program pays its own way, then there is no need for us to be here. Why are they asking for $32 million? It is a good program. Some insurance company will take it over.

□ 1900

Obviously, they need the $32 million that is in here. But there is something else involved here that is very, very important. On the very chart that was standing here a minute ago, it was showing that they do fabulously, this tremendous income of $299 million in 1996, which is true. But in looking at this Price Waterhouse balance sheet, financial report for 1996, it shows that OPIC owns $2.47 billion worth of bonds. Right above it, as a matter of fact, the line went through it, so you could not read it, it said that the income from these treasuries was $166 million. That is what it is costing the taxpayers.

We are giving a subsidy to OPIC in the back door by paying interest. It appears on the budget as an interest payment. I mean this is really close to outright deception on the part of many here in the Congress as well as the American people. So it is not paying its own way.

The other argument, we heard it expressed several times now, is that this is a very necessary program because it goes where the private market will not go. That is precisely the reason we should not be there, because there is a risk. The businessman will not go there because it is too risky.

So what do we do? We ask the American taxpayers to back it up. What to do? To take our businesses from this country, export the business and export the jobs. Most of this money goes to big companies. If we look at their record over the past 6 years, these big companies have had a significant shrinkage of employment. These jobs are going overseas. Programs like this serve to export jobs, and this amendment should be passed.

Ms. PELOSI. Mr. Chairman, I yield 10 seconds to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, we are allowing OPIC to spend money that they have earned. This is not a new appropriation.

Ms. PELOSI. Mr. Chairman, we have had considerable interest on our side on this issue. Members were not aware that there was going to be a time limitation on this. I ask unanimous consent for 10 additional minutes on this side in opposition to the OPIC amendment.

The CHAIRMAN. The Chair is only able to entertain such a request if it is 10 additional minutes for the proponents and opponents. Is that the gentlewoman's request?

Ms. PELOSI. Yes, Mr. Chairman.

The CHAIRMAN. The Chair's understanding of the request is 10 additional minutes for the opponents and 10 additional minutes for the gentleman from California [Mr. ROYCE].

Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

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

Mr. TRAFICANT. Mr. Chairman, I want to talk about a different aspect. After encouragement from the White House themselves, a company in my district, Buchite International, is the only American company to agree to be a model company for investment in Gaza. Mr. Chairman, they have been ripped off big time, and we cannot allow this to happen.

In their dealings with the Cairo Amman Bank of Gaza, the corporate accounts were opened without proper documentation. Corporate checks denominated in dollars were endorsed and cashed by individuals without first being deposited into the account.

Canceled checks were not returned. Corporate funds in excess of $100,000 were used to guarantee an overdraft facility of a private individual without authorization. The company had no knowledge or approval of this. A letter of guarantee was written by a bank without notifying the company, in strict violation of company instructions. Four point four million was invested, forcing them to default on a $2 million loan.

Tomorrow I will be bringing an amendment and there may be some technicalities to that amendment. I want the Congress to allow that amendment to go forward because the PLO and Palestinian authorities cannot rip off American companies. We cannot tolerate that. Vote your conscience on any of these amendments.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes and 15 seconds to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the pending amendment which would reduce the OPIC account by 11.2 million. Let me emphasize this is not abolition of OPIC. This is a reduction in the administrative account. If I may quote from a letter from my distinguished colleague from California, he states here that OPIC uses taxpayers fund to provide loans, and the amendment would bring OPIC's administrative appropriation in line with its stated administrative cost.

According to OPIC, administrative expenses were 20.2 million in 1994. Even though OPIC has the same insurance and loan caps as it had in 1994, it has requested a 50 percent increase in appropriations from what administrative costs were in 1994.

It is a simple question of whether or not this corporation can operate with the same workload as it did in 1994, with the same administrative overhead.

We have heard about the fact that the loans are going to Fortune 500 companies that only 3 percent or three loans went to small businesses and 41 went to the Fortune 500 companies. But aside from subsidizing these megacorporations, OPIC has risked over $8.7 billion in U.S. taxpayers money by underwriting risky investments in unstable regions of the world. Let me remind my friends that, should political unrest and turmoil upset these foreign markets, American taxpayers will be liable for the losses of OPIC insured corporations.

I heard one of my colleagues mention earlier, remember that the FDIC and the FSLIC could never go wrong. They always would make money and we know what happened in the savings and loan fiasco.

Mr. Chairman, OPIC is not contributing to reducing the deficit. The resources that come from the OPIC premiums that are received do not go into the Treasury. They go, as they should, to income, to a capital account to reduce the probability or possibility that there will be a default.

Mr. Chairman, I urge my colleagues to join the Americans for Tax Reform, Capital Watch, Citizens Against Government Waste, Citizens for a Sound Economy, Competitive Enterprise Institute, Friends of the Earth, National Taxpayers Union, Public Citizens and USPIRG in supporting this amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations.

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

Mr. GILMAN. Mr. Chairman, I rise in opposition to the amendment being offered by the gentleman from California [Mr. ROYCE] making a 35 percent cut in the operating budget of the Overseas Private Investment Corporation. The funds in OPIC's $32 million administrative budget are fully offset revenues from those companies utilizing OPIC services.

I might add that the revenue has been increasing each and every year. In short, the cutting amendment does not save $1 of taxpayer funds.

My colleagues should be aware that each year for the past two decades the premium and fee income from OPIC's programs have covered all of its operating costs. The adoption of this amendment would simply reduce the use of OPIC's own revenues. This amendment prevents OPIC from properly managing its $23 billion portfolio of insurance policies, of loan guarantees and loans to American businesses.

While OPIC has some $2.7 billion in reserve to protect the U.S. taxpayer, this amendment would not allow OPIC to use enough of its reserve funds to support its portfolio. In short, it is penny-wise and pound-foolish and will put the American taxpayer at risk.

By depriving the agency of administrative funds for next year, it will put thousands of jobs at risk and will stop any effort to develop new trade and investment initiatives in sub-Saharan Africa. OPIC does not cost a single taxpayer dollar. OPIC is required by law to operate on a self-sustaining basis. And since 1971, OPIC has reimbursed the government for every dollar of actual outlays it has received. Every objective review of OPIC's operations undertaken over the past two years by the CRS, J. P. Morgan and independent accounting firms and the General Accounting Office concluded that risky markets still exist where the private sector is reluctant to operate without public guarantees and insurance, such as those provided by OPIC.

This agency has a proven track record of experiencing few claims losses and recovering a large portion of its claims. All of our major trading partners have insurance and export financing agencies like OPIC. Taking us out of the export and investment assistance business is tantamount to unilateral disarmament of our American investment overseas. I urge defeat of the measure before us.

Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, both the gentleman from New Hampshire and the gentleman from New York have talked about the administrative cost increases. Let me point out that the size of the loan portfolio has grown dramatically because of the mandate of Congress in 1994.

Take a look at the green bar chart. This shows the escalation of administrative costs from $19 to $32 over this period of time. But look at the loan portfolio they are managing: $160 up to $260, $310. Actually they have been very, very conservative in the amount of money they have spent for administrative costs. They have done that despite having an authorization to manage this well. They have managed it well. They are doing a good job. We ought to continue to support them, to implement the congressional mandate.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CAMPBELL].

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

Mr. CAMPBELL. Mr. Chairman, equity in our approach to welfare, safety for the American taxpayer, and sending the right signal to those countries that have not yet provided a reliable place for investment in the world, these are the three arguments that compel support for this amendment.

Equity. We have with difficulty struck down welfare program after welfare program or restricted it. We must be prepared to do the same when it comes to an aspect of corporate welfare, an aspect of favoritism for those companies who cannot stand on their own.

A question of risk. The chart that I have to my left is prepared by the Congressional Budget Office. That does a risk rating of the loans which are being insured by OPIC. It should not surprise us when we look at it to see such a concentration of these loans at the risky end of the spectrum, D, D minus, E, F, F minus. Why should it not surprise us? Because by definition OPIC is offering insurance for loans that were not otherwise able to be insured in the market.

Finally, sending the correct signal. There is something important that the market tells us when the market says it will not insure an investment in a country. It tells us that that country has not yet established its economic or governmental structure in such a way as to attract investment. And by affording insurance anyway, which the United States does through OPIC, we are sending a message and actually deterring, retarding the progress that that country might otherwise make. Driven by the necessity of coming into the world standard so that it would attract the type of insurance that would be available in the private market, fairness to all welfare recipients, safety for the American taxpayer, and sending the right signal to countries that have far to go, all compel a ''yes'' on the Royce amendment.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Chairman, not very often will my colleagues find me taking a position that is contrary to that of my colleague from Chicago. But I rise in opposition to the amendment to cut OPIC.

I do so because we are a pace setter. We are a Nation that is known as a leader. We have been a leader in business and industry all over the world. I have been told that you cannot lead where you do not go, just as you cannot teach what you do not know.

If I know one thing, I know that if our corporations, if our companies, if our businesses are not there in the marketplace, then I know that they cannot do business.

□ 1915

And so that I urge that we oppose this amendment and let OPIC do its job, do its work, do its business.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, this Congress in the last 2½ years has sought to balance the Federal budget and get our country's financial house in order. We have sought to save our trust funds for not just future generations but present generations. And, thirdly, we have attempted as hard as we can to transform our caretaking, social, corporate and agricultural welfare state into a caring opportunity society.

We have worked hard to help mothers get work, a opportunity for employment and training to be free from welfare. We have seen an agricultural bill, the Freedom to Farm, wean farmers off welfare. And yet when it comes to corporate welfare, we seem to find every defense possible to continue it.

This amendment is not going to eliminate OPIC, it is going to reduce its administrative costs. There are some of us who would sincerely want to eliminate OPIC, totally privatize this operation. But, Mr. Chairman, this is a modest amendment. I support it. It is in line with everything we have attempted to do in transforming our caretaking, social, corporate and agricultural welfare state into what must become a caring opportunity society.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from California, Mr. BRAD SHERMAN.

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

Mr. SHERMAN. Mr. Chairman, I wish to address those who call OPIC corporate welfare.

We should remember who creates the risk in the first place. When the terrorists take the plane, they do not shoot the Norwegians first. They go after Americans because we play a prominent role in the world. And when rogue countries think of nationalizing assets, they do so because of American foreign policy and they threaten American assets first. We have an opportunity to insure our companies from risks that we as a government create.

There are those who say that OPIC is the next S&L mess. This amendment is an opportunity to make that a self-fulfilling prophecy. If we cut the administrative costs, if we cut the safeguards, if we cut those who are watching to

make sure that sound loans and guarantees are made, then we can sit back and laugh as mistakes are made, and sit back and say, ''We told you they would make mistakes.''

Mr. ROYCE. Mr. Chairman, I yield 2¼ minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in support of this amendment.

I wish to reiterate an important point. The amendment does not eliminate OPIC. It merely reduces OPIC's administrative expenses down to a fiscally responsible level.

I am speaking on behalf of this amendment today because I believe subsidizing large corporations represents corporate welfare. Large multinational companies simply should not receive special treatment from the Federal Government.

I ran for Congress with the hope of reducing the size and scope of the Federal Government. But how can we ask one sector to accept cuts in Federal subsidies if we are not applying this practice fairly? Like the special interest groups, big business has to wean itself off the Federal dole as well.

In order to successfully reduce the size of government, every single line item that the Federal Government funds needs to be reviewed. These items need to meet three criteria: First, is the Federal program achieving its goal? Second, does it represent a true Federal priority? And, third, does it duplicate other existing Federal or private initiatives?

The Overseas Private Investment Corporation does not meet these criteria. To begin with, the program is not meeting its intended goals. Originally developed to help small domestic businesses compete internationally, OPIC funds are instead diverted towards multinational corporations that do not need special subsidies.

Second, this program does not represent a true Federal priority. Funding biomedical research to save people from life-threatening disease is a vital priority. Supplying weaponry and soldiers to keep this country safe is a Federal priority. However, providing corporate giveaways to large multinational companies in no way represents a Federal priority.

And finally, OPIC competes with and effectively crowds out private sector initiatives. Companies such as Exporters Insurance Company Limited, Zurich American Insurance Group, both provide risk insurance at competitive rates and terms without using hard-earned taxpayer financing.

For these reasons I encourage support of this amendment. This is not a needed Federal responsibility. There is a private sector alternative. We should support this amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, I just heard my colleague from Florida say that Zurich American is ready to take over OPIC, and I put into testimony a letter from Zurich American. They are not interested in taking over OPIC. Zurich American does not want to take over OPIC. We cannot privatize it because no one wants to go into that market, period. That should settle that argument.

Second of all, this is the rate of loss. It is 1 percent. It is one of the smallest rates of loss that any company can have. And it is not corporate welfare because American companies, multinational corporations, if they do business in more than one country they are multinational, they have to pay very high premiums to buy this insurance. It is the premium risk insurance that accounts for most of the profits that OPIC turns back.

Fourthly, today we are here not to get any new money from the government treasury for OPIC but to use the money that OPIC has made in terms of profits.

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

Mr. MANZULLO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I wanted to say, with all that risk assessment we had from the gentleman from California [Mr. CAMPBELL], that the recovery rate is 98 percent. Ninety-eight percent recovery rate.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. EHRLICH].

Mr. EHRLICH. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, a lot of us came to Congress to stop the endless growth in government, and we talk an awful lot about it, restoring a sense of common sense to what we do in this town. As an effort to accomplish those objectives, a lot of us have focused on flawed and nonsensical programs such as OPIC.

At the risk of being redundant, we have heard a lot of reasons to eliminate OPIC here today. It is risky, its portfolio has grown dramatically over the last several years, it is biased towards large Fortune 500 companies, it crowds out other entities in the market, it duplicates the products of private lenders and insurers. For those interested in the market, I should add. And it is unnecessary.

Emerging markets attracted $243 billion in private investment in 1996. OPIC financed $2.2 billion. These are sufficient reasons to eliminate OPIC, but what we are debating here today is simply the increase of administrative costs, and I rise in support of this more limited objective, in support of the Royce-Kasich amendment.

Make no mistake about it, there is no reason to increase OPIC's administrative budget. In fiscal year 1994, as has been stated, OPIC's current insurance and loan caps were established. OPIC's administrative expenses were $20.2 million. Even though OPIC has the same insurance and loan caps today as it had in 1994, it requested a 50 percent increase in appropriations above that 1994 level.

Since OPIC is not authorized to increase higher levels of insurance or loans and is a self-financed agency, there is no need to increase appropriations for OPIC's administrative expenses.

Mr. Chairman, at a time when Americans, in fact we are celebrating the fact that the government has been asked to do less and cut wasteful government spending, OPIC should not ask this Congress to do more. It makes no sense. Support the amendment.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentlewoman from California for yielding this time to me, and I am saddened that I have to disagree with my other friend from California.

But let me say this in rebuttal to all I have heard about OPIC. It does creates jobs. In fact, if we look right over here, we will see that a single project has created some 260 suppliers across the Nation. It creates small business opportunities and it does create jobs. At the same time, we will see this whole list of small business owners who are working because of OPIC.

How much can we realize that this is actually an opportunity for American businesses to do international business? Why would we shackle the hands of business to go across the Nation, to go across internationally, to go into Africa and India and China and result in dollars that come back to this country, where those who are in small businesses and elsewhere pay the taxes that make this government run?

Do not shackle the hands of those who are working internationally. Let us stand proud and make sure that we continue to create job opportunities and jobs for the citizens of America through small business.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Chairman, this is a penny-wise and pound-foolish amendment that is based on a flawed understanding of classical economics, and it actually has some tinges of mercantilism. It believes in a perfect world, and the fact is it is not a perfect world.

When we look at the facts we will find that the United States provides export subsidies amounting to about 3 percent of our exports, but the rest of the world, or many of our trading competitors, provide anywhere from 20 to 40 percent subsidization. So we are already dealing at a disadvantage in that case.

Second of all, this theory that this is somehow where the private sector

would go is, I think, very flawed as well. Because what we are talking about is lending the credit of the United States under a very controlled program, with losses that the gentleman from Nebraska pointed out are lower than most American mortgage pools are, and the recovery rate better.

The fact is the private sector will not go into these areas. If we are going to start believing in this theory, let us not stop here. Let us go after student loans and FHA, because that is the same theory as we are applying in that case.

Do we really want to walk away from emerging markets and have U.S. businesses walk away from that? There is no proof whatsoever, no proof provided by Americans for Tax Reform, or any other group that we have asked for, that there is crowding out of the market. That in and of itself is a flawed theory, that somehow we have reached our full capacity utilization, when we know that we have not.

So this is a bad amendment, it is a bad idea, it is bad for the American economy, and I hope our colleagues will vote it down.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, this idea that OPIC is creating jobs in the United States is so much nonsense I can hardly contain myself. We are talking about taxing the hardworking people of the United States in order to provide loan guarantees and subsidies for people who, not that they want to sell products overseas, but so that they can build manufacturing units overseas.

For people that want to know what that means, that means we are building companies that will compete with Americans and put Americans out of work and we are taxing the American people to do it. This is absurd. This is a sin against average American working people.

Furthermore, what kind of countries are we talking about? These are not struggling democracies we are trying to encourage investment in. These are dictatorships. These are bloody gangster regimes that cannot get private sector financing because it is too risky.

Now, of course, by getting the American taxpayers to pony up the money, to take all the risk, are we encouraging those gangster regimes to liberalize? Not only are we putting our people out of work, we are telling the gangsters to go ahead and suppress their unions, go ahead and suppress freedom of speech, go ahead and suppress competition, let our businessmen in, because we are going to subsidize them.

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This is horrendous. We are taking away the incentive for dictatorships to liberalize and become free. We are taking jobs away from our people. The only thing wrong with the Royce amendment is that it does not go far enough, it does not eliminate this abomination from the budget altogether, this attack on the well-being of the American people.

I am with the gentleman from California [Mr. ROYCE]. Let us cut it down if not eliminate it.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Chairman, I thank the gentlewoman from California [Ms. PELOSI] for yielding me the time.

It is disingenuous at best to suggest that a vote for this amendment is going to save one dime of taxpayer money. There is a big difference between subsidy and public guarantee. There are some things that are desirable that no individual company is going to take on themselves.

Other countries have similar tools because they work. And in fact, there are a number of countries that invest far more proportionately than we do. Cutting this administrative program off could in fact have a perverse effect by putting more of this loan portfolio at risk.

This amendment betrays a fundamental lack of understanding about how the program works. In terms of the notion of crippling our ability to oversee and manage this larger portfolio, it could have the perverse effect of losing taxpayer money and have these guarantees kick in. And last, but not least, it would make it impossible to enable this agency to move into some of the riskier markets where we need the power of the free market to help transform this society.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. JACKSON].

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, let me once again rise to challenge a couple of arguments that I heard in support of this amendment and certainly congratulate the gentleman from California [Mr. ROHRABACHER] for an outstanding speech that he just gave. No truer words could have ever been spoken in support of this particular amendment.

I want to go back to Africa for a moment, because several of my colleagues since I spoke initially indicated that these corporations subsequently invest in Africa. In the final analysis, Mr. Chairman, if we really trust African leaders, again, we should do for Africa what we do for Israel and what we do for Egypt, give them direct loan guarantees.

Nothing could be more paternalistic than to say that the only way we are going to invest in Africa is through a U.S. corporation in an undemocratic, un-American regime, and put the U.S. taxpayer dollars at high risk if in fact that government is toppled and we find ourselves on the wrong side of the human rights equation.

Once again, Mr. Chairman, I rise in support of the Royce-Andrews-Kasich amendment. I would encourage my colleagues, particularly those colleagues who voted in support of reducing this program in the last Congress, an opportunity to vote again on behalf of the side of the working people in our own country.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I rise against this amendment. OPIC has, since its creation, really protected the U.S. investment it has made overseas. Argument can be made, and persuasive arguments have been made, as to why perhaps this should not be considered. But that persuasive argument, I suggest to my colleagues, can be appropriately argued somewhere else other than OPIC.

Consider these facts: Not one dollar has been used, been lost, as a result of the taxpayers' money making administrative costs. In fact, OPIC is mandated by Congress to be self-sustaining. It is self-sustaining, paying for its administrative costs. This amendment would deny OPIC the ability to fulfill its 1994 mandate that says raise its portfolio from $11.5 billion to $23 billion. The Royce amendment would undercut that ability to fulfill that.

It is not unreasonable to assume that the Government would provide risk insurance to allow for countries that do not have the economic stability to have jobs in development. That also creates investment back here in America, if not jobs, certainly investment that goes back into applying for economic development for American jobs and American citizens here.

Mr. Chairman, OPIC supports more than 10,000 new American jobs here as a result of that investment. Yes, I was one of those congresspersons that my colleague, the gentleman from Illinois [Mr. JACKSON] referred to, because I know of a company, indeed, that has participated in OPIC, will not only take their monies but borrow from OPIC and add more monies to make sure their investment is a sound investment in South Africa.

It is working, it is working in countries, not only in South Africa, but other countries that want to remove themselves from a dictatorship and embrace democracy and have opportunity for economic development. This is the right way for America to go. We should be leaders on this. Vote no on the Royce amendment.

The CHAIRMAN. The Chair would inform Members that the gentlewoman from California [Ms. PELOSI] has 1 minute remaining, the gentleman from California [Mr. ROYCE] has 2 minutes remaining, and the gentleman from Alabama [Mr. CALLAHAN] has 5¼ minutes remaining.

The gentleman from Alabama has the right to close, preceded by the gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

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

Mr. ANDREWS. Mr. Chairman, I want to thank the gentleman from California [Mr. ROYCE], my friend and colleague, and also the gentleman from Ohio [Mr. KASICH], the chairman, for their work on this amendment.

This week, our constituents are going to have taxes taken out of their paycheck. And each week we go home for the weekend they ask us, ''Congressman, what did you spend my money on this week?

If my colleagues are prepared to tell their constituents that this week they spent their money to help the McDonald's Corp. in Brazil, then oppose our amendment. If my colleagues are prepared to tell their constituents that this week they spent their money to help the General Electric Corp. in Hungary, then oppose our amendment. But if my colleagues believe, as we do, that the time has come to have equity in the way we disperse welfare and to stop corporate welfare, then support our amendment, as so many did in voting to limit OPIC last year.

Ms. PELOSI. Mr. Chairman, I yield myself the remaining 1 minute.

Mr. Speaker, I commend and applaud our colleague from California [Mr. ROYCE], whom we all hold in such high regard, for his work in fighting corporate welfare. I applaud him and the gentleman from Ohio [Mr. KASICH] in their fight against corporate welfare. Indeed, I join them in their fight against corporate welfare. But, Mr. Chairman, OPIC is not corporate welfare. OPIC does not cost the taxpayer a single dollar.

Some of the points our colleagues have made in the course of fighting this amendment this evening bear repeating. OPIC is required by law to operate on a self-sustaining basis. Since 1971, OPIC has reimbursed the Government for every dollar of actual outlays it has received. OPIC produces a positive cash-flow for the Government because the fees it charges clients, companies exceed its total cost.

OPIC creates American jobs by promoting exports. OPIC has a unique foreign policy role, and OPIC levels the playing field in the global competition. All of America's major economic competitors have OPIC-like agencies to bridge commercial gaps in emerging markets. Let us not tie the hands of our companies in the international market. I urge my colleagues to vote against the Royce amendment.

The CHAIRMAN. The gentleman from California [Mr. ROYCE] has 1 minute remaining.

Mr. ROYCE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, claims have been made that OPIC is a large benefactor of small business; 97.6 percent of the beneficiaries are corporations with revenues that exceed $1 million. In fact, only one beneficiary had annual revenues less than $2 million.

Private political risk insurance is regularly advertised in publications like The Economist. Recently Exporters Insurance Co. offered to reinsure much of OPIC's insurance portfolio at all existing terms and conditions.

Last, we have got $23 billion at risk, taxpayers' dollars at risk. CRS says that there are savings if we cut this back. There is a cost, according to the CBO, $73 million. There is simply no justification for appropriating $32 million to OPIC today. This is a 50-percent increase in appropriations from 1994, and no more business being authorized.

This amendment is about stopping the train. It is about saying that the House wants to stay in the future of OPIC, this should not be a deal cut in conference committee. This may be the only say this body has on the future of OPIC. Vote to hold the train. We are talking about a modest reduction.

Mr. CALLAHAN. Mr. Chairman, I yield myself the balance of my time.

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

Mr. CALLAHAN. I yield to the gentleman from California.

Mr. PACKARD. Mr. Chairman, I appreciate the chairman yielding, and I reluctantly speak out against my dear friend, the gentleman from California [Mr. CALLAHAN], from my own county, Orange County, where he represents. I wanted to speak to that in just a moment.

But the simple truth is, and I certainly agree with the gentlewoman from California that spoke earlier, OPIC is a self-supporting and self-financed program. It is not a corporate welfare program. It has recorded a positive net income for every year it has operated, and it operates at no net cost to the American taxpayers. In fact, OPIC actually contributes to the Treasury. It provides for these services by charging a user fee that completely covers the operation of OPIC.

In my own home State of California, OPIC has provided support for over 40 projects, generating $3 billion in American exports and over 9,000 jobs. In Orange County, CA, the county where the author of this amendment resides and represents, one company alone has provided $1 billion of American-made services and goods exported and over 3,000 American jobs just because OPIC has helped them.

I implore the Members to stand above the political rhetoric and see that this amendment is voted for what it is, that is that it is not corporate welfare. I urge a no vote on the amendment.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I insert for the RECORD at this point a letter from the Vice President to the Speaker of the House.

The letter referred to follows:

THE VICE PRESIDENT,
Washington, DC, July 30, 1997.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representative, Washington, DC.

DEAR MR. SPEAKER: I write to express my strong opposition to the Royce-Andrews-Kasich amendment that is scheduled for House floor action Thursday, July 31.

The Administration believes it is very important to reauthorize Overseas Private Investment Corporation this year. The Royce Amendment would make it impossible to perform its valuable role in supporting American foreign policy and its equally important mission of promoting the competitiveness of American firms in international markets.

Since it was established in 1971, OPIC has supported over $53 billion in U.S. exports. As Vice President, I have personally witnessed what OPIC can accomplish in countries like Russia to open opportunities for American companies and create jobs for American workers.

I had meetings this week with Deputy President Mbeki of South Africa which included OPIC participants. OPIC has provided critical support for many foreign policy and developmental initiatives around the world from South Africa to Russia and the Newly Independent States. Most recently, OPIC has been tapped to play an important part in a new Africa initiative sponsored by both the Administration and Members of Congress.

The Royce Amendment would undermine OPIC's capacity not only to support foreign policy and create American jobs, but also hinder prudent financial management of the existing portfolio and harm OPIC's capacity to level the international playing field while promoting American standards on human rights and workers rights.

I urge you to oppose this amendment.

Sincerely,

AL GORE.

Mr. Speaker, the Royce amendment is an extremely harmful amendment, which is just a back-door attempt to try to kill OPIC in the name of corporate welfare. While I know the gentleman from California believes very strongly in his crusade against corporate welfare, in the case of OPIC he is tilting against the wrong windmill.

OPIC is not corporate welfare. If anything, OPIC is workfare. The truth is that OPIC enables American workers to work hard to take home a living wage and to make first-rate products which can be sold to the developing world. OPIC creates a market for American products. Sure, that helps American companies. But most importantly, it helps over 30,000 American workers each year who benefit from the OPIC-supported projects.

I have listened to the testimony this afternoon of my colleagues, and they are eloquent, and I know their passion and I know where they are coming from. I listened to the gentleman from Ohio [Mr. KASICH] talking about the fact that this is corporate welfare. Let us save this few tens of millions of dollars. Yet, he, just a few hours ago, agreed with the President to give $4 billion more than what this bill gives.

So I think that the gentleman from Ohio [Mr. KASICH] is saving $10 million while agreeing, on the other hand, to give the President $4 billion more. And I do not fault him. I voted for his budget resolution. And he certainly is doing

everything he can to ensure that some day we reap a balanced budget, and that is my goal as well. But this is not the way to do it.

This is not an authorization bill to allow OPIC to increase the debt. What they are saying is shut down the collection window, that we have billions of dollars out here in loans and, therefore, we are going to cut their ability to even collect the moneys. And that is absolutely wrong. And it is not, I am sure, the intent of the gentleman from California [Mr. ROYCE], but that would be the result of this legislation.

A few years ago, the gentleman from Ohio [Mr. KASICH] came to me and said, ''Sonny, there is something wrong with OPIC.'' So I had a study made about privatization of OPIC. I pleaded with the gentleman from Ohio [Mr. KASICH] to meet with me to discuss the results of that study. And 2 years later, he still has not had time to look at the survey that we made at his request.

On the other hand, he has been very busy, he is cutting taxes, he is cutting spending, he is doing all of these good things, and I want him to continue to do those good things. But I wish some of my colleagues would take the time to read the report that we commissioned that justifies every dime that is spent at OPIC.

And speaking of spending moneys, OPIC returns money. What other agency of Government do we have that returns money to us every single year?

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They are bringing in each year, according to the Treasury reports, more than enough money to offset this allocation that we are giving to them. They bring in $251 million in profit and they are asking for $92 million of its own collections to continue their operations. So while I certainly respect what the gentlemen are doing, recognize that this is not helping General Electric; this is helping the employees of General Electric. There is a big, big difference. The French do it. The Japanese do it. The Germans do it. So why should we do it is what the gentleman is saying. Let me encourage Members to vote against this misguided amendment and let us continue the operation of OPIC.

Mr. ORTIZ. Mr. Chairman, I rise today in support of the Overseas Private Investment Corporation and to express my opposition to the amendments offered by Mr. ROYCE and Mr. PAUL to H.R. 2159, the FY 1998 Foreign Operations Appropriations Act. These amendments would do nothing but hurt American businesses and American workers.

Mr. Chairman, at a time when American businesses are facing increased competition in the global marketplace, it is inconceivable to me that we, the very government charged with helping our businesses, would obstruct the most important means to this end. To those who support the elimination of OPIC, I implore them to give up the isolationist belief that if we ignore foreign trade deficits, they will simply go away. Nothing could be farther from the truth! We must engage our competitors in the global marketplace or we will become a second place economic power.

Mr. Chairman, there is a reason we have trade deficits with some foreign nations—they actively support their businesses to a much greater extent than we do. If we cut OPIC, we tie the hands of American businesses just as they are poised to step into the ring. My colleagues have to understand this essential fact: the global marketplace is not going to go away. If we stick our heads in the sand and let foreign businesses get the upper hand in the global marketplace, then we are turning our backs on our own people and our own future. Let us make no mistake, Mr. Chairman, we need OPIC.

Mrs. KENNELLY of Connecticut. Mr. Chairman, I rise in strong opposition to the Royce amendment to cut the Overseas Private Investment Corporation. OPIC has been crucial in promoting U.S. investment abroad and continued support for the Overseas private Investment Corporation is not only smart foreign policy it is sound fiscal policy.

OPIC plays a critical role in our Nation's export strategy, and supports important foreign policy initiatives across the globe. A cut in OPIC's administrative fees will hamper crucial new investment work in Africa and the Caribbean. This new investment will create U.S. jobs, and improve stability in developing nations.

Mr. Chairman, OPIC operates on a self-sustaining basis paid for by its program users. In fact, throughout its 26 year history, OPIC has supported projects worth $107 billion and has created 225,000 new U.S. jobs and $52 billion in exports.

OPIC is a major vehicle for promoting U.S. foreign and economic policy without cost to the taxpayer and I urge mu colleagues to reject the Royce-Kasich amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROYCE].

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

Mr. ROYCE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, further proceedings on the amendment offered by the gentleman from California [Mr. ROYCE] will be postponed.

The Clerk will read.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $40,000,000: *Provided,* That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1999, for necessary expenses under this paragraph: *Provided further,* That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

AMENDMENT NO. 36 OFFERED BY MR. PAUL

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

The CHAIRMAN. Was the amendment printed in the RECORD?

Mr. PAUL. Yes, Mr. Chairman, it was.

The Clerk read as follows:

Amendment No. 36 offered by Mr. PAUL: At the end of title I (page 5, after line 14), insert the following new paragraph:

REDUCTION IN AMOUNTS

Each amount otherwise provided in this title is hereby reduced to $0.

Mr. PAUL. Mr. Chairman, earlier in the debate on the previous amendment, the gentleman from California [Mr. ROHRABACHER] suggested that there was one problem with the Royce amendment. He said it just does not go far enough.

I have an amendment that will go far enough to deal with this entire problem of corporate welfare. My amendment strikes all the funding from title I. This means that the $632 million that goes to the Export-Import Bank, the $32 million that goes to OPIC and the $40 million that goes to the Trade and Development Agency would be struck. This would not close these agencies down. We have heard on numerous occasions already today that OPIC and other agencies like OPIC are obviously self-supporting. If they are self-supporting, they need no more appropriations. They can use the current funding, they can be privatized. This whole idea that they come with the argument that they are self-supporting and self-sustaining and that they make a profit, there is no purpose in being here. Why do they come to the American people and ask in this particular bill for export subsidies of $704 million? My amendment would strike the $704 million. These three agencies have liabilities of well over $100 billion and this would be eliminated.

One of the reasons the argument is made that these agencies are self-sustaining is that they hold Treasury bills, which means that they receive huge sums of money through the back door through interest payments. This money is not appropriated for the specific purpose, but as long as they hold Treasury bills they get the interest payments. For instance, I mentioned earlier that OPIC in 1996 received $166 million in this manner. Self-sustaining, it is not.

We should really ask if this is good economic policy. Quite frankly, it is not good economic policy. It encourages businesspeople to do the wrong things at the taxpayers' risk.

It is mentioned that these programs are available in the private sector but they will not go into the risky areas. Obviously not. OPIC, for instance, goes into countries, and what the American people have to assume is the risk against political risk and economic risk. So if these companies go bust, the American taxpayers have to stand behind them. We have a misdirection of the economy and the misdirection of investment because we get companies to do things more risky than they would have otherwise. If they want to go into a more risky area, the private insurance would obviously be higher,

so therefore this is a subsidy to corporations.

There is no reason why we should support this type of welfare. There are several kinds of welfare. We have welfare for the poor, we have welfare for the foreigners and we have welfare for the corporations. I do not think the correct place to try to solve our problem on welfare is to go after the poor man's welfare, but we can go after foreign welfare and we can go after corporate welfare, and this is an example of corporate and foreign welfare.

It is said that with these programs there is never any loss to the taxpayers. That is a bit of a fallacy, because the loss to the taxpayers is when we take the money from the taxpayer, so they are losing all the time. Most little people never get benefits from this. It is the large corporations that lobby us so heavily to endorse these programs. There are not that many loans that default.

But there is another reason why we do not have that many loan defaults, because they quickly renew these loans at different terms. There is a lot of generous renewing of loans and therefore the default level is very, very low, if we see it at all. But the risk is there. The real risk to the American taxpayer is when we tax the Americans to go and encourage programs like this. The assumption is made that if we do not do it, it will not happen. Maybe not, maybe it will. If it does not happen, maybe it is too risky. But most of it still would happen; it would be insured in the private sector and many of these programs would occur.

To get up and say A, B, and C company would not have existed and could not have done this is not correct because we do not know. The other thing we do not know is who suffered from this credit allocation. When the Government gets involved in credit allocation, in saying this credit is guaranteed and should go in this direction, every time there is $10 billion going in that direction, it comes out of the private sector and some little guy lost his credit. So obviously the banks are going to loan to the people that have a guarantee.

Another area that we should address here is the subject of who gets these loans. For instance, one of the biggest beneficiaries is China. Red China gets over $4 billion. That in itself is enough reason to vote for this amendment and reject corporate welfare on principle.

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the amendment.

Once again, Mr. Chairman, this amendment is intended to destroy the Eximbank which might sound good and might look good on the back of a bumper sticker, but it would be a tremendous mistake for literally tens of thousands of working American people who are working today as a result of the fact that we are doing business in some overseas countries. If indeed my colleagues believe that we are not in a global economy, then my colleagues ought to do exactly what the gentleman from Texas said: build a wall around the United States of America. Let us not let anybody in and let us not let anybody out, let us not ship any of our equipment overseas.

Let us talk about General Electric. What kind of generators do Members think they use if GE builds a plant in a foreign country? They use a GE generator built by American workers, built by American workers who take that money home and support their families and support my colleagues through their taxes that they pay.

So if my colleagues want to close down America, if they do not want to do business overseas, if they really in their heart believe that a global economy is not the future of this country, then my colleagues ought to abolish the Eximbank and they ought to abolish OPIC as well.

But unfortunately, if the gentleman will read the newspapers, watch television, look at world affairs, attend some of the committee hearings that we have, when we hear the testimony of the Eximbank and these various agencies, he will learn that we are exporting our jobs overseas by letting them work in Texas, by letting them work in Alabama, in California. They are taking that money to their homes and we are shipping our generators and our products to them overseas simply because we have provided for our businesspeople the same thing that the French, the British, the Germans, the Japanese have provided to theirs. Not as much, I grant the gentleman. They still give them much more. They subsidize theirs. We do not subsidize these.

So, yes, if the gentleman wants to shut the world down as far as the United States is concerned and abolish all these; but it would be very, very unwise to do that. I would encourage my colleagues to recognize that and to vote against the gentleman's amendment.

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

Mr. CALLAHAN. I yield to the gentleman from Texas.

Mr. PAUL. Japan subsidizes 32 percent of their exports and we only subsidize a small amount, only 2 percent. So I guess I would be complaining a lot more if I lived in Japan because they do so much more; but if we look at the economic growth of Japan, now it is less than 1 percent and we are doing better. We have economic growth of 4 percent.

Mr. CALLAHAN. If I may reclaim my time, that is because they are doing too much. We are not doing too much. We are trying to facilitate our businesspeople in this country the opportunity to make them competitive doing business in foreign countries. If that is wrong, then I am wrong. But I am not wrong. The gentleman is wrong in trying to abolish this agency.

Ms. PELOSI. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment of our distinguished colleague from Texas.

Mr. Chairman, this is a most unfortunate amendment, because it strikes right to the heart of eliminating title I of our bill, which is an important part of our foreign operations legislation. Eximbank, Overseas Private Investment Corporation, Trade and Development Agency programs help create more and better-paying U.S. jobs through exports. Each of these agencies has a distinct role in the administration's effort to increase U.S. exports. Increasing U.S. exports is a major pillar of our foreign policy and these agencies help do that. Every one of our major industrial competitors have publicly supported counterparts to Exim, OPIC and TDA. Virtually all of our competitors fund their trade and investment finance agencies at a higher level than we do. Failure to fully fund Exim, OPIC and TDA would severely handicap our exporters as they battle for market share in the key fast-growing markets. Exports create more and higher-paying jobs, support the creation of American jobs by promoting exports. Vote against this amendment.

Mr. PAUL. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Texas.

Mr. PAUL. Could the gentlewoman cite the constitutional authority for programs like this? Where did we get this authority? When did we get involved in doing this? I am confused on that constitutional issue.

Ms. PELOSI. I would not be able to cite the constitutional authority. I know the gentleman is well known for his opposition to any spending bills, but I think the question that he asks is an appropriate one to ask every Member who speaks on the floor, because these agencies of government create jobs and return revenue to our Treasury.

I would like to address one of the points the gentleman made in his remarks. He said if they are so self-sustaining, why are they not privatized, or words to that effect.

I think it is very important that this is part of our national export program, that we be able to participate in the program level and have a control on the operating expenses so that all of the funds that are put to this end are well spent and that they promote the most exports, create the most jobs and increase the vitality and dynamism of our own economy.

Mr. PAUL. If the gentlewoman will continue to yield, I think that is a noble gesture to mix business and government, but some people are hesitant to do that, to supervise what businesses are doing.

Ms. PELOSI. Reclaiming my time, the point was not to mix business and government. The point was to promote U.S. exports abroad and to recognize the realities of the global economy, where all of the countries, the developed countries of the world and the developing countries, are very competitive for the market share out there. It

is very important for us in those particular instances where, for example, OPIC would be necessary, assessing the risk very carefully so as not to put the U.S. taxpayers' dollars at an extraordinary risk, but where the calibration is such that we need OPIC's participation, or Eximbank's participation or TDA's promotion, that we give some opportunity to U.S. business to make the playing field more level. As I have said in my remarks, we do not come close to what many countries do to help promote exports, but at least we can participate in promoting exports.

Mr. PAUL. If the gentlewoman will yield further, I think earlier she said that it would be an appropriate question to ask for constitutional authority and suggested that this is a good idea, and I would like to emphasize that we do it more often.

Mr. FOGLIETTA. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Pennsylvania.

Mr. FOGLIETTA. I think if the gentleman reads the question, he will find that the Constitution calls upon the Congress to promote the general welfare of this Nation. I think by increasing trade and creating jobs, we are promoting the general welfare of our Nation.

Mr. PAUL. If the gentlewoman will yield further, this is frequently cited as a constitutional authority to do almost anything. But let me be specific to point out to the gentleman that we are not dealing with the general welfare. We are dealing with the very specific welfare of General Electric and other big companies at the expense of the general welfare of the taxpayers who are paying the money.

Ms. PELOSI. Reclaiming my time, I would like to say to the gentleman, I keep a very close eye on these agencies. To the extent that I believe that they are not promoting the general welfare and that special interest is served rather than the public interest, I would be certain to join with the gentleman in criticism of those aspects.

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But that is not what the point is here tonight.

I urge my colleagues to oppose the Paul amendment.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strongest opposition to the gentleman's amendment, offered for ideological reasons no doubt. It is devastating. It would do draconian levels of damage to the American economy, American exporters, American business and American workers. It needs to be rejected.

Mr. Chairman, I yield to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, I would cite with authority Article I, section 8, clause 3 of the United States Constitution that it is within the powers of this body to regulate commerce with foreign nations, and if I could make my point, then I would be glad to yield for a question from my constitutional friend.

In what we are doing here with these 3 bodies, Ex-Im, OPIC and TDA, are we regulating commerce? You bet we are. We are involved in an international global war. If the amendment offered by the gentleman from Texas [Mr. PAUL] were presented somehow in an international body, and I would dread that because we would have a one-world government, then I would say let us go ahead and do what he is doing because there are 73 export credit agencies, there are 36 international equivalents of OPICs. So what that means is that if we get rid of these specialty types of credit agencies, where are we? What we have done is we have effectively thrown up our hands and we have left it to the Finns and Germans to take over.

Let me give my colleagues an example that is in my backyard, Beloit Corporation. There is one of 3 manufacturers of paper making machines, 3 worldwide manufacturers of paper making machines, engaged in trying to get a contract in Indonesia. The only other 2 manufacturers are in Europe. One are the Finns and the other one are the Germans, and the Finns and the Germans go through extraordinary lengths in order to, if my colleagues want to use that word, subsidize, grant favorable financing so that these sales can take place.

So what happened was Beloit Corporation applied to Ex-Im in working with Members on both sides of the aisle, including the gentleman from Wisconsin [Mr. BARRETT] over here from Milwaukee. We were able to see Ex-Im grant a $275 million loan guarantee which has to be paid back with interest at a good premium for the purpose of making sure that Beloit Corporation was put in a level playing field to sell those machines. Those were 2 machines that cost over $150 million a piece, and there are several more in the lot. Let me finish my thought here.

Now what is going on here dynamically is this. Worldwide there is an effort, there is an effort to eliminate OPIC and Ex-Im types of financing. For example the OECD met and said that what we will do is we will have an agreement that a Nation can only subsidize the spread; that is, the actual amount of interest as charged worldwide on the open market with what a Nation wants to pay to a certain extent, and they continue to narrow that gap so that nations will be involved in less core subsidizing of the loans for the exports.

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

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. PAUL. Let me address the subject of regulation. The Constitution does give us the authority to regulate commerce, but it never mentions that we should subsidize special interests at the expense of the average American taxpayers. Yes, we can put on tariffs and we can regulate what comes and goes across our borders, but in the wildest dreams of the Founders of this country they never intended that we would have programs like this. We have to think this is a concoction of the latter part of the 20th century, the past 20 or 30 years. This is when this stuff; when welfare-ism has blossomed, it has been these type of programs. It was never intended by our Constitution to do these programs.

Mr. BEREUTER. Reclaiming my time, Mr. Chairman, I would say that the authorization appropriations are funds that are very much in the American taxpayers' benefit. They come out positive as a result directly of these jobs.

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

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

Mr. MANZULLO. Mr. Chairman, back in those days the main income for the United States was international tariffs. We have these incredible tariff barriers, and that is how we supported the economy of the Nation before the income tax.

I mean nobody wants those tariffs. I know the gentleman is a libertarian and does not like the tariffs, but that is what was going on 200 some years ago when the Nation was founded, and I think when this was put into the Constitution it says to regulate, meaning this body, the United States Congress, is given the power to make sure that we can operate internationally.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PAUL].

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

Mr. PAUL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, further proceedings on the amendment offered by the gentleman from Texas [Mr. PAUL] will be postponed.

POINT OF ORDER

Mr. BARR of Georgia. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BARR of Georgia. Mr. Chairman, I make the point of order that the language beginning with ''provided'' on page 24, line 8 through ''justice'' on line 16 violates clause 2(b) of rule XXI of the rules of the House of Representatives.

The CHAIRMAN. The gentleman from Georgia will suspend. The Clerk has not yet read to that portion of the bill, and the gentleman's point of order is not in order at this point.

The Clerk will read.

The Clerk read as follows:

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1998, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, $650,000,000, to remain available until expended: *Provided,* That this amount shall be made available for such activities as (1) immunization programs, (2) oral rehydration programs, (3) health and nutrition programs, and related education programs, which address the needs of mothers and children, (4) water and sanitation programs, (5) assistance for displaced and orphaned children, (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases, (7) not to exceed $98,000,000 for basic education programs for children, and (8) a contribution on a grant basis to the United Nations Children's Fund (UNICEF) pursuant to section 301 of the Foreign Assistance Act of 1961.

DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,167,000,000, to remain available until September 30, 1999: *Provided,* That of the amount appropriated under this heading, up to $2,000,000 may be made available for the Inter-American Foundation: *Provided further,* That of the amount appropriated under this heading, up to $2,500,000 may be made available for the African Development Foundation: *Provided further,* That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further,* That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: *Provided further,* That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further,* That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further,* That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further,* That none of the funds made available under this heading may be used for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES).

AMENDMENT OFFERED BY MR. PITTS

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

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. PITTS. Yes.

The CHAIRMAN. Does the gentleman ask unanimous consent to have his amendment considered?

Mr. PITTS. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the consideration of the en bloc amendments?

Mr. CALLAHAN. There is objection here.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: *Provided,* That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the ''Foreign Assistance and Related Programs Appropriations Act, 1985'' (as enacted in Public Law 98–473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $190,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961; and of modifying concessional loans authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading ''Debt Reduction for Jordan'' in title VI of Public Law 103–306; $27,000,000, to remain available until expended.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided,* That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further,* That funds made available under this heading shall remain available until September 30, 1999.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, including the cost of guaranteed loans designed to promote the urban and environmental policies and objectives of part I of such Act, $3,000,000, to remain available until September 30, 1999: *Provided,* That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections. in addition, for administrative expenses to carry out guaranteed loan programs, $6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further,* That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $44,208,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $468,750,000: *Provided,* That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of $25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $29,047,000, to remain available until September 30, 1999, which sums shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,400,000,000, to remain available until September 30, 1999 *Provided,* That any funds appropriated under this heading that are made available for Israel shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided,* That in exercising the authority to provide cash transfer assistance for Israel and Egypt, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to each such country.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): *Provided,* That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further,* That funds made available under this heading shall remain available until September 30, 1999.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $470,000,000, to remain available until September 30, 1999, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 111961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.

AMENDMENT OFFERED BY MR. CAMPBELL

Mr. CAMPBELL. Mr. Chairman, I have an amendment, No. 27, which I believe is germane to the second title of the bill at page 13.

The CHAIRMAN. Does the gentleman ask unanimous consent to offer the amendment at this time?

Mr. CAMPBELL. That is my request, yes, Mr. Chairman.

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

Mr. CALLAHAN. Yes, Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. CAMPBELL. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CAMPBELL. Mr. Chairman, I simply wish to know about the amendment, page 13, line 4, whereby I am inserting $25 million in the Amendment No. 27; my parliamentary inquiry is whether that is in order at this time without a unanimous consent request.

The CHAIRMAN. The Chair would inform the gentleman that the Clerk had passed that point in reading the bill and it requires unanimous consent to go back to that paragraph.

Mr. CAMPBELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the conclusion of striking the last word I am going to ask an indulgence of the chairman of the subcommittee, and so I rise to speak to this request.

I was here, I was talking at the desk. It is appropriate at page 13, line 4. The members of the Congressional Black Caucus I have summoned to be on the floor at this moment. There is every record that I intended and had, except for the discussion at this desk, would have been able to present it at this moment.

I ask; it is a favor, I understand, but I have a very specific reason for asking for that favor, it is an unusual circumstance. I was here, there was discussion, and I could not get to the microphone because we were worried that the amendment of the gentleman from Pennsylvania [Mr. PITTS] might have had precedence to mine.

It is for that reason, which is really not a common situation, that I would ask a very great favor, but a favor of the chairman of the subcommittee that if I renew my unanimous consent request that I might now offer the amendment, No. 27, that it might be offered without an objection.

Mr. Chairman, with that I renew my unanimous consent request that Amendment No. 27 might be allowed at this time.

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

Mr. CALLAHAN. Yes, Mr. Chairman.

I recognize the gentleman's plight. Nevertheless, we cannot continue to go back because if we go back for him, we have to do the same thing for every Member of this body. So I reluctantly still object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

(e) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 531 of this Act shall apply.

(f) With regard to funds appropriated under this heading that are made available for economic revitalization programs in Bosnia and Herzegovina, 50 percent of such funds shall not be available for obligation unless the President determines and certifies to the Committee on Appropriations that the Federation of Bosnia and Herzegovina has complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has been terminated.

(g) Not to exceed $200,000,000 of the funds appropriated under this heading may be made available for Bosnia and Herzegovina.

(h) Not to exceed $7,000,000 of the funds made available for Bosnia and Herzegovina may be made available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees for said country.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the distinguished gentleman from Alabama [Mr. CALLAHAN].

Mr. Chairman, I recently traveled to Haiti in order to get a firsthand look at the political and economic conditions there. It is my concern that if the current political and economic impasse in that country continues, there could be a social explosion that leads to a mass immigration of Haitian refugees to Florida. As certain factions inside Haiti are blocking reforms to further their own political agenda, vital measures are being stalled that could lead to more private investment in Haiti and ultimately to stabilization of this country. Economic reform in Haiti, particularly in the privatization of state-owned enterprises, is a necessary step in the improvement of Haiti's economy.

During my trip I took particular note of the inaccurate and antiquated power and telecommunication systems in Haiti. Without a modern infrastructure it is ludicrous to expect that Haiti will attract significant private investment. Therefore, the Haitian government must privatize these industries.

It is my understanding, Mr. Chairman, that the Subcommittee on Foreign Operations this year has inserted language which emphasizes that aid for Haiti is being provided with the clear understanding that it will only be provided if the Haitian government is actually implementing a meaningful restructuring of the Haitian public sector.

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Am I correct in that assumption?

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

Mr. FOLEY. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, the gentleman from Florida is absolutely correct. The privatization of parastatal companies and strict accountability for the effective use of donor resources are core reforms which were promised but not accomplished in prior years.

The committee recommends that assistance to the government of Haiti provided in this act be made contingent upon the privatization of at least three parastatal enterprises. I might add that the subcommittee, traveled to Haiti and that we shared the gentleman's concern, and we also expressed a strong concern to President Preval.

Mr. FOLEY. Mr. Chairman, let me thank the chairman for the clarification, and commend him on his efforts to ensure that the United States aid to Haiti is being properly utilized.

As I witnessed the strength of the people of Haiti and their desire to have economic opportunity, it became clear to me that the government needs to lead by example. I suggested to President Preval that he take a stronger stand in forcing the privatization of the utilities and other areas.

Even if the United States could provide the Haitian government with all the money in the world, it would come to no avail without reform of the Haitian economy. So I would suggest this Congress and this committee has a strong responsibility to work closely with the current government in Haiti and try and see that these economic reforms become reality, so those people in Haiti can have jobs, opportunity, growth and prosperity.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the new independent states of the former Soviet Union and for related programs, $625,000,000, to remain available until September 30, 1999: *Provided,* That the provisions of such chapter shall apply to funds appropriated by this paragraph.

(b) None of the funds appropriated under this heading shall be transferred to the Government of Russia—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(c) Funds may be furnished without regard to subsection (b) if the President determines that to do so is in the national interest.

(d) None of the funds appropriated under this heading shall be made available to any government of the new independent states of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided,* That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: *Provided further,* That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian, disaster and refugee relief.

(e) None of the funds appropriated under this heading for the new independent states of the former Soviet Union shall be made available for any state to enhance its military capability: *Provided,* That this restriction does not apply to demilitarization or nonproliferation programs.

(f) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(g) Funds made available in this Act for assistance to the new independent states of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(h) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(i) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(j)(1) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Fifty percent of the funds appropriated under this heading that are allocated for Russia may be made available notwithstanding paragraph (1) if the President determines that making such funds available is vital to the national security interest of the United States. Any such determination shall cease to be effective six months after being made unless the President determines that its continuation is vital to the national security interest of the United States.

(k)(1) Funds appropriated under this heading may not be made available for the Government of Ukraine if the President determines and reports to the Committees on Appropriations that the Government of Ukraine is engaged in military cooperation with the Government of Libya.

(2) Paragraph (1) shall not apply if the President determines that making such funds available is vital to the national security interest of the United States. Any such determination shall cease to be effective six months after being made unless the President determines that its continuation is vital to the national security interest of the United States.

(l) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh: *Provided,* That the restriction of this subsection and section 907 of the FREEDOM Support Act shall not apply to activities promoting democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201: *Provided further,* That none of the funds appropriated or otherwise made available under this Act may be utilized by the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the Trade and Development Agency to provide financing (including direct loans, loan guarantees, and insurance) or other assistance contrary to the provisions of section 907 of the FREEDOM Support Act.

(m) Funds appropriated under this heading shall be made available for humanitarian assistance through nongovernmental organizations for refugees, displaced persons, and needy civilians in conflictive zones throughout the Trans-Caucasus, including Nagorno-Karabagh, notwithstanding any other provision of this or any other Act.

(n) Of the funds appropriated under this heading that are allocated for Ukraine, 50 percent shall be withheld from obligation and expenditure until the Secretary of State certifies to the Committees on Appropriations that the Government of Ukraine: (1) is enforcing the April 10, 1997 Anti-Corruption decree of President Kuchma; (2) has substantially completed the privatization of state owned agricultural storage, distribution, equipment and supply monopolies; and (3) has fully resolved most of the commercial disputes involving complaints by United States investors to the Embassy in Kiev as of April 30, 1997 and established a permanent legal mechanism for commercial dispute resolution.

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

For necessary expenses to carry out the functions of the Inter-American Foundation in accordance with section 401 of the Foreign Assistance Act of 1969, and to make such contracts and commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9014, $20,000,000.

AFRICAN DEVELOPMENT FOUNDATION

For necessary expenses to carry out title V of the International Security and Development Cooperation Act of 1980, Public Law 96–533, and to make such contracts and commitments without regard to fiscal year limitations as provided by 31 U.S.C. 9104, $11,500,000: *Provided,* That funds made available to grantees may be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided further,* That interest earned shall be used only for the purposes for which the grant was made: *Provided further,* That this authority applies to interest earned both

prior to and following enactment of this provision: *Provided further,* That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the $250,000 limitation contained in that section with respect to a project: *Provided further,* That the Foundation shall provide a report to the Committee on Appropriations after each time such waiver authority is exercised.

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $222,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided,* That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further,* That funds appropriated under this heading shall remain available until September 30, 1999.

Mr. MICA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had planned to offer an amendment in this title, and I am not going to do that at this time. I think I would be remiss as a Member of Congress and someone who has spoken out about some of the funding for one of the agencies funded in this appropriations measure if I did not personally address what I consider a program that has room for improvement.

I do not mean to distract or to in any way denounce the work of this Committee on Appropriations subcommittee. I know they have an important task, and trying to come up with a foreign ops appropriations measure is a difficult task.

But I had proposed to offer an amendment here and had the support of many colleagues to reduce AID's administrative costs by about 5 percent, or $19 million. That is just a small, token amount, really, but that money would have been put in the child survival and disease program fund, which would establish further protection of children throughout the world, and eradication of diseases.

Most people do not realize it, but 33,000 children die every day across the world, and an estimated 12 million children die under 5 years of age across the world every year from various diseases.

Mr. Chairman, I have been around the world and worked in international trade, and I would not be critical of AID if I had not seen firsthand some of the problems that we have with that agency. Again, I know this committee is trying to do its utmost to get this operation in order. But let me give the Members also my perspective as chairman of the Subcommittee on Civil Service of the Committee on Government Reform and Oversight, just an idea of how personnel in AID are stratified.

If Members think we are spending all of our money and funds in helping children and the needy in foreign countries where there is need of our assistance for those individuals, just listen to this. AID staffing has 2,916 employees. Overseas there are 1,096. In Washington, D.C., or this immediate area, there are 1,717 AID employees.

So those Members who are compassionate, those who are interested in trying to get our AID dollars going to where they can help the children, where they can help the truly needy, this budget appropriates again and will fund 1,717 positions just in the Washington, D.C. area for this agency.

Overall, AID has almost 8,000 employees, if we count in contract and foreign nationals that are hired. The entire Department of Education only has 5,000 employees.

Mr. Chairman, I will not get into all the issues of waste and mismanagement in AID, but I had met sometime ago overseas with the president of the U.S. Chamber of Commerce in an eastern bloc country. This is an American. He said Americans in AID, their AID program is the laughingstock of some of the eastern bloc and emerging nations, because the United States spends $100 to give away $1. That is my concern, that we put money where it can do the most good.

When we have 33,000 children dying every day, we can choose as to how this money is appropriated. My amendment would not have taken a penny out of what we are putting into the program, but it would redirect it as a national policy for these funds to go into child survival programs that are beneficial. That was the proposal that I had.

I will not offer it because I want the process to move forward. But Mr. Chairman, I ask the chairman and my colleagues and members of this panel to look very closely at how these funds are being spent and the policy that we are establishing: Does the money go where it should go? Do we take care of folks and children around the world that need help, or is it going to spend a tremendous amount of money in overhead on a bureaucracy in Washington, D.C.?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $230,000,000: *Provided,* That during fiscal year 1998, the Department of State may also use the authority of section 608 of the Act, without regard to its restrictions, to receive non-lethal excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That none of the funds made available under this heading may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence to believe such unit has committed gross violations of human rights unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking steps to bring the responsible members of the security forces unit to justice.

POINT OF ORDER

Mr. BARR of Georgia. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BARR of Georgia. Mr. Chairman, I make a point of order that the language beginning with ''provided'' on page 24, line 8, through ''justice'' on line 16 violates clause 2(b) of rule XXI of the rules of the House of Representatives.

Clause 2(b) of rule XXI states that in general, no provision changing existing law shall be reported in any general appropriations bill.

Mr. Chairman, I respectfully submit that the language reported in this general appropriations bill changes existing law in that it imposes duties such as the duty to make determinations or decisions on the Secretary of State, and that these are new duties not required in existing law.

Although the language is part of the relevant appropriations act for the current fiscal year, that act would not apply in the fiscal year covered by the pending bill, and under the precedents of this House, it is not considered as being ''existing law'' for the purpose of the relevant rule.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. CALLAHAN. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded.

That portion of the bill is stricken.

Mr. TORRES. Mr. Chairman, I want to speak in opposition to the point of order raised against the important counternarcotics human rights provision in this bill.

The CHAIRMAN. The Chair had ruled on the point of order since it was conceded by the Chairman.

Does the gentleman wish to be heard further on the point of order?

Mr. TORRES. Mr. Chairman, I was standing on my feet in opposition to the point of order.

PARLIAMENTARY INQUIRY

Mr. BARR of Georgia. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BARR of Georgia. Mr. Chairman, is it proper to entertain further remarks on a point of order after the point of order has been sustained by the Chair?

The CHAIRMAN. Argument on a point of order is at the discretion of the Chair. The Chair will entertain the comments of the gentleman from California [Mr. TORRES] and withhold his ruling.

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

Mr. TORRES. Mr. Chairman, the bill currently contains the so-called Leahy provision which was enacted last year. The Leahy amendment stipulates that if the Secretary of State finds credible evidence implicating a foreign military unit of gross human rights violations, and no steps have been taken to bring those responsible to justice, then the unit, not the whole country, would be cut off from some form of U.S. counternarcotics aid.

I supported the effort to have this provision included in last year's bill. U.S. taxpayer dollars must not be spent on murderers. The situation today in Colombia is severe. Colombia has the worst human rights record in the Western Hemisphere, with an average of 10 Colombians murdered every day for political or ideological reasons. Approximately 65 percent of those killings are attributed to the military and their paramilitary allies.

Colombian units, military units, responsible for some of the worst human rights violations and atrocities in recent years were also those that received U.S. assistance. Joint army paramilitary operations have displaced thousands of civilians, mostly peasant farmers. Earlier this year inhabitants of more than 15 municipalities or communities in the municipality of Choco were forced to leave their communities by paramilitary groups. They were told they had 5 days, 5 days to abandon their homes. Otherwise, they would be killed. Several communities were bombed by military forces. Many people have fled to other regions, to neighboring Panama. There is reason to believe, and to be seriously concerned about the safety of the civilian population as these operations continue.

Mr. Chairman, I ask my colleagues, the Leahy provisions are the very minimum standards we utilize before releasing $1 million of military aid to combat narco-trafficking. Using this procedure, making a point of order to strike the Leahy provision is a backdoor attempt to do away with a critical component of counternarcotics assistance accountability, and we must not allow that to happen.

Mr. BARRETT of Wisconsin. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The Chair controls the time. The Chair has recognized the gentleman from California [Mr. TORRES] briefly to talk on the point of order.

Is the gentleman from California [Mr. TORRES] finished on his comments?

Mr. TORRES. I yield to the gentleman from Wisconsin.

The CHAIRMAN. The gentleman is not able to yield.

□ 2030

Mr. BARRETT of Wisconsin. Mr. Chairman, I rise in opposition to the point of order.

The CHAIRMAN. The Chair will entertain further brief comments on the point of order.

Mr. BARRETT of Wisconsin. Mr. Chairman, I also rise in opposition to the point of order. This provision, which was first authored by Senator LEAHY, prevents foreign security forces from using our aid to commit gross violations of human rights. That is the language. Gross violations of human rights.

I think we would all agree, Democrats and Republicans, that our foreign aid should not be used by foreign security forces to kill, kidnap, or torture their own citizens. That is a principle which I would think would go unchallenged here today. The bill in its current form provides that no international narcotics control funds can be used to provide any aid to any unit of a security force of a foreign country if the Secretary of State has credible evidence to believe that unit has committed gross violations of human rights.

It has been suggested, and wrongly so, that any nongovernmental organization can hamstring our international narcotics assistance by bringing unfounded allegations of human rights. This is simply not true. The Leahy provision gives the Secretary of State the right to determine whether an allegation of gross human rights abuses is credible. Even if the Secretary of State concludes that such an allegation is credible, she can allow assistance to flow if she determines that the foreign government is taking steps to bring the responsible members of the security forces unit to justice.

Mr. Chairman, where is the problem? This is a carefully, narrowly drawn provision which gives the Secretary of State the discretion to assess reports of human rights abuses and to assess the efforts of foreign governments to control their security forces. Mr. Chairman, this does not provide or does not place any additional obligations on this use of money because this use of money or the use of Federal dollars is also controlled in other forms of Federal dollars.

In other words, we have the Leahy amendment in other types of assistance so the same type of analysis would be put on this type of assistance. I find it ironic that the gentleman from Georgia who has raised this point of order argued in committee that this is an issue that we should be debating, that Congress should be acting on this issue. Yet when we come to the floor he wants to completely stymie debate. This is an issue that should be debated on this floor because the basic issue, the basic issue again, Mr. Chairman, is whether we should be giving aid to units of government that commit gross violations of human rights.

Mr. FARR of California. Mr. Chairman, I rise to speak on the point of order.

The CHAIRMAN. The Chair will entertain further brief comments on the point of order.

Mr. FARR of California. Mr. Chairman, I concur with the gentleman that has just spoken. It makes no sense to give money or weapons to militaries without making sure that they are used for the right purposes. This provision just does that. It is a one sentence provision. It is totally permissive. It ensures that our resources are not misused by human rights violators.

I rise as a former member of the U.S. Peace Corps serving in Colombia. I know that there are human rights violations because a lot of the paramilitary down there we have no jurisdiction over have been using the military equipment that we have sent to Colombia. We need to make sure that we do not throw money at the problem of drugs if it puts human rights and innocent people at risk because, if we do that, we do not stand for anything. The credibility of America is gone. The provision is responsible and fair and should be kept in the final bill.

I urge the Chair to rule against the points of order because this is made in one sentence that is permissive and does not mandate that expenditure has to be done as such.

Ms. PELOSI. Mr. Chairman, I rise to speak briefly in opposition to the point of order.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I rise in opposition to the point of order and would like to make two points in regard to it.

First, it is unfortunate that this rule came to the floor this way not protecting this language as was requested by our committee. Let our membership debate this issue and vote one way or another. But to leave this issue exposed this way is, I think, a disservice to the Members of this House because the actual point of order that the gentleman makes, I believe, is based on a mistake, the mistaken impression that has been circulating here that we have been withholding funds from the Colombian national police. That is not true.

We have been withholding funds from the military but the United States has been assisting the Colombian national police in the battle against narcotics. Therefore, we would welcome the debate on the language that is in the bill which withholds funds from the units of the military which have committed gross human rights violations. I wish that the rule would have allowed our colleagues to hear the debate. Vote it up or down. I urge the Chair to reject the point of order.

The CHAIRMAN. The Chair is prepared to rule.

The provision requires the Secretary of State to evaluate ''credible'' evidence and to make reports not required by existing law. The point of order has been conceded by the gentleman from Alabama and the Chair sustains the point of order. The provision is in violation of clause 2 of rule XXI and is stricken from the bill.

The Clerk will read:

The Clerk read as follows:

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by

sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $650,000,000: *Provided,* That not more than $12,000,000 shall be available for administrative expenses.

REFUGEE RESETTLEMENT ASSISTANCE

For necessary expenses for the targeted assistance program authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 and administered by the Office of Refugee Resettlement of the Department of Health and Human Services, in addition to amounts otherwise available for such purposes, $5,000,000.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $50,000,000, to remain available until expended: *Provided,* That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $118,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act for demining activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO): *Provided,* That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further,* That such funds may also be used for such countries other than the new independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further,* That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further,* That not to exceed $25,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further,* That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by the end of fiscal year 1998; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended: *Provided further,* That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: *Provided further,* That no funds may be obligated for KEDO until 30 calendar days after submission to Congress of the waiver permitted under the preceding proviso: *Provided further,* That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $50,000,000: *Provided,* That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training: *Provided further,* That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless (1) the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel, (2) the Secretary of Defense certifies that the Secretary of State, in consultation with the Secretary of Defense, has developed and issued specific guidelines governing the selection and screening of candidates for instruction at the School of the Americas, and (3) the Secretary of Defense submits to the Committees on Appropriations a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1996.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Amendment No. 13 offered by the gentleman from California [Mr. ROYCE]; and amendment No. 36 offered by the gentleman from Texas [Mr. PAUL].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 13 OFFERED BY MR. ROYCE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. ROYCE] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 272, not voting 6, as follows:

[Roll No. 346]

AYES—156

Andrews	Graham	Paul
Armey	Greenwood	Paxon
Bachus	Gutknecht	Pease
Barr	Hastert	Peterson (MN)
Barrett (WI)	Hayworth	Petri
Bartlett	Hefley	Pitts
Bass	Hilleary	Portman
Blagojevich	Hobson	Poshard
Bonior	Hoekstra	Pryce (OH)
Boswell	Horn	Radanovich
Burr	Hostettler	Ramstad
Burton	Hulshof	Riggs
Buyer	Hunter	Rivers
Campbell	Hutchinson	Roemer
Canady	Istook	Rogan
Chabot	Jackson (IL)	Rohrabacher
Chambliss	Jones	Ros-Lehtinen
Chenoweth	Kanjorski	Royce
Coble	Kaptur	Ryun
Coburn	Kasich	Salmon
Collins	Kingston	Sanders
Condit	Klug	Sanford
Conyers	Kucinich	Scarborough
Cook	Largent	Schaefer, Dan
Costello	LaTourette	Schaffer, Bob
Cox	Leach	Sensenbrenner
Crane	Lewis (GA)	Shadegg
Crapo	Linder	Shaw
Cubin	Lipinski	Shays
Cunningham	LoBiondo	Shuster
Deal	Luther	Smith (MI)
DeFazio	Markey	Smith (NJ)
Dellums	McHale	Smith (TX)
Diaz-Balart	McHugh	Smith, Linda
Dickey	McInnis	Solomon
Doyle	McIntosh	Souder
Duncan	McIntyre	Stearns
Ehrlich	McKeon	Strickland
Ensign	McKinney	Sununu
Eshoo	Meehan	Talent
Farr	Mica	Taylor (MS)
Fawell	Miller (FL)	Thune
Foley	Molinari	Tiahrt
Fowler	Myrick	Tierney
Fox	Nethercutt	Traficant
Franks (NJ)	Neumann	Visclosky
Ganske	Ney	Wamp
Gibbons	Norwood	Watkins
Gillmor	Obey	Watts (OK)
Goodlatte	Pallone	Weldon (PA)
Goodling	Pappas	Whitfield
Goss	Pascrell	Woolsey

NOES—272

Abercrombie	Baldacci	Bentsen
Ackerman	Ballenger	Bereuter
Aderholt	Barcia	Berman
Allen	Barrett (NE)	Berry
Archer	Barton	Bilbray
Baesler	Bateman	Bilirakis
Baker	Becerra	Bishop

Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Callahan
Calvert
Camp
Cannon
Capps
Cardin
Carson
Castle
Christensen
Clay
Clayton
Clement
Clyburn
Combest
Cooksey
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Emerson
Engel
English
Etheridge
Evans
Everett
Ewing
Fattah
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Frelinghuysen
Frost
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Gilchrest
Gilman
Goode
Gordon
Granger
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastings (FL)
Hastings (WA)
Hefner
Herger
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Houghton
Hoyer
Hyde
Inglis
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Latham
Lazio
Levin
Lewis (CA)
Lewis (KY)
Livingston
Lofgren
Lowey
Lucas
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McNulty
Meek
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Neal
Northup
Nussle
Oberstar
Olver
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Payne
Pelosi
Peterson (PA)
Pickering
Pickett
Pombo
Pomeroy
Porter
Price (NC)
Quinn
Rahall
Rangel
Redmond
Regula
Reyes
Riley
Rodriguez
Rogers
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Schumer
Scott
Serrano
Sessions
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (OR)
Smith, Adam
Snowbarger
Snyder
Spence
Spratt
Stabenow
Stenholm
Stokes
Stump
Stupak
Tanner
Tauscher
Tauzin
Thomas
Thompson
Thornberry
Thurman
Torres
Towns
Turner
Upton
Velazquez
Vento
Walsh
Waters
Watt (NC)
Waxman
Weldon (FL)
Weller
Wexler
Weygand
White
Wicker
Wise
Wolf
Wynn
Yates
Young (FL)

NOT VOTING—6

Forbes
Gonzalez
Schiff
Stark
Taylor (NC)
Young (AK)

□ 2057

Ms. DEGETTE, Mr. DOOLITTLE, Ms. SLAUGHTER, and Messrs. CUMMINGS, SESSIONS and SAXTON, and Mrs. MCCARTHY of New York changed their vote from ''aye'' to ''no.''

Messrs. CONYERS, BUYER and GILLMOR changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 36 OFFERED BY MR. PAUL

The CHAIRMAN. The pending business is the demand for a recorded voted on the amendment offered by the gentleman from Texas [Mr. PAUL] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 40, noes 387, not voting 7, as follows:

[Roll No. 347]

AYES—40

Bachus
Barr
Bartlett
Burton
Campbell
Chabot
Chenoweth
Coble
Coburn
Crapo
Deal
DeLay
Doolittle
Duncan
Ensign
Hayworth
Hilleary
Hoekstra
Hostettler
Hunter
Istook
Markey
McIntosh
Paul
Pease
Petri
Pombo
Rohrabacher
Royce
Ryun
Sanford
Scarborough
Sensenbrenner
Shadegg
Smith (MI)
Smith, Linda
Stearns
Taylor (MS)
Traficant
Wamp

NOES—387

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chambliss
Christensen
Clay
Clayton
Clement
Clyburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Herger
Hill
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inglis
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
Kilpatrick
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
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
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
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Serrano
Sessions
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Snowbarger
Snyder
Souder
Spence
Spratt
Stabenow
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

NOT VOTING—7

Forbes
Gonzalez
Schiff
Solomon
Stark
Taylor (NC)
Young (AK)

□ 2107

Messrs. SANFORD, BACHUS and RYUN changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. CALLAHAN. 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. HASTINGS of Washington) having assumed the chair, Mr. THORNBERRY, 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. 2159), making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 695

Mr. BUNNING. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 695.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 695

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 695.

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

There was no objection.

EXPRESSING SENSE OF CONGRESS REGARDING TERRORIST BOMBING IN JERUSALEM

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 133.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 133, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were— yeas 427, nays 1, not voting 6, as follows:

[Roll No. 348]

YEAS—427

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
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
Cox
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
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
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
Kilpatrick
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
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
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
Schumer
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
Yates
Young (FL)

NAYS—1

Paul

NOT VOTING—6

Forbes
Gonzalez
Nethercutt
Schiff
Stark
Young (AK)

☐ 2126

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 695

Mr. EVERETT. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 695.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Alabama?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1577

Mr. HILL. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1577.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

The SPEAKER pro tempore. Pursuant to the order of the House of Thursday, July 24, 1997, 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. 2159.

☐ 2130

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. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

□ 2130

The CHAIRMAN. When the Committee of the Whole rose earlier today, the amendment offered by the gentleman from Texas [Mr. PAUL] had been disposed of and the bill has been read through Page 30, Line 3.

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that the Amendment No. 1 by the gentleman from New Jersey [Mr. SMITH] provided for under the rule and debatable for 40 minutes and Amendment No. 2 by the gentleman from New York [Mr. GILMAN] provided for by the order of the House of July 24 and debatable for 40 minutes, to title V, and Amendment No. 19 by the gentleman from California [Mr. TORRES], Amendment No. 1 by the gentleman from Massachusetts [Mr. KENNEDY], Amendment No. 30 by the gentleman from Massachusetts [Mr. KENNEDY], and Amendment Nos. 17 and 18 by the gentleman from California [Mr. TORRES] will be in order at a later time during the reading of the bill notwithstanding that title V may be closed.

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

There was no objection.

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there will be no more recorded votes tonight. We will set aside all amendments dealing with Population Planning and the School of Americas until tomorrow. We will continue to offer amendments tonight and debate them and roll votes on all amendments that require a vote until tomorrow.

I expect we will be working tonight on this bill until about 10:30 or so, and I urge the Members to stay and offer amendments that were not included in the unanimous-consent request tonight.

Ms. HARMAN. Mr. Chairman, I move to strike the last word, and I rise for the purpose of engaging in a colloquy with my friend and colleague the gentleman from Alabama [Mr. CALLAHAN], chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

I want to commend the committee for including in the foreign operations appropriations bill language conditioning the availability of the funds appropriated for Russia on the certification that Russia has ceased providing assistance to Iran's nuclear and ballistic missile programs.

As my colleague is aware, in the very fluid Russian environment of today certain entities may be engaging in proliferation of ballistic missile technology without the consent of the Russian Government. The bill, as currently formulated, sends a strong message to the Russian Government about its own transactions with Iran, but it is vague on what the United States reaction will be if nongovernmental entities engage in proliferation.

I seek to ensure that in further deliberations in conference and in committee my colleague will explore effective means to prevent Russian entities from engaging in further missile technology trade with Iran, whether they operate with the authorization of the Russian Government or without.

For this purpose as well, Senator KYL and I have introduced a bipartisan concurrent resolution expressing the sense of Congress that proliferation by Russian Governmental and nongovernmental entities must stop. Our resolution calls on the President to impose sanctions if Russia does not halt these activities and to take further action regarding our cooperation with Russia.

Let me clarify finally that the resolution offered by Senator KYL and me is not intended to affect the Cooperative Threat Reduction program, which I fully support, but we need to be clear that those individuals who proliferate will be penalized with the tools the U.S. has available.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I fully agree with the gentlewoman from California's concerns regarding media reports of Russian missile transfers to Iran. This is an extremely serious issue, and she is right to draw attention to it. Her earlier discussions with the committee on this issue were greatly appreciated. The committee has focused on this issue under the leadership of the gentleman from California [Mr. PACKARD], and the bill before us contains very tough language on this subject. Last year's public law contained language prohibiting aid to the Government of Russia unless it terminated nuclear transfers to Iran, along with an ''important to the national security interest'' waiver which the administration has regularly used. This year the committee bill prohibits aid to the Government of Russia if it cooperates with Iran in the nuclear and missile areas. The waiver was raised to vital national security interests, which is a very high standard. If the President does use it, only 50 percent of the funds can be made available. This is very tough language, which reflects the House view, and this is an extremely serious problem.

Mr. Chairman, I appreciate the gentlewoman's leadership and her attention to this issue.

Ms. HARMAN. Mr. Chairman, I thank the gentleman from Alabama for his support and pledge to work with him, the committee and the full House and the other body to ensure that this activity is corrected.

Mr. EWING. Mr. Chairman, I move to strike the last word. I would like to engage in a colloquy with the gentleman from Alabama [Mr. CALLAHAN].

Mr. Chairman, I have filed an amendment to H.R. 2159 to cut funding for Peru under the international military education and training program unless the President reports to Congress that the Government of Peru is working to provide timely, open and fair legal proceedings against American citizens held in jail in Peru. This is done as a result of the unconscionable treatment of Jennifer Davis who has been held for 8 months in a Peruvian prison without any of her proper due process rights.

I will not offer that amendment because it is my understanding it would be ruled in violation of legislating on appropriations rule. However, this amendment was adopted in the Senate, and I strongly encourage the chairman to agree to this amendment during conference with the Senate.

I would like to thank the gentleman for including report language in H.R. 2159 at my request, which expresses the concern of the committee about the fate of American citizens being imprisoned in Peru. This language, coupled with the amendment I just mentioned, should send a strong message to Peru that the United States Congress is finding it more and more difficult to justify sending foreign aid to Peru when that country fails to respect the basic human rights to timely and fair legal actions.

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

Mr. EWING. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I share the gentleman's concerns on this very important issue, and I appreciate the gentleman drawing it to the committee's attention. Because of his concerns and concerns voiced by other Members, we have included specific language on this issue in our report. I can assure the gentleman we will consider this issue in conference and we will work closely with the gentleman in conveying our concerns to the State Department and to the government of Peru.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,259,250,000: *Provided*, That funds appropriated by this paragraph that are made available for Israel and Egypt shall be made available only as grants: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That funds made

available under this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further,* That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $60,000,000: *Provided,* That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $657,000,000: *Provided further,* That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: *Provided further,* That funds appropriated under this heading shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: $105,000,000 only for Greece and $150,000,000 only for Turkey.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided,* That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further,* That funds made available under this heading shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): *Provided further,* That none of the funds appropriated under this heading shall be available for Sudan and Liberia: *Provided further,* That funds made available under this heading may be used, notwitstanding any other provision of law, for activities related to the clearance of landmines and unexploded ordnance, and may include activities implemented through nongovernmental and international organizations: *Provided further,* That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further,* That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *Provided further,* That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further,* That not more than $23,250,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further,* That none of the funds appropriated under this heading shall be available for Guatemala: *Provided further,* That not more than $350,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1998 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $77,500,000: *Provided,* That none of the funds appropriated under this paragraph shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), $35,000,000, to remain available until September 30, 1999.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $606,000,000, for the United States contribution to the eleventh replenishment, to remain available until expended: *Provided,* That none of the funds may be obligated until the Secretary of the Treasury certifies to the Committees on Appropriations that procurement restrictions applicable to the United States under the terms of the Interim Trust Fund have been lifted and that the total unobligated balance available for open competition has been released.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, $20,835,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89–369), $100,000,000, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, $25,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

NORTH AMERICAN DEVELOPMENT BANK

For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, $56,500,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed $318,750,000.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $194,000,000: *Provided,* That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further,* That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: *Provided further,* That not more than $25,000,000 of the funds appropriated under this heading may be made available to the UNFPA: *Provided further,* That not more than one-half of this amount may be provided to UNFPA before March 1, 1998, and that no later than February 15, 1998, the Secretary of State shall submit a report to the Committees on Appropriations indicating the amount UNFPA is budgeting for the People's Republic of China in 1998: *Provided further,* That any amount UNFPA plans to spend in the People's Republic of China in 1998 shall be deducted from the amount of funds provided to UNFPA after March 1, 1998, pursuant to the previous provisos: *Provided further,* That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds: *Provided further,* That none of the funds appropriated under this

heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA): *Provided further,* That none of the funds appropriated under this heading may be made available to the United Nations development group or any similar organization.

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled ''International Disaster Assistance'', and ''United States Emergency Refugee and Migration Assistance Fund'', not more than 15 per centum of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, as amended, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided,* That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided,* That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further,* That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further,* That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: *Provided further,* That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further,* That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further,* That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Anti-terrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided,* That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: *Provided,* That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

PARLIAMENTARY INQUIRY

Mr. BEREUTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BEREUTER. Mr. Chairman, would it be appropriate now for the gentleman to offer an amendment to title V?

The CHAIRMAN. Only to the section being read within title V.

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that the remainder of title V of the bill through page 93, line 15 be considered as read and printed in the RECORD and open to amendment at any point.

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

Mr. DINGELL. Reserving the right to object, Mr. Chairman, what is the request?

The CHAIRMAN. The request by the gentleman from Alabama is that the remainder of title V of the bill through page 93, line 15 be considered as read, printed in the RECORD and open to amendment at any point.

Is there objection to the request of the gentleman from Alabama?

Mr. DINGELL. Further reserving the right to object, Mr. Chairman, as I understood, it opens up the bill through page 93, line 15; is that correct?

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

Mr. DINGELL. I yield to the gentleman from Alabama.

Mr. CALLAHAN. On page 93 through line 15, yes.

Mr. DINGELL. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The text of the bill from page 42, line 3 through page 93, line 15 is as follows:

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: *Provided,* That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1998, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided,* That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided,* That the authority of this subsection may not be used in fiscal year 1998.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided,* That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further,* That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further,* That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided,* That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds

made available in this Act or during the current fiscal year for Nicaragua and Liberia, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided,* That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided,* That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purposes of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Child Survival and Disease Programs Fund'', ''Development Assistance'', ''International organizations and programs'', ''Trade and Development Agency'', ''International narcotics control'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the New Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping operations'', ''Operating expenses of the Agency for International Development'', ''Operating expenses of the Agency for International Development Office of Inspector General'', ''Nonproliferation, anti-terrorism, demining and related programs'', ''Foreign Military Financing Program'', ''International military education and training'', ''Inter-American Foundation'', ''African Development Foundation'', ''Peace Corps'', ''Migration and refugee assistance'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance: *Provided,* That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: *Provided further,* That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further,* That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further,* That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further,* That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for ''International Organizations and Programs'' shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: *Provided,* That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1999.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations under the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel, done at Washington on March 26, 1979, Israel incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided,* That none of the funds made available under this Act may be used to lobby for or against abortion.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 518A. Not to exceed $385,000,000 of the funds appropriated in title II of this Act may be made available for population planning activities or other population assistance.

REPORTING REQUIREMENT

SEC. 519. The President shall submit to the Committees on Appropriations the reports required by section 25(a)(1) of the Arms Export Control Act.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Haiti, Liberia, Pakistan, Panama, Peru, Russia, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, ''program, project, and activity'' shall be defined

at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND AIDS ACTIVITIES

SEC. 522. Up to $8,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival activities, and activities relating to research on, and the treatment and control of acquired immune deficiency syndrome in developing countries: *Provided*, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 524. Section 61(a) of the Arms Export Control Act is amended by striking out ''1997'' and inserting in lieu thereof ''1998''.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 525. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 526. Funds appropriated by this Act may be obligated and expended subject to section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 527. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 528. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 528A. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 529. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 530. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 531. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading ''Sub-Saharan Africa, Development Assistance'' as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(6) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law

which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 532. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 533. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 534. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

EXTENSION OF AUTHORITY TO OBLIGATE FUNDS TO CLOSE THE SPECIAL DEFENSE ACQUISITION FUND

SEC. 535. Title III of Public Law 103–306 is amended under the heading ''Special Defense Acquisition Fund'' by striking ''1998'' and inserting ''2000''.

CASH FLOW FINANCING

SEC. 536. For each country that has been approved for cash flow financing (as defined in section 25(d) of the Arms Export Control Act, as added by section 112(b) of Public Law 99–83) under the Foreign Military Financing Program, any Letter of Offer and Acceptance or other purchase agreement, or any amendment thereto, for a procurement in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act shall be submitted through the regular notification procedures to the Committees on Appropriations.

AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMERICAN FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION

SEC. 537. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act, or the African Development Foundation Act. The appropriate agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 538. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

SEC. 539. (a) RESTRICTIONS.—Notwithstanding any other provision of law, no sanction, prohibition, or requirement described in section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), with respect to Serbia or Montenegro, may cease to be effective, unless—

(1) the President first submits to the Congress a certification described in subsection (b); and

(2) the requirements of section 1511 of that Act are met.

(b) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial progress toward—

(A) the realization of a separate identity for Kosova and the right of the people of Kosova to govern themselves; or

(B) the creation of an international protectorate for Kosova;

(2) there is substantial improvement in the human rights situation in Kosova;

(3) international human rights observers are allowed to return to Kosova; and

(4) the elected government of Kosova is permitted to meet and carry out its legitimate mandate as elected representatives of the people of Kosova.

(c) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia and Herzegovina that is acceptable to the parties.

SPECIAL AUTHORITIES

SEC. 540. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and Cambodia, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Bosnia and Herzegovina, Croatia, and Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 541. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing; and

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts

of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 542. (a) Of the funds appropriated or otherwise made available by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 543. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1 and 10 and 11 of part I, and chapter 4 of part II, of the Foreign Assistance Act of 1961: *Provided,* That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further,* That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further,* That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1998, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided,* That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 544. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided,* That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided,* That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 545. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 546. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress: *Provided,* That not to exceed $500,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

USE OF AMERICAN RESOURCES

SEC. 547. To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 548. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 549. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 550. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 551. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after April 24, 1996.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance estimated to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 552. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 553. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 554. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 1998 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

WAR CRIMES TRIBUNALS

SEC. 555. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That 60 days after the date of enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

LANDMINES

SEC. 556. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 557. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 558. None of the funds appropriated or otherwise made available by this Act under the heading ''INTERNATIONAL MILITARY EDUCATION AND TRAINING'' or ''FOREIGN MILITARY FINANCING PROGRAM'' for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

EQUITABLE ALLOCATION OF FUNDS

SEC. 559. Not more than 18 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 560. (a) SENSE OF CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

LIMITATION OF FUNDS FOR NORTH AMERICAN DEVELOPMENT BANK

SEC. 561. None of the Funds appropriated in this Act under the heading ''North American Development Bank'' and made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

INTERNATIONAL DEVELOPMENT ASSOCIATION

SEC. 562. In order to pay for the United States contribution to the eleventh replenishment of the resources of the International Development Association, there are authorized to be appropriated, without fiscal year limitation, $606,000,000 for payment by the Secretary of the Treasury.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 563. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 564. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the

sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

GUATEMALA

SEC. 565. (a) Funds provided in this Act may be made available for the Guatemalan military forces, and the restriction on Guatemala under the heading ''Foreign Military Financing Program'' shall not apply, only if the President determines and certifies to the Congress that the Guatemalan military is cooperating fully with efforts to resolve human rights abuses which elements of the Guatemalan military forces are alleged to have committed, ordered or attempted to thwart the investigation of, and to implement the peace settlement.

(b) The prohibition contained in subsection (a) shall not apply to funds made available to implement a ceasefire or peace agreement.

(c) Any funds made available pursuant to subsections (a) or (b) shall be subject to the regular notification procedures of the Committees on Appropriations.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 566. (a) BILATERAL ASSISTANCE.—The President is authorized to withhold funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory for the purpose of evading prosecution, where such persons—

(1) have been indicted by the International Criminal Tribunal for the former Yugoslavia, the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law, or

(2) have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933 and ending on May 8, 1945 under the direction of, or in association with—

(A) the Nazi government of Germany;

(B) any government in any area occupied by the military forces of the Nazi government of Germany;

(C) any government which was established with the assistance or cooperation of the Nazi government; or

(D) any government which was an ally of the Nazi government of Germany.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 567. (a) LIMITATION.—None of the funds appropriated or otherwise made available by this Act, may be provided to the Government of Haiti until the President reports to Congress that—

(1) the Government is conducting thorough investigations of extrajudicial and political killings that have taken place in Haiti since February 12, 1996; and

(2) the Government has completed privatization of (or placed under long-term private management contract) at least three major public enterprises.

(b) Nothing in this section shall be construed to restrict the provision of humanitarian, law enforcement, antinarcotics, or electoral assistance.

(c) The President may waive the requirements of this section on a semiannual basis if he determines and certifies to the appropriate committees of Congress that it is in the national interest of the United States.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 568. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1997.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term ''United States assistance'' has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 569. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated or otherwise made available by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated or otherwise made available under this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term ''United States person'' refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

NORTH KOREA

SEC. 570. Ninety days after the date of enactment of this Act, and every 180 days thereafter, the Secretary of State, in consultation with the Secretary of Defense, shall provide a report in a classified or unclassified form to the Committee on Appropriations including the following information:

(a) a best estimate on fuel used by the military forces of the Democratic People's Republic of Korea (DPRK);

(b) the deployment position and military training and activities of the DPRK forces and best estimate of the associated costs of these activities;

(c) steps taken to reduce the DPRK level of forces; and

(d) cooperation, training, or exchanges of information, technology or personnel between the DPRK and any other nation supporting the development or deployment of a ballistic missile capability.

The CHAIRMAN. Are there amendments to this portion of the bill?

AMENDMENT NO. 53 OFFERED BY MR. BEREUTER

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

The Clerk read as follows:

Amendment No. 53 offered by Mr. BEREUTER:

At the end of the bill, insert after the last section—preceding the short title—the following new section:

SEC. . (a). None of the funds appropriated in this Act may be made available directly to the Government of Cambodia.

Mr. BEREUTER. Mr. Chairman, this Member rises today as the chairman of the Subcommittee on Asia and the Pacific to offer an amendment to this legislation concerning provision of United States assistance to the Government of Cambodia. This Member's amendment would terminate United States foreign assistance to the Government of Cambodia, but is designed to allow continued humanitarian assistance to flow to humanitarian nongovernmental organizations and pro-democracy funds to flow through the National Endowment for Democracy. It would, however, prevent development assistance from going to the tyrants who have seized power in Phnom Penh.

Mr. Chairman, the 4-year-old experiment with democracy in Cambodia is in dire straits, and a tyrant has seized power through the force of arms, intimidation, terror, and summary executions. Few people have experienced as much pain, suffering, and terror as the people of Cambodia have over the

last 30 years. Ravaged by the war in Indochina, bled white by the genocidal regime of Pol Pot and the Khmer Rouge, and subjugated by a Communist government fronted by the leader of the coup d'etat, Hen Sen, a former member of the Khmer Rouge himself, Cambodia and the United States find themselves on all too familiar ground.

□ 2145

After nearly $3 billion in aid and assistance in the first democratic elections in the history of this country, Cambodians are again facing the domination of a ruthless tyrant who murders his opponents, terrorizes the population, and profits from narco-trafficking and corruption. Yet, Hun Sen claims that he respects the rule of law and the wishes of the people, who roundly rejected him and his party at the polls, and tells the international community that supplies over 40 percent of the Cambodian budget to mind its own business and to stay out of Cambodian affairs.

Mr. Chairman, the United States continually urges other nations to respect the rule of law, but in the case of Cambodia the Clinton administration is demonstrating that it will ignore a law that is inconvenient. Section 508 of the Foreign Operations Export Financing and Related Programs Appropriations Act of 1997 terminates U.S. assistance to any country whose duly-elected head of government is deposed by a military coup until such time that the President determines that a democratically-elected government has taken office.

The Clinton administration has refused to observe this law regarding Cambodia, claiming that what has happened earlier this month was not really a coup. This Member regrets to say that our articulate, plain-speaking Secretary of State does not at this point seem to have the word ''coup'' in her vocabulary when it comes to Cambodia.

At a hearing of the Subcommittee on Asia and the Pacific 2 weeks ago on the Cambodian crisis, the State Department witness stated that if the administration actually obeyed the law it would close off too many options for U.S. foreign policy. This Member submits that the administration does not have the option to ignore the provisions of Section 508.

Mr. Chairman, this amendment seeks to cut off all direct U.S. assistance to the Government of Cambodia. The U.S. cannot give any support, political, material, or otherwise, to the illegal regime of Hun Sen. This Member would also like to commend the efforts of the chairman of the Committee on International Relations, the gentleman from New York [Mr. GILMAN] and the ranking member of that committee, the gentleman from Indiana [Mr. HAMILTON] for joining this Member in leading the effort in the House to address the Cambodian crisis.

This Member would also like to commend the gentleman from California [Mr. ROHRABACHER], the gentleman from Iowa [Mr. LEACH], and the ranking minority member of the Subcomittee on Asia and the Pacific, the gentleman from California [Mr. BERMAN] for their efforts on this issue.

With their support, this Chamber passed House Resolution 195 on Cambodia on Monday, which, among other things, expressed the sense of the House that such aid should be cut off to Hun Sen's regime by the invocation of Section 508. Therefore, this amendment is appropriate.

Mr. Chairman, I urge support of this amendment which prohibits aid to the Government of Cambodia.

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

Mr. BEREUTER. I yield to the gentleman from New York..

Mr. GILMAN. I thank the gentleman for yielding to me, Mr. Chairman.

Mr. Chairman, I rise in strong support of this amendment to end aid to the Government of Cambodia offered by our distinguished chairman of the Subcommittee on Asia and the Pacific, the gentleman from Nebraska [Mr. BEREUTER].

This timely amendment rightfully cuts off direct aid to the Cambodian Government, which just underwent a violent coup d'tat at the hands of the former Khmer Rouge tyrant, Hun Sen. This unconstitutional act by Hun Sen and his cronies has resulted in the murder of tens of opposition leaders, the arrest of hundreds, and the fleeing of thousands, all of this at a time when the future of Cambodia looked bright.

The United States and this body must show the kind of leadership the world expects of us, and take decisive actions against this illegal and unacceptable forcible removal of the democratically elected Government in Cambodia. Cutting off aid to an assistance-hungry government like Cambodia is an appropriate response and the amendment of the gentleman from Nebraska [Mr. BEREUTER] does just that.

Accordingly, I urge my colleagues to support the amendment of the distinguished gentleman from Nebraska.

Ms. LOFGREN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I share the concern that has just been expressed by the chairman of the subcommittee and the chairman of the full committee about the outrages that are currently going on in Cambodia. Just this week, we read in the Washington Post accounts of what has gone on. These were confirmed by numerous reports of torture, Hun Sen's forces capturing individuals, gouging out the eyes of people who they were interrogating, and then killing them; cases of bodies found with hands tied behind their backs, bullets in the head, fingernails pulled out, tongues yanked from mouths with pliers before the murder was done.

This is the kind of outrage that occurred during the regime of Pol Pot. I hope that our country can act with a great deal of strength this time to prevent the Holocaust from growing.

Mr. Chairman, I feel a personal stake in this in a sense because of the number of individuals I have met in this country, Cambodian Government officials, who have since been murdered. I think of those young individuals who were democrats with a small d, and they have now given their lives for democracy. We need to stand up for them.

I appreciate the amendment being offered by the chairman of the subcommittee. However, I am mindful, I do not know if the gentleman from California [Mr. ROHRABACHER] intends to offer his amendment.

Mr. ROHRABACHER. Mr. Chairman, will the gentlewoman yield?

Ms. LOFGREN. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, I do plan to offer my amendment when given the opportunity. It is very similar to that of the gentleman from Nebraska [Mr. BEREUTER], but it goes a little further. I am supporting the amendment offered by the gentleman from Nebraska, but I will be offering mine as well.

Ms. LOFGREN. Reclaiming my time, Mr. Chairman, I understand what the gentleman is doing, but in this case I think that the amendment offered by the gentleman from California [Mr. ROHRABACHER] to the amendment which takes this step a little farther really merits our attention.

Mr. BEREUTER. Mr. Chairman, will the gentlewoman yield?

Ms. LOFGREN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I like the intent of what the gentleman is attempting to do, but I would like to tell the gentlewoman that we cannot cut off aid through the multilateral development organizations. All we can do is direct our executive director to those multilateral development organizations what he or she should do in attempting to cause those organizations to stop aiding Cambodia.

I do not, therefore, think that the gentleman's amendment is implementable when it comes to the multilateral development banks. That is why I believe, while well-intended, what he attempts to do, at least with the MDBs, is not possible. I thank the gentlewoman for yielding.

Ms. LOFGREN. Certainly. Mr. Chairman, I will let the gentleman defend his own amendment, rather than doing it for him. But I would just say that opinions differ.

I really feel in this case, given the dependency that Cambodia has on the international community, including the United States, for their very survival, that the opportunity to greatly influence events there is present, and it may not always be present.

I would like to further state that as we move forward in this effort, we must make sure that our partners, our international partners throughout the world who have also provided aid, stand with us in isolating this lawless government from funds.

I would further say, as we move forward hoping for elections that I would strongly urge must be supervised once again by the United Nations or the international community, we must gain a guarantee that the winner of the election actually gets to take power this time. I think it was a very serious mistake that we failed to do that last time that has helped create this problem.

Mr. Chairman, with that, I do not know if the gentleman from California [Mr. ROHRABACHER] would like to defend his amendment for the comments made that this is beyond our jurisdiction.

Mr. CALLAHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the pending amendment would cut off funds for Cambodia. Normally I would oppose such an amendment as an infringement upon the President's prerogatives to conduct foreign policy. However, in Cambodia, we have in effect a military coup.

Section 508 of our bill is a longstanding provision that prohibits assistance to a country if a duly-elected head of government is deposed by a military coup or decree. Normally this would be automatically invoked for a situation like Cambodia. However, in Cambodia, we have had one Prime Minister deposing another Prime Minister. Although technically this is not a coup, it has had the same effect.

The United States has a sizable assistance program to Cambodia. I would not support any assistance to the government of a country whose new leader has had at least 40 of his political opponents executed. Clearly, despite our best efforts and those of the international community, democracy does not exist in Cambodia. So I support the gentleman's amendment and ask that it be adopted.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the gentleman's amendment. I will not take the full 5 minutes. Mr. Chairman, for the information of our colleagues who may have just tuned in, the United States has cut off all assistance for Cambodia for 30 days following the July 5 incident in Cambodia. All assistance programs that have any connection to the government of Cambodia have been suspended.

Decisions on resumption or reconfiguring of aid are yet to be made, and depend on many factors. Indeed, as reports of atrocities continue to come in, it becomes more difficult to resume support for the current government for reasons that have been mentioned.

I particularly want to commend my colleague, the gentlewoman from California [Ms. LOFGREN], for her interest and leadership on this issue. She and I are both blessed with a Cambodian-American population, are familiar with the situation in Cambodia, and there is a great deal of interest there. I am so pleased she was here to add her support to the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

It is indeed tragic that the enormous international effort to lift Cambodia from its misery has apparently been usurped, and I therefore recommend that we accept the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

However, I do think we should continue to assess the situation, because the gentleman's amendment specifically prohibits assistance to the Government of Cambodia. I assume that other forms of assistance through nongovernmental organizations engaged in humanitarian or democracy-building programs would not be prohibited.

The Cambodian people have endured years of suffering under a repressive regime, and they voted in 1993 to bring non-Communist parties to power. As our colleague pointed out, we did not have a clear winner, maybe that was part of the problem, a clear resolution of the election.

We should continue to assess the situation as we move forward on the bill. I, too, will be supporting the Rohrabacher amendment but urge my colleagues now to support the Bereuter amendment.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do have an amendment that I will be offering after we hopefully get done with the amendment offered by the gentleman from Nebraska [Mr. BEREUTER]. I certainly appreciate the sincerity of the attempt of the gentleman from Nebraska. I sometimes am known as somebody who tries to push things a little bit further, and I think that my amendment, while better, while pushing things a little bit further, should be adopted, but that does not mean that I am opposing the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

I, in fact, support the amendment, but I would say it needs to be strengthened, because in the gentleman's amendment we have a situation where the amendment states that funds, it says, ''None of the funds appropriated in this act shall be made available directly to the Government of Cambodia.''

That use of the word ''directly'' weakens the bill considerably as compared to what I would do. When we are sending a message to the Government of Cambodia, we want to make sure they know that even if they are trying to get money through the back door, we are not supportive of money going through the back door to this murderous regime.

Also it has been argued by the gentleman from Nebraska [Mr. BEREUTER] that my bill would affect the money or would not affect the money, although we are attempting to, that will be going to Cambodia through the International Development Association and the IMF and the Asian Development Bank, and other lending and financial institutions that are supported by American taxpayers.

We may not be able to mandate that money, but we are making our case as the elected representatives of the United States Government to those agencies through this legislation. We are making a statement to those individuals who are making those decisions in these financial institutions that they should not be using that money to provide loans or guarantees for loans to this murderous regime in Cambodia.

So I would ask my fellow colleagues to support the Bereuter amendment, but I would also ask them to support my amendment, which makes that statement, we do not want people investing in Cambodia until democracy is restored. We certainly do not want to guarantee the loans of American businesses doing that.

Ms. LOFGREN. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentlewoman from California.

□ 2200

Ms. LOFGREN. Mr. Chairman, I wanted to ask a clarification question. It is my understanding that the gentleman's amendment would, while doing all that he says, still permit the standard humanitarian aid; is that correct?

Mr. ROHRABACHER. Mr. Chairman, that is correct. My amendment does not prevent us from giving money to the nongovernmental organizations and to other humanitarian efforts. It just prevents us from giving any money to the government directly or indirectly. While, as I say, the Bereuter amendment does make a statement in a positive direction, I think we should go a lot further.

The fact is the Government of Cambodia now is controlled by a murderous man named Hun Sen who is in alliance with drug lords, a man who has got blood all the way up to his elbows, who was a Khmer Rouge trigger man, who overthrew an elected government that we struggled so long and hard to put in place back in 1993.

Many Members of this body have visited Cambodia and supported the United Nations operation back in 1993 and now we have this dictator, this gangster trying to undo what was done. We need to send a strong message immediately. This is the vehicle to do so. The Bereuter amendment sends a message. It is a positive message. It is a message we need to send. I think it needs to be a little stronger, so I support the Bereuter amendment but will also be offering by own amendment shortly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

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

Mr. BEREUTER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July

24, 1997, further proceedings on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER] will be postponed.

AMENDMENT OFFERED BY MR. SAXTON

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 printed in House Report 105–184 offered by Mr. SAXTON:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

LIMITATION ON ASSISTANCE TO THE P.L.O. AND THE PALESTINIAN AUTHORITY

SEC. 572. (a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Palestine Liberation Organization (hereafter the ''P.L.O.'') should do far more to demonstrate an irrevocable denunciation of terrorism and to ensure a peaceful settlement of the Middle East dispute, and in particular it should—

(1) submit to the Palestinian Council for formal approval the necessary changes to those specific articles of the Palestinian National Charter which deny Israel's right to exist or support the use of violence;

(2) to the maximum extent possible, preempt acts of terror, discipline violators, publicly condemn all terrorist acts, actively work to dismantle other terrorist organizations, and contribute to stemming the violence that has resulted in the deaths of over 230 Israeli and United States citizens since the signing of the Declaration of Principles on Interim Self-Government Arrangements (hereafter the ''Declaration of Principles'') on September 13, 1993, at the White House;

(3) prohibit participation in the P.L.O. or the Palestinian Authority or its successors of any groups or individuals which promote or commit acts of terrorism;

(4) cease all anti-Israel rhetoric, which potentially undermines the peace process;

(5) confiscate all unlicensed weapons and restrict the issuance of licenses to those with legitimate need;

(6) transfer and cooperate in transfer proceedings relating to any person accused by Israel or the United States of having committed acts of terrorism against Israeli or United States nationals; and

(7) respect civil liberties, human rights and democratic norms as applied equally to all persons regardless of ethnic, religious, or national origin.

(b) LIMITATION ON ASSISTANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, funds appropriated or otherwise made available by this Act may be obligated for assistance to the P.L.O. or the Palestinian Authority only for the period beginning 3 months after the date of the enactment of this Act and for 6 months thereafter, and only if—

(A) the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect; and

(B) in addition to the requirements contained in such Act or other legislation, the President prepares and transmits to the Congress a report described in paragraph (2).

(2) REPORT.—A report described in this paragraph is a report containing the following:

(A) A description of all efforts being made to apprehend, prosecute, or have extradited to the United States Mohammad Deif (allegedly responsible for the death of Nachshon Wachsman, a United States citizen), Amjad Hinawi (allegedly responsible for the death of David Boim, a United States citizen), Abu Abbas (responsible for the death of Leon Klinghoffer, a United States citizen), Amid al-Iindi (allegedly responsible for death of David Berger, a United States citizen), and Nafez Mahmoud Sabih (who helped plan the February 1996 attack on a Jerusalem bus in which Jewish Theological Seminary students Sara Duker and Matthew Eisenfeld, both United States citizens, were murdered).

(B) An official, updated, and revised copy of the Palestinian National Charter (Covenant) showing which specific articles have been rescinded by the decision taken on April 24, 1996 by the P.L.O. Executive Committee.

(C) A description of all actions being taken by the Palestinian Authority to eradicate and prevent the use of the map of Israel to represent ''Palestine''.

(D) A certification that the Palestinian Authority has established a court system that respects due process requirements, including the right to a lawyer, the right to confront witnesses, the right to be informed of the charges under which one is accused, and the right to a jury trial.

(E) A certification that the Palestinian Authority has established humane prison conditions.

(F) A certification that the Palestinian Authority has taken all measures to rescind the death penalty imposed for the sale of land to Jews, has eliminated the practice of incarcerating real estate agents for the sale of land to Jews or Israelis, and has actively sought the perpetrators of such actions.

The CHAIRMAN. Pursuant to the order of House of Thursday, July 24, 1997, the gentleman from New Jersey [Mr. SAXTON] and a Member opposed, the gentleman from Alabama [Mr. CALLAHAN], each will control 5 minutes.

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that 3½ minutes of my time be yielded to the gentlewoman from California [Ms. PELOSI] and that she been allowed to further yield time.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN], chairman of the authorization committee.

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

Mr. GILMAN. Mr. Chairman, I rise in support of the Saxton amendment and wish to thank the gentleman from New Jersey for his steadfast support and commitment for true peace in the Middle East.

Mr. Chairman, I rise in support of the Saxton amendment, and wish to thank the gentleman from New Jersey for his steadfast support and commitment for true peace in the Middle East.

Mr. SAXTON's amendment comes on a tragic, but ironically, auspicious day, when as we have seen, the lack of PLO security cooperation with Israel has cost the lives and limbs of many innocent Israelis.

The amendment expresses the sense of the Congress that the PLO/PA would have to take action on the covenant, truly fight against terrorism, truly confiscate weapons, and follow through on commitments to transfer prisoners to Israel, according to the Oslo Accords.

The sense of the Congress language also insists that Arafat and the PA cease incitement toward violence, and improve the abysmal human rights situation in the areas under Palestinian control.

According to Mr. SAXTON's amendment, assistance would be available only for the period beginning 3 months after enactment and for 6 months thereafter only if the President certifies the PLO on critical issues of concern to all Americans.

Once the certification is made, Congress would have to approve the report by joint resolution. The report must describe all efforts taken by the Palestinian Authority to arrest, prosecute or extradite Palestinian killers of American citizens; specify which articles of the covenant have indeed been rescinded; and describe all actions taken by PLO/PA to eradicate and cease usage of a map of all Israel (from 1948 to the present) shown as the State of Palestine. The report must also certify that a Palestinian court system respectful of human rights has been established and due process upheld, that humane prison conditions exist, and that the PA has taken all measures to rescind the death penalty for land sales to Jews or Israelis.

Mr. Chairman, earlier today I noted during consideration of House Concurrent Resolution 133 that the explosions in Jerusalem today are the culmination of a lack of Palestinian security cooperation that goes back a long way. Mr. SAXTON's amendment is the correct response at this time .

Accordingly, I urge support for the Saxton amendment.

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

This is an amendment which suspends aid, direct aid to the Palestinian Authority. It has been drafted with cooperation of the gentleman from New York [Mr. GILMAN], the gentleman from New York [Mr. ENGEL], the gentleman from Pennsylvania [Mr. FOX], the gentleman from New York [Mr. NADLER], and the gentleman from New York [Mr. FORBES], which obviously makes it a bipartisan amendment.

At the conclusion of the 90-day suspension period, if certain conditions are met and attested to by the United States administration, then aid could resume. I believe this is an absolutely necessary amendment given the events of the past six months or so. I know there are others who wish to speak on this.

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

Ms. PELOSI. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL].

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

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise to speak for peace in the Middle East. Lasting viable peace, with

justice for all the people in the area, Jew, Arab, Christian, or of whatever race or religion.

Mr. Chairman, I oppose the amendment offered by the gentleman from New Jersey [Mr. SAXTON], because I do not believe it serves the interests of the Israelis, the Palestinians, or the United States.

Since 1993, our Government has tried mightily to achieve a lasting peace which will allow Israelis, Palestinians, and all Arabs to live with greater security and dignity. In almost 4 years, the Middle East peace process has had many positive developments. Unfortunately, most of the progress has slowed in the past 18 months, the result of provocations, charges and countercharges issued on both sides of the negotiating table. The situation has degenerated so much that not only has the Oslo schedule fallen behind; discussions have virtually stopped, and the United States is being thwarted in its effort to serve as mediator in concert with European and Middle Eastern allies.

The Saxon amendment implicitly lays blame for the recent difficulties squarely upon the Palestinians. Does the Palestinian Authority have some serious problems with civil administration, human rights, and controlling extremism? It certainly does. However, these problems are not unique to Mr. Arafat's government, and American policy has been predicated on the assumption that tightly controlled foreign assistance should be a tool that helps solve these problems while promoting a final accord with the Israelis.

The administration strongly opposes this amendment. In addition to finding it counterproductive to achieving peace, the State Department has concluded that it would go well beyond reasonable limits in imposing new restrictions on Palestinian assistance without meeting the minimal criteria of reason and fair play.

Over the past 10 days, there has been a quiet resumption of talks aimed at jumpstarting the peace process. The amendment offered by the gentleman from New Jersey would place these efforts in jeopardy, as well as risk another flareup of passions and violence in Israeli and Palestinian neighborhoods.

There are several problems with the amendment. First, it is not balanced. If signed into law, our Government would be unable to provide financial assistance to the Palestinian people for 3 months. Worse yet, United States aid could resume assistance to the Palestinians only if Congress votes to approve a report on the Palestinians which would be submitted by the administration. Unlike other limitations on aid this body has approved in the past, this amendment allows no Presidential waiver, even if the President finds it to be in our national security interest.

No disruption in aid to Israel is contemplated, and there should not be a disruption. However, it is not fair or consistent to tie the State Department's hands on only one side of a very sensitive negotiation. If foreign aid is going to be used as a bargaining chip to achieve our goals on foreign policy, human rights, judicial process, or prison conditions, we must apply a single fair standard to all. This amendment would do just the opposite.

Mr. Chairman, I also am very concerned about the other standards this amendment would apply only to the Palestinian Authority. These provisions include:

A prohibition on any speech which could be somehow deemed anti-Israel if it is believed that such speech undermines the peace process. It is not clear how a violation would be handled, by whom the violation would be judged, or just what constitutes a statement which is anti-Israel. What if Palestinians were to say in negotiations that they question Israel's right to hold all of Jerusalem? What if a Palestinian were to make allegations of unfair treatment under Israeli law? The lack of a clear definition is very troublesome. If such a provision was ever imposed upon our citizens, it would be swiftly condemned as unconstitutional.

A requirement that our Government to certify the viability and fairness of the Palestinian court system. There is no doubt that the nascent Palestinian Authority must continue to pursue a more consistent application of justice. But in the interest of balance, the 1996 State Department Human Rights Report mentions many abuses within the Israeli justice system. The Saxton amendment would not seek a review of these problems.

Rather than turn our backs on the Middle East peace process, Congress should be providing additional tools to the State Department to provide the elusive breakthrough.

The United States has acted boldly in the pursuit of Middle East peace. The Middle East Peace Facilitation Act of 1993, which allows our Government to recognize the Palestinians, work with them, and provide them the help they need to establish security and work for a peaceful existence with Israel, will expire on August 12. Rather than completely obstructing our administration at this most crucial stage by punishing only the Palestinians, I believe it is in our own best interest to extend the Middle East Peace Facilitation Act [MEPFA] for another 180 days so we do not risk the loss of peace—or worse yet—the resumption of war. I am therefore, introducing a bill with the Gentleman from West Virginia [Mr. RAHALL] to extend MEPFA. I urge my colleagues to cosponsor this bill, and if at all possible, for this body to extend MEPFA before we leave for the August recess.

Have no doubt, there are many in Middle East who are paying attention to us this evening. Almost two months ago, this House approved a resolution, House Concurrent Resolution 60, which reasserted the view of this body that Jerusalem should be the exclusive territory of Israel. That action was viewed in the Middle East as a preemptive strike against the successful completion of final status negotiations laid out in the Oslo accords. The result was to spark additional violence and bloodshed, placing in further jeopardy even the modest level of trust which is necessary for an agreement.

A vote for this amendment not only will hurt the Palestinians; it will send the message that this Government no longer cares whether or not a secure peace is achieved. I urge the Palestinian and Israeli people to try to show additional restraint, and know that they still have many friends in America who care more about peace and security for both races.

Let us not jeopardize the peace, let us not jeopardize the long and hard efforts of the United States to bring the parties together in negotiations leading to a peaceful resolution of a long and terrible struggle which has cost thousands of lives.

The events of today, the bombing are terrible, they deserve condemnation of all right thinking human beings. The events of today must not be repeated, but the Saxton amendment rather than reducing the incentives for this kind of terrible action, provides more pressure for violence and terrorism. It provides the kind of frustration, anger and outrage that invites violence and murder.

Do not remove the tools this nation needs to bring about peaceful negotiations, leading to peace in the Middle East which will bless all the people there.

I urge the House to reject the Saxton amendment. Its adoption leads us away from peace and hope.

Ms. PELOSI. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. NADLER].

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

Mr. NADLER. Mr. Chairman, there can be no peace in the Middle East unless both sides show through both words and deeds that they are sincere in their quest for peace. Israel has shown that sincerity. The Palestinian Authority has not. They sentence Palestinians to death for doing business with Jews. They turn a blind eye or give a green light to acts of terrorism. They think they have a right to play the violence card whenever negotiations are not proceeding to their liking. That is not the path to peace. It is the path of Munich and Ma'alot. We should not stand for it, and I support this amendment.

Mr. Chairman, I rise in support of the Saxton amendment which will cut off direct funds for the Palestinian Authority for 90 days until the PA begins meeting its obligations under the Oslo Peace Accords.

Let there be no question in anyone's mind, the purpose of this amendment is to advance the cause of peace. But, there can be no peace in the Middle East unless both sides show through both words and deeds that they are sincere in this quest for peace.

Israel has more than shown her sincerity and commitment to peace.

Unfortunately, the leaders of the Palestinian Authority have yet to truly commit to peace. They sentence Palestinians to death for doing business with Jews. They turn a blind eye, or even give a green light, to acts of vicious terrorism. They think they have a right to play the violence card whenever the negotiations aren't proceeding to their liking.

Well that's not the path of peace. It's the path of Munich and Ma'alot, and we shouldn't stand for it.

Just yesterday, the 25th of Tammuz, another bomb went off in Jerusalem's Mahaneh Yehuda market, killing 13 innocent civilians and wounding 168.

If the PLO is serious about peace, let them demonstrate their sincerity. Peace means cracking down on the murderers in their midst. Peace means an end to stirring up hatred against their Jewish neighbors with blood libels. Peace means a halt to death sentences against Palestinians who do business with Jews.

Mr. Chairman, I share the heartfelt yearning of the Israeli people for a lasting peace in the Middle East. But the Israelis can't make peace alone. The PLO must join in, or there will be no peace.

We should send Arafat a message. We should vote resoundingly for the Saxton amendment.

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. ENGEL].

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

Mr. ENGEL. Mr. Chairman, I rise in strong support of the amendment. Certainly the events of today have shown us that we need to have an amendment. What this simply does is it suspends aid to the Palestinian Authority for 90 days at which point the President has to certify that certain compliance is being met. I think it is fair and it is reasonable. If peace is going to exist, both sides have to fulfill commitments. Mr. Arafat and the Palestinian Authority cannot turn a blind eye to terrorism. They must make sure that terrorism is controlled by cooperation with the Israelis. This is a good step in that direction.

Ms. PELOSI. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, I thank the distinguished ranking member for yielding me the time.

I do rise in opposition to the pending Saxton amendment. I have no illusions as to what the outcome of this vote would be, if such were called, especially in the climate that we exist today and after the most horrendous and stupid acts of the last 24 hours. But, Mr. Chairman, it is important to realize that the Middle East Peace Facilitation Act is a tool which the President uses to conduct foreign policy. We have one Commander in Chief, one individual in charge of this foreign policy.

In this case it is a means the President uses to stay in touch with both chairman Arafat and the Palestinian people so that he can make the appropriate timely reports to Congress. The collapse of peace talks 4 months ago was because of mutual distrust, recriminations, and provocations. The Saxton amendment will only add to this distrust, recriminations, and provocations.

It continues to be imperative that the U.S. role is allowed to be evenhanded, as an honest broker's role should be. Placing additional restrictions only on aid to the Palestinian Authority, only on such aid, fails the test of balance and fairness, because we all know that as the Secretary of State has said, failure to comply with stipulations in the Oslo accords is not confined to just Palestinians.

Press reports indicate that there is documentation that Israel has been found in violation of the Oslo accords as well, a total number of 34 times. And I have such a list of Israeli violations of the Oslo accords as well.

So there have been violations on both sides.

It is not necessary for the Congress to point fingers only at one side.

The White House is strongly opposed to this amendment because it goes way beyond reasonable limits. It imposes new restrictions on Palestinian aid and new requirements on the President. A vote today to cut off aid will stamp out what little economic progress the Palestinians have achieved for a majority of their impoverished and innocent citizens. Even Prime Minister Netanyahu knows this is true. He is quoted as saying this, and it is quoted in a letter to Members of Congress by Americans for Peace Now, and I quote, it is necessary for PLO aid to continue. That is the current Prime Minister Benjamin Netanyahu, urging that aid to the Palestinians continue. His predecessors, Prime Minister Peres and Prime Minister Rabin both are on record as urging continuation of this aid as well.

While there are certainly practices and acts by the Palestinian Authority which are reprehensible and there are serious problems and they should cease, this amendment is not the way to go about it nor to get such a cessation. We can either bolster our government's efforts to achieve a lasting peace in a balanced manner or we can extinguish that hope perhaps for all time by adoption of this amendment.

If we were to extinguish that hope at this most precarious time, then only escalating violence, bloodshed and death may rise from the passage of the Saxton amendment. Given the remarks of our Secretary of State, Madeleine Albright, who I commend for her courageous decisions, not only in regard to Lebanon recently but in the region as a whole, it should be perfectly clear to Members of this House that passage of the Saxton amendment is dangerous and liable to cause further violence in both neighborhoods in the Middle East.

I rise and urge my colleagues to defeat the Saxton amendment.

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

I would like to respond to the gentleman from West Virginia by saying that to me at least and I think to most other Members of the House, the status quo in Israel and in the Middle East is unacceptable. And inasmuch as we have the responsibility to oversee at least the expenditure of American taxpayers' dollars, it seems to me that what we ought to be doing is to try to find a way to change the dynamic that exists currently in the Middle East to make peace a possibility.

Obviously not only the events of the last 24 hours but the events of the last several months have borne out full well that peace is not at hand in the Middle East. And to the extent that we can affect that, I think we should do that. To me the status quo is not acceptable and I believe that this is a step in the right direction.

I will include for the RECORD, Mr. Chairman, today's article from the Washington Post, Palestinian panel charges widespread corruption by Arafat's entire cabinet, as well as an article from the Washington Times, Arafat's cabinet should be dissolved, lawmakers from Palestine report.

Up to $340 million, half of the Palestinian Authority budget, is estimated to have been misspent or embezzled. Obviously these are very serious charges and during this 90-day period these matters can be looked into as well.

The essence of this amendment, Mr. Chairman, is to provide for an opportunity for our administration to submit various information to this House relative to the Palestinian Council which changes those specific articles of the Palestinian national charter which deny Israel's right to exist or support violence. We also ask to the maximum extent possible to preempt acts of terror, discipline violators, publicly condemn acts of terror and dismantle terrorist organizations.

All of these things were agreed to in the Oslo accords and, of course, agreed to on the lawn of the White House between the Israeli leader and Yasser Arafat. So to the extent that we can effect change in the Middle East, to the extent that we can promote peace by changing the dynamic of the situation there, which obviously is unacceptable to the great majority of the Members of this House, I believe that we should do so. I also believe, Mr. Chairman, that that is a primary reason that agreement has been reached on this amendment.

Mr. Chairman, I include for the RECORD the articles to which I referred:

[From the Washington Post, July 30, 1997]

PALESTINIAN PANEL CHARGES WIDESPREAD CORRUPTION BY ARAFAT'S ENTIRE CABINET

(By Said Ghazali)

RAMALLAH, WEST BANK.—A Palestinian legislative panel today reported wide-ranging corruption—including diversion of foreign aid donations—in all 18 Palestinian ministries. It urged Palestinian leader Yasser Arafat to fire his entire cabinet and called for three ministers to be put on trial.

The panel was formed in response to an official comptroller's report that found $326 million of the Palestinian self-rule administration's $800 million annual budget had been squandered through corruption or mismanagement. While the panel has no legal authority, its report puts Arafat on the spot—compelling him either to repudiate his political allies or face rising public anger over financial abuses.

The Palestinian leader quickly sought to cast the report in a positive light. His spokesman, Marwan Kanafani, praised it and said it provides ''a strong basis'' for cabinet revisions that Arafat was already planning.

Legislators and some members of Arafat's own administration, however, faulted the panel for failing to investigate whether Arafat played a role in any wrongdoing. ''The mismanagement starts from the top—way up on top,'' declared Husam Khader, a legislator from Nablus.

The five-member investigating panel was made up of members of Arafat's Fatah party and independent members of the legislative council, which has been locked in a power struggle with Arafat over its role as an elected lawmaking body.

Although the report does not fault Arafat personally, analysts say it could jeopardize

his standing should he fail to act on it. The panel's findings come at a time of increased anger among Palestinians over brazen shows of wealth by government officials, including the purchase of huge villas and numerous expensive cars.

The report declared that the cabinet had failed to follow up reports of mismanagement, and it urged Arafat to replace it with one ''made up of technocrats and qualified people.'' It also recommended criminal trials for three cabinet ministers, including Nabil Shaath, the chief negotiator in peace talks with Israel, who is accused of charging his home telephone and electric bills to the government.

Among other allegations in the report are: Information Minister Yasser Abed Rabbo used $7,500 in ministry funds to pay for central heating at his home; Transportation Minister Ali Qawasmeh accepted bribes to license cars that did not meet road standards; Civil Affairs Minister Jamal Tarifi allowed illegal exemptions from customs duties for more than 4,300 cars, including a Jaguar for his father; Tarifi's Civil Affairs Ministry and Shaath's Planning Ministry misappropriated funds from unnamed foreign donors.

Besides Shaath, the panel called for putting Tarifi and Qawasmeh on trial. Both strongly denied wrongdoing. Shaath accused the panel of being ''out of touch with reality'' and said it never approached his ministry for information.

Agriculture Minister Jawad Saleh criticized investigators for stopping short of Arafat's office. ''The report is important because it is a first attempt by the legislative council to look into offenses by officials,'' Saleh said. ''But it is not comprehensive and . . . does not deal with sensitive issues like security organizations and the office of the president. I blame the president.''

Arafat's administration has been buffeted by other recent allegations of corruption and mismanagement. In June, attorney general Khaled Kidrah stepped down after being accused of pocketing bail money and taking bribes from prisoners.

Internaitonal donors have pledged $1.5 billion to Arafat's three-year-old administration, including $225 million from the United States. But far less has actually been delivered, in part because of concerns about lack of accountability.

ARAFAT'S CABINET SHOULD BE DISSOLVED, LAWMAKERS REPORT—INQUIRY PANEL FINDS RAMPANT CORRUPTION

(By Julian Borger)

JERUSALEM.—Yasser Arafat's Cabinet is so riddled with corruption that it should be dissolved and some of its ministers put on trial, a Palestinian parliamentary inquiry reported yesterday.

The report was the latest in a series to lambaste the Palestinian leadership for the flaunting of luxury cars and villas, nepotism and bribe-taking amid the poverty of the West Bank and Gaza.

Up to $340 million, half the Palestinian Authority's budget, is estimated to have been misspent or embezzled.

Sa'di al-Krunz, one of the report's authors, said half of the Palestinian Cabinet was implicated in misappropriation of funds. ''There are others who do nothing wrong, but on the other hand they do nothing good,'' he said. ''They are old or they do not know about the ministries they are in charge of.''

The allegations come at a time when the confidence of major donors is wearing thin and Mr. Arafat desperately needs Western support in his negotiations with the Israelis, due to restart in the next few days.

The latest report was read at an open session of the Palestinian Legislative Council (PLC) by members of a special investigative committee. It called on Mr. Arafat to ''dissolve the Cabinet and form a new Cabinet made up of technocrats and qualified people.''

''The president of the authority should issue his instructions to punish violators against whom there has been proof of guilt and to punish them immediately and to take them to court in order to restore confidence between the Palestinian Authority and its people,'' the report said.

The committee's findings singled out Civil Affairs Minister Jamil al-Tarifi, Planning Minister Nabil Shaath and Transport Minister Ali Kawasmeh as the worst offenders. Mr. Shaath is the Palestinians' leading negotiator in talks with the Israeli government.

Mr. Al-Krunz said his committee had come across several cases in which foreign aid had been misappropriated by ministers or senior officials to buy themselves cars or expand and decorate their houses.

''When they knew we have discovered these things, they have tried to give the money back,'' he said.

Another report earlier this month, commissioned by Mr. Arafat himself, came to similar conclusions and called on the Palestinian leader to ''put his house in order.''

In May, a 600-page audit of the Palestinian Authority found more than $340 million had been ''mismanaged or squandered'' in 1996. At the time, Mr. Arafat promised to take stern action against culprits but warned that he would not allow anyone to ''kill the embryonic dream, our Palestinian Authority, our last step towards an embryonic state.''

The PLC's report is not legally binding on Mr. Arafat, who frequently ignores the council's proceedings and resolutions. However, he is reportedly planning a Cabinet shakeup, which may take recent allegations into account.

Since its creation in 1994, Mr. Arafat's Palestinian Authority has received about $1.5 billion in foreign aid.

Mr. Chairman, I yield 10 seconds to the gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. Mr. Chairman, I want to commend the gentleman from New Jersey for offering this amendment and stand in strong support of it.

Mr. SAXTON. Mr. Chairman, I yield myself the balance of my time.

I would just like to say in closing my part of the debate that there are many Americans who have watched and prayed about the peace process in the Middle East. Everyone that I know wants it to work. The fact of the matter is, it is not working.

For the concerns of those of us who believe that the agreements are not being lived up to, in spite of everyone's best intentions, this amendment will provide an opportunity during a 90-day period for the President of the United States to take a close look at whatever violations have been alleged and then certify as to whether or not these in fact have been violations and then if necessary and if appropriate and if the House decides further that it is appropriate, then obviously aid to the PA will begin.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SAXTON].

The amendment was agreed to.

□ 2215

Mr. HASTERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask the gentleman from Alabama if he would join with me in a colloquy.

Mr. Chairman, the gentleman from Indiana [Mr. SOUDER] had a proposal to earmark $50 million of INL moneys to purchase four Blackhawk utility helicopters for the Colombian National Police as well as provide a maintenance and support package in order to further the war against drugs, in this case specifically heroin.

Without this added lift capacity the UH–60's will provide the Colombian National Police, they cannot eradicate opium at the high elevation of the Andes Mountains. Colombian heroin is killing our kids. It does not require precursor chemicals, it does not require big labs, and it is nearly impossible to interdict since it comes in deadly one-kilo packages, one at a time and one carrier at a time.

Mr. Chairman, the Colombian National Police have been awarded the Human Rights Watch seal of approval for their respect for human rights and I would ask if the chairman would give me the assurance that he will work with me and others to ensure that this issue is raised in conference; and we are looking for an earmark of $50 million, if that is possible, made available for this purpose.

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

Mr. HASTERT. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I will be happy to work with the gentleman on this important issue, and I will personally raise this issue in conference and press for support of the acquisition of these helicopters for the government of Colombia's national police to fight narcotics.

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

Mr. HASTERT. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding to me, and I wanted to associate myself with the remarks of the gentleman from Illinois [Mr. HASTERT], a dedicated drug fighter. I cannot think of a more appropriate use of State INL money than for utility helicopters for the courageous, dedicated Colombian National Police.

They are professional law enforcement officers who sorely need this equipment to fight drugs at their source, especially the opium crops in the Andes, opium from which heroin is derived and which is nearly impossible to interdict in small quantities, for example, one kilo at a time in which it is trafficked.

Eradicating it in the high Andes in the opium stage is the key to combating the new heroin crisis which we are facing from Colombia today, and I urge my colleagues to support the gentleman's proposal.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I am pleased that the gentleman will yield. However, he may not be happy when he hears what I say.

The distinguished chief deputy majority whip knows the high esteem in which I hold him, so I very regretfully oppose the provision for an additional $50 million for the Blackhawk helicopters. Despite the chairman's remarks, I would not be supportive of that in conference.

I very strongly opposed the rule that left the language on human rights unprotected with respect to narcotics-related assistance, and have serious concerns about that entire issue, and regretfully oppose the $50 million for the Blackhawks.

Mr. HASTERT. Mr. Chairman, reclaiming my time, I thank the gentlewoman for her comments, but I disagree with her.

And, Mr. Chairman, I submit for the RECORD the endorsement of the Human Rights Watch for the Colombian National Police and the work that they do, and would just remind the gentlewoman from California that heroin, which these helicopters would be used to eradicate, is in the high Andes. There is no other way to get there. They cannot get in there with the Huey helicopters the Colombia police use today, and this, in fact, is their only egress to get into that area.

I would certainly think that this is a credible thing, and appreciate the chairman engaging in this colloquy.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I want to associate myself with the remarks of the gentleman. When I spoke earlier on the point of order on removing the language from the bill, I made the distinction between the Colombian military and the national police. Indeed, I do not oppose the support that we give to the Colombian police in the fight against narcotics.

Mr. HASTERT. Mr. Chairman, reclaiming my time, I would just remind the gentlewoman from California that this is the Colombian National Police.

Ms. PELOSI. Mr. Chairman, if the gentleman will continue to yield, I understand that. That is why I was saying that I agree with the gentleman on the characterization he made about the police. It was not about them, it was about the Blackhawks.

Mr. HASTERT. Mr. Chairman, the extraneous materials I referred to are submitted for the RECORD in support of this colloquy, as follows:

Date: 07/16/97.
Time: 02:28:07 pm
To: International Relations, John Mackey.
Fax No: 2022252035.

DEAR JOHN: This is a statement we made today in Colombia regarding US military aid to fight drugs. In it, we state very clearly that we are not opposing aid to the Anti-Narcotics Police because of their good human rights record, but continue to oppose aid to the Army (point 7).

Mark can probably parse out the Spanish for a quick read, but I'd be happy to give you the exact wording in English if you need it.

You're fully welcome to refer to this as the HRW ''Seal of Approval'' for police aid, if you wish. Hang onto it—it doesn't come often!

Best,

ROBIN KIRK,
Research Associate.

The UH–60L Blackhawk ''Utility'' Helicopter will provide the Colombian National Police with:

1. Increased range.
2. Increased speed.
3. Increased lift capability.
4. Increased operational hours.
5. A demonstrated capability to operate in the higher altitudes of the Andean mountain range to eradicate opium poppies.
6. Improved crew survivability in high threat environments.

The overall superiority of the UH–60L Blackhawk helicopter vs. the UH–1H 'Huey' helicopter is without question. The 'Huey' is today an almost obsolete airframe in comparison to the ''Blackhawk''.

H.R. 2159

OFFERED BY: MR. SOUDER

AMENDMENT NO. 74: Page 16, line 25, after ''$625,000,000'' insert ''(decreased by $50,000,000)''.

Page 23, line 26, after ''$230,000,000'' insert ''(increased by $50,000,000)''.

H.R. 2159

OFFERED BY: MR. SOUDER

AMENDMENT NO. 75: Page 24, line 16, insert before the period the following: '': *Provided further,* That not less than $50,000,000 shall be available only for the procurement in the United States of four UH–60 Blackhawk utility helicopters, including maintenance and support for such helicopter, to be made available to the DANTI anti-narcotics unit of the Colombian National Police for the purpose of carrying out counternarcotics activities''.

AMENDMENT OFFERED BY MR. MCGOVERN

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 printed in House Report 105–184 offered by Mr. MCGOVERN:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SENSE OF THE CONGRESS RELATING TO INTERNATIONAL ADOPTION LAWS AND PRACTICES OF PARAGUAY

SEC. 572. It is the sense of the Congress that the President and the Secretary of State should use all opportunities and means to express directly to all appropriate officials of the Government of Paraguay that—

(1) the United States respects and supports the commitment of the Government of Paraguay to reform its laws and practices regarding international adoptions;

(2) the pending international adoption cases filed by United States families at or prior to the establishment by the Government of Paraguay of a moratorium on international adoptions, including the 11 adoption cases commonly referred to as the ''window of opportunity'' adoption cases, should be allowed to continue and complete the adoption process in a fair, unbiased, and timely fashion;

(3) such United States adoption cases should be determined on the basis of the two key tenets for international adoption in Paraguay, namely the fitness of the petitioning family to be parents and what is in the best interests and welfare of the child; and

(4) any international adoption reform legislation approved by the Government of Paraguay should allow such United States adoption cases to complete the adoption process.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, the gentleman from Massachusetts [Mr. MCGOVERN] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MCGOVERN].

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

Mr. Chairman, an urgent situation confronts American families attempting to adopt children from Paraguay. In September 1995 the Government of Paraguay imposed a moratorium on all international adoptions so that it might reform its laws and regulations and clean up the corruption that had so plagued the system.

Many U.S. families were caught in various stages of the adoption process at the time the moratorium was imposed. It has been 23 months since the moratorium was imposed, and over three dozen American families still find their petitions for international adoptions pending.

While our Embassy personnel in Paraguay have been sympathetic to these families, not once has the Paraguayan Government heard from our highest officials about the right of these United States families to receive fair, timely due process. Not once have they expressed concern for the welfare of these children. This amendment seeks to ensure that such communication take place.

Let me be very clear, Mr. Chairman. This amendment means no disrespect for Paraguay and, indeed, expresses support for its reform process. This amendment is aimed at moving the highest officials of our own Government to speak out on behalf of these families and to do it quickly, before all hope is lost.

One of these families caught in the moratorium, Donald and Elaine Berube, live in Seekonk, MA, and hope to adopt a little girl. Three years ago they successfully adopted a little boy from Paraguay. They want to provide him with a baby sister of similar heritage.

Since they were familiar with the Paraguayan adoption process, and had already been approved once as desirable parents by the Paraguayan courts, they chose to return to Paraguay in 1995 and file for the adoption of a little girl. A few months later the moratorium was imposed, and for the Berubes, the judicial process in Paraguay turned into an emotional nightmare.

Like all the American families, the Berubes have struggled to have their case proceed through the Paraguayan

courts in a fair and unbiased manner. They have always acted in a manner respectful of the Paraguayan system, and in return they have been subjected to delays, arbitrary rulings, appeals and what often appears to be anti-American bias and prejudice on the part of the Paraguayan press, courts, and some of the judges.

After reviewing their case and others, it appears to me that the Berubes and all of these families have been subjected to special scrutiny, with government attorneys and judges searching for every and any reason to deny these cases the possibility of proceeding.

For nearly 2 years the Berubes have bonded with the little girl they hope to adopt. They are deeply concerned about her health and her welfare. At 20 months she weighs less than 17 pounds, a victim of neglect she has experienced at the hands of the Paraguayan state and agencies. I firmly believe that without the direct involvement of United States officials at the very highest levels, these cases will proceed no further and all these children will be doomed to lives of neglect.

Mr. Chairman, these children need families, they need love, and they need a healthy environment where they will be well-nourished physically, emotionally, and spiritually.

I hope this amendment will be viewed by all Members of the House as noncontroversial. I urge my colleagues to support it, and I would also like to thank the chairman, the gentleman from Alabama [Mr. CALLAHAN] for his support and generosity in allowing this issue to come forward for debate.

Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin Mr. JAY JOHNSON.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I rise tonight in support of the McGovern amendment, in support of the children of Paraguay and the families in my district and across the United States, like those in Mr. McGovern's district, like those in my district and many other places who are trying to adopt these children.

The Jandourek and Pappas families in my district have experienced firsthand similar trials and hardships in trying to adopt children from Paraguay.

The Pappas family has been trying to adopt a young girl from Paraguay since May 1995. They have faced roadblocks from agents, lawyers, and the courts, claiming irregularities in the case. They may not be able to adopt. I am told the young girl they are trying to adopt has just turned 3 years old. Almost 3 years of waiting, not knowing about her future.

The Jandourek family has experienced similar difficulties. They are just beginning their efforts.

Mr. Chairman, I urge my colleagues to support this amendment and help address some of the difficulties that not only families in Wisconsin are having, but the difficulties families across the United States are experiencing in trying to adopt children from Paraguay. These families have waited long enough. I ask for my colleagues' support of adopting families and the children of Paraguay. Adopt the McGovern amendment.

Mr. MATSUI. Mr. Chairman, I rise in strong support of the McGovern amendment. I believe it is critical that the Congress make its voice heard on the difficult situation facing a number of American families attempting to adopt children in Paraguay.

Among these families are Richard and Donna Moser, who reside in my district. some 26 months ago, in May 1995, the Mosers began their efforts to adopt a Paraguayan child. On September 18 of that year, the Government of Paraguay imposed a moratorium on international adoptions in order to reform its laws in this area. Like other families with adoption cases pending when the moratorium took effect, the Mosers have since faced a seemingly endless series of hurdles and delays in their efforts to complete the adoption process.

The language of this amendment makes it quite clear that no Member of this body is questioning the absolutely legitimate efforts of the Paraguayan Government to reform its laws governing international adoptions. The supporters of this amendment are merely asking that cases initiated prior to the moratorium, including the so-called window of opportunity cases, will be allowed to proceed without delay under the current legal situation and within the provisions of any forthcoming new adoption law in Paraguay.

As my colleagues can imagine, the families who have persevered through the very halting and uncertain process since the moratorium was announced have made tremendous commitments of their time and emotional energies. They have a right to expect a reasonable, comprehensible adoption process. The children these families seek to adopt face great hardships in Paraguay. They too deserve to have fairness prevail here.

By passing this amendment, the Congress is making a plea to the Government of Paraguay on behalf of this very limited group of families seeking the right to finish a process that they could not possibly have anticipated would be so terribly arbitrary when they chose this path. I believe we are also sending a message to the U.S. State Department that this issue merits and requires the highest level of attention. I urge my colleagues to join in making this greatly needed statement.

Mr. SAXTON. Mr. Chairman, I rise in strong support of the amendment offered today by my colleague from Massachusetts, Mr. MCGOVERN. I would like to thank Mr. MCGOVERN for offering this amendment and I would like to thank Chairman CALLAHAN for his strong support for allowing this amendment to come to the floor.

This amendment will help families in America who have sought international adoptions from Paraguay.

Let me take a quick moment to express how important this is, especially to the children waiting to be adopted. A family from Berlin, NJ, Lori and Ira Bussison have been working to adopt a child named Alex since his birth almost 3 years ago.

Despite the fact that Alex's biological father abandoned his mother during her pregnancy and his biological mother placed the child up for adoption immediately after giving birth, the Paraguayan court system refuses to let this adoption to become finalized.

While Lori and Ira remain hopeful, each time it seems like Alex will be allowed to come to America with his new parents, the family is told of another unknown technicality preventing this adoption from becoming finalized.

Recently, Lori spend 3 months living with young Alex in a hotel, thinking the adoption case would soon be finalized. Heartbreakingly, when it became apparent that the court system would continue to stall, Lori, financially drained, had to return to America without Alex yet again.

We must look at the best interest of the family and especially the children. A boy like Alex deserves loving parents like Lori and Ira. Passage of this amendment will show that the U.S. Congress cares about these families and is willing to do its part in finalizing these adoption cases.

I strongly support the McGovern amendment.

Mr. PAPPAS. Mr. Chairman, I rise in support of the McGovern amendment. In my own district, a physician and his wife, fully qualified to love and support a child, having been waiting for almost 2 years for the process to be finalized so they can bring their adopted son home to New Jersey. During this time, one or the other of these parents has been in Paraguay with the child to nurture and care for him, causing great disruption and expense to their family in New Jersey.

Inappropriate and frustrating delays coupled with procrastination by officials in Paraguay have turned the joyful and rewarding experience of adopting a child into a problem of enormous and unnecessary proportions. I would hope that the Government of the United States, and the Government of Paraguay working together will be able to quickly work through the maze of regulations and make it possible for all the children waiting to finally be welcomed by loving families. Let's stop being bystanders, and become an active part of the process which will help these adoptions be complete.

I would like to thank the gentleman from Massachusetts on his leadership on this issue and I urge every Member to support this amendment. Let's prove we are a family-friendly Congress and Nation and support adoption of children in Paraguay.

I thank the chairman and I yield back the balance of my time.

Mr. TIERNEY. Mr. Chairman, I thank my good friend and colleague from Massachusetts for offering this amendment. Mr. Chairman, I have tremendous respect for countries such as Paraguay that make significant efforts to improve their government. I understand that Paraguay is making strong efforts to reform its adoption laws.

However, there are instances when their judicial system seems not to be providing objective due process to international adoptions despite the fact that applicants are doing everything in their power to pursue these applications legally.

Mr. Chairman, I have a constituent named Maria Saiz who has been trying desperately for 2 years to adopt a little girl named Sara. She has done everything possible and legal in her control and still receives unfounded excuses for why the process has not gone forward favorably.

I am happy to report now that the case has been re-routed to the lower courts for further processing, but we have no guarantee of how that will result.

Mr. Chairman, this amendment strongly articulates the respect that the United States has for Paraguay's efforts to reform its laws, but at the same time, it sends a clear message that the courts should fairly determine these United States adoption cases based on the fitness of the petitioners as parents and the best interest of the child only.

We must participate in these efforts with the hope that soon these children can be adopted by loving parents. I urge my colleagues to vote for the McGovern amendment and I yield back the balance of my time.

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

The amendment was agreed to.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had prepared an amendment to reduce foreign aid to Egypt, but I will suspend that for a moment.

I have serious concern about the objectives and the part Egypt has been playing in terms of its constructive role in the peace process in the Middle East. Egypt, as we know, has been historically a partner in the pursuit of peace in the Middle East, but its recent actions have run contrary to our interests.

First, Egypt openly advocated for Libya, a well-known terrorist state. It urged the U.N. Security Council to accept Lybia's request to try the Pan Am 103 bombing suspects in front of an international tribunal. That is opposed to the United States policy.

Second, Egypt is openly encouraging cutbacks to the economic and trade sanctions imposed on Libya in 1992. Egypt permitted Colonel Qaddafi to fly into Egypt and attend an Arab League summit in Cairo, in open violation of the United Nations ban on Libyan air travel. Terrorists will never respond to sanctions such as isolation if our allies assist Colonel Qaddafi in participating in such a pivotal meeting.

Third, Egypt acted as host of the June 1996 Arab League summit. That meeting provided a platform for Arab leaders opposed to peace to threaten the halt of normalization of relations between Israel and the Arab countries wanting peace.

Fourth, Egypt, as the leading Arab country, has taken an inappropriately active role in lobbying other Arab States to slow the normalization of their ties with Israel. Over the last few years, Cairo has hosted several meetings with one common aim: The isolation of Israel. Egypt even supported the renewal of the boycott of Israel at the April 1997 meeting of the Arab League.

Fifth, in March of this year, Egypt was the only country to block an important United States proposal. We were trying to bypass the U.N. Security Council condemnation of Israel's construction of a Jewish neighborhood in Har Homa. Once again, Egypt's position directly conflicted with our Nation's policy.

And, finally, earlier this month Egypt led an effort to propose a U.N. resolution that threatened Israel's participation in the U.N. General Assembly. This is one of a series of resolutions introduced this year which attempts to isolate Israel and slow the peace process in the Middle East.

To say the least, Egypt's efforts to create momentum and revitalize negotiations between Israel and the Palestinians have not been consistent. Egyptian public statements that call into question the peace process encourage radical Palestinians to harden their Hebron negotiating position.

For example, last October, when violence erupted in the West Bank, President Mubarak was the only leader to decline the President's invitation to attend a summit in Washington. That summit put the peace process back on track and reduced the violence in Israel.

While Egypt has been, and certainly may remain a strong ally in the Middle East, recent actions undercutting their support for peace are alarming. Reducing foreign aid to them will emphasize that the United States Congress expects Egypt to play a constructive and positive role in the Middle East, a role which ensures security for Israel and durable peace and prosperity for the entire region.

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

Mr. LAZIO of New York. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding to me, and I want to take the opportunity to thank the gentleman from New York for expressing his concern about Egypt and its relationship with our Nation and with Israel, and its involvement in the Middle East peace process and other regional concerns of critical United States interest.

During consideration of our foreign aid bill, our House Committee on International Relations included language which spoke to the growing disappointment among Members of Congress regarding Egypt's activities in a broadening spectrum of issue areas, some of which the gentleman has already recited here tonight.

That language reiterated that Egypt's assistance, of which $1.3 billion is military assistance and $850 million is economic assistance, is based upon its implementation of the Camp David Accords, notably establishing relationships with Israel that are normal to states at peace with each other, and found Egypt's fulfillment of these obligations disappointing.

□ 2230

Many Members of Congress believe that future assistance to Egypt should, therefore, be predicated on Egypt's full implementation of its campaign obligations and promotion of peace with Israel and other critical United States interests.

And while I have been informed that the gentleman from New York [Mr. LAZIO] may consider withdrawing his amendment, he can be certain that we share many of his concerns that our Committee on International Relations will continue to closely monitor Egypt's performance on a wide variety of issues that he raised. And I thank the gentleman from New York [Mr. LAZIO] for raising these issues before us this evening.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, I thank the gentleman from New York [Mr. GILMAN], the distinguished chairman of the Committee on International Relations, and based on the gentleman's representations, I will not offer this amendment.

But I do want to reiterate the strong concerns that many Members of Congress have, including this Member, about Egypt's actions and the lack of engaging in a constructive role in the Middle East and that the foreign aid account should not be considered sancrosanct when it comes to considering this issue.

AMENDMENT NO. 73 OFFERED BY MR. MENENDEZ

Mr. MENENDEZ. Mr. Speaker, I offer an amendment.

The CHAIRMAN. Is the amendment printed in the RECORD?

Mr. MENENDEZ. Yes, Mr. Chairman, it is.

The Clerk read as follows:

Amendment No. 73 offered by Mr. MENENDEZ:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 572. None of the funds appropriated or otherwise made available by this Act under the heading ''NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS'' that are made available for the International Atomic Energy Agency shall be made available for programs and projects of such Agency in Cuba.

Mr. MENENDEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. MENENDEZ. Mr. Chairman, my amendment seeks to limit the use of U.S. taxpayer dollars to the International Atomic Energy Agency for programs and projects in Cuba. Over the next 3 years, Cuba will receive more than $1.7 million from the IAEA, even though Cuba has continuously refused to sign the Treaty on Non-Proliferation of Nuclear Weapons, ratify the Treaty of Tlatelolco, negotiate full-scope safeguards or incorporate internationally accepted nuclear safety standards.

In addition to those glaring aberrations, the Castro dictatorship has decided that a dangerous Soviet-era nuclear plant in Juragua, near Cienfuegos, Cuba, should be completed and operated. Already the IAEA has provided

nearly $700,000 to Cuba to support the Juragua Nuclear Power Plant.

A letter to me from President Clinton stated that:

> The United States opposes the construction of the Juragua nuclear power plant because of our concerns about Cuba's ability to ensure the safe operation of the facility and because of Cuba's refusal to sign the Nuclear Non-proliferation Treaty or ratify the Treaty of Tlatelolco.

The State Department, the Nuclear Regulatory Commission, and the Department of Energy have also expressed concerns about the construction and operation of Cuba's proposed nuclear reactors.

Dr. Edward Purvis, who headed the United States Department of Energy's investigation of Cuba's reactors has this to say:

> An accident in the Cuban VVER–440 is probable. It is just a question of when. I don't know if they are the most dangerous reactors in the world, but they are the most dangerous reactors anywhere close to the United States.

In a report to Congress, the General Accounting Office outlined concerns among nuclear energy experts about deficiencies in the Cienfuegos nuclear plant project. They included: A lack in Cuba both of a nuclear regulatory scheme and an adequate infrastructure to ensure the plant's safe operation, maintenance, and adequate training of program operators.

Reports by a former technician from Cuba who, by examining with x rays, weld sites believed to be part of the auxiliary plumbing system for the plant, found that 10 to 15 percent of those were defective. This technician, Mr. Jose Oro, was quoted as saying, ''The operation of this reactor will be criminal. The construction was being performed in a completely negligent manner.''

According to the U.S. Geological Survey, the Caribbean plate, where this reactor sits, is in fact subject to seismic risks to Cuba in the reactor cite and may produce large to moderate earthquakes and in fact may produce large to moderate earthquakes. In fact, on May 25, 1992, the Caribbean plate produced an earthquake numbering 7 on the Richter scale.

Finally, I would like members who are from the State of Texas, Louisiana, Arkansas, Mississippi, Alabama, Florida, Georgia, Tennessee, South Carolina, North Carolina, Maryland, Virginia, and here in Washington, DC, to consider the following: We are talking about in those States over 80 million Americans, Mr. Chairman, almost one in three Americans to my right on this chart.

According to a study by the National Oceanic and Atmospheric Administration, summer winds could carry radioactive pollutants from a nuclear accident at the power plant throughout all of Florida and parts of the States on the gulf coast as far as Texas and northern winds could carry the pollutants as far northeast as Virginia and Washington, DC. Many more states would be affect in the time.

So we should point out that this is not a question of nuclear safety where we might be interested in supporting the IAEA here, because there is at present no nuclear material at the Juragua power plant. But what the IAEA is doing is preserving the plant so that construction can be renewed at a point in time in which Cuba acquires sufficient financing a plant that we have said that we do not want a plant, that the President has said he is concerned about a plant, that the GAO says that does not make any sense and is a risk and that the National Oceanic and Atmospheric Administration says is a risk.

So the question is whether or not you believe that the United States taxpayer dollars should be supporting the preservation of this dangerous plant with our tax dollars, particularly whether Cuba will likely never have the resources to complete it and if it did would pose a very serious national security threat to the United States.

I believe it is in our national interest not to be having resources go in this way. If there was a plant that was up and running and a plant that we said did not pose a threat to us, yes, let us have the IAEA produce the opportunity for oversight but let us not give them money to mothball a plant that we never want to see take place in the first place.

I hope that the committee will accept the amendment, and certainly I ask my colleagues to support it.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, our distinguished colleague, the gentleman from New Jersey [Mr. MENENDEZ] said at the end of his remarks that he understands that the committee will accept the amendment, and that is my understanding as well. But I would like to just take a moment to put a couple of observations on the RECORD without commenting on the Committee's rule.

My colleagues, I understand your preference to shut down the IAEA's activity in Cuba. As we know, that is not necessarily achieveable by simply cutting off U.S. participation. The IAEA functions as an international body with contributions from many sources, and consequently its program decisions are not made by the United States alone.

I do not necessarily disagree with the gentleman from New Jersey [Mr. MENENDEZ] on the issue of renewing the construction of the power plant in Cuba. I oppose that in fact, and the U.S. opposes that. In fact, the United States has regularly pleaded with our allies not to help Cuba revive this project. So far, that effort has succeeded.

Unilateral efforts such as this pose a problem for us in achieving our credibility in achieving our goal in these multilateral, multinational bodies. I am concerned, therefore, how this action would affect our credibility with the IAEA on other matters. For years the United States, at the urging of Congress, fought with other nations who were attempting to exclude Israel from IAEA.

Our point was that an international organization was unfair to single out one country for discriminatory treatment. This amendment puts us in a position of doing that. We are presently depending on the work of the IAEA to be the eyes and ears of the world when it comes to monitoring the activities of North Korea, Iraq, and other countries that we might not consider to be within the realm of countries that are operating in a way with respect for their citizens. We are counting on the IAEA to be the eyes and ears, as I said, with respect to nuclear programs.

The U.S. has a vital stake in this ongoing work, and we should not jeopardize that. That is why I want to put on the RECORD my concern for passing unilateral prohibitions such as this one. It puts us in an uncomfortable position when comes to influencing IAEA or countries like North Korea, where vital U.S. interests are also at stake.

So, as I say, I am not disagreeing with the gentleman from New Jersey [Mr. MENENDEZ] on the substance of his amendment, but I do in terms of my responsibilities to the subcommittee and our other activities want to put some of these concerns on the RECORD.

Mr. MENENDEZ. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from New Jersey.

Mr. MENENDEZ. Mr. Chairman, I appreciate the statements of the gentlewoman from California [Ms. PELOSI] and I appreciate her support, notwithstanding her concerns. I just want to address her concerns and say that it is my understanding that in all years except one, actually this was written into the law up to 1994, and subsequently to that, we have sought through amendments to do what in fact we are doing here again tonight; and that has not in any way created a difficulty for us as a country with the IAEA.

As a matter of fact, we made contributions to what they call a special account that in fact is directly for this purpose. So I think that we will continue to have a good relationship with the IAEA, we will continue to make sure that they provide for nuclear safeguards and in many places throughout the world in which they do excellent work, but still send a very clear message that we do not want this power plant.

I appreciate the concerns of the gentlewoman from California [Ms. PELOSI].

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. MENENDEZ].

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MR. ROHRABACHER

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

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. ROHRABACHER. Yes, Mr. Chairman, it has.

The Clerk read as follows:

Amendment No. 12 offered by Mr. ROHRABACHER:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

PROHIBITION OF ASSISTANCE TO CAMBODIA

SEC. . (a) None of the funds appropriated in this Act may be made available to the Government of Cambodia.

(b) None of the funds appropriated in this Act for the International Development Association, the International Monetary Fund, or the Asian Development Bank may be used for any loan to the Government of Cambodia.

Mr. ROHRABACHER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. ROHRABACHER. Mr. Chairman, the amendment that I am offering is a second amendment we have had tonight on Cambodia. It is a bit tougher than the last amendment. Although I appreciate the efforts of the gentleman from Nebraska [Mr. BEREUTER] in the last amendment.

The reason why my amendment is a bit tougher than the last one is that it puts the United States Congress on record as supporting the denial of any funds that are appropriated by this act for international lending institutions, such as International Monetary Fund and Asian Development Bank.

This measure is essential. Because, while direct United States foreign aid is a small portion of the Cambodian regimes, and we are now talking about a rogue Cambodian regime, international donations account for half of that government's revenues. It is essential that the dictator, the strongman there, Hun Sen, realize that American representatives to these lending institutions are being directed by Congress to press for withholding of these funds. Even if the prohibition of these funds is not immediately possible, at least our people will be making the case. And if abuses in Cambodia continues, the U.S. position will be strengthened.

Thus, I would ask my colleagues to join me in supporting this amendment, which, as I say, is a bit tougher and sends a message that we are not going to permit aid to come through the back door to this gangster that shot his way into power and who has brutally murdered his opposition. We are taking a tough stand on Cambodia, and that is exactly what we should do, to send a message that we want a return to democracy and we are not going to be supportive of that regime until the regime goes back on track toward a Democratic election in May.

Ms. LOFGREN. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentlewoman from California.

Ms. LOFGREN. Mr. Chairman, I thank the gentleman from California [Mr. ROHRABACHER] for yielding.

Mr. Chairman, I rise in support of the Rohrabacher amendment. I really believe that on both sides of the aisle we are of one mind on the outrage that is going on in Cambodia. We want to take a strong stand. I appreciate the Bereuter amendment, and I support this further step.

I understand, I am not a member of this committee, that the Bereuter amendment, comments on it might be technically correct. But I think this takes a stand, as my colleague has noted, the international community, in addition to this Congress, needs to stand up for human rights and for democracy and against a repeat of the killing fields in Cambodia.

In addition to this, I hope that our administration is listening tonight so that they may take those steps necessary to rally around the international community, our allies that are also contributing that half of revenue into Cambodia. We need to act internationally to prevent an even greater disaster that has yet occurred and to insist that civility be returned to Cambodia, that democracy exist in that country, and that we will stand by those Cambodians who have risked their lives and their families and the lives of their families in behalf of freedom.

□ 2245

Mr. ROHRABACHER. Reclaiming my time, I appreciate the efforts of the gentleman from Nebraska [Mr. BEREUTER], I appreciate the support of others on the committee. This is a truly bipartisan effort as are most of the human rights efforts made in this Congress, and ever increasingly made in this Congress.

My bill is a bit tougher than the other amendment that has been offered regarding American support to Cambodia. It is tougher because it puts Congress on record of supporting the denial of U.S. funds appropriated in this act for international lending institutions, such as the International Monetary Fund and the Asian Development Bank. This measure is essential because while direct United States foreign aid is a small portion of the regime's funding, international donations account for half of the Government of Cambodia's revenues. It is essential that Hun Sen realize that American representatives to these lending institutions will press for withholding of these funds, even if the prohibition of these funds is not immediately possible. If abuses in Cambodia continue the United States position will be strengthened.

This provision was requested by exiled members of the elected Cambodian Government, by many members of the Cambodian-American community and in consultation with Steven Solarz, the Clinton administration's special envoy for Cambodia.

It is my intention that funding be restored after a democratic government constituted through the framework of the 1991 Paris accords is restored, including: the return of all elected members of government and leaders of democratic opposition parties currently in exile to safely campaign for a free and fair election; the disbanding of all private armies and militias; the creation of national election laws and an independent judiciary system; and certification by the President that adequate safeguards are in place to assure free and fair elections, including penalty provisions for any further abuses.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentlewoman from California.

Ms. PELOSI. Because the hour is late, I thank the gentleman for yielding, and I thank him for his leadership on this important issue. I once again reiterate my support for the gentleman's amendment. I thank the gentlewoman from California for her leadership as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

The amendment was agreed to.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the chairman's assistance for NATO expansion. It is my understanding that this bill contains funds for new countries to join NATO at the invitation of the organization this summer in Madrid.

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

Mr. FOX of Pennsylvania. I yield to the gentleman from Alabama.

Mr. CALLAHAN. The answer is yes.

Mr. FOX of Pennsylvania. Under this provision, Mr. Chairman, are the funding levels adequate for these new countries to join NATO and to maintain NATO standards, in the gentleman's opinion?

Mr. CALLAHAN. The answer is once again yes.

Mr. FOX of Pennsylvania. Further, Mr. Chairman, do we have the chairman's assurance that he will support and protect this provision in conference and do everything in his power to follow through from the Madrid conference and make sure that these same new countries will be asked to join and will be helped in maintaining complete NATO standards?

Mr. CALLAHAN. Yes.

Mr. FOX of Pennsylvania. Mr. Chairman, I thank the gentleman from Alabama [Mr. CALLAHAN] very much. As the chairman of the committee, I want to thank the gentleman for his leadership, for the time and assistance he has given to this and other issues important to our country in our international relations. I would like to add that I wholeheartedly support this program and will take all measures necessary to see that we do invite the nations chosen in Madrid to join NATO at the earliest possible date and that we continue to invite new NATO members in the future.

Mr. COX of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the administration's stated intention in funding KEDO was to gain international monitoring and supervision of North Korea's nuclear

program and specifically to assist in preventing North Korea from developing nuclear weapons. A further goal of the Clinton administration's support for KEDO was to require North Korea to submit to third-party inspection of its nuclear facilities, to provide an accounting for its plutonium stocks, particularly any highly enriched weapons-grade plutonium, and to minimize the future production of weapons-grade plutonium from its nuclear power plants. I would ask the chairman whether that is the committee's understanding.

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

Mr. COX of California. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Yes, that is my understanding, and I think the committee as well, that these were the stated intentions of the administration when they requested funding for KEDO.

Mr. COX of California. I thank the chairman. I wonder if I might inquire whether it is the chairman's further understanding that KEDO is assuming substantial debts with some estimates that these debts total over $40 million?

Mr. CALLAHAN. Yes, I am very much concerned about the reports that KEDO has been accruing large debts to support the purchase of heavy fuel oil for North Korea which are well above the funds made available by appropriations by the Congress for this purpose. The information that the gentleman has furnished me is very disturbing to me.

Mr. COX of California. I thank the chairman once again.

Mr. Chairman, an amendment to strike the funding in the bill for KEDO was made in order. My amendment was prompted by reports that North Korea has in fact developed nuclear weapons, that it has thus far failed to permit third-party inspections of its nuclear facilities adequate to account for its stocks of highly enriched weapons-grade plutonium and that KEDO has sought to borrow funds in excess of its direct international funding. Since the committee's inclusion of KEDO funding is premised on the administration's representations about these very matters, I once again inquire, will the chairman be willing to revisit the provision of this bill at a future date if the reports to which I have referred prove to be true?

Mr. CALLAHAN. The committee's understanding is that the administration's intention in funding KEDO is to deter North Korea's production of nuclear weapons. If it is confirmed that North Korea has in fact developed nuclear weapons and is continuing to do so, or that North Korea has failed to account to the international community for its plutonium stocks, or that KEDO is engaged in borrowings not anticipated by our original agreement to provide financial support, then yes, I think the committee would indeed wish to revisit our support, because the United States should not provide even indirect support for North Korea's energy programs under such circumstances.

Mr. COX of California. Mr. Chairman, in light of the committee's intention to terminate U.S. funding of KEDO if the original premises are no longer valid, my amendment is rendered unnecessary, and I would withdraw it.

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

Mr. COX of California. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding. I want to compliment him and the chairman on the understanding they have reached. As the chairman of the authorizing subcommittee, I certainly agree with the premises of the gentleman's comments and colloquy from the chairman. I commend the gentleman on it.

Mr. COX of California. I wish in turn to recognize the efforts of the chairman on this very subject and I look forward to working with the gentleman.

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

Mr. COX of California. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman from California for bringing this matter to our attention. While I certainly support food aid to North Korea that the gentleman initially was concerned about, and as long as it is adequately monitored I share the gentleman's concerns about KEDO and will raise this in our Committee on International Relations. I would not support an amendment cutting off food aid but would support the gentleman's concerns about KEDO. I commend the gentleman for raising the issue.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI]. I would like to thank the gentleman from Alabama [Mr. CALLAHAN] and the distinguished ranking member for engaging me in this very important colloquy. According to the State Department, Ethiopia's government limits freedom of association and refuses to register several nongovernmental organizations. Societal discriminations and violence against women and abuse of children remain problems. The apparent act of female genital mutilation is nearly universal. Domestic violence including wife beating and rape are pervasive social problems. Nationwide, thousands of criminal suspects remain in detention without charge or trial at the close of 1996. Most often these detentions resulted from the severe shortage and limited training of judges, prosecutors and attorneys.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I would like to thank the gentlewoman from Texas for once again bringing this very important matter to the attention of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Human rights is important around the world, but it is especially important in Africa. We need to closely monitor Ethiopia's human rights record. I would be very happy to work closely with the gentlewoman to make certain the State Department pursues this issue aggressively and the Government of Ethiopia responds to your concerns.

Ms. JACKSON-LEE of Texas. I thank the gentleman for his kindness and recognizing the very important issue that this is.

Ms. PELOSI. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from California, the ranking member who has a distinguished record on human rights.

Ms. PELOSI. Mr. Chairman, I thank the gentlewoman for yielding. I want to join our distinguished chairman in thanking the gentlewoman from Texas for her leadership in bringing this matter to the subcommittee's attention and will join our chairman in working with her to monitor the State Department's actions on this. I again commend the gentlewoman for her leadership on this issue.

Mr. GILMAN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from New York and thank the gentleman because we worked so closely together during the authorization period. I thank him for his leadership.

Mr. GILMAN. I thank the gentlewoman from Texas for her longtime interest in Ethiopia and African issues in general. Africa receives far less attention from this body than it deserves. However, I wanted to make certain that we recognize the gentlewoman's efforts on behalf of Ethiopia. The Agency for International Development does take into account human rights issues when it decides on the level of assistance for Ethiopia as it does for other nations in Africa and elsewhere. Ethiopia, of course, does not have a perfect record on human rights issues, but many of its neighbors in Africa and other regions have far worse records and we are not singling them out.

The gentlewoman's raising this issue before this body is worthy of our attention. I want to assure the gentlewoman our committee will continue to monitor the events in Ethiopia. I thank the gentlewoman for her concern.

Ms. JACKSON-LEE of Texas. I thank the gentleman very much. He is very right. Africa must rise very high on our barometer screen and we must recognize the importance of improving their human rights position.

Again I would like to thank both the chairman and the distinguished ranking member. I bring this to the attention of the Subcommittee on Foreign

Operations, Export Financing and Related Programs of the Committee on Appropriations and the whole House because I think we must be concerned about how countries treat their citizens if we are doling out the public's money every year. The American people need to know that the maternal mortality rate is extremely high, due in part to food taboos for pregnant women, early marriage, and birth complications related to female genital mutilation. For example, I am particularly interested and concerned about Ethiopia's treatment toward women. It is true that clitoridectomies are typically performed 7 days after birth and excision of the labia and the infibulation are the most dangerous and extreme.

Again I would like to urge the Congress to monitor the human rights record of Ethiopia as it relates to obligating funds for fiscal years 1998 and 1999, and I think collectively we can improve all conditions in Africa and particularly improve conditions in Ethiopia.

Mr. BEREUTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to thank the chairman, the ranking member and all the staff here this evening for their indulgence. I would like to engage the chairman in a colloquy on two issues.

Mr. Chairman, I would like to thank first of all the gentleman from Alabama [Mr. CALLAHAN] and the subcommittee for its recommendations with respect to international agricultural assistance. This Member is pleased that the committee report recommends continued support for a number of collaborative research support programs and calls for increased support for the agricultural development assistance in USAID's budget. However this Member would request that the chairman of the Appropriations Subcommittee enter into a colloquy to further clarify this matter.

Mr. Chairman, the committee report specifically mentions support for six collaborative research support programs. Certainly all of the CRSP programs make major contributions in helping agrarian-based nations develop their economies and increase their readiness for private investment through their contributions in human resource development, education, training, health and nutrition and in improving the human capital capacity of agricultural research and development institutions.

Mr. Chairman, in addition to the six CRSPs specifically mentioned in the committee report, is it also the committee's intention to support the sorghum millet CRSP and the integrated pest management CRSP in their efforts to promote sustainable agricultural practices in the developing world?

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

Mr. BEREUTER. I yield to the gentleman from Alabama.

Mr. CALLAHAN. The response is yes, it is our intention.

Mr. BEREUTER. I thank the gentleman very much. I want to thank the gentleman for his clarification.

On the second matter, Mr. Chairman, I would like to comment on the report of the distinguished Commission on International Trade Development and Cooperation which calls for a funding level of at least $500 million for international agriculture and rural development programs in the USAID appropriation for fiscal year 1998. It seems like a reasonable goal to me, given the importance of the programs to the development of future markets for our U.S. farmers and the need to reverse the decline in these programs at USAID in recent years.

Does the gentleman agree that there has been a relative decline in funds for this important program and that a target of $500 million or a relevant percentage increase in funding would be appropriate over the next several years?

Mr. CALLAHAN. Yes, I do agree that agricultural decline has been too much and that we should work together to establish an appropriate goal consistent with other priorities.

Mr. BEREUTER. Mr. Chairman, that is all I can ask. I do appreciate the distinguished gentleman for his cooperation on this effort and for his effort tonight in general.

□ 2300

Mr. CALLAHAN. Mr. Chairman, I am sure you will be pleased to hear that we are going to rise.

We thank our entire staff for their patience and their understanding and cooperation that we have received, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. PEASE] having assumed the chair, Mr. THORNBERRY, 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. 2159), making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

EXTENDING ORDER OF THE HOUSE OF MAY 7, 1997, THROUGH SEPTEMBER 10, 1997

Mr. FOX of Pennsylvania. Mr. Speaker, I ask unanimous consent that the order of the House of May 7, 1997, as extended on July 15, 1997, be further extended through Wednesday, September 10, 1997.

The SPEAKER pro tempre. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

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 Oregon [Mr. DEFAZIO] is recognized for 5 minutes.

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

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

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

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

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

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

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

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

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

THE LAST TIME THERE WAS A BALANCED FEDERAL BUDGET

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

Mr. SHAYS. Mr. Speaker, I want to kind of catch my breath and to say to you after the budget agreement was passed in this Chamber I went back to my office, and on the back of my chair was this statement. It was from any staff, and I would like to read it.

It said:

> The last time there was a balanced federal budget only four members of your staff were alive. You and your wife Betsy were teaching in the Peace Corps in the Fiji Islands. Your press secretary still had training wheels. Your chief of staff was drinking out of a bottle. Your scheduler had just graduated from high school. Your assistant manager was still using a typewriter. Half a million people were enjoying Woodstock, and John Kasich was probably one them. Richard Nixon was President. Neil Armstrong became the first man to walk on the moon. The Academy Award winner was Midnight Cowboy. The song of the year was Jesus Is Coming Soon. And Newt was getting his Ph.D. We have a lot to look forward to, and we will all benefit from the good work of this House.

Mr. Speaker, this was a momentous day for so many people, and I just want to thank all the staffs throughout this Congress working here in this Chamber, the staffs that work for Members' personal offices, the staffs that work on all our committees for the tremendous work they have done year in and year out to help us get to this day.

TRIBUTE TO TERESA B. STAERK

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 salute a young lady from my district Teresa Staerk who was a very special person and for me a role model. She died suddenly and tragically at 41 this past Saturday. She had great courage and strength. Her honesty and forthright manner were a model for others, her loyalty and generosity, her skill and desire to overcome her own disability to reach out to others in need. She was wheelchair bound, but she did not think of herself as having a disability. She worked for those who were disabled, and she was the pioneer in Pennsylvania for making sure that we had opportunities for transportation and mass transit for those who were in wheelchairs permanently. She worked on making sure that at our train stations we had ramps, that we had bridge plates to get individuals from the ramp into the train. She worked to make sure that our transit systems had chair lifts for especially equipped buses so those who wanted to maintain their mobility and independence could do so. She testified to our State capital in Harrisburg, Pennsylvania to make sure that she was a strong voice for others who could not speak or were not as committed or did not really have the will that she had. She was a very special person. Then she came to Washington do the same thing, to speak out on transit opportunities for the disabled.

She helped everyone, and she really was a trailblazer. Not only did she work to improve mass transit and to help inspire those who have some disabilities, but overcome them like she has, but she worked to organize our Toys for Tots program at our marine base. She worked to help support the Rosalyn Boys and Girls Club in our home county. She also worked to support the Girls and Boy Scouts programs.

She took every stumbling block that life gave her and turned into a stepping stone to help her community but not to help herself. She had a thirst of life that was unquenchable, and she accomplished more in her short 41 years than most people do that are lucky enough to live twice at long.

So I am hoping that those who hear about Terry Staerk and those who have the opportunity to meet her and who will later hopefully read about her life who want to be like her, a cross between Eleanor Roosevelt and Mother Theresa, who had a compassion and a vision, someone who was as selfless as can be and only was happy when we kept on trying.

She did not understand the word no. She used to say to people what part of no do you not understand because she knew that things that were difficult just took longer but never gave up.

So am hoping that her indomitable spirit, which is in the great historic dreams of America, will be lived on by others.

Her mother said at the funeral last night:

Teresa lived her life day by day, moment by moment. For her each day, each moment, was rich and full despite the obstacles she encountered. This was due not only to her own determination, courage and zest for life, but also to you, those of her family friends. She was a vibrant, beautiful women who was like the wind, free to travel, to learn and to see all that there is to see, and for her dreams that were unfulfilled, I hope that we can continue her dream.

I yield to the gentleman from Connecticut.

Mr. SHAYS. I appreciate the gentleman yielding. Just as I finished my statement on something my staff had written about what was life was like 20 years ago, the staff member said I just returned last night from visiting the wall where there are over 50,000 American soldiers who lost their life in Vietnam, and I could have added that 20 years ago we had soldiers in Vietnam who answered their country's call when the last time we had a balanced budget, and a number of those men who were sent to Vietnam never came back to see the day we have today where we are once again going to have a balance budget, and I thank the gentleman for allowing me that opportunity.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the comments of the very sensitive from the Congressman from Connecticut because we would not have the opportunity to be here in Congress to serve in a great privilege as it is if those people who had not fought in Vietnam and in other wars for this country to give us the right to serve here in peace. So to each of them I salute them and join the gentleman from Connecticut [Mr. SHAYS] in that additional tribute which is very fitting for today and this historic setting.

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 Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.
Mr. JEFFERSON, for 5 minutes, today.
Mr. STRICKLAND, for 5 minutes, today.

(The following Members (at the request of Mr. FOX of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Ms. ROS-LEHTINEN, for 5 minutes, on August 1.
Mr. METCALF, for 5 minutes, today.
Mr. SHAYS, for 5 minutes, today.
Mr. FOX of Pennsylvania, 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. FOX of Pennsylvania) to revise and extend their remarks and include extraneous matter:)

Mr. DAVIS.
Mr. CALLAHAN.
Mr. SKEEN.
Mr. FORBES.
Mr. WELLER.
Mr. QUINN.
Mr. HILL.
Mr. BARRETT of Nebraska.
Ms. ROS-LEHTINEN.
Mrs. ROUKEMA.
Mr. SMITH of New Jersey.

(The following Members (at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous matter:)

Mr. HAMILTON.
Mr. FARR of California.
Mr. WAXMAN.
Ms. NORTON.
Mr. MCHALE.
Mr. KUCINICH.
Mr. SABO.
Ms. KAPTUR.
Mr. KENNEDY of Rhode Island.
Mr. BLUMENAUER.
Mr. BAESLER.
Mr. POSHARD.
Mr. BORSKI.
Mrs. MALONEY of New York.
Ms. JACKSON-LEE of Texas.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 430. An act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

S. 670. An act to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States.

ADJOURNMENT

Mr. FOX. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Thursday, July 31, 1997, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred as follows:

4433. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Morocco, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

4434. A letter from the AMD—Performance Evaluation and RECORDS Management, Federal Communications Commission, transmitting the Commission's final rule—Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; End User Common Line Charges [CC Docket No. 96–262; 94–1; 91–213; 95–72] received July 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4435. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Indirect Food Additives: Adhesives and Components of Coatings [Docket No. 96F–0384] received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4436. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Indirect Food Additives: Paper and Paperboard Components [Docket No. 93F–0428] received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4437. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Indirect Food Additives: Paper and Paperboard Components [Docket No. 96F–0291] received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4438. A letter from the Director, Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Changes to an Approved Application [Docket No. 95N–0329] (RIN: 0910–AA57) received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4439. A letter from the Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 12–97 constituting a Request for Final Authority (RFA) to conclude a Memorandum of Understanding (MOU) with the United Kingdom related to the TRIMARAN Demonstrator Project, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

4440. A letter from the Acting Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–113, ''Health Insurance Portability and Accountability Federal Law Conformity Temporary Act of 1997'' received July 29, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

4441. A letter from the Acting Chairman, Council of the District of Columbia, transmitting a copy of Council Resolution 12–202, ''Sense of the Council of the District of Columbia in Opposition to the Death Penalty Emergency Resolution of 1997'' received July 29, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

4442. A letter from the Acting Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–109, ''Business Improvement Districts Amendment Act of 1997'' received July 29, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

4443. A letter from the Acting Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–108, ''Closing of a Public Alley in Square 484 S.O. 90–272, Reinstatement Act of 1997'' received July 29, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

4444. A letter from the Acting Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–107, ''Closing of a Public Alley in Square 253, S.O. 88–107, Reinstatement Act of 1997'' received July 29, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

4445. A letter from the Employee Benefits Manager, AgFirst Farm Credit Bank, transmitting the annual report of the AgFirst Farm Credit Bank for the year ending December 31, 1996, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

4446. A letter from the Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Regulatory Adjustments [Docket No. 960816226–7144–04; I.D. 060597A] (RIN: 0648–AJ04) received July 1, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4447. A letter from the Acting Director, Office of Surface Mining Reclamation and Enforcement, transmitting the Office's final rule—Missouri Regulatory Program [SPATS No. MO–032–FOR] received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4448. A letter from the Acting Director, Office of Surface Mining Reclamation and Enforcement, transmitting the Office's final rule—Utah Regulatory Program and Utah Abandoned Mine Land Reclamation Plan [UT–035–FOR] received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4449. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revised Structural Loads Requirements for Transport Category Airplanes (Federal Aviation Administration) [Docket No. 28312; Amdt. No. 25–91] (RIN: 2120–AF70) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4450. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class D Airspace; Miami Opa Locka Airport, FL, and Hollywood North Perry Airport, FL (Federal Aviation Administration) [Airspace Docket No. 97–ASO–7] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4451. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Silver City, NM (Federal Aviation Administration) [Airspace Docket No. 96–ASW–21] received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4452. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class D Airspace and Establishment and Modification of Class E Airspace; Grand Forks, ND, Grand Forks International Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–17] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4453. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Mitchell, SD, Mitchell Municipal Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–13] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4454. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Bismarck, ND, Bismarck Municipal Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–14] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4455. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Medford, WI, Medford, Taylor County Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–15] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4456. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment and Modification of Class E Airspace; Ironwood, MI, Ironwood Gogebic County Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–16] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4457. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; St. Cloud, MN (Federal Aviation Administration) [Airspace Docket No. 96–AGL–34] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4458. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Perham, MN, Perham Municipal Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–8] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4459. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Harvey, ND, Harvey Municipal Airport (Federal Aviation Administration) [Airspace Docket No. 97–AGL–10] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4460. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class D Airspace; Little Rock, AFB, AR (Federal Aviation Administration) [Airspace Docket No. 97–ASW–02] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4461. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Clarksville, AR (Federal Aviation Administration) [Airspace Docket No. 96–ASW–43] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4462. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Olney, TX (Federal Aviation Administration) [Airspace Docket No. 96–ASW–42] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4463. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of

Class E Airspace; Reserve, LA (Federal Aviation Administration) [Airspace Docket No. 96–ASW–38] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4464. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Paragould, Ar (Federal Aviation Administration) [Airspace Docket No. 96–ASW–39] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4465. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Grants, NM (Federal Aviation Administration) [Airspace Docket No. 96–ASW–41] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4466. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; DeQueen, AR (Federal Aviation Administration) [Airspace Docket No. 96–ASW–37] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4467. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Weslaco, TX (Federal Aviation Administration) [Airspace Docket No. 96–ASW–36] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4468. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Killeen, TX (Federal Aviation Administration) [Airspace Docket No. 96–ASW–35] (RIN: 2120–AA66) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4469. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Louis L'Hotellier, S.A., Ball and Swivel Joint Quick Connectors (Federal Aviation Administration) [Docket No. 92–CE–41–AD; AD 97–08–06 R1] (RIN: 2120–AA64) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4470. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company (formerly known as Beech Aircraft Corporation) Models E33, F33, G33, E33A, F33A, E33C, F33C, C35, D35, E35, F35, G35, H35, J35, K35, M35, N35, P35, S35, V35, V35A, V35B, V35TC, V35ATC, V35BTC, 36, A36, A36TC, B36TC, 50, B50, C50, 95–55, 95A55, 95B55, 95C55, D55, E55, 56TC, A56TC, 58, 58TC, 95, B95, B95A, D95A, and E95 Airplanes (Federal Aviation Administration) [Docket No. 96–CE–34–AD; Amdt. 39–10073; AD 97–14–15] (RIN: 2120–AA64) Received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4471. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. TPE331 Series Turboprop Engines (Federal Aviation Administration) [Docket No. 96–ANE–13; Amdt. 39–10084; AD 97–15–10] (RIN: 2120–AA64) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4472. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Burkhart Grob, Luft- und Raumfahrt, Model G 109 Sailplanes (Federal Aviation Administration) [Docket No. 95–CE–03–AD; Amdt. 39–10086; AD 97–15–12] (RIN: 2120–AA64) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4473. 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. 28957; Amdt. No. 1806] (RIN: 2120–AA65) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4474. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company (formerly Beech Aircraft Corporation) Models 1900, 1900C, and 1900D Airplanes (Federal Aviation Administration) [Docket No. 96–CE–60–AD; Amdt. 39–10087; AD 97–15–13] (RIN: 2120–AA64) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4475. 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. 28958; Amdt. No. 1807] (RIN: 2120–AA65) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4476. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Pilot, Flight Instructor, Ground Instructor, and Pilot School Certification Rules; Correction (Federal Aviation Administration) [Docket No. 25910; Amdt. Nos. 61–103 and 141–9] (RIN: 2120–AE71) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4477. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Requirements for Tax Exempt Section 501(c)(5) Organizations [TD 8726] (RIN: 1545–AT95) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4478. A letter from the Acting Comptroller General, General Accounting Office, transmitting a report entitled, ''FINANCIAL AUDIT: Capitol Preservation Fund's Fiscal Years 1996 and 1995 Financial Statements'' (GAO/AIMD–97–99), pursuant to Public Law 101—576, section 305 (104 Stat. 2853); jointly to the Committees on House Oversight and Government Reform and Oversight.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SOLOMON: Committee on Rules. House Resolution 202. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2015) 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. 105–218). Referred to the House Calendar.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 203. Resolution providing for consideration of a joint resolution waiving certain enrollment requirements with respect to two specified bills of the 105th Congress (Rept. 105–219). Referred to the House Calendar.

Mr. ARCHER: Committee of conference. Conference report on 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. 105–220). Ordered to be printed.

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. PORTMAN (for himself and Mr. CARDIN):

H.R. 2292. A bill to restructure the Internal Revenue Service, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Government Reform and Oversight, the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TAYLOR of North Carolina:

H.R. 2293. A bill to eliminate attorney fee awards and limit relief available in suits against certain public entities; to the Committee on Transportation and Infrastructure.

By Mr. COBLE (by request):

H.R. 2294. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. HASTERT (for himself, Mr. SOUDER, Mr. PORTMAN, Mr. SESSIONS, Mr. MICA, and Mr. LATOURETTE):

H.R. 2295. A bill to amend the National Narcotics Leadership Act of 1988 to extend the authorization for the Office of National Drug Control Policy until September 30, 1998; to the Committee on Government Reform and Oversight.

By Ms. ROS-LEHTINEN (for herself, Mr. DIAZ-BALART, Mr. SMITH of New Jersey, Mr. MCCOLLUM, Mr. DEUTSCH, and Mr. BURTON of Indiana):

H.R. 2296. A bill to withhold foreign assistance to Caribbean Basin Initiative countries that support membership for the Government of Cuba into the Caribbean Community [CARICOM] or the Central American Common Market [CACM], and for other purposes; to the Committee on International Relations, and in addition to the Committee on Ways and Means, 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. BAKER:

H.R. 2297. A bill to amend the Fair Housing Act, and for other purposes; to the Committee on the Judiciary.

By Mr. COBURN (for himself, Mr. BURR of North Carolina, Mr. STUPAK, Ms. DEGETTE, and Mr. DEUTSCH):

H.R. 2298. A bill to improve the regulation of radiopharmaceuticals; to the Committee on Resources.

By Mr. COBURN:

H.R. 2299. A bill to direct the Secretary of the Army to convey lands acquired for the Candy Lake project, Osage County, OK; to the Committee on Transportation and Infrastructure.

H.R. 2300. A bill to direct the Secretary of the Army to convey lands acquired for the Sallisaw Creek project, Sequoyah County, OK; to the Committee on Transportation and Infrastructure.

By Ms. DANNER:

H.R. 2301. A bill to establish a program to improve the control of fraud and abuse in the Medicare Program, to increase the amount of civil monetary penalties which may be assessed against individuals and entities committing fraud against the Medicare Program, and for other purposes; 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. DIAZ-BALART (for himself, Ms. ROS-LEHTINEN, Mr. GILMAN, Mr. SMITH of New Jersey, Mr. MCINTOSH, Mr. SOUDER, Mr. KING of New York, Mr. GUTIERREZ, Mr. MENENDEZ, Mrs. MEEK of Florida, Mr. DEUTSCH, Mr. PASTOR, and Mr. BERMAN):

H.R. 2302. A bill to amend the Immigration and Nationality Act to clarify the relief available under current law, and to provide additional relief and procedural rights for certain aliens who would otherwise be ineligible for such procedural rights; to the Committee on the Judiciary.

By Mr. GALLEGLY:

H.R. 2303. A bill to establish voluntary national guidelines for the safety and training of State correctional officers; to the Committee on the Judiciary.

By Mr. GOSS:

H.R. 2304. A bill to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

By Mr. HALL of Ohio:

H.R. 2305. A bill to establish a commission to assist in commemoration of the centennial of powered flight and the achievements of the Wright brothers; to the Committee on Government Reform and Oversight.

By Mr. HILL:

H.R. 2306. A bill to authorize construction of the Fort Peck Reservation Rural Water System in the State of Montana, and for other purposes; to the Committee on Resources.

By Mr. KENNEDY of Massachusetts (by request):

H.R. 2307. A bill to facilitate the effective and efficient management of the homeless assistance programs of the Department of Housing and Urban Development, including the merger of such programs into one performance fund, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. MCDADE:

H.R. 2308. A bill to amend the Fair Housing Act to assure the power of States and localities to limit group homes for recovering drug and alcohol abusers; to the Committee on the Judiciary.

By Mr. POMEROY:

H.R. 2309. A bill to permit the leasing of mineral rights, in any case in which the Indian owners of an allotment that is located within the boundaries of the Fort Berthold Indian Reservation and held in trust by the United States have executed leases to more than 50 percent of the mineral estate of that allotment; to the Committee on Resources.

By Mr. PORTER:

H.R. 2310. A bill to amend the Internal Revenue Code of 1986 to exclude from income capital gain from the sale of a principal residence; to the Committee on Ways and Means.

By Mr. BOB SCHAFFER (for himself, Mr. CUNNINGHAM, Ms. DEGETTE, Mr. HEFLEY, Mr. MCINNIS, Mr. DAN SCHAEFER of Colorado, and Mr. SKAGGS):

H.R. 2311. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Education and the Workforce.

By Mr. SCHUMER:

H.R. 2312. A bill to amend section 1584 of title 18, United States Code, to clarify that forcing immigrants into slave labor by withholding immigration documents, or by threatening to involve immigration authorities, is a violation of such section; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.R. 2313. A bill to prohibit the construction of any monument, memorial, or other structure at the site of the Iwo Jima Memorial in Arlington, VA, and for other purposes; to the Committee on Resources.

By Mr. WATKINS:

H.R. 2314. A bill to restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, TX, to clarify U.S. citizenship status of such members, to provide trust land for the benefit of the tribe, and for other purposes; to the Committee on Resources, and in addition to the Committee on 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. KENNEDY of Rhode Island (for himself, Mr. LEACH, Mr. DELAHUNT, Mr. STARK, Mr. MCNULTY, Mr. EVANS, and Ms. WOOLSEY):

H.J. Res. 89. Joint resolution calling on the President to continue to support and fully participate in negotiations at the United Nations to conclude an international agreement to establish an international criminal court; to the Committee on International Relations.

By Mr. LANTOS (for himself, Mr. GILMAN, Mr. GEPHARDT, Mr. HAMILTON, Mr. ACKERMAN, Mr. BERMAN, Mr. CARDIN, Ms. DELAURO, Mr. DEUTSCH, Mr. ENGEL, Mr. FOX of Pennsylvania, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEJDENSON, Mr. KENNEDY of Massachusetts, Mrs. LOWEY, Mr. MARTINEZ, Mr. NADLER, Mr. ROTHMAN, Mr. SANDERS, Mr. SCHUMER, Mr. WELLER, Mr. WEXLER, Mr. YATES, Mr. WAXMAN, Mr. HORN, Mr. FALEOMAVAEGA, and Mr. SHERMAN):

H. Con. Res. 133. Concurrent resolution expressing the sense of the Congress regarding the terrorist bombing in the Jerusalem market on July 30, 1997; to the Committee on International Relations, discharged; considered and agreed to.

By Mr. BILIRAKIS (for himself, Mr. GILMAN, Mr. PAPPAS, Mrs. MALONEY of New York, Mr. KLINK, Mr. VISCLOSKY, Mr. LOBIONDO, Ms. ROS-LEHTINEN, Mr. DIAZ-BALART, Mrs. MYRICK, Mr. PALLONE, Mr. BLAGOJEVICH, Mr. LAFALCE, Mr. ACKERMAN, Mr. BROWN of Ohio, Mr. BATEMAN, Mr. CAPPS, Mr. FILNER, Mr. COYNE, Mr. DEUTSCH, Mr. DOYLE, Mr. EVANS, Mr. FRANKS of New Jersey, Mr. GREEN, Ms. HARMAN, Mr. HOLDEN, Mr. HORN, Mrs. KELLY, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of Rhode Island, Mr. LANTOS, Mr. LEVIN, Mrs. LOWEY, Mr. MANTON, Mr. MATSUI, Mr. MCGOVERN, Mr. MCNULTY, Mr. MEEHAN, Mr. MENENDEZ, Ms. PELOSI, Mr. SHERMAN, Mr. WELDON of Pennsylvania, and Mr. BONIOR):

H. Con. Res. 134. Concurrent resolution authorizing the use of the rotunda of the Capitol to allow Members of Congress to greet and receive His All Holiness Patriarch Bartholomew; to the Committee on House Oversight.

By Mr. PAYNE (for himself, Ms. PELOSI, and Mr. OWENS):

H. Con. Res. 135. Concurrent resolution congratulating the people of the Republic of Liberia for holding multiparty elections; to the Committee on International Relations.

By Mr. BALDACCI:

H. Res. 204. Resolution expressing the sense of the House of Representatives that a postage stamp should be issued in honor of Samantha Smith; to the Committee on Government Reform and Oversight.

By Mr. LAMPSON:

H. Res. 205. Resolution calling for the prosecution of Pol Pot for crimes against humanity; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII.

Mr. LEWIS of Georgia introduced a bill (H.R. 2315) for the relief of John Edward Armstrong Denney; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mrs. MINK of Hawaii.

H.R. 54: Mr. BOB SCHAFFER.

H.R. 80: Mr. MCHALE.

H.R. 127: Mr. PAUL.

H.R. 164: Ms. DANNER, Mr. RANGEL, Mr. BURR of North Carolina, Ms. CHRISTIAN-GREEN, Mr. NEAL of Massachusetts, Mr. CLEMENT, Mr. DINGELL, Mrs. MYRICK, Mr. ALLEN, Mr. JACKSON, Mr. DEUTSCH, Mr. JEFFERSON, Mr. SANDERS, Mr. ANDREWS, Mr. SCHUMER, Mr. BENTSEN, Mr. KLECZKA, and Mrs. CHENOWETH.

H.R. 195: Mr. CAPPS.

H.R. 292: Mr. SALMON.

H.R. 312: Mr. PETERSON of Pennsylvania.

H.R. 347: Mr. PETERSON of Minnesota.

H.R. 599: Mr. FARR of California, Mr. CLAY, Ms. KAPTUR, and Mr. BARRETT of Wisconsin.

H.R. 620: Mr. RAHALL.

H.R. 631: Mrs. KELLY.

H.R. 632: Mr. GRAHAM.

H.R. 695: Mr. TAYLOR of North Carolina, Mr. WALSH, and Mr. NUSSLE.

H.R. 705: Mr. TRAFICANT.

H.R. 815: Mr. MCDADE, Mr. GRAHAM, and Mr. CAMP.

H.R. 875: Mr. GRAHAM.

H.R. 878: Mrs. MALONEY of New York, Mr. MARKEY, and Ms. WOOLSEY.

H.R. 928: Mr. GIBBONS.

H.R. 959: Mr. SABO, Mr. CAPPS, and Ms. SLAUGHTER.

H.R. 974: Mr. LAZIO of New York.

H.R. 977: Mr. COSTELLO.

H.R. 986: Mr. STUMP, Mr. CUNNINGHAM, and Mr. CALVERT.

H.R. 1002: Mr. PASCRELL and Mr. BONIOR.

H.R. 1010: Mr. RADANOVICH.

H.R. 1023: Mr. MCDADE, Mr. BALLENGER, and Mr. TAUZIN.

H.R. 1060: Mr. EWING.

H.R. 1061: Mr. SPENCE, Mr. MENENDEZ, Mrs. MORELLA, and Mr. GRAHAM.

H.R. 1075: Mr. WALSH and Mr. SANDERS.

H.R. 1129: Mr. BILBRAY, Mr. NETHERCUTT, and Mr. BONIOR.

H.R. 1140: Mr. STRICKLAND.

H.R. 1151: Ms. JACKSON-LEE, Mr. FAZIO of California, Ms. KILPATRICK, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1154: Mr. FILNER, Ms. LOFGREN, and Mr. MARTINEZ.

H.R. 1165: Mr. KUCINICH.

H.R. 1334: Mr. FALEOMAVAEGA.

H.R. 1355: Mr. WISE.

H.R. 1362: Mr. BENTSEN and Mr. STENHOLM.
H.R. 1378: Mr. MICA.
H.R. 1424: Mr. REDMOND.
H.R. 1534: Mr. UNDERWOOD, Mr. INGLIS of South Carolina, Mr. SKEEN, Mr. CHAMBLISS, Mr. WICKER, Mr. SCHIFF, Mr. EHRLICH, Mr. SHADEGG, Mr. GIBBONS, Mr. PARKER, Mr. FOLEY, Mr. BALLENGER, Mr. UPTON, Mr. WATKINS, Mr. SMITH of New Jersey, Mr. HUNTER, Mr. TAUZIN, Mr. HASTERT, Mr. JONES, Mr. CALLAHAN, Mr. KINGSTON, Mr. LOBIONDO, Mr. MARTINEZ, Mr. COOK, Mr. METCALF, Mr. ORTIZ, Mr. SPENCE, Mr. WAMP, Mr. REGULA, Ms. GRANGER, Mrs. ROUKEMA, Mr. THOMAS, Mr. SAXTON, Mr. KNOLLENBERG, Mr. DICKEY, Mr. COBLE, Mr. BONO, Mr. POMBO, Mr. MCCRERY, Mr. ROHRABACHER, Mr. SAM JOHNSON, Mr. BURTON of Indiana, and Mr. BAKER.
H.R. 1574: Mr. SNOWBARGER.
H.R. 1614: Mr. YATES.
H.R. 1624: Mr. FARR of California and Mr. KLECZKA.
H.R. 1689: Mr. SHAW and Mr. UPTON.
H.R. 1704: Mr. GRAHAM.
H.R. 1711: Mr. CAMP, Mr. HASTINGS of Washington, and Mr. GRAHAM.
H.R. 1719: Mr. RADANOVICH.
H.R. 1726: Mr. OWENS.
H.R. 1733: Mr. BONIOR.
H.R. 1743: Mr. SNOWBARGER.
H.R. 1761: Mr. WEXLER and Mr. SHERMAN.
H.R. 1767: Mr. BROWN of California, Mr. THORNBERRY, and Mr. SABO.
H.R. 1786: Mr. DELLUMS, Mr. FRANK of Massachusetts, and Mr. CUMMINGS.
H.R. 1816: Mr. GRAHAM.
H.R. 1839: Mr. KLECZKA.
H.R. 1843: Mr. RADANOVICH.
H.R. 1854: Mr. RUSH and Mr. DAVIS of Illinois.
H.R. 1904: Mr. BOYD, Mrs. EMERSON, and Mr. KUCINICH.
H.R. 1951: Mr. HINCHEY, Mr. DOOLEY of California, Ms. PELOSI, and Mr. PRICE of North Carolina.
H.R. 1984: Mr. BARRETT of Nebraska, Mr. DUNCAN, Mr. LATOURETTE, Mr. RADANOVICH, Mr. BISHOP, Mr. COBURN, and Mr. POMBO.
H.R. 2004: Mr. FROST.
H.R. 2025: Mr. ENGEL.
H.R. 2038: Mr. EHLERS, Mr. STEARNS, Mr. LEWIS of Kentucky, Mrs. CHENOWETH, and Mr. BUNNING of Kentucky.
H.R. 2040: Mr. DAN SCHAEFER of Colorado.
H.R. 2064: Mr. SAWYER.
H.R. 2120: Mr. REGULA.
H.R. 2129: Mr. OXLEY, Ms. NORTON, Mr. SPENCE, and Mrs. THURMAN.
H.R. 2140: Mr. COBURN and Mr. KLUG.
H.R. 2196: Mr. HUNTER.
H.R. 2200: Mr. DELLUMS.
H.R. 2002: Mr. GOSS, Mr. KLUG, Mr. YOUNG of Alaska, Mrs. FOWLER, Mr. BURTON of Indiana, Mr. RANGEL, Mr. KING of New York, Mr. VISCLOSKY, Mr. OWENS, Mr. MCKEON, Mr. EVANS, Mr. TAYLOR of Mississippi, Ms. DEGETTE, Ms. RIVERS, Mrs. MORELLA, and Ms. LOFGREN.
H.R. 2222: Mr. STARK.
H. Con. Res. 65: Ms. MCKINNEY, Mr. MICA, Mr. PAPPAS, Mr. CARDIN, Mr. BROWN of California, and Mr. SANDERS.
H. Con. Res. 100: Mr. HOBSON, Mr. MILLER of Florida, Mr. WATTS of Oklahoma, Mr. PRICE of North Carolina, Mr. STARK, Ms. PRYCE of Ohio, Mr. PORTMAN, Mr. TALENT, Mr. MCNULTY, and Mr. CANADY of Florida.
H. Res. 37: Mr. DOOLEY of California, Mrs. MEEK of Florida, and Mr. MCNULTY.
H. Res. 139: Mr. RADANOVICH.
H. Res. 183: Mr. WATT of North Carolina and Mrs. MCCARTHY of New York.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 695: Mr. BUNNING of Kentucky, Mr. EVERETT, and Mr. HEFLEY.
H.R. 1577: Mr. HILL.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2159

OFFERED BY: MR. CAMPBELL OF CALIFORNIA

AMENDMENT NO. 76: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 572. The amounts otherwise provided by this Act are revised by reducing the amount made available for ''ECONOMIC SUPPORT FUND'', and increasing the amount made available for ''CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND'' (as authorized by Section 526(c) Public Law 103–306; 108 Stat. 1632), by $25,000,000.

H.R. 2159

OFFERED BY: MR. PITTS

AMENDMENT NO. 77: Add a new section at the end of the bill:

CHILD SURVIVAL ENHANCEMENT

(a) Notwithstanding the provisions of Title II and section 518A, not more than $1,067,000,000 is appropriated for Development Assistance, of which not more than $285,000,000 may be made available for population planning activities or other population assistance.

(b) In addition to the amounts appropriated in Title II under the heading ''CHILD SURVIVAL AND DISEASE PROGRAMS FUND,'' $100,000,000 is appropriated for child survival activities pursuant to Section 104(c)(2) of Public Law 87–195, the Foreign Assistance Act of 1961.

H.R. 2159

OFFERED BY: MR. SAXTON

(Substitute Amendment to Amendment No. 64)

AMENDMENT NO. 78: Strike out the text of the amendment and insert instead:

''Page 1, strike line 1 and all that follows and insert the following:

'SEC. 572. None of the funds made available under the heading ''DEVELOPMENT ASSISTANCE'' may be used to support or promote illegal hunting or the illegal trade in elephant ivory, elephant hides, or rhinoceros horns,' ''.

H.R. 2159

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 79: At the end of the bill, insert the following new section:

SEC. . None of the funds in this Act may be used to pay for NATO Expansion not authorized by law.

H.R. 2159

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 80: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 572. None of the funds appropriated or otherwise made available by this Act may be made available for the Palestine Liberation Organization (P.L.O.), the Palestinian Authority, or successor entities until the President reports to the Congress that an agreement has been concluded among the Palestinian Authority, the Cairo Amman Bank of Gaza, the Overseas Private Investment Corporation, and any and all American companies that provides for any repayment of claims made by the Overseas Private Investment Corporation.

H.R. 2159

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 81: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 572. Not more than $73,000,000 of the funds appropriated or otherwise made available by this Act may be made available for the Palestine Liberation Organization (P.L.O.), the Palestinian Authority, or successor entities until the President reports to the Congress that an agreement has been concluded among the Palestinian Authority, the Cairo Amman Bank of Gaza, the Overseas Private Investment Corporation, and any and all American companies that provides for any repayment of claims made by the Overseas Private Investment Corporation.

H.R. 2264

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 24: In the item relating to ''NATIONAL INSTITUTES OF HEALTH—NATIONAL LIBRARY OF MEDICINE'', insert after the first dollar amount (before the comma) ''(reduced by $2,500,000)''.

In the item relating to ''OFFICE OF THE SECRETARY—GENERAL DEPARTMENTAL MANAGEMENT'', insert after the first dollar amount (before the comma) ''(increased by $2,000,000)''.

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

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Senate

The Senate met at 9:30 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:

Dear Father, the best that can happen today is that we will experience deep fellowship with You and enjoy You. The worst that can happen is that we might become so busy or distracted by life's demands that we would miss this privilege of friendship with You. This puts into perspective our secondary goals for today or the glitches in our plans that might occur.

This is the day You have made. We will rejoice and be glad in You, not just in another day. You alone are the source of the joy of any day.

You have taught us that the secret of a truly great day is that You will show the way. You have plans for us today. We don't want to miss them. Make us sensitive to the surprises You send our way. So help us not to forget that You are with us and want to have a moment-by-moment dialog with us throughout the day about the crucial issues before us. Thank You for Your grace and guidance. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator GRASSLEY, is recognized.

SCHEDULE

Mr. GRASSLEY. Mr. President, on behalf of Senator LOTT, the majority leader, I will make this announcement.

We announce that this morning, following morning business, at 10:30 a.m., the Senate will begin consideration of S. 39. That is the tuna-dolphin bill. Under a previous agreement, there will be 30 minutes for debate. It will be on that measure. Then it will be followed by a vote on the passage of S. 39.

Also under the order, a vote on the passage of S. 1048, the Transportation appropriations bill, will follow the tuna-dolphin vote. Therefore, Senators can anticipate two rollcall votes this morning. Hopefully that would be around 11 a.m.

As Members are aware, the House did file H.R. 2015, the conference report to accompanying the Balanced Budget Act of 1997; therefore, the Senate will hopefully begin consideration of that measure today at noon. Under the statute, there are 10 hours for debate on that conference report. And as always, Members will be notified as to when that rollcall vote can be expected.

Senator LOTT thanks our colleagues for their attention.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, there will now be a period of morning business until the hour of 10:30 a.m., with Senator DASCHLE or his designee in control of 30 minutes, and Senator GRASSLEY or his designee in control of 30 minutes.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

THE INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT

Mr. GRASSLEY. I have the privilege this morning, with our outstanding colleague, Senator KERREY of Nebraska, to announce my intention to introduce a piece of legislation, the Internal Revenue Service Restructuring Act, that is a product of the National Commission on Restructuring the IRS. That commission functioned for approximately 12 months. The success of the commission is a result of the leadership of Senator KERREY and Congressman ROB PORTMAN of Ohio.

As a member of the Commission on Restructuring the IRS, also as a current senior member of the IRS Oversight Subcommittee on the Finance Committee, and as the chief Senate sponsor of previous legislation that has been called the Taxpayers Bill of Rights I and the Taxpayers Bill of Rights II—and of course I am a taxpayer myself—I have been involved in several ways for many years in an effort to finally reach this point that we will make substantial changes, hopefully passing legislation, that will make substantial changes in the IRS and how it functions.

Congress is on the verge of a very major shift in power from the Federal Government to the people. The recommendations of this commission are a blueprint for the transfer of power. Understandably, there is much anxiety within the Federal Government at this moment. It is in anticipation of this loss of power. The anxiety is at the highest levels in the executive branch that I have seen it.

The American taxpayers have waited a long time for this to happen. They have suffered through decades of encounters with an agency that has been unaccountable, unresponsive, misleading, arrogant, and even abusive. The IRS has been granted enormous powers that at times seems to disrespect, even to undermine, civil liberties. The responsibilities to our citizens that go along with such power was not exercised by that agency.

Furthermore, IRS management seemed to have taken a vacation. Billions of dollars have been wasted. Performance failures were not met with discipline. Questionable activities were covered up by secrecy, mostly by abusing the authority of what we would all recognize as section 6103, the so-called privacy provisions. Congressional oversight of the IRS has been rendered all but impotent because of absurd 6103 restrictions. These restrictions make the Pentagon's highly secret and highly restrictive Joint Chiefs of Staff vault seem like a Freedom of Information office.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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I urge my colleagues to seize the moment. IRS reform is long overdue and is very vital.

Mr. President, I want to highlight just a few important issues recommended by the commission.

To restore accountability to the taxpayers, the commission has made several recommendations.

The one attracting the greatest attention has been the commission's proposal for an independent board to oversee the IRS. The commission's belief is that an independent board will provide an infusion of talent from the private sector to set appropriate performance measurements and reward or discipline managers who either meet or fail to meet these performance measures.

In private meetings, the administration appears to be divided on another proposal, the proposal for an independent board to run the IRS. But it appears unfortunate that some who oppose this proposal are doing so only because it signifies a monumental power struggle that they stand to lose.

Treasury officials, who years ago could not find the IRS even if they were standing at the corner of 11th and Constitution, are suddenly in fits about losing some control over part of their budget and their bureaucracy.

They must be reminded that the IRS is one of the few Government agencies that has a significant impact on almost every American. The American taxpayer deserves a modern IRS that provides taxpayer customer service on a level equal to that provided by private financial institutions throughout this country.

We have seen a lot of promises of reform coming from the Treasury of late, wholly in response to the work of this commission. Treasury assures us that IRS reform is their top priority and their best people are on it. But if Congress turns its back now on reforming the IRS and listens to the siren song of the Treasury Department, I predict that a year from now Congress will face the justified wrath of the American taxpayer.

Treasury officials who are locked in this power struggle trying to preserve their bureaucratic empire would do well to remember the quote of the first Secretary of the Treasury, Alexander Hamilton, who said, ''Here, sir, the people govern.'' That is the essence of what this commission would do, return power from the Federal Government to the people of this country.

I am also pleased that the commission did not call for the easy solution. The easy solution around Washington is just to give more money to some Federal bureaucracy. And the plea was made to us: More money is what is needed at the IRS. One Treasury official privately admitted recently that the IRS never would be serious about embracing reform as long as Congress kept throwing money at the bureaucracy.

Until 2 years ago, the IRS had seen continued increases in its budget for 40 years. This commission uncovered that hundreds of millions of taxpayers' dollars were being wasted. Clearly, the problem at the IRS is management, not money.

The commission made several findings and recommendations about protecting taxpayers and strengthening taxpayers' rights. I note that in the past, the Congress has focused its energies on giving rights to taxpayers who are in dispute with the IRS. The commission's recommendations build on this. We recommend a strengthening of taxpayers' rights in a number of areas, but I think of equal importance is the emphasis the commission has placed on protecting taxpayers, that is, preventing problems even before they ever happen by emphasizing quality of work and customer service by our IRS employees.

We all know the story of the small business owner who gets a notice from the IRS that he owes maybe $2,000 in additional taxes. The business owner goes to his accountant, who says he does not owe the IRS $2,000, but it is going to cost $5,000 to fight the IRS. So what does the small businessperson do? He pays the $2,000.

Why does this happen? Because the IRS puts such little emphasis upon quality control and upon taxpayers' rights. The IRS still measures its managers on dollars assessed, whether or not it is a proper tax owed.

Is it any surprise then that when a taxpayer does appeal, the IRS loses 72 cents on the dollar? It is wrong that many taxpayers have to spend millions of dollars fighting the IRS because there is no quality control.

I am pleased that the commission also emphasized the need for customer service. We recommend that taxpayers who are subject to examination or collection efforts or who simply try to contact the IRS to resolve a problem are provided a chance to comment on the service given. While revolutionary to the IRS, this is old hat for many State tax collection agencies as well as for business in the private sector. By measuring managers on customer service, we hope to begin to change the culture of the IRS and its employees.

Emphasizing quality service and customer service are ways to protect the taxpayers in the first place. It is also a way to measure the performance in an appropriate manner that will hold managers and employees at the IRS accountable for their action.

I suggest that the emphasis upon quality service and customer service is in keeping with what many saw as a mandate given to the Congress in 1994—moving power from Government to the people. The reforms suggested by the commission certainly emphasize that it is the taxpayer who comes first and it is serving the taxpayer as a customer that must be a top priority at the IRS.

Mr. President, I want to just briefly touch on a third point, the need for greater openness at the IRS. The commission found that the IRS was a very closed and insular organization. The commission put forward a first step to make the IRS more open to the Congress, more importantly, to the press as a policing agency within our process of Government. If we are going to be at all successful in changing the culture of the IRS, a key ingredient must be greater openness at the organization.

To encourage openness and also ensure accountability, there are three areas.

One, the IRS must be timely in responding to Freedom of Information Act requests.

Two, the IRS should not abuse its authority under section 6103 to cover up embarrassing information about management mistakes. For example, the commission highlighted that the IRS had abused its 6103 authority to hide from the press the fact that the IRS had provided Congress false information.

Three, the IRS must maintain and preserve documents. The commission itself discovered first hand several times that the former IRS historian Shelly Davis is right—that the IRS doesn't preserve records. Many requests by the commission for documents and data were met with the response that the data no longer existed or the documents could not be found.

Addressing these three areas of openness may not be headline grabbing, but my experience has shown me that they will go far in bringing accountability at the IRS and changing its culture.

My final point is to emphasize the commission's findings on the need to simplify the Tax Code. We heard from countless witnesses, as well as hundreds of IRS employees and thousands of taxpayers that the complexity of the code is crippling to IRS management.

While I've spent a lot of my time here criticizing IRS, let me make clear that the complex code is not the fault of the IRS, it is a burden placed on IRS management by Congress and the White House. It is clear that if we wish to see improvements at the IRS in customer service and relations with taxpayers, steps must be taken to simplify the code.

This IRS Restructuring Act will lead to better management of the IRS and better customer service in the field. I encourage all of may colleagues to cosponsor it.

Mr. President, before I yield the floor, my colleague is responsible for the tremendous product of this commission. It is not me. It is because he gave it the time it needed, the expert leadership it needed. I speak of Senator KERREY of Nebraska.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I am pleased to announce my intention to introduce the IRS Reform and Restructuring Act of 1997 with the senior Senator from Iowa, Senator GRASSLEY, who also was a day-to-day participant

in this effort and gave it a great deal of energy and expertise. As one can tell from listening to him, he has offered a tremendous amount of enthusiasm and orientation to the taxpayers concerned, the customers themselves, as well as the need to open the IRS up. He cited the example of Shelly Davis, who brought to the attention of the public, the taxpayers, the significant problems the IRS is having and found that, as her reward for doing that, she lost her job. I very much appreciate Senator GRASSLEY's leadership. I look forward to working with him on the Finance Committee to try to get this piece of legislation heard and marked up and, hopefully, on to final passage yet this year.

This legislation reflects the recommendations of the National Commission on Restructuring the Internal Revenue Service. My co-sponsor, Senator GRASSLEY, and I have been the Senate members of the National Commission for the last year, and have been part of the most unprecedented review of a government agency that an independent commission has ever conducted. Senator GRASSLEY and I will shortly introduce legislation based on this commission's work. The goal of this legislation is to make the IRS work for the American taxpayer.

This legislation is so important because there are twice as many people who pay taxes as vote. Citizens' faith that their government can be fair and efficient is dependent on a well functioning IRS. The days of the old-fashioned tax collector are over—the core of this legislation is based on a vision for a new IRS. We believe, in today's world, the job of the IRS is to operate as an efficient financial management organization. It is a myth that the bulk of the Federal revenue is generated through heavy enforcement. While the IRS must maintain a strong enforcement presence, its core and the core of the Federal revenue stream lie in a revamped, modern organization that can assist taxpayers promptly and efficiently, track account information, and send out clear notices. There is a breathtaking gap between the service levels of the IRS and those of the private sector.

The IRS has a 20-percent error rate for processing paper returns and expends an incredible amount of resources and focus to correct these errors. It captures only 40 percent of the data from returns and is still drowning in a sea of paper. It is typically 18 months before a return can be matched against 1099s. A private sector business that took on average 18 months to send someone a bill, certainly wouldn't stay in business very long.

This legislation offers both a realistic goal for those who will take charge of the agency and a credible plan for reaching that goal.

We spent the last year studying the problems and solutions for the IRS.

Clearly, our access to the IRS's operations and employees was unprecedented. We spent 12 days in public hearings, interviewed 300 IRS employees in field offices, and interviewed over 500 current and former officials from the IRS, the Treasury Department, congressional committees that oversee the IRS, and other IRS experts. We also commissioned consulting reports and internal reviews of IRS management, governance, work force, compliance, and customer service. Finally, we heard directly from citizens through town meetings and surveys. During all of this work, we continually asked the question: How can we make the IRS serve the American people?

There are many visible problems at the IRS that should be noted by all colleagues, especially those who take the view that perhaps we don't need to change. All of these visible problems dictate that we act and that we change the law.

The IRS has a law enforcement mentality, but the vast majority of its employees perform service functions including tracking finances, sending out notices, and assisting taxpayers.

In addition, the IRS has the general attitude that taxpayers are guilty, even though 90 percent of taxpayers are compliant.

Taxpayers also have a low opinion of service levels provided by the IRS and do not believe the IRS is trying to help make paying taxes easier.

Next, training is not a priority, and employees do not have the skills of their private sector counterparts.

Fifth, the IRS uses employee evaluation measures that do not encourage employees to provide quality service to taxpayers.

Next, the IRS management and governance structure makes strategic planning impossible and has caused a massive failure of the IRS' $3.4 billion computer modernization program.

Further, IRS computer systems were developed during the 1960's and 1970's and lack the capability to provide taxpayers with quality service.

Wasteful inefficiencies and high error rates exist in the processing of paper forms.

The Treasury Department has basically left the IRS to its own devices, leaving a vacuum in executive branch oversight of the agency.

Congressional oversight of IRS is scattered and can send confusing signals to IRS that can be manipulated by the IRS to avoid accountability.

Last, complexity and constant changing of the tax code is a major obstacle that intensifies all of these problems.

We heard from witnesses who estimate that the American taxpayers spend nearly $200 billion a year just to comply with the Tax Code. Complexity is a problem, not only in giving customer service, but as far as a drain on the U.S. economy.

A key problem identified by the Commission was a lack of a coherent, accountable structure to implement a long-term vision and goals. At the top levels of the IRS and at Treasury there are murky lines of accountability, a lack of necessary expertise to operate in the new information age, and no people of authority with significant tenure to get the job done. The officials at the Treasury Department have expertise in tax law, but do not have the expertise in areas of customer service, technology, and management to oversee the IRS. Worse, they are not around long enough to ensure focus on multi-year projects like the tax system modernization [TSM] or changing the culture of the agency to be more responsive to taxpayers.

Additionally, Treasury does not coordinate its own oversight: The Commissioner of the IRS must deal with various assistant secretaries on budget, operations, computers, and others. At the end of the day, the IRS Commissioner really reports to the Deputy Secretary who also manages 11 other agencies—not to mention the economy. The recently retired Commissioner of the IRS, Margaret Richardson, told us that she reported to three different Deputy Secretarys during her 4-year tenure as IRS Commissioner. Aware of these glaring problems, the Restructuring Commission began developing ideas for a new governance structure. Our criteria for success were: First, clear accountability, second, expertise in running a modern customer-oriented organization, and third, continuity.

To provide for accountability, expertise, and continuity the legislation we will introduce will include:

First, an Internal Revenue Service Oversight Board, appointed by the President for staggered 5-year terms. The board will: Approve the mission, objectives, and annual strategic plans of the IRS; oversee the IRS management; have significant tenure to force change throughout the organization; and have unique public and private sector expertise in managing large service organizations.

Second, the Commissioner will be appointed for a 5-year term, so he or she will be around long enough to achieve real change.

Third, the Commissioner will be given greater flexibility to hire or fire his or her own team of executives, who will bring new expertise into the IRS. While the board will keep an eye on long-range strategic issues, the Commissioner will run the organization and be given greater authority to do so.

Fourth, congressional oversight will be coordinated among the authorizing committees, the appropriating committees, and the Government oversight committees. Our legislation codifies coordinated oversight, stating that committee leaders, majority and minority, meet regularly to ensure that the IRS receives clear guidance from Congress, and that Congress is given the proper information to oversee the IRS.

This legislation draws clear lines of accountability between tax policy and tax administration, leaving all tax policy matters to the Secretary of the

Treasury. The legislation makes the Secretary of the Treasury a member of this new board, recognizing the link between tax policy and tax administration. Additionally, the Secretary of the Treasury would continue to have final say over the IRS budget before it is sent to Congress. Under this legislation, the board would send Congress a copy of their budget at the same time they send it to the Secretary, giving Congress an independent view of how much money to appropriate. In short, our new structure will bring heightened accountability to the IRS and tax administration.

Mr. President, the American people know that the status quo is no longer tolerable and that the IRS needs fixing; $3.4 billion was wasted on a failed modernization project. IRS operations are antiquated and outdated, and taxpayers—close to 90 percent of whom voluntarily pay their taxes—are generally, and unfairly, treated as if they are guilty of something when they contact the IRS.

The IRS's problems are rooted in the lack of strategic vision and focus, measures that do not encourage employees to treat taxpayers well, operational units that do not communicate with each other, and a systemic lack of expertise and continuity in management and governance. The legislation Senator GRASSLEY and I will introduce will put the IRS on the road to recovery with a reasoned, comprehensive approach to fixing these problems. When implemented into law, I am confident the result will be: Restored public confidence in the IRS; increased focus on customer service; cohesive oversight and governance; efficiency gains in IRS operations; and innovative compliance and customer service programs.

We hope for expedited action on our legislation so that the American people have the IRS they expect and deserve. Our work to restructure the IRS will go a long way toward restoring taxpayers' faith not only in our tax system, but in our Government, as well.

Mr. President, again, I congratulate and applaud and appreciate the dedicated service and expertise and leadership of the distinguished Senator from Iowa, Senator GRASSLEY.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I yield to the Senator from Arizona such time as he may require.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

CAMPAIGN FINANCE REFORM

Mr. MCCAIN. Mr. President, my colleagues and I have come to the floor this morning to briefly discuss the issue of campaign finance reform. It is our hope that during the August recess, discussions will progress and a plan developed to bring campaign finance reform before the Senate no later than the end of September.

Almost daily I have approached the majority leader and told him that we must move forward on campaign finance reform. The leader has been exceedingly gracious and shown much patience in listening to my missives. I want to thank the majority leader for his time and hope that soon, we can come to an agreement for floor time to debate campaign finance reform.

But I also understand that the leader is under great pressure to move many bills, and may feel constrained to commit at this time. I understand that situation. The leader has to deal with the wishes of 99 other Senators. However, my colleagues and I feel compelled to put the Senate on notice that the time to act on this matter is rapidly expiring.

We believe that we must begin the debate on campaign finance reform no later than the end of September, and therefore, if we cannot come to some agreement to bring the bill up freestanding, with an up or down vote on the bill itself, we will feel compelled to bring the bill to the floor by offering it as an amendment to some unrelated measure.

This is not an approach we relish. But we realize that we may have no other choice.

Delay no longer serves any purpose. Since before the last election, talk of campaign finance reform has dominated the American conversation. The public has a right to have this issue debated. Members have recognized this fact, and as proof of that recognition, have introduced over 70 campaign finance bills.

I recognize that many of those bills have laudable features. I want to sit down and work with the sponsors of those bills. And I further recognize that McCain-Feingold is far from perfect. As I have stated on numerous occasions, we have only two fundamental principles that are nonnegotiable:

First, we must seek to level the playing field between challengers and incumbents; and

Second, we must seek to lessen the influence of money in elections.

All else is negotiable.

Some of our colleagues in the House have begun discussing a scaled-down version of McCain-Feingold. I welcome those talks and want to state that if that is what is necessary to change our electoral system, then let's move in that direction.

Fundamentally changing the electoral system in order to restore the faith of the American people in our Democratic Government is our goal. We are open to compromise and negotiation. But we must act soon. It is our duty.

Last week the Economist published an editorial entitled ''The Fear of Foreign Cash.'' Although the title is slightly misleading, I would like to quote from this editorial.

The answer, at least on the strength of the hearings so far, is straightforward: foreign money is worse only because it is not American. And two meanings can be read into that. One is xenophobia: that century-old American fear of little yellow mercenary men, scurrying round now at the behest of a newly menacing power on the world stage. And the second meaning is that foreign money provides a convenient distraction. While it is being comprehensively investigated, with CIA men parked behind screens and giant blow-up charts of the destinations of Mr. Huang's telephone calls, politicians can be left free to attend their dinners, go to their fund-raisers, and continue in all the ways they know best to let their consciences and their legislative proposals be shaped, like warm wax, by the promise of a cheque.

While Mr. Thompson's hearings have been getting into gear, in other parts of Congress some 57 separate bills to reform campaign finance have been dying for lack of interest. Should anyone really care how good clean American money flows through the machine of American democracy? Well, yes, gentlemen: someone should.

Mr. President, I ask unanimous consent that this entire editorial be printed in the RECORD.

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

THE FEAR OF FOREIGN CASH

For two drowsy weeks, Senator Fred Thompson's committee has been conducting hearings into campaign-finance abuses during America's recent election. As a result, Americans now know that there was a Chinese plot to influence the 1996 campaign, though not who masterminded it or how wide it went. They know that John Huang, who once worked for an Indonesian bank with ties to the Chinese government, was given a post at the Commerce Department because he was such a good fund-raiser for the Democrats; but they do not know quite what use he made of his office and his fax machine. They are aware that Bill Clinton appreciated Mr. Huang and his fellow-fund-raiser, Charlie Trie, at whose Chinese restaurant in Little Rock Mr. Clinton often packed away the dim sum. But they are not yet clear what orders, if any, came down from the White House, beyond the sort that could be filled in small aluminium trays.

The largest question to be answered, however, is a simpler one. It is this: why is foreign money, applied to elections, so much worse than the American sort? When the Democratic National Committee learned that this money was ''illegal, inappropriate or suspect'', officials instantly returned it, as if it would corrode their hands. Yet how much was involved here? A mere $2.8m, out of $2 billion spent by both parties on campaigning. Of that total, $250m was ''soft'' money, subject to no limits, sent in by unions and corporations for the nebulous purpose of ''party-building''. Mr. Thompson's committee has undertaken to look into soft money later; but, meanwhile, how much of it has been returned as suspect? None, of course.

PERILS, YELLOW AND OTHERWISE

Democrats and Republicans alike will insist that the cases are not the same. Foreign contributions are illegal for good reason: outside powers may well be trying to weaken America, steal its secrets, compromise its security. Yet the supposed Chinese plot appears to have had nothing to do with national secrets, nor with persuading America to treat it kindly over trade. China just seems to have wanted to make friends in high places, as all lobbyists do; and it may well wonder why election money was so evil, when American congressmen have happily, and legally, availed themselves of $400,000-

worth of free trips to China over the past 18 months.

Is democracy hurt by this? Possibly; but no more than when a party or politician accepts money from any source with an interest to promote. Suppose that the Chinese government gave money in the hope of winning concessions in Asia-Pacific trade. Is this worse than the trade distortions and higher domestic prices already caused by years of election contributions from America's own sugar and peanut farmers? Or perhaps China thought an election contribution would encourage a blind eye to its abuses of human rights. Is this worse than the contributions that have won, for years, indulgent treatment for America's cigarette companies?

The answer, at least on the strength of the hearings so far, is straightforward: foreign money is worse only because it is not American. And two meanings can be read into that. One is xenophobia: that century-old American fear of little yellow mercenary men, scurrying round now at the behest of a newly menacing power on the world stage. And the second meaning is that foreign money provides a convenient distraction. While it is being comprehensively investigated, with CIA men parked behind screens and giant blow-up charts of the destinations of Mr. Huang's telephone calls, politicians can be left free to attend their dinners, go to their fund-raisers, and continue in all the ways they know best to let their consciences and their legislative proposals be shaped, like warm wax, by the promise of a cheque.

While Mr. Thompson's hearings have been getting into gear, in other parts of Congress some 57 separate bills to reform campaign finance have been dying for lack of interest. Should anyone really care how good clean American money flows through the machine of American democracy? Well, yes, gentlemen: someone should.

Mr. McCAIN. Mr. President, the Economist is exactly right. ''Should anyone really care how good clean American money flows through the machine of American democracy? Well, yes, gentlemen, someone should.''

Yes, we should and must. And we will have the opportunity to demonstrate our understanding of this issue when we return from recess.

Finally, I would like to thank my friend, RUSS FEINGOLD, my friend Senator COLLINS, Senator CLELAND, and so many others who have been involved in this issue and have made this a bipartisan issue, and one that I think deserves the attention of the Senate, and I think clearly deserves an answer for the American people.

Mr. President, I thank my friend, Senator FEINGOLD.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER (Mr. COATS). The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I yield myself such time as I require.

Mr. President, it is truly a pleasure to be here on the floor with my friend and colleague and fellow campaign finance reformer from Arizona, the senior Senator, Mr. MCCAIN, as well as our other colleagues who join with us today, including the junior Senator from Maine, Senator COLLINS, and shortly expected the senior Senator from Michigan, Mr. LEVIN, and, of course, my good friend, the junior Senator from Georgia, Mr. CLELAND.

We are all among a group of 33 Members of this body who have already cosponsored the McCain-Feingold legislation. As the Senator from Arizona said, we are here today to announce that we will be seeking consideration of bipartisan campaign finance reform legislation during the month of September.

We will continue our discussions, as the Senator from Arizona indicated, with the majority leader. And I am hopeful that we will be able to reach a compromise that will allow us to have an open public debate on this issue, and allow all Senators the opportunity to participate in offering amendments to our proposal.

However, as the Senator from Arizona has just indicated, if such an agreement with the majority leader cannot be reached, we are prepared to use other legislative proposals as a vehicle for campaign finance reform. That is not our preference. But we are committed to having a discussion of this issue and making sure there are votes on campaign finance reform during the month of September.

We have said for some time now—and the Senator from Arizona just reiterated—that our bipartisan proposal is far from perfect. We have repeatedly told Senators on both sides of the aisle that we are open to making changes for modifications to this package. We do have some fundamental issues, however, that we will not waiver on.

First, this proposal will ban soft money. The days when corporations, labor unions, and wealthy individuals could make unlimited contributions to the national parties will be over.

Second, the proposal must try to level the playing field between incumbents and challengers. Currently, we have a system that provides incumbent Senators with a reelection rate of 90 to 95 percent and provides virtually no assistance to legitimate challengers who are essentially being shut out of the democratic process.

We must provide an opportunity for candidates, particularly underfunded challengers taking on well-entrenched incumbents, to run a competitive campaign without having to raise and spend millions of dollars.

Finally, Mr. President, whatever package of reforms we consider and whatever modifications we are willing to make, those reforms must be balanced and bipartisan.

I am pleased at this point, Mr. President, to insert into the RECORD a statement today from the President of the United States, William J. Clinton, with regard to the campaign finance reform legislation.

Mr. President, I would now like to read from the President's statement, which he asked us to present as a part of this presentation.

The President says:

In my State-of-the-Union Address, I called on Congress to enact bipartisan campaign finance reform legislation. I said that delay could be the death of reform, and urged Congress to move forward quickly. I strongly support the decision by Senators McCain and Feingold to bring campaign finance reform legislation to the floor of Congress in September for a vote.

The problem with the role of money in presidential and congressional elections are plain. Since the campaign finance laws were last overhauled two and a half decades ago, the system has been overwhelmed by a flood of campaign cash. Both political parties are now engaged in an ever-escalating arms race for campaign funds. The consequences for our political system are clear; there is too much money in politics, and it takes too much time to raise.

To make sure that ordinary citizens have the loudest voice in our democracy, we must act to change the campaign finance laws. This year, I have asked the FEC to ban so called ''soft money'' to parties; I have asked the Federal Communications Commission to require broadcasters to provide free TV time to candidates; and the Justice Department has indicated it will defend spending limits in the courts. But these steps, however important, are no substitute for legislation. America needs—and the American people demand—strong, comprehensive campaign finance reform legislation. As the new century approaches, we have an opportunity and an obligation to restore the trust of the American people in their politics—and this is our chance to do it.

For years, the special interests and their allies have blocked reform. This year, those who seek to continue special interest influence as usual will filibuster again. But this year, we have an opportunity to come together across party lines to act and pass reform that cleans up the campaign finance system. September will be the time for members of the Senate to stand up and be counted for reform. I will do what I can to see to it that 1997 is finally the year that it is achieved.

Mr. President, we welcome the support and enthusiasm of the President of the United States for our effort.

The Senators who are here on the floor today have joined together across party and ideological lines to produce a compromise package that I like to refer to as moderate, mutual disarmament.

We have already heard the top 10 excuses for why we can't pass campaign finance reform. And frankly, I am amazed at some of the absurd arguments we have heard from opponents of reform.

We have been told, ridiculously enough, that there is not enough money flowing through our campaign system. That argument, incidently, is greeted with laughter every time I tell my constituents in Wisconsin that there are some folks in Washington who actually believe we need more money in our political system.

We have been told that our proposal is somehow inconsistent with the first amendment—a giant red herring given that a number of the leading nonpartisan, first amendment scholars in the country, including the nonpartisan Congressional Research Service, have all said otherwise.

We have been told that reform is not possible without a constitutional amendment, an argument all too familiar to those of us who were told that we could not have a balanced budget without a constitutional amendment.

We have been told that the Senate does not have enough courage to pass meaningful reform and that, once again, we should delegate responsibility to some sort of commission.

We have been told by some that this bill goes too far, and interestingly, by others that it does not go far enough. Some might point to that as the working definition of a moderate proposal.

We have been told that the American people do not care about this issue, despite numerous public opinion polls demonstrating 80 to 90 percent of the American people in support of these reforms.

We have been told that this issue requires further study, despite 29 sets of hearings, 76 CRS reports and 522 different witnesses testifying on this issue over the last decade.

We have been told that the outrageous fundraising practices that we witnessed in the last election and which have spawned congressional investigations, a Justice Department investigation, an FBI investigation, and a CIA investigation, and have led to charges of espionage, corruption and undue influence were ''a healthy sign of a vibrant democracy.''

In short Mr. President, we have heard more phony excuses than are heard by a high school vice-principal's office.

Fortunately, no one is buying these excuses. Not the Senators who are standing here on the floor today and certainly not the American people.

I look forward to having a public discussion during the month of September about the role of money in our political system. And I look forward to working with my colleagues on both sides of the aisle in passing meaningful, bipartisan campaign finance reform in 1997.

Mr. President, I want to conclude, as the Senator from Arizona did, by just mentioning the folks that are here on the floor with us today. Obviously, I have already talked about my great feelings about working with Senator MCCAIN on this, but I know that the other three Senators we are going to hear from—Senator COLLINS, Senator LEVIN, and Senator CLELAND—who are all members of the Governmental Affairs Committee, are intimately aware of what is wrong with our system. They have taken the time to come down here today to put forth a message, as Senator CLELAND has done so well at the hearings. He has asked a number of witnesses, ''Would these things have happened had McCain-Feingold been enacted?'' The answer in every case was, ''No.''

So that is the challenge before us.

Mr. President, at this point I would like to yield such time as she requires to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Thank you, Mr. President.

Mr. President, I am delighted to join my colleagues, particularly Senator MCCAIN and Senator FEINGOLD, in announcing our intent to bring bipartisan campaign finance reform legislation to a vote in September. At the State level, Maine has led the Nation on this issue, and the people of my State think the time has come for Congress to step up to the plate and enact meaningful reform.

As a member of the Governmental Affairs Committee, I have spent the past month listening to testimony about illegal campaign contributions. It is not a pretty picture. In my opening statement at the hearings, I observed that our political system suffers from a mania for money. If anything, the hearings have demonstrated that I underestimated just how intense that mania is.

Mr. President, we should be embarrassed by how our political system is viewed. Listen to the judgment rendered by Johnny Chung, one of the individuals alleged to have laundered foreign political contributions. ''I see the White House is like a subway—you have to put in coins to open the gates.'' What Mr. Chung did not say, because he did not have to say it, is that the vast majority of hard-working and honest Americans do not have enough coins to make the gates open.

This is not a partisan observation. All of us in this Chamber—Republicans and Democrats alike—should be embarrassed at the perception that the leaders of the greatest Nation on earth are accessible only to those with enough coins.

Mr. President, we should be embarrassed that the American people are convinced that we will never reform the system, that we will never put the integrity of our political system ahead of our self-interests.

Some argue that the relative quiet of the people means they are satisfied with the status quo, but that is wrong. In this case, silence sends a stronger message of disapproval than the loudest shouts of protest. The message that it sends is that people have given up on us. Look at the reform efforts at the State level, and you will see that it is not that the voters do not believe in campaign finance reform. It is that they do not believe in the U.S. Senate.

We all know that if left untreated, the disease that afflicts our political system will only grow worse. With the high cost of television ads, the money frenzy can only grow. Indeed, the television ad race has become the political counterpart of the nuclear arms race characterized by the same insecure feeling that one can never have enough.

None of us involved in this effort has all of the answers. We recognize that reforming our campaign finance laws raises difficult issues of public policy and thorny issues of constitutional law. Our approach is not set in stone. We are open to other ideas. We are open to compromise, but we are not open to letting the Senate duck this issue. Like my colleagues, I look forward to working with the leadership of this body to bring this matter to a vote. We have an obligation to the American people to ensure that such a vote comes about, and we are determined to make that happen in September.

Mr. President, the American dream has undergone some changes, not all of which are for the better. We are now living in a country in which any millionaire can dream of growing up to be a United States Senator. That may be an acceptable state of affairs during a time of peace and prosperity, when the Government does not need to call upon the people of this Nation to make sacrifices. But the unhealthy mix between money and politics may produce far more worrisome consequences during periods when America is tested. As with all reforms, the time to make them is before they are urgently needed.

I look forward to a vigorous debate and vote on this issue in September. I thank my colleagues for working with me on this important issue.

I yield the floor.

Mr. FEINGOLD. Mr. President, I am extremely grateful for the work of Senator COLLINS on this issue.

I now yield to the Senator from Michigan such time as he may require.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Wisconsin and congratulate the great Senators from Arizona and Wisconsin for their steadfast leadership on this issue. It is a privilege to join their cause and to join with others, Senator COLLINS and Senator CLELAND, in the Chamber this morning to speak on behalf of this bill.

Mr. President, I have in my hand here a copy of the current Federal campaign finance law. It says that individuals cannot contribute more than $1,000 to any candidate or political committee with respect to any election for Federal office. It says corporations and unions cannot contribute at all. In Presidential campaigns you are supposed to be financed with public funds.

That is the law on the books today. So how is it that we hear about contributions of hundreds of thousands of dollars from individuals, corporations and unions? Why do Presidents and Presidential candidates spend long hours fundraising for hundreds of thousands of dollars? How is it possible, we ask? We thought there was a law.

Well, there is, but in the race to compete and win elections, candidates and parties have found a way around the law, and that way is what we refer to as soft money. It is called soft money as opposed to hard money, which is the money regulated by the campaign finance laws, because soft money is easier to raise. You can get $500,000, say, from just one corporation or individual. You do not have to go to 500 different people and raise $1,000 each as you do with hard money. You can find one person who is rich enough and willing enough to pay a half-million dollars or more and you can then accept that contribution.

There is another part in current law which says that if you spend money in an election in support of a candidate or opposed to a candidate, you have to spend only money that is raised the hard way, following the limits. But here is a TV ad, and there are dozens like this one, and here we have a transcript of this TV ad, and anyone who would see this ad would think that it was opposed to a particular candidate. But this ad was produced and aired not with hard money, as the law requires, but with soft money, and here it is. It reads this way:

Who is Bill Yellowtail? He preaches family values but he takes a swing at his wife. Yellowtail's explanation. He only slapped her, but her nose was not broken. He talks law and order but is himself a convicted criminal. And though he talks about protecting children, Yellowtail failed to make his own child support payments, then voted against child support enforcement. Call Bill Yellowtail and tell him you don't approve of his wrongful behavior.

Now, there is no doubt that that ad, which was bought and paid for by an organization called Citizens for Reform, was designed to defeat Bill Yellowtail, but because it doesn't use any of the seven so-called magic phrases like ''vote against'' or ''defeat,'' it is not governed by our campaign finance laws.

Why? Because it is viewed as an issue ad, at least up until now, and not a candidate ad, and it can be paid for with soft money. Now, nobody really believes that fiction, but that is what the law currently allows.

So, Mr. President, you have the vicious combination under the current campaign system and outside of the control of our campaign finance laws of contributions of hundreds of thousands of dollars from one individual or corporation funding campaign ads that go directly for or against a particular candidate. The net result is that the exceptions to our campaign finance laws have swallowed up the rules. Our campaign finance laws are a sham and a shambles. Now we face the daunting task of trying to plug those loopholes, to make the law whole again and in making it whole to make it effective.

I am pleased to be here today to announce our intention, Mr. President, to get the Senate, one way or another, to take up the McCain-Feingold campaign finance reform bill in September. We are hopeful, of course, that we can work out an agreement with the majority leader to allow us to have an up-down vote on the bill. But if that cannot be arranged, we are committed to getting this legislation before the Senate in spite of the absence of such an agreement. It is not our preferred way to approach this legislation, but it may be the only way we can get it before the Senate. I hope not, but it may prove to be the only way.

Some will argue that we should first complete the campaign fundraising investigation into the 1996 elections currently being conducted by the Governmental Affairs Committee. But they know that we do not need more evidence to prove this crime. And the current state of our campaign finance system is a crime. What is already unlawful, of course, must be prosecuted, but too much of what is currently lawful should be unlawful. The McCain-Feingold bill is a comprehensive bipartisan bill supported by over a majority of this Senate. The President has said in a letter read by Senator FEINGOLD that he welcomes the opportunity to sign it. There is strong support in the House of Representatives. We are determined to bring this bill to the floor of the Senate and to keep it before the Senate until we get an up-down vote, and we are determined to do that in September.

The Fourth of July was supposed to be the date by which this legislation was to be considered. This year July comes in September, and we will act to get this legislation considered in an up-down vote by the Senate in September.

Again, I commend the leaders of this effort. It is going to take great strength and great energy to overcome the opposition, but we are determined to use our full energies to do just that.

I thank the Chair and I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Presiding Officer will advise the Senator from Wisconsin he has 4 minutes and 40 seconds remaining on his time.

Mr. FEINGOLD. We are delighted to have the persistence and expertise of the Senator from Michigan on this effort.

I yield all but 30 seconds to my friend from Georgia.

Mr. CLELAND. Mr. President, hearing the discussion in this Chamber today gets my juices flowing. I appreciate the comments of everyone here. It reminds me that back in my great State of Georgia there is a little town called Waycross that has adopted as its mascot a little comic strip character called Pogo. Pogo was a little possum that lived on the edge of the Okefenokee Swamp, and he was famous for one statement, which is, ''We have met the enemy and he is us.''

There is no question, Mr. President, that the enemy of campaign finance reform is us, and yet the friends of campaign finance reform are us. We have to resolve this issue. It is not going to be left up to anyone else, any one other body. We have to do it and no one else is going to do it.

I am extremely pleased to join with my distinguished colleagues from Arizona and Wisconsin and Maine and Michigan to discuss this critical issue that I think is one of the most important issues we face certainly this year.

Now, my friends, Senators MCCAIN and FEINGOLD, have indicated we will be voting on this issue in this Chamber this September. I certainly hope so. Three of us here also have the distinction, and I guess it is an honor, of serving on the Governmental Affairs Committee which is investigating a series of illegal and improper activities in connection with the Federal elections of 1996. All three of us—myself, Senator COLLINS, and Senator LEVIN—are recently veterans of the campaign finance wars, each of us having won election or reelection in the 1996 elections. I think that is one of the reasons why we have a burning desire to change the very system under which we ran.

While the Governmental Affairs Committee has more work to do in uncovering the full story of the 1996 elections, it is already abundantly clear that the atrocious current system of Federal campaign finance laws has made our country vulnerable to efforts by foreign as well as domestic sources to improperly influence our electoral process. As Georgia's secretary of state and certainly as a U.S. Senator, I have been aware for a long time of the domestic abuses of big money and special interests, and that concern has helped fuel my longstanding interest in significant campaign finance reform.

Mr. President, these Governmental Affairs proceedings have been an eye-opener for me. They have indicated to me the incredible vulnerability that this country and our political system experience in terms of foreign special interests. As the preceding speakers have indicated, we as a group are not wedded to any one plan. We will be working with other Senators to come up with the best legislation we can possibly put together. But we will insist that the final legislative language we will support and force a vote on in September be truly bipartisan, must be real reform and not a sham, and in my view to constitute real reform at a minimum we must reduce the role of big money in our political process, help level the playing field for less-financed candidates and must ban soft money altogether at the Federal level. One of the unifying threads of the Governmental Affairs investigation to date has been the very concentration virtually of all the fundraising abuses in both parties in the realm of soft money.

So I look forward to taking our case back home to our constituents in August and in forging a bipartisan compromise which does incorporate the necessary elements of real reform. We are not going to terminate our effort. We intend to terminate these abuses.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLELAND. I thank the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank my colleagues for an excellent presentation this morning. We are very much looking forward to September.

Let me include, because know various Senators have to go to Governmental Affairs Committee, one last anecdote. The chairman of the Governmental Affairs Committee, Senator THOMPSON, the other day heard reference to the McCain-Feingold bill, and he corrected it saying it's actually

been called the McCain-Feingold-Thompson bill. I think that is a good sign for the future of our legislation.

I thank the Chair.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

MEASURE PLACED ON CALENDAR—S. 1085

Mr. McCAIN. I understand there is a bill at the desk that is due for its second reading.

The PRESIDING OFFICER. The clerk will read the bill by title.

The legislative clerk read as follows:

A bill (S. 1085) to improve the management of the Boundary Waters Canoe Area Wilderness, and for other purposes.

Mr. McCAIN. I object to further proceedings on this matter at this time.

The PRESIDING OFFICER. The bill will go to the calendar.

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. McCAIN. I now ask unanimous consent that the Senate proceed to the consideration of S. 39 as under the consent agreement.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 39) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSE AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama, that requires—

''(A) that the total annual dolphin mortality in the purse seine fishery for yellow fin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(B) the establishment of a per stock per year dolphin mortality limit at a level between 0.2 percent and 0.1 percent of the minimum population estimate to be in effect through calendar year 2000;

''(C) the establishment of a per stock per year dolphin mortality limit at a level less than or equal to 0.1 percent of the minimum population estimate beginning with the calendar year 2001;

''(D) that if a dolphin mortality limit is exceeded under—

''(i) subparagraph (A), all sets on dolphins shall cease for the applicable fishing year; and

''(ii) subparagraph (B) or (C), all sets on the stocks covered under subparagraph (B) or (C) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(E) a scientific review and assessment to be conducted in calendar year 1998 to—

''(i) assess progress in meeting the objectives set for calendar year 2000 under subparagraph (B); and

''(ii) as appropriate, consider recommendations for meeting these objectives;

''(F) a scientific review and assessment to be conducted in calendar year 2000—

''(i) to review the stocks covered under subparagraph (C); and

''(ii) as appropriate to consider recommendations to further the objectives set under that subparagraph;

''(G) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under subparagraphs (A) through (C); and

''(H) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103'' before the period; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per stock per year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed those levels determined for 1996, or in any year thereafter, consistent with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation Program; and''

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(3) by inserting after subparagraph (B) the following:

''(C) the Secretary shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner to allow determination of compliance with the International Dolphin Conservation Program; or

''(ii) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(iii) after taking into consideration this information, findings of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation

with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) Section 101 (16 U.S.C. 1371) is amended by adding at the end the following new subsection:

''(d) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and to the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 304 of this Act, subject to the regulations issued pursuant to section 302 of this Act.''.

(e) Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by inserting after subparagraph (B) the following:

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

(g) Subsection (d)(1) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(1)) is amended to read as follows:

''(1) It is a violation of section 5 of the Federal Trade Commission Act for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'Dolphin Safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product was harvested using a method of fishing that is not harmful to dolphins if the product contains—

''(A) tuna harvested on the high seas by a vessel engaged in driftnet fishing;

''(B) tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets which do not meet the requirements of being considered dolphin safe under paragraph (2);

''(C) tuna harvested outside the eastern tropical Pacific Ocean by a vessel using purse seine nets which do not meet the requirements for being considered dolphin safe under paragraph (3); or

''(D) tuna harvested by a vessel engaged in any fishery identified by the Secretary pursuant to paragraph (4) as having a regular and significant incidental mortality of marine animals.''.

(h) Subsection (d)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(2)) is amended to read as follows:

''(2) For purposes of paragraph (1)(B), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain of the vessel which harvested the tuna certifying that no dolphins were killed or seriously injured during the sets in which the tuna were caught;

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer documented that no dolphins were killed or seriously injured during the sets in which the tuna in the tuna product were caught; and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which would provide for the verification of tuna products as dolphin safe.''.

(i) Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended further by adding the following new paragraphs:

''(3) For purposes of paragraph (1)(C), tuna or a tuna product that contains tuna harvested outside the eastern tropical Pacific Ocean by a fishing vessel using purse seine nets is dolphin safe if—

''(A) it is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or to encircle dolphins during the particular voyage on which the tuna was harvested; or

''(B) in any fishing in which the Secretary has determined that a regular and significant association occurs between marine mammals and tuna, it is accompanied by a written statement executed by the captain of the vessel and an observer, certifying that no purse seine net was intentionally deployed on or to encircle marine mammals during the particular voyage on which the tuna was harvested.

''(4) For purposes of paragraph (1)(D), tuna or a tuna product that contains tuna harvested in a fishery identified by the Secretary as having a regular and significant incidental mortality or serious injury of marine mammals is dolphin safe if it is accompanied by a written statement executed by the captain of the vessel and, where determined to be practicable by the Secretary, an observer participating in a national or international program acceptable to the Secretary certifying that no marine mammals were killed or seriously injured in the course of the fishing operation or operations in which the tuna were caught.

''(5) No tuna product may be labeled with any reference to dolphins, porpoises, or marine mammals, except as dolphin safe in accordance with this subsection.''.

(j) Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—

''(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this section not later than 6 months after the effective date of the International Dolphin Conservation Program Act.

''(2) TRACKING REGULATIONS.—Within 3 months after the date of enactment of the International Dolphin Conservation Program Act, the Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall include provisions that address each of the following items:

''(1) the use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported;

''(2) additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures;

''(3) the designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d);

''(4) the reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set;

''(5) the shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise;

''(6) the use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d); and

''(7) the provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake the actions required in paragraph (6) of this subsection.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

SEC. 5. AMENDMENTS TO TITLE III.

(a) The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating, dolphin mortality

in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Section 302 (16 U.S.C. 1412) is amended to read as follows:

''SEC. 302. AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations to implement the International Dolphin Conservation Program.

''(2)(A) Not later than 3 months after the effective date of the International Dolphin Conservation Program Act, the Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin mortality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing with the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not intentionally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determines, on the basis of the best scientific information available (including research conducted under subsection (d) and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse effect on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her findings, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency action no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's findings under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the problem described in the findings. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''(d) RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in cooperation with the nations participating in the International Dolphin Conservation Program and with the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1)—

''(A) may include projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) may include projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) may include projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States;

''(D) shall include projects to study the effect of chase and encirclement on the health and biology of dolphin and dolphin populations incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean; and

''(E) may include projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks, and nontarget species.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $8,000,000 to be used by the Secretary, acting through the National Marine Fisheries Service, to carry out the research described in paragraph (2)(D).

''(4) REPORT.—Within 5 years after the date of enactment of the International Dolphin Conservation Program Act, the Secretary shall complete and submit a report containing the results of the research described in paragraph (2)(D), together with any recommendations the Secretary may have to offer on the basis of the study, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Commerce of the House of Representatives, and to the Inter-American Tropical Tuna Commission. The Secretary shall include a description of the annual activities and results of research carried out under this subsection in the report required under section 303.''.

(d) Section 303 (16 U.S.C. 1413) is hereby repealed.

(e) Section 304 (16 U.S.C. 1414) is amended to read as follows:

''SEC. 303. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 302;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of

the efforts of the United States in support of the Program's goals and objectives, including the protection of dolphin populations in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.''.

(f) Section 305 (16 U.S.C. 1415) is hereby repealed.

(g) Section 306 (16 U.S.C. 1416) is amended to read as follows:

''SEC. 304. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 302, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 302, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorizations and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 305;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 305; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

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

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

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

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(h) Section 307 (16 U.S.C. 1417) is hereby redesignated as section 305, and amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

(B) by striking paragraph (2) and inserting in lieu thereof the following:

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued under pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(i) Section 308 (16 U.S.C. 1418) is redesignated as section 306, and amended by striking ''303'' and inserting in lieu thereof ''302(d)''.

(j) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. Authority of the Secretary.
''Sec. 303. Reports by the Secretary.
''Sec. 304. Permits.

SEC. 6. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

''SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

"SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

"The Secretary of State, acting through the United States Commissioners, shall take the necessary steps to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

"(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

"(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

"(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

"(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.".

SEC. 7. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN EFFECT.—Sections 3 through 6 of this Act shall become effective upon certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in effect.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 4(j) of this Act takes effect on the date of enactment of this Act.

Mr. McCAIN. Mr. President, we have an agreement to move forward on the tuna-dolphin legislation, S. 39, the Snowe-Breaux-Stevens-Kerry, et al., legislation.

This legislation would implement the International Dolphin Conservation Program. Senator SNOWE, who is responsible for this legislation, will soon offer a managers' amendment that will make several changes to the bill. As I stated last week, my consent to modifications was with the stipulation that any changes would not undermine the International Dolphin Conservation Program by causing the signatory nations to dissolve the agreement.

With the assurances we have received from the President's National Security Adviser that these changes meet that stipulation, I support strongly the managers' amendment.

Again, Mr. President, this legislation is supported by Greenpeace, the National Wildlife Federation, the World Wild Life Fund, the Environmental Defense Fund and the Center for Marine Conservation.

I ask unanimous consent to have printed in the RECORD at this time letters from these organizations and from the President endorsing this legislation.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 17, 1997.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN, The Center for Marine Conservation, Environmental Defense Fund, Greenpeace, National Wildlife Federation and the World Wildlife Fund, representing more than 10 million supporters in the United States strongly support passage of S. 39, *The International Dolphin Conservation Program Act*. We urge you to support S. 39, seek prompt consideration of the bill by the full Senate, and to oppose any procedural moves which would delay consideration of the bill.

Not only does the bill strengthen the Marine Mammal Protection Act, protection for dolphins in the Eastern Tropical Pacific (ETP) but it also protects the ecosystem by reducing the bycatch of endangered sea turtles, sharks, billfish and juvenile tuna. Additionally, the Act is an important step in solidifying the voluntary program presently in place in the ETP which has reduced dolphin mortality from 423,678 in 1972 to 2,700 in the last year. Enactment of S.39 and the development of the new international standards it prescribes will bring the conservation community significantly closer to the goal of eliminating dolphin deaths altogether.

We applaud your efforts to bring S. 39 to the floor for consideration. The amendments passed by the Senate Committee on Commerce, Science and Transportation have strengthened the bill considerably. Significantly, these changes directly address concerns about truth in labeling, because they prohibit the use of the of "Dolphin Safe" label on tuna if a single dolphin died or suffered serious injury during the fishing operation. That change means that the "Dolphin Safe" label will provide greater protection for dolphins than ever before. In addition, the bill as amended now provides numerous fail-safe measures to protect the dolphin populations in the ETP. The amended bill gives the Secretary of Commerce emergency powers to re-impose the trade embargoes if a detrimental change in the dolphin population is observed. While there is no indication in the current science that chase and encirclement adversely affects dolphins populations the bill, as amended provides that a five year study be done to determine the effects of chase and encirclement on those dolphin populations. If at any time the study shows adverse impact on the populations, the bill provides the Secretary of Commerce emergency powers to protect dolphins. In short, S. 39 offers a powerful and effective means of protecting dolphins, the Eastern Tropical Pacific ecosystem, and the American consumer.

This bill is supported by environmentalists, the fishing industry, and the Seafarers Union. It is based on sound science, and has been the subject of Congressional consideration for two full legislative sessions. Delay in enactment of S. 39 would mean sacrificing this important opportunity to strengthen the protection of dolphins and the ecosystem in which they live. We strongly urge you to seek prompt consideration of S. 39 by the full Senate and to oppose any procedural moves which would delay its prompt enactment.

Sincerely,

ROGER MCMANUS,
President, Center for Marine Conservation.

BARBARA DUDLEY,
Executive Director, Greenpeace.

KATHRYN FULLER,
President, World Wildlife Fund.

FRED KRUPP,
Executive Director, Environmental Defense Fund.

MARK VAN PUTTEN,
President, National Wildlife Federation.

THE WHITE HOUSE,
Washington, July 15, 1997.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: I urge the Senate to consider and pass S. 39, the International Dolphin Conservation Program Act.

The House of Representatives recently passed counterpart legislation with wide bipartisan support and it is my hope that the Senate will act similarly. As you know, this legislation has recovered the support of environmental organizations in addition to our nation's fishing industry. If enacted, S. 39 will allow the United States to implement the Panama Declaration, a strong international program needed to protect dolphins and other marine life in the Eastern Tropical Pacific Ocean.

I hope that the Senate acts in our national interest and passes this measure, which will permit the United States to maintain its leadership role in promoting better stewardship of our oceans and their valuable resources.

Sincerely,

BILL CLINTON.

Mr. McCAIN. The bill, which was approved in the House last year and again last May by overwhelming majorities, would implement the International Dolphin Conservation Program by making basically two changes to U.S. law. First, when the IDCP agreement is officially concluded, it permits the importation of tuna from the Eastern Tropical Pacific as long as dolphin-safe fishing practices are adhered to. Second, it will permit the labeling of tuna from this area as dolphin safe as long as no dolphin were killed or seriously injured during the catch and that science shows no significant adverse impact on dolphins.

Failure to enact this bill would be a devastating blow to our efforts to protect the marine environment. Without this implementing legislation, current fishing practices will continue, practices which scientists have learned have an adverse impact not only on dolphin but a host of other marine life including sea turtles and bill fish. Foreign fishing companies no longer bound by the international treaty may well resume even more harmful fishing practices which would spell disaster for dolphin. The impact of tuna fishing on dolphin is an international problem which demands an international response. Passage of this legislation will ensure the cooperation of the need to provide meaningful and sustainable protection for dolphin and other marine life.

Mr. President, I want to again thank Senator SNOWE, the chairman of the Ocean and Fisheries Subcommittee, Senator STEVENS, Senator BREAUX, and Senator KERRY of Massachusetts. They have been working on this legislation for 2 years. Senator SNOWE has held numerous hearings, has agreed to a number of compromises, and a number of amendments, and I would like to again congratulate her for her success in reaching agreement on this very difficult and controversial legislation. The enactment of this legislation is a great victory for the environment and the environmental communities and

they deserve enormous credit and gratitude.

I thank the other Senators without whose cooperation passage of this bill would not be possible. I would like to yield to Senator SNOWE for her comments including a description of the managers' amendment.

Mr. President, I yield the floor.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Maine.

Ms. SNOWE. I thank Senator MCCAIN, who, as chairman of the Commerce Committee, has shown tremendous leadership, and I congratulate him for getting this contentious bill to the floor.

Before beginning, I ask unanimous consent that Kate Wing, a Sea Grant fellow from the Subcommittee on Ocean and Fisheries, be given floor privileges during consideration of S. 3 9.

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

Ms. SNOWE. Mr. President, I would also like to commend the original sponsors of this legislation, Senator STEVENS and Senator BREAUX, for their stellar efforts on the bill before us today. They have spent a tremendous amount of time and energy over the past year and a half to get this bill to this point, and they have made every effort to accommodate the concerns of Senators with opposing views.

I would also like to thank Senator KERRY, the ranking member of the subcommittee, and Senators HOLLINGS, BOXER, and BIDEN who have been instrumental in helping us reach agreement on this bill, and I appreciate their efforts.

S. 39, the International Dolphin Conservation Program Act, will make the changes in U.S. law necessary to implement the Declaration of Panama, which was signed by the United States and 11 other countries in 1995. Under Panama, these nations agreed to conclude a binding agreement to protect dolphins in the Eastern Tropical Pacific tuna fishery, and to adhere to broadly sustainable methods of harvesting this tuna.

This bill enjoys a tremendous amount of public support. The Clinton administration, which negotiated the agreement, strongly supports this bill. As Senator MCCAIN indicated, a number of environmental groups are champions of this legislation as well. The World Wildlife Fund, National Wildlife Federation, Center for Marine Conservation, Environmental Defense Fund, and Greenpeace have all strongly supported this bill.

The bill is also strongly supported by the National Fisheries Institute, the U.S. tuna fishing industry, and the Seafarer's International Union.

The Panama Declaration and S. 39 represent a landmark international effort to achieve two critical objectives: to protect dolphins in the ETP, and to protect the entire marine ecosystem of this vast region. They do this by requiring the nations fishing in the ETP to meet exceedingly strict limitations on the mortality and serious injury of dolphins. In exchange for the other nations agreeing to this stringent conservation regime, the United States will lift its embargoes of tuna from other nations, and permit fishermen that set purse seine nets around dolphins to use the U.S. dolphin-safe label if they do not kill or seriously injure any dolphins.

This is the most effective and responsible way to achieve our dual objectives of protecting dolphins and the ecosystem of the ETP, and the reasons are twofold. While dolphin setting was once very deadly for dolphins, refinements to the practice in recent years have yielded tremendous gains. The graph behind me shows dolphin mortality per dolphin set, and we can see how successful fishermen have been in reducing mortality to dolphins in each set—99 percent since 1986.

These mortality reductions per set have in turn led to a precipitous decline in total dolphin mortality in the ETP, as this other graph behind me indicates as well. Overall dolphin mortality has plummeted 99 percent since 1986, even though the rate of dolphin setting has remained stable during that period.

At the same time, it has become apparent that the alternatives to dolphin setting—log and school setting—are very damaging to many other species. The table behind me shows the relative amounts of bycatch for each of the three harvesting methods.

I ask unanimous consent the table be printed in the RECORD.

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

Year	Number of Dolphin sets	Total dolphin mortality	Mortality per set	Dolphin sets as a percent of total sets
1986	10,507	133,174	5.34	59.82
1987	12,538	99,177	12.67	62.00
1988	10,571	81,593	7.91	47.75
1989	12,580	97,046	7.72	56.34
1990	10,571	52,531	7.71	51.95
1991	9,482	27,292	4.97	55.32
1992	10,326	15,550	2.88	56.16
1993	6,953	3,716	1.51	40.27
1994	7,804	4,095	0.53	50.00
1995	7,209	3,276	0.52	47.00
1996	7,353	2,766	0.45	52.00

Data from the Inter-American Tropical Tuna Association.

Ms. SNOWE. Mahi-mahi, for instance, a fish popular in white tablecloth restaurants in the United States, suffers far higher bycatch rates in log and school sets than in dolphin sets. Looking at blacktip sharks, we see a similar problem. The same is true for every other nondolphin species in the ETP. If you look at Mahi-mahi, you are talking about losing 30,000 Mahi-mahi fish for every 1,000 pounds of tuna caught in the eastern tropical pacific.

Mr. President, the basic intent of the Panama Declaration and S. 39 is to lock the nations that fish in the ETP into a very strict conservation regime that will require them to continue the progress made to date and eventually reduce dolphin mortality to a level near zero. And it is also to recognize a fishing method that causes very little harm to dolphins, but which is also the safest possible fishing method for all of the other species that live in the ETP.

Mr. President, as we know, some Senators have been concerned that dolphin setting may be causing unseen harm to dolphins, and they objected to the immediate change in the dolphin safe label contained in S. 39 as reported by the committee. The latest compromise that we all reached last week, and that is contained in the manager's amendment that was offered by Senator MCCAIN.

It requires the expeditious commencement of research to further study the effect of dolphin setting on dolphins. Tuna caught by dolphin sets may not be labeled dolphin safe until at least March 1999, at which time the Secretary of Commerce must review the preliminary results of the study, and make a determination as to whether or not dolphin setting is causing significant adverse impacts to depleted dolphin stocks in the ETP. If the Secretary finds no significant impact, then the label changes to permit tuna caught with dolphin sets to be labeled dolphin safe, as long as no dolphins were killed or seriously injured during harvest.

Between July 1, 2001, and December 31, 2002, the Secretary will review the completed results of the study, and make another determination. If significant adverse impacts to dolphins are found at that time, he must prohibit the labeling of tuna caught with dolphin sets as dolphin safe.

Mr. President, I think this compromise reasonably addresses the concerns on both sides, and it resolves what has been a very contentious issue. I urge my colleagues to support the

manager's amendment to S. 39, and the bill as amended.

I reserve the remainder of my time, Mr. President.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 5 minutes and 28 second.

Ms. SNOWE. Mr. President, I yield 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. BREAUX. I thank the Senator and start by congratulating her on the effort she has made in this regard, and Senator STEVENS from Alaska for the work he has done along with Senator KERRY, and also acknowledge Senator Barbara BOXER's longstanding commitment on doing what is necessary to preserve and protect dolphins.

As we bring this legislation to the floor, it is very, very significant, for we have been working on this for 25 years to try to improve on a program that I think has made great progress in preserving the ability for the tuna industry in the United States, one of the most popular fishing resources in the entire world, to be able to continue to operate in a manner that does not cause death or mortality or serious harm to dolphin, which conflict, many times, with the tuna fish themselves. This industry, I think, is to be commended because they have made tremendous strides in trying to preserve their industry, at the same time protecting dolphins. So they are to be congratulated for the great work they have done. This legislation hopefully will be an improvement. I commend all of those who have had a chance to be involved in it.

One concern that I do have is directly related to the labeling issue. As many of you know, the debate on the tuna-dolphin issue has a long and tortuous history. It was our own industry, primarily the U.S. canners, who started the dolphin-safe movement by voluntarily adopting that label back in 1990. It took several years and many millions of dollars to educate the American consumer about what the dolphin-safe label means. It was because of the industry's efforts and congressional backing that we still have that label today.

But today, when we pass S. 39, the Congress will establish criteria by which to evaluate the appropriateness of the dolphin-safe label. The definition of the label may change, based upon further scientific studies.

But let us not fool ourselves that there are some people who will oppose this change at all costs. One way to do this is through the use of alternative labels.

The existence of alternative labels alone is not problematic, but the misuse of those labels to deceive or mislead the American public is a problem. The original version of S. 39 recognized this fact and prohibited other labels that referred to dolphins or other marine mammals on a can of tuna. It made sense from a practical point of view—if the Congress is establishing very strict criteria for a Government dolphin-safe label, then it should be the only such label.

Opponents to this provision would argue on the right to free commercial speech. We must remember that commercial speech is not given the same degree of protection as individual speech. If a significant Government interest exists, then the Government can regulate such commercial speech. I believe that the conservation goals of the International Dolphin Conservation Program are such a significant Government interest. But in the spirit of compromise, I was willing to allow alternative labels under some strict conditions.

Alternative labels can exist if they meet the minimum standards of the dolphin-safe label, including the no mortality or serious injury standard as well as the support of a tracking and verification program similar to that found in S. 39. If you want to claim that you are as safe as dolphin safe, then you must be able to prove it. Alternative labels are subject to all applicable labeling, marketing and advertising laws and regulations of the Federal Trade Commission Act—this only makes sense.

But the concern on the misuse of alternative labels continues to exist. Our compromise would address this concern by forbidding any campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.

Finally, we ask the Secretary of Commerce to monitor the situation. If alternative labels are used in such a way to undermine the conservation goals of the International Dolphin Conservation Program, then the Secretary will make a report to the Congress. If our efforts here today, and over the past 2 years, are being thwarted by a campaign to undercut the label or International Dolphin Conservation Program, then we should know and we should take action to eliminate this problem.

Mr. President, I hope these safeguards are sufficient in dealing with the misuse of alternative labels. I can only support this bill if I know that our efforts and the goals of the binding international program are not being undone by a campaign which uses alternative labels to cerate market distinctions for the purpose of customer confusion or deception. I believe that we addressed this concern with our compromise. If not, I am sure that we shall visit this issue again.

In closing, Mr. President, I would like to acknowledge the leadership of my friend from Alaska, Senator STEVENS, who has helped guide this bill through to this day. I also would like to note the efforts of Senators SNOWE and MCCAIN who took a personal interest in protecting dolphins through an international agreement. My colleague from Massachusetts, Senator KERRY, helped to forge the compromise agreement which we stand to implement today. Of course, Senators BIDEN and BOXER should be noted for their continuing concern for dolphin protection—I am glad that our common interests were merged into common legislation. I urge my colleagues to vote in favor of S. 39.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Will the Senator yield to me?

Ms. SNOWE. Mr. President, I am more than happy to yield the remainder of my time to Senator STEVENS, who is a major sponsor of this legislation along with Senator BREAUX. I thank the Senator for his leadership on this issue.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes and 22 seconds.

PRIVILEGE OF THE FLOOR

Mr. KERRY. Mr. President, I ask unanimous consent that Jean Toal and Tom Richey be granted the privilege of the floor for this debate.

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

Mr. BREAUX. Mr. President, I ask unanimous consent my staff person, Paul Deveau, be granted the privilege of the floor.

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

The Senator from Alaska.

Mr. STEVENS. Mr. President, I introduced S. 39, the International Dolphin Conservation Program Act, in January of this year at the request of the administration.

The bill would implement the international conservation agreement called the Panama Declaration, which was signed on October 4, 1995, by the 12 nations that fish for tuna in the eastern tropical Pacific Ocean [the ETP].

These countries include: Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, Vanuatu, and Venezuela.

The President and Vice President strongly support the bill, as do Greenpeace, the Center for Marine Conservation, the Environmental Defense Fund, the National Wildlife Federation, the World Wildlife Fund, the American Sportfishing Association, U.S. labor unions, and the U.S. tuna industry.

The House of Representatives has passed measures similar to S. 39 twice—in both the 104th and 105th Congresses, by large bipartisan majorities.

Under the Panama Declaration and S. 39, a binding international agreement to reduce dolphin mortality and conserve fishery resources in the ETP will be created.

This binding agreement will cap dolphin mortality in the ETP at no more than 5,000 dolphins annually, with the goal of reducing the mortality of dolphins to zero.

It will also create binding observer, bycatch, and other conservation and management measures in the ETP similar to those we just enacted in our domestic fisheries in the Magnuson-Stevens Act.

These important conservation measures are contingent on specific changes to U.S. law.

The key changes include: A change to allow tuna caught in compliance with the Panama Declaration—including through the encirclement of dolphins—to be imported into the United States; and a change so that dolphin safe will mean tuna in the ETP caught in a set in which dolphin mortality occurred.

Under the agreement we have reached with Senators BOXER, BIDEN, and BREAUX, the second of these changes will be delayed.

Tuna caught by encircling dolphins in the ETP will only be able to be labeled as dolphin safe beginning in March 1999.

Before this happens, the Secretary of Commerce must determine—as we believe he will based on the scientific data we have already seen—that encirclement is not having a significant adverse impact on depleted dolphin stocks.

I have strong doubts about whether this delay is necessary, but the Latin American countries who signed the Panama Declaration with the United States have agreed to the delay.

It is appropriate that in 1997—the 25th anniversary of the passage of the Marine Mammal Protection Act—we are making improvements with respect to the protection of dolphins, a primary focus in our enactment of the original MMPA.

Since passage of the MMPA in 1972, dolphin mortality in the ETP has been reduced from over 400,000 per year, to below 5,000.

This decrease in dolphin mortality is primarily due to the development of a practice called the back-down technique, in which dolphin are safely allowed to escape from the net.

Our bill today acknowledges the vast improvements that have been made in this encirclement fishing method.

S. 39 will allow tuna caught through this method to be imported into the United States and thereby discouraged alternative methods—log sets—which we have learned have extremely high levels of bycatch.

We spent the last 3 years working on the new measures to curb bycatch in our domestic fisheries—this year's S. 39 will help with the situation in the ETP.

I thank Senator BREAUX for his work on the matter, along with Senator KERRY, and I want to acknowledge the leadership of Senator SNOWE in working out the final version of this bill.

I thank the staff: Trevor McCabe, of my office; Paul Deveau, from Senator BREAUX's staff; Clark LeBlanc, with Senator SNOWE and Senator MCCAIN; Kate Wing, from Senator MCCAIN's staff; Penny Dalton, along with Jean Toal, from Senator HOLLINGS' staff; Margaret Cummisky, from Senator INOUYE's staff; and Kate English and Tom Richey, from Senator KERRY's staff. It has been an excellent staff job.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I yield myself 5 minutes.

I would like to also thank all of those involved in this effort, which has been a very long, very complicated, sometimes difficult effort, but I think, nevertheless, an extremely important one, which is resulting in a very important conservation bill being passed.

I particularly thank Senator MCCAIN, Senator STEVENS, Senator HOLLINGS, Senator BREAUX, Senator SNOWE, Senator BOXER, Senator BIDEN, Senator DASCHLE, Senator INOUYE, and Senator SMITH, all of whom have been involved in the negotiations and effort to reach this point. I thank the representative from the White House, Katie McGinty, and the State Department, and the Department of Commerce who have all been part of these negotiations, and particularly the staff on both sides, the staff on the majority side that Senator STEVENS mentioned and also particularly Kate English and Penny Dalton, Tom Richey and Jean Toal on our side who have really spent hour upon hour upon hour trying to find a compromise.

I fought for this compromise because it includes the critical element missing from the original bill: enhanced protection for depleted dolphin stocks on the basis of sound science before any changes are made to U.S. law to ease restrictions on fishing procedures that could jeopardize dolphins. This was my key concern: sound science first.

In addition, the compromise strengthens the bill by adding a bycatch reduction program, mandating a research study, guaranteeing funding costs for its initiation, and strengthening the authority for the emergency regulatory provisions. Finally, tied to the conclusions of the research study, the compromise resolves perhaps the key concern over the timing of, and the process for, changing the definition of what constitutes ''dolphin-safe'' when that term is employed to label tuna products.

What this debate was and is about is the impact that fishing for yellowfin tuna in the eastern tropical Pacific Ocean [ETP] has had on the two depleted dolphin stocks placed at risk as a result of this fishing effort: the eastern spinner and northeastern offshore spotted dolphins. The authors of legislation that established the dolphin-safe label—Senators BOXER and BIDEN—intended the label as one method to bring attention to the plight of these quickly declining dolphin stocks due to the unsafe fishing practices of catching yellowfin tuna by setting nets on dolphins that swim with tuna.

Since the creation of the label and the embargo of tuna products from countries that do not use the dolphin-safe fishing methods, dolphin mortality has dropped significantly. This decline in mortality has been attributed to the attention that the United States brought to this issue through the dolphin-safe label, and to the efforts of nations which participate in the dolphin conservation program under the La Jolla agreement of 1992.

I think there is consensus that the La Jolla agreement and its successor agreement, the Panama Declaration, are very important to dolphin conservation. That is why I and Senators BOXER and BIDEN and others have continued to struggle to reach a compromise on this legislation which will move the Panama Declaration further along the path to creating an international treaty on dolphin protection.

The outstanding concern with the bill originally reported by the Commerce Committee was that it altered the international conservation regime, before the safety of those alterations were scientifically known to be safe for depleted dolphin stocks. This concern applied particularly to changing the definition of the dolphin-safe label as required by the Panama Declaration. In my judgement, a decision to change the criteria for use of the dolphin-safe label could only be made responsibly after the U.S. Government would authoritatively answer the question, ''What is the current health and abundance of these two dolphin stocks?''

We know that 10 years ago over 80,000 dolphins were killed each year in the ETP through the practice of setting on dolphins to catch giant yellowfin tuna. While the Technique has been modified, the practice still exists today.

The National Marine Fisheries Service, our Government agency charged with fisheries research and regulation, has not conducted a dolphin population study since 1987.

Proponents of the bill as reported by committee claim that empirical data provided by the Inter-American Tropical Tuna Commission [IATTC] provides enough information for them to feel comfortable that the dolphin stocks are safe and that no further study is needed. They conclude that IATTC observer data indicate that dolphin populations are either stable or increasing and that, taking into account the added number of boats fishing in the ETP since 1988, dolphin recovery is suggested.

BYCATCH VERSUS DOLPHIN

Supporters of S. 39 argue that, from a broader conservation perspective, catching yellowfin tuna by methods other than setting on dolphin results in the higher catch levels of juvenile yellowfin and bycatch including sea turtles, sharks, and marlin. I share their conservation concerns about bycatch and I support the bycatch reduction program added to S. 39.

However, I don't believe that we should address the bycatch problem at the expense of the two depleted dolphin stocks at risk in the ETP. That is why I have pushed so hard to ensure that

any changes made to Federal law regarding fishing agreements that impact these two dolphin stocks must be based on sound scientific knowledge regarding the dolphin populations. If we all could agree that the dolphin stocks are recovering and that the new fishing practices developed over that last 10 years are now safe for dolphins, then there would be agreement on lifting the embargo and revisiting the precept of the dolphin-safe label. The dolphin research study included in this compromise will provide the necessary knowledge to support or refute this conclusion.

HISTORY OF TUNA-DOLPHIN DEBATE

I would like to briefly describe the history of dolphin conservation and why this compromise is so important to it continued success. Since the enactment of the Marine Mammal Protection Act in 1972 there has been a dramatic decrease in the dolphin deaths from American fishing practices. However, in the early years of the MMPA, foreign nations had become a far more serious source of dolphin mortality. During the 1980's amendments to the MMPA required foreign nations to accept dolphin protection requirements comparable to those imposed on U.S. tuna fishermen, or become subject to a U.S. ban on tuna imports. Those protections include a ban on encircling dolphin using purse seine nets when fishing in the eastern tropical Pacific Ocean [ETP].

In 1990, following a voluntary prohibition on the purchase of tuna caught in association with dolphin by canned tuna companies, the U.S. implemented legislation to require a dolphin-safe tuna label which remains in use-today. The labeling law specifies that tuna caught in driftnets could not qualify as dolphin safe. That same year, the United States embargoed tuna imports from Mexico, Venezuela, and Vanuatu for failure to meet the MMPA requirements.

In 1992, the MMPA was further amended by the International Dolphin Conservation Act, giving the Secretary of State authority to enter into international agreements to establish a global moratorium on the practice of setting nets on dolphins and established a dolphin-safe market in the United States in 1994.

In 1992, the Inter-American Tropical Tuna Commission [IATTC] adopted a voluntary international agreement—the La Jolla agreement—establishing a multilateral program to reduce dolphin mortalities in the ETP. This agreement contains the goal of reducing dolphin deaths to less than 5,000 annually. Currently, 11 nations including the United States, participate in this voluntary program. While Mexico had been a participant in the program, they recently announced that they were suspending their formal participation in the voluntary program.

During the summer of 1995, five environmental groups and six Latin American nations negotiated the Panama Declaration, a new initiative to strengthen the IATTC dolphin protection program in exchange for eliminating the current United States ban on tuna that is not dolphin safe.

This brings us to today, where our efforts are focused on enacting the necessary legislation for implementing the Panama Declaration, and the requirements that we revise United States dolphin protections laws.

Thanks to the efforts of so many Senators, their staffs and others, the bill we are about to vote on now includes: a label change provision that accommodates our international obligations as laid out in the Panama Declaration, while providing enhanced protection for dolphins, and sound science for future conservation efforts.

The compromise reflected in S. 39 as amended, provides for a $12 million over 3 years to fully fund a study on the practice of chase and encirclement and its impact on depleted dolphin stocks. The bill requires a preliminary finding on the results of this study to be made in March, 1999. Unless the Secretary of Commerce finds that intentional encirclement has a significant adverse impact on depleted dolphin stocks, then the definition of the ''dolphin-safe'' label immediately changes to allow for the encirclement of dolphin—as long as no dolphin were killed or seriously injured in the process—as a legitimate fishing practice in the eastern tropical Pacific Ocean. Conversely, if the Secretary of Commerce finds that intentional encirclement does not have a significant adverse impact on depleted stocks, then the dolphin-safe label does not change at that time.

This compromise provides, further, for a second and final finding to be made by the Secretary of Commerce at the conclusion of the 3-year study, between July 2001 and December 2002, as to whether or not the intentional encirclement of dolphins has a significant adverse impact on depleted dolphin stocks or is preventing the recovery of such stocks. The Secretary of Commerce shall use the same threshold for this second determination.

In closing, Mr. President, this compromise is an important step forward for both continued dolphin protection and enhanced ecosystem protection. The agreement we reached accommodates our international obligations as laid out in the Panama Declaration, while providing enhanced protection for dolphins, and sound science for future conservation efforts. This bill also continues to protect consumers by maintaining the dolphin-safe standards. S. 39 represents a serious, well-vetted effort to bridge legitimate differences on how best to protection dolphins. I, therefore, encourage my colleagues to vote for its swift passage.

I ask unanimous consent that a letter from Kathleen McGinty at the White House be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, COUNCIL ON ENVIRONMENTAL QUALITY,

Washington, DC, July 29, 1997.

Hon. TED STEVENS

Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you know, members of the Senate and the Administration have reached a compromise on S. 39, the International Dolphin Conservation Act. A key component of this compromise is a comprehensive dolphin population abundance study and stress study to be undertaken by the National Marine Fisheries Service commencing in Fiscal Year 1998 and continuing through Fiscal Years 1999, 2000, and 2001. The Administration strongly supports this study and will work with Congress to obtain the necessary funding to initiate it in 1998. To ensure that the study achieves its scientific objectives, as laid out in the compromise, the Administration will seek the funds necessary to continue the study in Fiscal Years 1999 and 2000 and to complete it in Fiscal Year 2001.

Sincerely,

KATHLEEN A. MCGINTY,

Chair.

Mr. KERRY. Mr. President, I yield to the Senator from California 5 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mrs. BOXER. Thank you very much, Mr. President. I thank Senator KERRY, and I will say more about him in a moment.

Mr. President, we have travelled a very difficult route to get to this day. There are so many people I wish to thank. I will start off by thanking my colleagues, Senator JOE BIDEN and Senator BOB SMITH, for their constant support over the last several years on this issue. Senator BIDEN was the Senate author of the 1990 dolphin-safe label law that I authored in the House at that time. Senator SMITH has, time and time again, proven that he is a champion of dolphin protection. Getting this compromise worked out has been very difficult—and Senator JOHN KERRY was a master negotiator. When many of us on all sides of the issue thought we would never reach agreement, he stuck with it. We are here today in great part due to the dedication of Senator KERRY. He knows this issue, he was persistent, and he never quit.

I also thank Senator HOLLINGS, the distinguished ranking member of the Commerce Committee, for his leadership and, of course, Senator JOHN MCCAIN, the chair of the committee, for coming to the table, as well as Senator SNOWE, Senator STEVENS and Senator BREAUX.

One more thank you, Mr. President, to the 45 Senators from both sides of the aisle who stood with us in this fight. The only reason we got here today is they refused to vote for cloture on this bill. They made promises on it to their constituents, and they kept those promises. I feel, I have to say, that without them, we would not be here either. Senator DASCHLE, the Democratic leader, stood with us the entire time.

I think we have saved dolphin lives as a result of this compromise, and we have protected American consumers.

Mr. President, the whole argument over this bill really revolved around one issue: What is the definition of ''dolphin safe''? In 1990, we decided that if you want to get a dolphin-safe label, you have to fish for tuna in such a way as to not harm the dolphin. That is, you may not chase or encircle dolphin with purse seine nets on that fishing trip. There are those who believe there are new ways to use the purse seine nets that no longer harm the dolphin.

Many of us believe there is no proof of that. Senator BIDEN and I, Senator SMITH, the other Senators, and 85 environmental and consumer groups said we can't change the definition until we have a scientific study that tells us it is safe for dolphins. That is what this debate is all about.

Eleven countries put tremendous pressure on this Government to change the definition of ''dolphin safe'' before there was even a study. We believed that our position was the right position; there should be a study.

We did have to give on this. We wanted a 3-year study, and we did not want any change in the label until that 3-year study was analyzed. We did not win that point.

Essentially, the way the compromise works, in 18 months when the preliminary results come in on the study, if—if—the Secretary of Commerce believes that those preliminary results indicate that chasing and setting nets on dolphins is safe for dolphins then the definition of ''dolphin safe,'' will be changed. And if the study does not show that, the bill we are passing today says we will have no change in the definition.

So, yes, this is clearly a compromise. We have won 18 months of the status quo; 18 months when consumers know that the dolphin-safe label means just that, and after that, we will live to see the preliminary results of that study, I hope, and we can have a new debate at that time. But this is what compromise is all about.

I want to make one further statement, Mr. President, because there is a disturbing element in all of this to me, and it doesn't just come into being with respect to this issue; it is an overall issue. And that is, I have a very straightforward opinion that American laws should be made by Americans; that, in fact, our environmental laws, all of our laws, our labor laws, ought to be made by the people who are sent here to fight out those issues. American laws should not be made by other countries.

I was disturbed in the course of this debate that, in fact, there was tremendous influence from other countries. I think there are many Senators who feel that is appropriate, and I think this debate shall continue, but we have a very good law on the books and I am proud to say it is going to stand for 18 months.

I look forward to making sure that the bill we are passing today comes back after conference in just this format, and it can be signed into law. Thank you very much, Mr. President. I reserve my side's time.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes 18 seconds.

Mr. KERRY. Mr. President, I thank the Senator from California, and I thank her particularly for her comments about me. I am very appreciative of that. I thank her for her extraordinary tenacity in this effort and willingness to fight for what she believes in, which she did.

I also want to emphasize that I believe this was a fair compromise arrived at by a lot of people who wanted to do what was in the best interest. I thank Senator SNOWE and Senator MCCAIN for their patience in this effort. It was trying at times and sometimes there were some difficulties along the way. They have been very gracious and very decent in arriving at this. I think a compromise is a compromise. Everybody agrees to settle, and they do so because it is in the best interests ultimately of the issue, and that is what has happened here.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1045

(Purpose: To make changes in the bill as reported by committee)

Ms. SNOWE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. BREAUX, Mr. STEVENS, and Mr. MCCAIN, proposes an amendment numbered 1045.

Mr. KERRY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1045) was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BREAUX. Mr. President, I would like to engage the bill managers and Senator STEVENS in a colloquy.

As a chief cosponsor of S. 39, my understanding is that the appropriate standard of judicial review that would apply to the Secretarial findings in section 5 on whether dolphin encirclement is having a significant adverse impact on dolphin stocks in the standard under the Administrative Procedures Act. Is that the understanding of the bill managers and the sponsor of the bill?

Ms. SNOWE. Yes, the Senator is correct on that point. The Secretarial determinations to which you refer are included in S. 39 as an amendment to the Dolphin Consumer Protection Information Act. That act does not specify any alternative standard of review, and therefore the standard under the Administrative Procedures Act would apply. Furthermore, the bill managers intend that such standard will apply to the Secretarial findings in section 5 of S. 39. this standard involves a review of the administrative record, and a determination of whether the Secretary acted in an arbitrary and capricious manner.

Mr. STEVENS. I concur with Senator SNOWE. As the original sponsor of the bill, it is my intent that the Secretarial findings in section 5 be subject only to the scope of judicial review in the Administrative Procedures Act. That is clearly the appropriate standard, and I think we all agree on that.

Mr. KERRY. I concur with Senator SNOWE and Senator STEVENS on this point.

Mr. BREAUX. I thank the Senators for clarifying that point.

Mr. CHAFEE. Mr. President, I commend the efforts of the Senator from Alaska Senator STEVENS, and the Senator from Maine Senator SNOWE, for bringing this much-needed legislation to the floor. It has been nearly 2 years since legislation was first introduced in the Senate to implement the Panama Declaration, an international agreement which will promote marine conservation in the Pacific Ocean. I recognize that the opponents of this measure have strong convictions, and am pleased that the two sides were able to work out a compromise that, most importantly, is consistent with the international agreement which the United States signed.

Let me first state my view that eliminating dolphin mortality must remain a top priority as the Senate considers this bill. Like so many Americans, I will not soon forget the tragedy that occurred in the 1970's, when hundreds of thousands of dolphins were killed annually from tuna fishing in the Eastern Tropical Pacific [ETP]. In 1972 alone, more than 420,000 dolphins were killed there. While we can all applaud the tremendous progress that has been made in reducing dolphin mortality in recent years, Congress must be vigilant in working toward complete elimination.

But dolphins are not the only species adversely impacted by tuna fishing in the Eastern Tropical Pacific, sometimes called ETP. New fishing methods have resulted in significant bycatch of nondolphin species, including juvenile tuna. These other marine species in this ecosystem must also be protected, and legislation should address this larger goal.

The question before the Senate today is how do we best achieve sustained conservation in the ETP tuna fishery? We must first acknowledge that much progress has been made in reducing dolphin mortality through new fishing techniques such as the back down procedure. Through this technique, the back edge of the purse seine fishing net sinks below the surface, allowing dolphins to swim out. In 1996, dolphin mortality in the ETP is currently estimated at a record low of less than 3,000, down from record highs of more than 400,000 in the 1970's. That's a 99-percent reduction.

International cooperation in conserving this resource, particularly through the voluntary measures of the La Jolla agreement of 1992, has also been a primary factor in achieving this great success. Among other things, this landmark agreement, which was signed by 10 nations, established strict dolphin mortality limits and required observers to be present aboard tuna fishing boats in the ETP.

In order to continue this tremendous progress, the United States must continue to work with our neighbors on multilateral efforts to conserve this resource. This involves enacting the legislation before the Senate today, S. 39, which implements the Panama Declaration.

Contrary to much of what has been said in the 2 years since it was signed, the Panama Declaration represents the best in international conservation. It would retain—and in many cases, enhance—the provisions of the La Jolla agreement that have been so successful in reducing dolphin mortality and protecting the tuna fishery. Let me be clear: the Panama Declaration will not threaten the dolphin population in the Eastern Tropical Pacific.

Unlike the voluntary La Jolla Agreement, the Panama Declaration is binding upon its signatories. Among its many stringent requirements are reductions in the annual overall limit on dolphin mortalities that were established by the La Jolla agreement. These limits include per-stock mortality limits to protect all dolphin populations.

The Panama Declaration also increases enforcement and monitoring efforts to protect dolphins, including mandatory observers on all tuna fishing vessels. In addition, it sets as an agreed goal the elimination of all dolphin mortality in the ETP tuna fishery. And the Panama Declaration has teeth: if foreign nations do not comply, then the United States can reimpose our tuna embargo.

Opponents of S. 39 have been concerned over its change in the definition of dolphin safe, as mandated by the Panama Declaration. It is important to note that the new definition of dolphin safe is not weaker than current law. Let me explain.

When the current definition was adopted in 1990, the dolphin safe label was intended to prevent the import of tuna into the United States that were caught by encircling dolphins. This definition made good sense in 1990 since, historically, fishing methods that encircled dolphins caused high mortality rates. But as I've stated, recent modifications to the encirclement method of tuna fishing have resulted in reduced dolphin mortality.

A more sensible definition of dolphin safe should mean no dolphins were killed during the tuna fishing, rather than no dolphins were encircled. Under the new definition, if even one dolphin is killed in the process, that tuna cannot be labeled dolphin safe. Proponents of the old definition want truth in labeling. I agree with this. But, don't consumers expect that dolphin safe means no dolphins were killed? The Panama Declaration and S. 39 would do just that.

In any event, so as to be absolutely sure that these new encirclement techniques do not adversely affect dolphin stocks in the ETP, the compromise before us today delays the label change until NOAA conducts a preliminary survey of these stocks. This slight delay should not threaten United States participation in the Panama Declaration, allowing its strong conservation requirements to be implemented.

The Panama Declaration also recognizes the importance of protecting nondolphin marine life in the ETP that has been harmed by tuna fishing. The controversy over dolphin mortality has encouraged tuna fishermen to utilize alternative methods to encirclement—namely school sets and log sets. These techniques, while more protective of dolphins, are well known to cause destruction of nondolphin marine life, including sea turtles, billfish, sharks, and juvenile yellowfin tuna.

NOAA scientists have warned repeatedly that the high bycatch of juvenile tuna, associated with these two fishing methods, might actually imperial tuna stocks in the future—to say nothing of their impact on other species. As envisioned by the Panama Declaration, S. 39 requires the United States to implement a program to reduce bycatch of all marine life in the ETP, not just dolphins.

Mr. President, today the United States confronts a choice that must be made soon on how best to conserve marine life in the Pacific Ocean. Negotiators have worked out a compromise that will allow the United States to choose the best option. This option entails joining our neighbors in implementing a binding, carefully crafted international agreement that includes strong mandates that will protect dolphins and other species.

Another option involved going it alone, sacrificing what little leverage we have in an increasingly foreign fishery. Keep in mind that the ETP is completely outside the jurisdiction of the United States. We cannot simply go in and tell others how to fish.

Instead, our best chance of promoting conservation is through a multilateral, rather than a unilateral, forum. But other signatories to the Panama Declaration will not wait forever while the United States Congress continues to debate this issue. The time to act is now.

If we had chosen to go it alone, dolphins would not necessarily have been saved. Indeed, more dolphins may well be killed if the United States rejects the Panama Declaration, as fishermen will likely abandon the voluntary provisions of the La Jolla agreement. What incentive would these fishermen have to conserve if the largest consumer of tuna maintains an embargo on their product and refuses to participate in international conservation efforts?

Because the Panama Declaration offers the best hope for marine conservation in the ETP, S. 39 has been endorsed by Greenpeace, National Wildlife Federation, Center for Marine Conservation, Environmental Defense Fund, and World Wildlife Fund. These groups recognize the merits of this multilateral approach.

I again commend the tireless efforts of the authors of this legislation, and urge my colleagues to support S. 39.

Mr. HOLLINGS. Mr. President, the manager's amendment before us today is the product of many hours of work on the part of a number of my colleagues. I would like to express my personal appreciation to my friend, the chairman of the Commerce Committee, Senator MCCAIN, and the chair of the Subcommittee on Oceans and Fisheries, Senator SNOWE, for their personal efforts and willingness to delay consideration of this legislation until interested parties could work out an agreement.

In addition, I particularly would like to acknowledge the effort of the ranking Democrat on the subcommittee, Senator KERRY for his commitment to reaching a compromise. The Senator from Massachusetts made the mistake at our hearing on this legislation of volunteering to find a middle ground between the proponents and opponents of S. 39. Since that time, he has spent hours listening to and trying to accommodate the concerns of all sides in this contentious issue. Without his tireless effort, we would not be standing here today.

My own interest in this legislation has always been: to ensure sound conservation of marine mammals; to provide consumers with the information they need when purchasing tuna; and to ensure U.S. tuna fishermen a level playing field on which to compete.

The bill before us now is a far better bill. It addresses many of the concerns of Senators BOXER and BIDEN as well as others. These two Senators have been leaders in the area of dolphin protection—they wrote the dolphin-safe labeling law and have legitimate concerns about changing the dolphin-safe label without the scientific research to ensure that the tuna fishing methods allowed by S. 39 are safe for dolpins. The compromise before us today ensures that there will be a study of the effect of chasing and encircling dolpins and bases a change in the meaning of ''dolphin safe'' on the results of that study.

Furthermore, the compromise addresses the concerns of Senator INOUYE. It allows alternative labels on tuna but makes sure that the claims on those labels are true and can be verified.

Again, I thank the primary sponsors of the bill, Senators STEVENS and BREAUX, and all of the parties who worked on the manager's amendment for their efforts to improve this legislation.

Mr. THURMOND. Mr. President, when the President signs the International Dolphin Conservation Program Act, the United States will have joined the rest of the tuna-fishing nations in the Eastern Pacific in pledging that, in the future, no dolphins will be killed in the harvesting of tuna. Further, the transition to better fishing methods will result in a significant reduction in by-catch waste in that portion of the ocean. This is a remarkable achievement.

My colleagues from Alaska and Louisiana, Senators STEVENS and BREAUX, have pressed on for 2 years to see that this agreement is ratified. Their perseverance should be recognized and appreciated. Finally, this bill would likely have never become law had the subcommittee chairman, Senator SNOWE, not gathered the various parties to work out a compromise that would assure passage of this implementing legislation. She is to be commended for her skill and stamina in seeing this measure to its successful conclusion.

I yield the floor.

Mr. BIDEN. Mr. President, I am pleased to rise in support of the compromise amendment to S. 39—the so-called tuna-dolphin bill.

In forging this bipartisan agreement, we have struck a proper balance between resolving the market access problems now faced by other countries and keeping the faith with American consumers. It is a fair deal.

In short, the bill implements an international dolphin protection regime—known as the Panama Declaration—while maintaining the current dolphin-safe label during the pendency of a study on the impacts on dolphins from purse net tuna fishing.

In March 1999—after scientists have preliminary determined whether purse net tuna fishing harms dolphin stocks—the Secretary of Commerce is to make a determination as to the appropriate dolphin-safe label, whether that be the current one that Senator BOXER and I wrote into law in 1990, or another protective version. This decision will be reviewed in the year 2001.

Also included in the bill are provisions requiring Latin and South American countries tuna fishing the Eastern Tropical Pacific Ocean to enroll in an expanded dolphin protection program, which includes on-board observers. This will enable us to lock-in and improve upon the tremendous gains that we have already made in decreasing dolphin mortalities.

This amendment represents a compromise on process, not a cave-in on principles. Again, we retain for every letter of the current dolphin-safe label. In 2 years' time the question will be if the label should be changed—not when it should be changed.

I would also note that I do have some reservations regarding the adequacy of the data that will form the basis of the March 1999 label review. Only one population survey will be available at that time; this will not be an abundance of information upon which to make an informed and unbiased decision. I urge the Secretary of Commerce to err on the side of caution during the preliminary review and not make science conform to political will.

I would like to recognize and publicly thank my colleagues who worked so hard in crafting this agreement, particularly Senator BOXER, Senator KERRY, Senator BREAUX, Senator SNOWE, Senator MCCAIN, and Senator STEVENS. Each spent a great deal of personal time trying to bridge the gap in this debate, and I am grateful for their efforts.

In closing, this agreement continues to protect dolphins while keeping our faith with the American people. It is environmentally and economically the right thing to do, and I urge its passage.

FUNDING FOR DOLPHIN RESEARCH

Mr. STEVENS. Mr. President, an agreement has been reached to address concerns with S. 39, the International Dolphin Conservation Program Act. The agreement is contained in the manager's amendment to S. 39 offered by Senator SNOWE. Under the agreement, the Secretary of Commerce is required to conduct a multi-year study on dolphin and dolphin stocks taken incidentally in the eastern tropical Pacific Ocean (ETP) purse seine fishery. The Secretary will use the information from this study to make two separate findings that will determine whether or not tuna caught in the ETP by intentionally encircling dolphins can be labeled as dolphin safe in the United States. Senator SNOWE's amendment authorizes appropriations of $4 million in fiscal year 1998, $3 million in fiscal year 1999, $4 million in fiscal year 2000, and $1 million in fiscal year 2001 to complete the study. These amounts are based on National Marine Fisheries Service estimates for the costs for the study. I have received a letter from the White House indicating that the administration will request funds for the study in fiscal years 1999, 2000, and 2001. If the administration follows through on its commitment to request these funds, I will do everything I can to ensure they are appropriated.

Mr. BYRD. Mr. President, I am supportive of the effort to appropriate the funds necessary for the study outlined in the manager's amendment to S. 39, beginning in fiscal year 1998. In fact, it is my understanding that the manager's amendment is written so that a number of sections in S. 39 will become effective only after funding for the first year of the study has been provided. It is clear to me that full funding for this research is a critical element of the agreement on S. 39.

Mr. GREGG. Recognizing the importance of this study to the compromise reached on S. 39, funds were added to the fiscal year 1998 Commerce, Justice, State appropriations bill in the Senate to complete the first year of work. We will work together to protect this appropriation in conference. I, too, encourage the administration to follow through on its commitment to include the funds for fiscal year 1999, 2000, and 2001 in its budget requests, and will work to include the funds in appropriations if they are requested.

Mr. HOLLINGS. Mr. President, I join my colleagues in supporting appropriations for the completion of the dolphin study. The manager's amendment to S. 39 developed by the Commerce Committee is written so that most of the operative provisions of bill will become effective only if funding for the fist year of the study has been provided. The White House has expressed support for the appropriation mentioned by Senator GREGG for fiscal year 1998, and has indicated that funding will be requested to complete the study in fiscal year 1999, 2000, and 2001. Together with Senators STEVENS, BYRD, and GREGG, I support the fiscal year 1998 appropriation for the first year of the study, and will support funds in years to come to complete the study.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Democratic leader.

Mr. DASCHLE. Mr. President, I appreciate very much your recognizing me prior to the time we go to third reading. I will be very brief. I am not sure we have any time left. If we don't, I will just use leader time.

I just want to say how much I appreciate the effort made by the Senators who are on the floor to bring us to this point. This has been a 2-year-long debate. Obviously, there have been good intentions on both sides, and negotiations have resulted in a compromise that brings us to a point that will allow us to address this issue in a meaningful way.

I congratulate the administration and those who worked with us to accomplish this within the administration. But I particularly want to thank

Senators BOXER and BIDEN who pioneered the establishment of the dolphin safe label all the way back to 1990, who recognized the importance of this issue and dedicated themselves to solving it as they did back then.

I thank Senator HOLLINGS, the ranking member of the Commerce Committee, Senator SNOWE, the chair of the Oceans and Fisheries Subcommittee, for her work, Senator MCCAIN, Senator STEVENS, and Senator BREAUX, who developed and introduced the legislation to implement the Panama Declaration, and perhaps a special thanks goes to Senator JOHN KERRY, the ranking member of the Oceans and Fisheries Subcommittee whose patience and guidance and leadership was critical to bringing all sides together in reaching this agreement.

So this is a very good moment for us. It is another opportunity to demonstrate the commitment that we have in working together to face these serious questions in a meaningful way. So, to all of those involved, especially Senators BOXER, BIDEN, and KERRY, my thanks. I hope we can address this matter now by an overwhelming vote here in the Senate.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] is necessarily absent.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 207 Leg.]

YEAS—99

Abraham	Craig	Hollings
Akaka	D'Amato	Hutchinson
Allard	Daschle	Hutchison
Ashcroft	DeWine	Inhofe
Baucus	Dodd	Inouye
Bennett	Domenici	Jeffords
Biden	Dorgan	Johnson
Bingaman	Durbin	Kempthorne
Bond	Enzi	Kennedy
Boxer	Feingold	Kerrey
Breaux	Feinstein	Kerry
Brownback	Ford	Kohl
Bryan	Frist	Kyl
Bumpers	Glenn	Landrieu
Burns	Gorton	Lautenberg
Byrd	Graham	Leahy
Campbell	Gramm	Levin
Chafee	Grams	Lieberman
Cleland	Grassley	Lott
Coats	Gregg	Lugar
Cochran	Hagel	Mack
Collins	Harkin	McCain
Conrad	Hatch	McConnell
Coverdell	Helms	Mikulski
Moseley-Braun	Rockefeller	Specter
Moynihan	Roth	Stevens
Murkowski	Santorum	Thomas
Murray	Sarbanes	Thompson
Nickles	Sessions	Thurmond
Reed	Shelby	Torricelli
Reid	Smith (NH)	Warner
Robb	Smith (OR)	Wellstone
Roberts	Snowe	Wyden

NOT VOTING—1

Faircloth

The bill (S. 39), as amended, was passed as follows:

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

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSES AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) EXCEPTIONS TO MORATORIUM.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103.''; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) DOCUMENTATION REQUIRED.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is further amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of section 4 of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of section 4 of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per-stock per-year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed the limits determined for 1997, or for any year thereafter, consistent with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation Program;'';

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(3) by inserting after subparagraph (B) the following:

''(C) shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner—

''(I) to allow determination of compliance with the International Dolphin Conservation Program; and

''(II) for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(ii) after taking into consideration such information, findings of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) CERTAIN INCIDENTAL TAKINGS.—Section 101 (16 U.S.C. 1371) is further amended by adding at the end the following new subsection:

''(e) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802)) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) PERMITS.—Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and to the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 306 of this Act, subject to the regulations issued pursuant to section 303 of this Act.''.

(e) INTERNATIONAL NEGOTIATIONS.—Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by inserting after subparagraph (B) the following:

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) RESEARCH GRANTS.—Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

SEC. 5. AMENDMENTS TO DOLPHIN PROTECTION CONSUMER INFORMATION ACT.

(a) LABELING STANDARD.— Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended to read as follows:

''(d) LABELING STANDARD.—

''(1) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'dolphin safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product were harvested using a method of fishing that is not harmful to dolphins if the product contains tuna harvested—

''(A) on the high seas by a vessel engaged in driftnet fishing;

''(B) outside the eastern tropical Pacific Ocean by a vessel using purse seine nets—

''(i) in a fishery in which the Secretary has determined that a regular and significant association occurs between dolphins and tuna (similar to the association between dolphins and tuna in the eastern tropical Pacific Ocean), unless such product is accompanied by a written statement, executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary, certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna were caught and no dolphins were killed or seriously injured in the sets in which the tuna were caught; or

''(ii) in any other fishery (other than a fishery described in subparagraph (D)) unless the product is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna was harvested;

''(C) in the eastern tropical Pacific Ocean by a vessel using a purse seine net unless the tuna meet the requirements for being considered dolphin safe under paragraph (2); or

''(D) by a vessel in a fishery other than one described in subparagraph (A), (B), or (C) that is identified by the Secretary as having a regular and significant mortality or serious injury of dolphins, unless such product is accompanied by a written statement executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary that no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught, provided that the Secretary determines that such an observer statement is necessary.

''(2) For purposes of paragraph (1)(C), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain providing the certification required under subsection (h);

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer provided the certification required under subsection (h); and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which provide for the verification of tuna products as dolphin safe.

''(3)(A) The Secretary of Commerce shall develop an official mark that may be used to label tuna products as dolphin safe in accordance with this Act.

''(B) A tuna product that bears the dolphin safe mark developed under subparagraph (A) shall not bear any other label or mark that refers to dolphins, porpoises, or marine mammals.

''(C) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to label a tuna product with any label or mark that refers to dolphins, porpoises, or marine mammals other than the mark developed under subparagraph (A) unless—

''(i) no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught;

''(ii) the label is supported by a tracking and verification program which is comparable in effectiveness to the program established under subsection (f); and

''(iii) the label complies with all applicable labeling, marketing, and advertising laws and regulations of the Federal Trade Commission, including any guidelines for environmental labeling.

''(D) If the Secretary determines that the use of a label referred to in subparagraph (C) is substantially undermining the conservation goals of the International Dolphin Conservation Program, the Secretary shall report that determination to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, along with recommendations to correct such problems.

''(E) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) willingly and knowingly to use a label referred to in subparagraph (C) in a campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.''.

(b) TRACKING REGULATIONS.—Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this Act, including regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall address each of the following items:

''(1) The use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported.

''(2) Additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures.

''(3) The designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d).

''(4) The reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set.

''(5) The shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise.

''(6) The use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

''(7) The provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake the actions required in paragraph (6) of this paragraph.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

(c) FINDINGS CONCERNING IMPACT ON DEPLETED STOCKS.—The Dolphin Protection Consumer Information Act (16 U.S.C. 1385) is amended by striking subsections (g), (h), and (i) and inserting the following:

''(g) SECRETARIAL FINDINGS.—(1) Between March 1, 1999, and March 31, 1999, the Secretary shall, on the basis of the research conducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make an initial finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The initial finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(2) Between July 1, 2001, and December 31, 2002, the Secretary shall, on the basis of the completed study conducted under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make a finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(h) CERTIFICATION BY CAPTAIN AND OBSERVER.—

''(1) Unless otherwise required by paragraph (2), the certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified in subsection (d)(2)(B)(ii) shall be that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

''(2) The certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified under subsection (d)(2)(B)(ii) shall be that no tuna were caught on the trip in which such tuna were harvested using a purse seine net intentionally deployed on or to encircle dolphins, and that no dolphins were killed or seriously injured during the sets in which the tuna were caught, if the tuna were caught on a trip commencing—

''(A) before the effective date of the initial finding by the Secretary under subsection (g)(1);

''(B) after the effective date of such initial finding and before the effective date of the finding of the Secretary under subsection (g)(2), where the initial finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any depleted dolphin stock; or

''(C) after the effective date of the finding under subsection (g)(2), where such finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any such depleted stock.''.

SEC. 6. AMENDMENTS TO TITLE III.

(a) CHANGE OF TITLE HEADING.—The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) ADDITIONAL FINDINGS.—Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Title III (16 U.S.C. 1411 et seq.) is amended by striking sections 302 through 306 (16 U.S.C. 1412 through 1416) and inserting the following:

''SEC. 302. INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

''The Secretary of State, in consultation with the Secretary, shall seek to secure a binding international agreement to establish an International Dolphin Conservation Program that requires—

''(1) that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(2) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2000, at a level between 0.2 percent and 0.1 percent of the minimum population estimate, as calculated, revised, or approved by the Secretary;

''(3) the establishment of a per-stock per-year dolphin mortality limit, beginning with the calendar year 2001, at a level less than or equal to 0.1 percent of the minimum population estimate as calculated, revised, or approved by the Secretary;

''(4) that if a dolphin mortality limit is exceeded under—

''(A) paragraph (1), all sets on dolphins shall cease for the applicable fishing year; and

''(B) paragraph (2) or (3), all sets on the stocks covered under paragraph (2) or (3) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(5) a scientific review and assessment to be conducted in calendar year 1998 to—

''(A) assess progress in meeting the objectives set for calendar year 2000 under paragraph (2); and

''(B) as appropriate, consider recommendations for meeting these objectives;

''(6) a scientific review and assessment to be conducted in calendar year 2000—

''(A) to review the stocks covered under paragraph (3); and

''(B) as appropriate to consider recommendations to further the objectives set under that paragraph;

''(7) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under paragraphs (1) through (3); and

''(8) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''SEC. 303. REGULATORY AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations, and revise those regulations as may be appropriate, to implement the International Dolphin Conservation Program.

''(2)(A) The Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of, or serious injury to, marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin mortality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or serious injury do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing within the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not intentionally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determines, on the basis of the best scientific information available (including research conducted under section 304 and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse impact on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her determination, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency action no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's determination under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the actions necessary to reduce incidental mortality and serious injury and mitigate the adverse impact which resulted in the determination. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''SEC. 304. RESEARCH.

''(a) REQUIRED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, conduct a study of the effect of intentional encirclement (including chase) on dolphins and dolphin stocks incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The study, which shall commence on October 1, 1997, shall consist of abundance surveys as described in paragraph (2) and stress studies as described in paragraph (3), and shall address the question of whether such encirclement is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean.

''(2) POPULATION ABUNDANCE SURVEYS.—The abundance surveys under this subsection shall survey the abundance of such depleted stocks and shall be conducted during each of the calendar years 1998, 1999, and 2000.

''(3) STRESS STUDIES.—The stress studies under this subsection shall include—

''(A) a review of relevant stress-related research and a 3-year series of necropsy samples from dolphins obtained by commercial vessels;

''(B) a 1-year review of relevant historical demographic and biological data related to dolphins and dolphin stocks referred to in paragraph (1); and

''(C) an experiment involving the repeated chasing and capturing of dolphins by means of intentional encirclement.

''(4) REPORT.—No later than 90 days after publishing the finding under subsection (g)(2) of the Dolphin Protection Consumer Information Act, the Secretary shall complete and submit a report containing the results of the research described in this subsection to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, and to the Inter-American Tropical Tuna Commission.

''(b) OTHER RESEARCH.—

''(1) IN GENERAL.—In addition to conducting the research described in subsection (a), the Secretary shall, in consultation with the Marine Mammal Commission and in cooperation with the nations participating in the International Dolphin Conservation Program and the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1) may include—

''(A) projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States; and

''(D) projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks and nontarget species.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) There are authorized to be appropriated to the Secretary the following amounts, to be used by the Secretary to carry out the research described in subsection (a):

''(A) $4,000,000 for fiscal year 1998.

''(B) $3,000,000 for fiscal year 1999.

''(C) $4,000,000 for fiscal year 2000.

''(D) $1,000,000 for fiscal year 2001.

''(2) In addition to the amount authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Secretary for carrying out this section $3,000,000 for each of the fiscal years 1998, 1999, 2000, and 2001.

''SEC. 305. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 304;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the Program's goals and objectives, including the protection of dolphin stocks in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.

''SEC. 306. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 303, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program

and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 303, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorizations and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 307;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 307; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

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

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

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

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(d) Section 307 (16 U.S.C. 1417) is amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(e) Section 308 (16 U.S.C. 1418) is repealed.

(f) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. International Dolphin Conservation Program.
''Sec. 303. Regulatory authority of the Secretary.
''Sec. 304. Research.
''Sec. 305. Reports by the Secretary.
''Sec. 306. Permits.
''Sec. 307. Prohibitions.''.

SEC. 7. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

''SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

''SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

''The Secretary of State, in consultation with the Secretary of Commerce and acting through the United States Commissioners, shall seek, in cooperation with other nations whose vessel fish for tuna in the eastern

tropical Pacific Ocean, to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

''(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

''(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

''(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

''(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.''.

SEC. 8. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN FORCE.—Sections 3 through 7 of this Act (except for section 304 of the Marine Mammal Protection Act of 1972 as added by section 6 of this Act) shall become effective upon—

(1) certification by the Secretary of Commerce that—

(A) sufficient funding is available to complete the first year of the study required under section 304(a) of the Marine Mammal Protection Act of 1972, as so added; and

(B) the study has commenced; and

(2) certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in force.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), the Secretary of Commerce may issue regulations under—

(1) subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 5(b) of this Act;

(2) section 303(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1413(a)), as added by section 6(c) of this Act,

at any time after the date of enactment of this Act.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 2169.

The assistant legislative clerk read as follows:

A bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Mr. HOLLINGS. Mr. President, included in the fiscal year 1998 Transportation appropriations bill is an amendment that directs the Federal Aviation Administration [FAA] to work with one segment of the aviation industry to develop an expeditious way to comply with the pilot record sharing legislation, enacted last year.

When we passed the pilot record sharing legislation as part of the FAA Reauthorization Act, ''air carriers'' were required to obtain certain records, including FAA records, on pilots. The term air carrier includes more than just airlines. It also includes, for example, on-demand non-scheduled carriers. These carriers tend to hire pilots on an as-needed basis, and need the information from the FAA in a more timely manner than airlines.

The FAA is aware that these carriers need to be able to respond quickly to information requests from the on-demand segment of the industry, and are striving to get the required information to them within 15 days. Ultimately, the information should be available on a real time basis through desk top computers. The amendment recognizes that the FAA must work with industry to figure out a means to comply with the law, and then implement those changes.

There are many ways for the FAA to facilitate the passing of the information, and discussions should commence with the industry. Compliance is critical, but we cannot ask the impossible of the industry or the FAA. I also want to note that the directive in the Appropriations bill does not authorize any new program, but merely directs the FAA to work with the industry to implement last year's legislation. As a result, I do not believe that we are legislating on an Appropriations bill.

I want to thank the chairman, Senator SHELBY, and the ranking member, Senator LAUTENBERG, for their acceptance of the amendment.

Mr. D'AMATO. Mr. President, the Senate has accepted an amendment that Senator MOYNIHAN and I offered to the fiscal year 1998 Transportation appropriations bill that I believe will help provide a measure of financial relief to the working men and women of Nassau, Suffolk, Westchester, Putnam and Dutchess counties. Residents of these counties pay a premium price to commute each day into New York City by commuter railroad. Roughly half of these commuters then have to pay another fare to get to their final destination by bus or subway. Our amendment will require the New York Metropolitan Transportation Authority [MTA] to conduct a study to determine the feasibility of providing a free subway or bus transfer to those persons who use the Long Island Rail Road [LIRR] or Metro North commuter railroad so that these daily riders may decrease their commuting costs.

Recently, the New York Metropolitan Transportation Authority [MTA] announced its MetroCard Gold program. This program for the first time provides free transfers for those who transfer between New York City buses and subways. In essence, the commuter who until now commuted from a two-fare zone now pays only one fare. This program will greatly benefit city commuters, saving them approximately $750 per year. It will also have a positive impact on the local economy and the environment.

In addition, at my urging, the MTA will extend this single fare policy for similar bus-to-bus and bus-to-subway transfers for the MTA's 40,000 Long Island Bus commuters traveling between Long Island and New York City. It is estimated that these commuters will realize an average yearly savings of approximately $900 based on current fare structures.

The intended goal of this policy is to create a seamless, integrated transportation system that will benefit commuters in the most transit-dependent region of our country and, indeed, the world. I commend Governor George Pataki and MTA Chairman Virgil Conway for this forward thinking initiative. What now needs to be determined is if this policy can be expanded. My amendment will require the Metropolitan Transportation Authority [MTA] to conduct a feasibility study, from funds made available to the MTA from the Federal Transit Administration, on extending this policy to New York's two commuter railroads.

New York is home to the two largest commuter railroads in the Nation—the Long Island Rail Road [LIRR] and the Metro North railroad. Each day, approximately 235,000 commuters depend on these two railroads to get to work and back home again. Almost half of these commuters—108,000 or 46 percent—transfer to subways and buses once they arrive in New York City. They also repeat the trip in the evening as they head back to the train station. These are commuters who may pay $125, $175, $225 or more per month to take these two commuter railroads. On top of that, they can pay an additional $750 over the course of a year for that portion of their commute that occurs on the city's subways and buses.

If we really want to create a seamless transit system, one that encourages more people to take the train and leave their cars at home, then Metro North and Long Island Rail Road commuters should be offered a free transfer to the City's subways and buses. In addition to the financial savings for commuters, the benefits to public health, the environment and the preservation of natural resources as well as the enhancements to the quality of life for these commuters should be powerful incentives to extend this single-fare policy.

More than 100,000 Long Island Rail Road and Metro North rail commuters use New York's subway and bus systems daily. If it is feasible—and taking into consideration all factors—then the commuters who use Long Island Rail Road [LIRR] or Metro North and the New York City subway or bus systems should receive similar benefits as are available under the MTA's single-fare policy. This amendment will move us one step closer to that goal.

Mrs. BOXER. Mr. President, I would like to ask the distinguished chairman of the Subcommittee on Transportation appropriations if he would respond to questions that I have regarding the bill.

Mr. SHELBY. I would be happy to respond to the questions from the Senator from California.

Mrs. BOXER. I first want to thank the chairman for his work in developing this major appropriations bill that

is so vital to our Nation's economic productivity and quality of life. This was an important undertaking that presented many difficult issues. I applaud him for his patience and his willingness to meet with me and my constituents in California on one of those issues involving a fixed-guideway transit project.

As the chairman knows, my State has many requests for transportation investments, particularly in the area of bus and bus facilities. I would like to bring to the chairman's attention two projects in particular which were not funded in either the Senate or the House bills. The first was a request from the Los Angeles Metropolitan Transit Operators Coalition, which represents 8 municipal transit operators serving more than 63 million passengers annually in 36 cities of Los Angeles County. The coalition was formed to obtain economies of scale in procuring replacement and expansion buses and to provide critical alternative fuel facilities. These clean-fuel buses are vital for the Los Angeles area which has the most severe air pollution in the country. The second project involves replacement and expansion buses for the growing city of Santa Clarita.

I ask the chairman if he would support some funding for these two projects when he meets in conference with the House on the Transportation appropriations bill?

Mr. SHELBY. I understand the Senator's concerns about funding for bus and bus facilities in California and the subcommittee did face very difficult choices for funding. I will be happy to work with the Senator on these issues in the conference committee.

Mrs. BOXER. I thank the Senator and ask if he would respond to an additional question.

Mr. SHELBY. I would be happy to.

Mrs. BOXER. As the Senator knows, the advanced technology transit bus [ATTB] under development in California has the potential to be the next-generation urban transit bus. It has already demonstrated its ability to provide maintenance savings, accommodation for the disabled, and to be a platform for a variety of clean-fuel technologies. The committee agreed at my request to provide some funding for the project under the bus program. I now understand that the chairman did meet the President's request for full funding of the project at $10 million under the Transit Planning and Research Program and ask that he support transferring the $2 million earmarked elsewhere for the ATTB in the bus program funding to Foothill Transit.

Mr. SHELBY. Yes, the committee fully funded the President's request under the Transit Planning and Research Program. I will be happy to work with the distinguished Senator from California during conference committee consideration of this issue.

Mrs. BOXER. I thank the Senator for his continued cooperation and leadership on the Transportation appropriations bill.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on passage of the bill, as amended.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] is necessarily absent.

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 208 Leg.]

YEAS—98

Abraham	Feingold	Lott
Akaka	Feinstein	Lugar
Allard	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brownback	Hagel	Reed
Bryan	Harkin	Reid
Bumpers	Hatch	Robb
Burns	Helms	Roberts
Byrd	Hollings	Rockefeller
Campbell	Hutchinson	Santorum
Chafee	Hutchison	Sarbanes
Cleland	Inhofe	Sessions
Coats	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
D'Amato	Kerry	Thomas
Daschle	Kohl	Thompson
DeWine	Kyl	Thurmond
Dodd	Landrieu	Torricelli
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Enzi	Lieberman	

NAYS—1

Roth

NOT VOTING—1

Faircloth

The bill (H.R. 2169), as amended, was passed.

The PRESIDING OFFICER. Under a previous order, the Senate insists on its amendment, requests a conference with the House, and the Chair is authorized to appoint conferees.

The PRESIDING OFFICER (Mr. HUTCHINSON) appointed Mr. SHELBY, Mr. DOMENICI, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. BENNETT, Mr. FAIRCLOTH, Mr. STEVENS, Mr. LAUTENBERG, Mr. BYRD, Ms. MIKULSKI, Mr. REID, Mr. KOHL, and Mrs. MURRAY conferees on the part of the Senate.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. INHOFE. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 408, the House companion to the tuna-dolphin legislation. I further ask unanimous consent that the Senate proceed to its consideration and all after the enacting clause be stricken and the text of S. 39 as passed by the Senate be inserted in lieu thereof, the bill then be considered read a third time and passed, with the motion to reconsider laid on the table.

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

The bill (H.R. 408), as amended, was passed.

MORNING BUSINESS

Mr. INHOFE. Mr. President, I ask unanimous consent that between now and 12 o'clock we have a period of morning business.

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

ORDER OF SPONSORSHIP—S. 1084

Mr. INHOFE. Mr. President, I also ask unanimous consent that the bill I introduced yesterday, S. 1084, that was introduced as the Inhofe-Breaux bill, be changed so that the bill be considered the Breaux-Inhofe bill.

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

OZONE AND PARTICULATE MATTER RESEARCH ACT OF 1997

Mr. INHOFE. Let me make a couple comments. Since we are down to a few minutes, there will not be the time for detail which I will go into later.

Yesterday, Senator BREAUX and I introduced S. 1084 entitled the ''Ozone and Particulate Matter Research Act of 1997.'' This bill offers a simple solution to a very serious problem. I think there is a large segment of the population out there that will consider this bill to be singly the most significant of this legislative session.

In essence, this legislation provides the authority and resources to conduct the necessary scientific research and monitoring for the national ambient air quality standards for ozone and particulate matter. It reinstates the preexisting standards for both pollutants and requires the agency to wait until the research is complete before they revise the standards.

The bill creates an independent panel which will be convened by the National Academy of Sciences to prioritize the needed particulate matter research. This would take the politics out of setting research priorities. Next, a panel will be created to oversee the Federal research program in order to ensure that the priorities set out will be followed.

Mr. President, just to bring us up to date here in this short period of time, last November the Administrator of the EPA came out with a message on behalf of the administration stating that we should change our ambient air standards so far as ozone and particulate matter are concerned. In particulate matter, it would mean that we

would drop it down from 10 microns to 2.5 microns. In ozone, which is measured by parts per million, it would drop it down from .12 to .08.

While that sounds technical and a little confusing to some people, the bottom line is that many counties throughout the United States would find themselves out of attainment with these new standards. I can tell you, when I was mayor of the city of Tulsa and we were out of attainment, how difficult it was. There was not any possibility of recruiting any new industry. A lot of industries had been shut down or had to reduce the number of shifts they had. We had to impose various requirements for car pooling and impose things that really changed the lifestyle of our citizens.

The problem is that when the Administrator came out with the proposed new standards in November, we did some research only to find out that there is no scientific justification for lowering the standards. In fact, as the chairman of the Clean Air Subcommittee of the Environment and Public Works Committee, I held my first hearing, a scientific hearing, where we had members of CASAC—that is the Clean Air Scientific Advisory Committee—to come in and advise us as to what the science is behind these recommended changes, only to find that there is no scientific consensus behind these recommended changes. In fact, these experts said there is no bright line, as they call it, for ozone levels beyond which it can be said to be detrimental to human health. As far as particulate matter is concerned, they say there is no science that concludes that there is any causal relationship between any level or type of 2.5-micron particulate matter and respiratory diseases. When asked how long it would take to establish such conclusions, they said it would be approximately 5 years before we should know.

Consequently, we feel that legislation is warranted to postpone any decision to set an arbitrary new standard for these pollutants. Instead we need more study and this bill provides for it. Clearly, as you can see from the original sponsor and cosponsor as well as from those behind a corresponding bill in the other body, this is a bipartisan effort. It is a bipartisan effort that wants clean air, that wants us to make sure that we do not impose any hardships on the American people which are going to be costly and make us noncompetitive on a global basis, inconvenience the American people, and cost us billions of dollars unless there is some scientific justification for it.

I have been critical of EPA. When their proposed rules first came out, the Agency claimed the new standards were needed to prevent 40,000 premature deaths per year due to respiratory problems. Then some months later they changed that to 20,000 deaths, and then recently they knocked that down again to a much smaller amount. At the same time, a research group called the Reason Foundation out in California concluded that a more accurate figure would be no more than 1,000 premature deaths, if that. So there has been a lot of scare talk around. And a lot of misinformation.

We hear many say that those of us who differ with the EPA don't want dirty air. Let me assure you, Mr. President, I have four kids and six grandkids. I do not want dirty air either. I care about their health and well-being as much, I dare say, as any public servant shuffling paper in some Federal agency. What I am concerned about is that we approach this issue in a rational and orderly manner. We should do the science first, we should know what's causing the problem, we should be clear about what is needed to address the problem and then take action with a proper consideration of all the consequences—both wanted and unwanted. What we don't want to do is put ourselves in a position where our philosophy is ''ready, fire and aim'' instead of the more reasonable ''ready, aim and fire.'' Unfortunately, the EPA wants to shoot first and ask questions later. This is not right.

In the House of Representatives, on a bipartisan basis, H.R. 1984 was introduced, and this bill is very similar to the bill we are introducing.

So I would like to suggest to you, Mr. President, that there is going to be a lot of activity during the August recess, a lot of education going on to make sure that people understand what is about to happen and to make sure we don't go ahead and adopt standards that are artificially reduced with inadequate science to justify those reduced standards.

Mr. President, 12 o'clock being near, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We have plenty of time. I wonder if the Senator from Oklahoma desires additional time.

Mr. INHOFE. I would like to have 5 additional minutes if I may.

Mr. DOMENICI. I yield up to 10 minutes to the Senator.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Oklahoma.

Mr. INHOFE. I thank the Senator from New Mexico.

To give you an idea of how this issue has been distorted, it was stated by the administration that, in the event that we do adopt the lower standards for ozone and particulate matter, they said it would only cost $9 billion. Yet, last week, when we had Mary Nichols, the EPA's Assistant Secretary for Air, she stated that the cost would be $9.1 billion, a very uneven number, making us believe there is some scientific reason for that, when, in fact, the Reason Foundation, out in California, concluded, in its study, that the cost is not going to be $9.1 billion if we adopt these standards. Instead, they say it is going to be somewhere between $90 and $150 billion. In fact, the President's own Council of Economic Advisers put the cost at $60 billion for the ozone standard alone.

If we split the difference between the $90 and the $150 billion, that means that for a family of four on average income, it would cost them approximately $1,600 a year—$1,600 a year—to do something for which there is not adequate science to justify it. Second, the administration, in their scare tactics, back in November, said in the event we do not do this, it is going to result in 40,000 premature deaths a year. In December, they dropped that down to 20,000 premature deaths a year. In April, it came down to 15,000 premature deaths a year. Again, many groups now say it is less than 1,000.

It was kind of interesting, because when we had the people who are trying to claim the number of premature deaths that would be there if we did not lower these ozone and particulate matter standards, I described the death of my beloved mother-in-law, which took place on New Year's Day. She was 94 years old. It was one of those deaths that was a real blessing; the time was here. Yet, the circumstances under which she died would have qualified her, according to these so-called experts, to be counted as a premature death.

I think we have also been told things that are not true by the administration, when they say how many people are going to be affected. I have a chart here that we found by some accident, of the Southeastern part of the United States. This came out of the EPA. This is not my chart. What they are trying to say is only the counties, if we lower these standards, in the dark green would be affected in terms of having to come into compliance. Now we see these concentric circles around here covering more than half of this whole region, admitting at one point there would have to be some controls. They call this level 1 control region; level 2 control region—this would be level 2. In other words, the areas actually subject to some form of regulation under these new standards are much larger than people are sometimes being led to believe. So we are getting information that is certainly not consistent with the facts.

Another criticism I have with the administration is how they have tried to sell this idea by singling out certain people. Certainly the Presiding Officer, being from Kansas, and the former chairman of the House Agriculture Committee, understands that this would have a tremendous effect on the agricultural community throughout the United States. You would have Government saying when you can disk, when you can till, when you can burn off a field, when you can use fertilizers, when you can harvest a crop. I can tell you right now, if you ask the average farmer in America what his biggest problem is, it's not the taxes; it's the overregulation that takes away his

freedoms. I have often said, every time you increase regulation, you take away a degree of individual freedoms. That is exactly what they have done.

So we have an administration which now says to the farmers, don't worry, we are going to exempt you; you are not going be affected by this. Then they went to the U.S. Conference of Mayors—and I have to say that I used to be the token conservative on the board of directors of the U.S. Conference of Mayors when I was mayor of Tulsa, OK. It's not really a conservative operation. Yet, they voted, in San Francisco, overwhelmingly, to reject these standards, and these are the mostly Democrats talking, not Republicans.

Why are they concerned about it? They are concerned about it because they know if we bring these standards down, those mayors are going to be running cities that will be out of attainment. This will be another, probably the most severe, of what they call the unfunded mandates that has been out there.

The administration also tried to single out small business, to say this is not going to affect small business. They even said that to one of the Congressmen from Louisiana: Well, you have seven parishes, but don't worry, we won't make you do anything, we'll get the people to the west so when the air flows over it is going to clean up your air. So it has been a very dishonest campaign by the administration. I really believe during the August recess we are going to be able to show the American people what this is really all about.

Last year we passed two significant laws. One is called SBREFA, the Small Business Regulatory Enforcement Act—SBREFA. The thrust of this bill is you can't pass a new rule, a new regulation, unless you explain its effect on small business. So, during one of our committee meetings, we asked the Director of the EPA, ''Why is it that you have not explained what the effect of this will be on small business?'' The response was, ''There is no effect on small business.''

I can assure you, Mr. President, all these farms that are small businesses—I can assure you, any small business that has an electric bill, when they say this is going to increase the electric bills by somewhere between 8 and 10 percent, that's an impact on small business. The response of the EPA is, ''Wait a minute, all we are saying to the States is you have to come into attainment. You have to figure out how to do it. And whatever you do to your citizens to make that happen is your responsibility. So we—the EPA—are not the ones saying we are imposing a hardship.''

We passed another bill, the unfunded mandates bill, that says we cannot pass regulations here that result in an unfunded mandate to political subdivisions below the Federal Government. Consequently, I can assure you, the U.S. Conference of Mayors, the National Association of Governors, and the National Association of State Legislators, the National League of Cities and all these groups that are so concerned about this, they know exactly what an unfunded mandate is.

I anticipate, when the time comes that these standards are put into effect, or set, that there are going to be some lawsuits. I think the American Truckers Association already stated they are going to be suing the EPA. So my concern is, with all these lawsuits that will take place, that we resolve this issue to some satisfaction now, before we get locked in endless litigation. the best way to avoid this happening, the best way to avoid these arbitrary, onerous, and unjustified regulations, would be to go ahead and pass this legislation, which is S. 1084.

I believe S. 1084 and H.R. 1984 will be passed, and I think they will be passed with a large enough margin to sustain a veto.

Mr. President, I yield the floor.

BALANCED BUDGET ACT OF 1997—CONFERENCE REPORT

Mr. DOMENICI. Under the previous unanimous-consent order, I assume we are on the budget bill at 12 o'clock?

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 2015 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

THE PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 29, 1997.)

The PRESIDING OFFICER. Who seeks recognition?

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. 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. Mr. President, parliamentary inquiry. How is the time being charged?

The PRESIDING OFFICER. The time under the quorum call was charged to the Senator from New Jersey who asked for the quorum call.

Mr. DOMENICI. He asked for it. That is not fair. Can we do this: I ask unanimous consent that we charge the time that has elapsed equally to both sides and, henceforth, on the quorum call I am going to ask for right now, it be charged equally also.

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

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that we stand in recess until the hour of 1 o'clock, and that the time continue to run on the conference report pursuant to the Budget Act, and it be charged equally.

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

Thereupon, at 12:29 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAGEL).

BALANCED BUDGET ACT OF 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged equally.

The PRESIDING OFFICER (Mr. COATS). Without objection, it is so ordered.

The clerk will call the roll.

The bill 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. Mr. President, I understand Senator GRAMS would like to speak for up to 10 minutes. I yield him that time off the bill from our side of the 10 hours.

The PRESIDING OFFICER. The Senator from Minnesota is recognized to speak for up to 10 minutes.

Mr. GRAMS. Mr. President, I want to give my congratulations to the chairman of the Budget Committee and all the others who have worked so hard over the last couple of weeks to work out an especially very important tax package, which I believe is going to be a step in the right direction of relieving some of the tax burden placed on American families over the last several years.

So with that, Mr. President, I rise to express my strong support for the tax relief package that will be coming before the Senate tomorrow. I want to take this opportunity, again, to commend and thank the majority leader,

Chairman DOMENICI, Chairman ROTH, and the negotiators for the administration for all of their efforts to bring us to this historic point here today.

Mr. President, when my good friend TIM HUTCHINSON and I went to the floor as freshmen members of the House in June 1993 to introduce a budget plan we called Putting Jobs and the American Family First, I could never have guessed the long road we would have to travel to reach the point we find ourselves at today—on the verge of enacting the $500 per-child tax credit that served as the centerpiece of our 1993 legislation.

Our proposal did not have a lot of support in Washington in 1993, and family tax relief did not even make the radar screen of most lawmakers. But that was not important, because we had support where it mattered the most: with the American taxpayers. In the years since, I have watched the enthusiasm for the $500 per-child tax credit continue to grow until it could no longer be ignored here in Washington. After being embraced by the President and congressional leaders in both parties, 1997 is the year in which the $500 per-child tax credit will finally become law.

I have been pleased with many of the changes we been able to bring about in our Government during my service in Congress—but the vote we'll take tomorrow on our tax relief plan charts an important new course. This week, we fulfill what I consider to be a fundamental promise we made 2½ years ago to the American taxpayers: that Washington would finally listen to the people and let them keep a little bit more of their own money at the end of the day.

This legislation is a victory—not for the Senate, or the House, or the President, but for the working families of America. Those are the men and women who go to work every day—and sometimes to a second job at night—in the summer when the heat is horrific and the winter when the car will not start and the snow is piled up to their knees. They put in their 8 hours and often stay for another 3 or 4 for the overtime if they are struggling to save for a new furnace or the kids need braces. They do not ask for much—just to be treated fairly. These are the folks who look at their checkbooks each week and wonder ''Where did it all go?''—the same folks who stare at their tax returns each April and ask ''How come the government takes so much?''

Thanks to the $500 per-child tax credit, the Government will be taking a little less on tax day.

Mr. President, I am pleased with the improved $500 per-child tax credit provision contained in the fiscal year 1998 reconciliation conference agreement. It is a needed improvement over the Senate-passed version, which I voted against in June.

At that time, I opposed the Senate tax bill because of the way it restricted the use of the $500 per-child tax credit, and in the process, diluted its value. The Senate plan offered a $250 tax credit in 1997 for children under the age of 13, which increased to $500 per-child in 1999. For children age 13 to 16, the tax credit was available only if parents dedicated it toward their children's education. While I fully support the idea of putting away those tax credit dollars for college, I do not believe the Government should mandate exactly how the taxpayers should spend their own money. That is not the place of Congress and the President.

When I cast my vote against the Senate's tax cut bill in June, it was to send a signal to budget negotiators that we must craft a $500 per-child tax credit that does more for working families. With the recent improvements made by the House and the Senate, it is clear Washington finally got the message—as a result, more families will keep more of their hard-earned tax dollars.

The $500 per-child tax credit remains the centerpiece of the our tax relief plan. Under the agreement, working families will be provided a $400 per-child credit in 1998, which increases to $500 per-child in 1999 for dependent children below age 17. The credit is phased out for families earning more than $110,000 per year. The result is that the families of 43 million children nationwide will receive more than $70 billion in tax credits over the next 5 years.

It is the Nation's middle-income families who will benefit most once this provision is enacted. In my State of Minnesota, nearly 700,000 children from middle-class families will be the primary beneficiaries. Those families will see over $300 million in tax relief. That is $300 million that will not go to Washington to fund the priorities of the Federal Government. Instead, families can use that money to fund their own priorities, whether that is groceries, medical expenses, insurance, or education.

An additional 170,000 Minnesota children will receive the tax credit under this expanded version than would have under President Clinton's plan.

Another notable improvement is that the agreement broadens the child tax credit to low-income families.

When Senators HUTCHINSON, COATS, and I introduced our most recent version of the child tax relief legislation earlier this year, we urged Congress to provide immediate tax relief to families effective in 1997, provide it to as many families with children under age 18 as it possibly can, regardless of their income, and make it available against all taxes paid by workers, including payroll taxes. I am pleased the agreement adopted our proposal and offset this tax relief by tightening the earned income tax credit.

For a typical family of four, the $500 per-child tax credit means $1,000 in tax relief, which would pay 1 month's mortgage and grocery bills, or 11 months' worth of electric bills, or nearly 20 months' worth of clothing for the children.

More significantly, the $500 per-child tax credit will reverse a 16-year tide of rising Federal taxes to finally reduce a family's total Federal income tax burden. This is the first tax cut in 16 years, but, in the meantime, there have been 10 tax increases in that 16 years. This begins to reverse the tide.

For a family of four earning $30,000 per year, $1,000 in tax relief would cut their income tax burden by 51 percent. Meanwhile, a family of four earning $40,000 would see their tax burden cut by 30 percent, a family earning $75,000 would see their tax burden reduced by 12 percent, and a family earning $100,000 per year would receive a tax cut of 7.4 percent.

This tax relief will restore some fairness for the taxpayers of my State. Over the past several decades, the Federal tax load on Minnesota residents has grown larger and larger while their share of Federal spending has gotten smaller and smaller. Minnesotans last year paid an average of $5,563 per person in taxes to the Federal Government, $203 more than the national average. But Minnesota received back only 78 cents in Federal spending for every $1 its taxpayers sent to Washington, among the lowest return of any State. This regional disparity is an additional financial burden to Minnesota residents.

Mr. President, I also applaud the inclusion in the agreement of important pro-economic-growth and pro-prosperity tax provisions such as capital gains relief and estate tax reduction. Although these tax cuts are rather small and hardly keep pace with inflation, it is nonetheless a move in the right direction. These tax cuts will spur job creation and economic growth. In doing so, they will reduce the cost of capital, increase worker productivity, and provide higher salaries for the American people.

However, I believe Congress could have done much more in the way of tax relief for working Americans if Washington would just spend less and allow working families to keep more of their hard-earned money.

I personally would prefer a full and immediate $500 per-child tax credit for all families with children under 18 without any restrictions, zero capital gains tax, elimination of the death tax, and ending double taxation. But those battles will have to wait for another day.

My greatest disappointment with the tax deal is that it contains no real tax reform. Instead of simplifying the Tax Code, this tax bill increases its complexity. Tax policy is still used as a tool for the redistribution of private incomes and for social engineering. Nothing is done to end the IRS as we know it. Unfortunately, these defects greatly diminish the positive impacts of the tax bill. I pledge to continue to work with my colleagues on real tax reform in the future.

Although the tax relief in the improved bill is still tiny when compared against both the total tax burden of the American taxpayers and total Government spending, it is the first time in 16 years that the Government has acknowledged that working families are being heavily overtaxed. That is reason enough to celebrate.

Mr. President, ever since the people of Minnesota sent me to represent them in Congress—first in the House and now in the Senate—Americans have been writing me to share their dreams for themselves and for their nation. Their letters fill dozens of files in my office. Some of the most passionate stories have come from families—working families who heard that I had proposed a $500 per child tax credit and wanted to tell me what a difference such a seemingly simple piece of legislation would make in their lives.

I would like to share just a few of their letters. A family in Illinois wrote:

> We are a one-paycheck family struggling to keep our heads above water . . . It is encouraging to know there are members of the government who understand our struggle and are working on our behalf.

''Thank you for your efforts in trying to help families receive a tax credit of $500 per child,'' wrote another family, this one from Texas. ''As parents of three children, we truly appreciate your endeavors in a time when other politicians are trying to get more and more of our hard-earned money.''

From Michigan came this letter:

> There are not very many people in Washington who remember the pro-family community—and even fewer in Washington who will support the family.

And a family in my own State of Minnesota sent me this heartfelt letter:

> As the mother of seven children with one income, I am especially interested in the $500 per child tax credit. We refuse to accept aid from federal or state programs that we qualify for.
>
> We believe this country was built with hard work and sacrifice, not sympathy and handouts. We also believe that we can spend this money more effectively than the government, which has only succeeded in creating a permanent dependent welfare class with our money over the last 40 years. Let us get back to basics.

Let us get back to basics.

I think ''getting back to basics'' is what this debate is all about, Mr. President. The American family has always been our Nation's most basic level of government. The power begins with the family and it ought to remain with the family at the end of the day. By enacting the $500 per child tax credit into law, Congress and the President will at last send a message to real Americans—the folks outside the confines of this Capitol—that we understand what it means to be a working family in the 1990's, that we know government demands too much while delivering too little, and that we can put aside the politics that too often divide us and do what is right by the American taxpayers.

Mr. President, the $500 per child tax credit is not going to make anybody rich, but we cannot measure its value in just dollars and cents. After 16 years without a drop of tax relief, we are finally going to let the taxpayers keep a little bit more of their own money at the end of the day. From the vantage point of this Senator, that is a priceless investment in the American family.

Again, after 4 years of hard work to bring about at least this portion of the tax bill, which has been called ''the crown jewel,'' we are going to finally succeed in giving the American family some hard-earned tax relief.

Thank you, very much, Mr. President.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, thank you for recognizing me.

I want to make an announcement for Senators. The bill—the very large bill that you have seen kind of appear on the desk—is available to those who have access to the Internet. You can view the bill through a link in the Budget Committee office. You can do it in your own offices on the Budget Committee home page, and the bill will be here no longer than a half-hour from now in sufficient numbers for those who want to view it in its entirety.

As you know, the House is voting on the bill now—debating and voting on it. Then it will officially be transmitted to us. We have decided to start debating this so that we could all use this time during the day and not have to be here all night to get this done in a timely manner.

Mr. President, I want to make a few observations. Obviously, Senator LAUTENBERG will have his, and then I would like very much to say to Senators that we are using time out of the 10 hours allowed.

I understand from our majority leader that we intend to get this bill done, if possible, tonight; if not, clearly tomorrow morning. So that means we are going to spend a lot of time here on the floor between now and the time we quit tonight.

So, if Senators have comments they would like to make, or if they have questions, I would particularly suggest if you have questions with reference to the Byrd rule—one of the rules that apply to these bills that do not apply anywhere else because it has to do with a special test for extraneousness—I wish they would talk with us, or talk with Senator LAUTENBERG's staff or our respective leadership offices about the Byrd rule violations that we are aware of and kind of documented now. We would all like to have a chance to work together on them. When it comes to that issue, I would like to make the following statement so that everybody understands. I am sure my friend, Senator LAUTENBERG, will concur.

The White House has been involved from the very beginning in the preparation of this legislation. And from time to time both the Republicans and the White House have been involved with Democratic legislators. But let me make it very clear. This is a historic document in another procedural context because last evening the White House staff stayed until late in the evening—in fact, until the early morning hours—before they would sign off on this. They read every single word of legislative language. And, indeed, they read every word in the accompanying report language. Frankly, I have been around here a long time and working with administrations and the White House with legislation up here, and I think this may be the first time that has ever happened.

I only say that because, obviously, it was hard to put this package together. In the process there are many wordsmiths, and there are many things that have to be put together in terms of language. But every bit of it, including those few instances where there are Byrd rule violations—and that sounds rather ominous, but it really means that we have a technical rule that says you ought not be legislating in this bill. You ought to be doing deficit reduction. And on some occasions it is hard to keep that altogether and not fall into something that is legislative in a 1,000-page document.

So let me stop the process part, and just remind Senators who would like to speak today if you have some thoughts and things that you want the public to hear from the floor of the Senate, as soon as you can start calling us for time, we would be very, very glad to accommodate. And I think we can accommodate most people on a rather short notice because from my standpoint I have said an awful lot. I don't intend to be here on the floor saying a lot more. I am just trying to get this bill completed.

But let me start by saying this morning that the headline in the Washington Post, which has not been very supportive of this, used five very nice words. They said, ''This is a Big Deal.'' Maybe they don't like the ''big deal,'' but it is nice that they recognize what all of us know—that this is a big deal for the American people. It carries out a bipartisan budget agreement that in itself was historic between the President and the leadership of Congress back in May. It is a big deal in this town when we could do what the American people asked us to do, and that is to work together to live by our commitments, to reduce spending and reduce taxes, and get our work done.

So it is pretty obvious that this is a big deal. It balances the budget for the first time in 30 years. And I know there are many who will continue to be skeptical until that day arrives. Frankly, I am here saying I am a pretty good budgeteer. I understand all of these nuances about budgeting, and how the economy impacts on it—how inflation impacts, how the growth in the economy impacts. But absent a real major

catastrophe, which nobody can plan for, this budget will be balanced. Frankly, it is because of a number of things. The economy is doing splendidly. That could change. But it looks like things are in place like they haven't been for a long, long time in terms of those things that make an economy go into recession or into an inflationary cycle. And we are not growing out of control. It is kind of a measure of good solid growth.

So I think we are entitled to use conservative estimates for the next 5 years, which we have done, Mr. President. The economics in this bill's projections for the future are not overly optimistic. So when you add it up, for those who say we have some new programs and we spend some money, that is correct. For some there isn't enough by way of cutting the budget in this—cutting the expenditures. But I will get to that in a minute.

Just remember, it is a Democratic President elected by the people and a Republican-controlled Congress with Democrats in the minority who had to put a package together that did something significant, or spend the next 3½ years, in my opinion, doing nothing. We would have been around here fighting. We would have at every juncture on every bill have had stalemates. We might have even closed down Government again.

So from my standpoint, if you look at 10 years—and I am not saying everything in these 10 years is locked in stone, but 5 years of it is—we reduce what we would have otherwise spent by about $1 trillion. This time we have not included in that estimate the savings that will come from debt service because as you reduce the amount that you borrow you take off of that baseline that had calculated in it interest.

Yes, this balanced budget is a bipartisan budget agreement. We followed it as well as any differing groups could follow it. We put it together with a different group than had to implement it. So that is not easy, for they always second-guess us and claim they should have been in. I wish everybody in the Senate could have been in on the negotiating. I wish every chairman could have been. I guess as I wish it I speak the truth—that had they we wouldn't be here. That is the reality of trying to do this kind of thing.

But we said in that agreement that we were going to spend $24 billion. We did agree to provide $24 billion in new spending for children's health programs for insurance. We also agreed to make changes in last year's welfare reform, which results in some additional national spending.

I want to correct myself. The bipartisan agreement said $16 billion in new spending for child health care coverage. The U.S. Senate voted in $24 billion, and the Senate version prevailed in the final outcome of negotiations.

I note on the floor of the Senate now, along with Senator LAUTENBERG, is the distinguished Senator from Delaware, Senator BILL ROTH.

Let me make sure that everybody understands that his chairmanship and his committee made this the big deal that it is. I say to the Senator, I just commented that finally the Washington Post, after being against this budget, at least recognized one thing. They said, ''It Is a Big Deal.'' And I am saying there would have been no big deal without the Senator from Delaware and the marvelous bipartisan committee that he has. I thank him right here publicly for that.

Let me just go on through. After Senator LAUTENBERG speaks, our distinguished chairman of the Finance Committee, which had jurisdiction over about 85 percent of this bill, wants to speak. I want to yield quickly.

I want to say, however, that Republicans for a long time said we ought to balance the budget. It has now become everybody's cry. The President wants it. Many Democrats want it. But I take a great deal of pride in behalf of Republicans in my capacity as chairman and ranking member of this Budget Committee.

I have been trying to get there for a long time. And I think we have done a great job as Republican leaders in pushing this. That is not trying to detract from those who have joined us, including the President of late. We also wanted some tax cuts.

Many of us thought American families were in desperate need of some help—especially middle-income American families with kids. We have done that. Again, even though most of that originally started on our side of the aisle, I don't tend to, nor do I want to, denigrate the fact that it has broad support on the other side, and the President of the United States is supportive of it.

The capital gains differential has been part of what Republicans thought we should have in this Tax Code for decades. As a matter of fact, it is very interesting that we got a capital gains differential in this bill. We joined the industrial nations of the world with capitalistic societies that have moved that way already, and I think that bodes well for the future.

Everybody knows the other provisions that my friend, the chairman, will speak to. But I just wanted to make the point, for those who seem from time to time to give up on causes and to be for them for a few years and say we can't get them done, I believe Republicans ought to be proud of the fact that we have stood pretty fast for those issues, the ones I just described, and some others, and most of them are coming true here.

That is not to say some issues that the Democratic Party and this President have pushed very hard for are not in this bill, also. I am sure, knowing my friend, Senator LAUTENBERG, he will remind us—and that is what he ought to do. And those are some things I want, too. I am not running around apologetic about trying to cover children that do not have health insurance. I am not sure we know how to do it quite right yet, I say to the occupant of the chair, who shares that concern with me, but I think we have to get started, and we have done that.

One last thing is we all know the Medicare Program for the seniors of America—39 million of them almost right now—we know that program is, for many of them, something they build their confidence on as they get older and as some of them get sick, and as they get sick, they know they have this great hospitalization program. Now, there is no one who ought to be anything but proud of the fact that we have taken a system that is falling apart financially, and we fixed it for 10 years. It probably would have gone bankrupt in 2, maybe 2½ years, so we fixed it for 10 years.

Now, I am kind of tempted to say that is a big deal. But I think it is. Now, it is not fixed permanently. It still continues to have big problems out there in 15 years, 20 years, but, frankly, I am not apologizing that a budget resolution and essentially this plan did not solve that. Actually, I do not believe it could have. I believe it is such a big issue in and of itself that it will be solved only when a bipartisan national commission, which is provided for in this bill, goes out into America and tells everybody the problems and comes up with some solutions that are bipartisan that Presidents and Congress will support. We started that here.

But I believe in the meantime we had to make that program more efficient. We have done that. In fact, we made it $115 billion more efficient by changing the rules of the game. In the meantime, we are trying to give seniors the best of health care at the most reasonable prices, putting some competition into the program, and that is there, alive and kicking and strongly voicing itself in this bill—competition.

So there are HMO's, there are professional provider organizations, there are private fee-for-service programs, and there are PSO's. It also has a demonstration program, a medical savings account of 390,000 beneficiaries.

Now, when you put all that together, along with a new $4 billion preventive program that I am not going to discuss in detail, we have done fairly well by the people who pay for Medicare, the working people, and pretty well by the seniors. You package this all together—a balanced budget, which means we are not going to have our children paying our bills too much longer. That is what a deficit and a debt are. It is asking our kids and our grandkids to pay our bills. A balance says we are not going to do that anymore.

Now, it is a long time coming, and we owe a lot of money, so we cannot stand up and say to our kids they are not going to pay some of our bills, because the debt is so big we cannot get rid of it. But at least we can stop it. So that was No. 1.

No. 2 was fix Medicare, and I have described it.

No. 3 was to make sure that we had a tax bill that was fair to the American people. Frankly, after all the bickering on the edges—and that is what it all was, on the edges. All this argument about how many children are covered and how far down do you go were really on the edges, small, small things, small numbers. The people that need tax cuts and tax breaks are the American people earning between $25,000 and $30,000 and $110,000. They are the middle-income Americans, two jobholders, two professionals, two people working, and they are paying the taxes, they are following the rules, and they haven't had anything from their Government saying we would like to make it a little easier for you—until this bill.

Now, they have three very significant new things they can look to. It isn't like we are giving them a present. It is saying to them, keep some of your own money and let Government grow less and let you make your decisions on what you do for your children rather than have us build a bigger and bigger Department of Education. Those are the kinds of tradeoffs that are going to occur and are starting to occur, although, when it comes to education, this bill is strong on college education, strong as anything you can have. When it comes to the new programs appropriations, we have been very generous. We have been very generous to the education programs that our country has.

I am not sure before we vote on this that I will have another chance to thank everyone, so I just wish to thank Senator LAUTENBERG, and I thank our distinguished Republican leader—he did a great job—Senator ROTH, and all the other chairmen, our House counterparts, including Representative KASICH.

But I want to make one statement on the floor. It might seem it ought to be done on the House floor, but I want to make it here, and I think my friend, Senator ROTH, would concur. The Speaker of the House, NEWT GINGRICH, in negotiations from the beginning until the end, was absolutely a fantastic leader. I have to say to those who doubt, because he was under a lot of pressures, I did not notice for a minute that had anything to do with his single-mindedness, his tremendous intellect and the way he could put things back together and get us moving in the direction of getting things done. So my compliments to the Republican leadership in both Houses from my side, and obviously we had great support from Democrats.

At this point I am going to yield the floor.

Mr. ROTH. Could I ask the distinguished chairman to yield just for a minute?

Mr. DOMENICI. Of course, yes.

Mr. ROTH. There are many people who are responsible for bringing together this important piece of legislation, and I strongly agree with what the distinguished Senator from New Mexico said about the Speaker and the majority leader. They provided not only strong leadership but ideas, were able to move ahead, and I have to say I could not agree more that the Speaker showed every ability of providing the kind of leadership we needed from the House in order to get this complex piece of legislation through.

I would just like to say to my distinguished friend and colleague, Senator DOMENICI, that the legislation would have gotten nowhere if it had not been for him. I know no one in the Senate, or House for that matter, that has a better understanding of the budgetary process, knows the issues with which we are dealing and who has devoted, what is it, 7 or 8 months' time to getting this job accomplished.

I would also like to say in the same context I think Bill Hoagland has been a tremendous strength for this whole process.

I, too, join the Senator in congratulating the ranking member, my colleague and friend from New Jersey, for his outstanding work.

Mr. DOMENICI. I thank the Senator very much.

Mr. LAUTENBERG. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I am pleased to join the chairman of the Budget Committee, Senator DOMENICI, in supporting the conference report on this budget reconciliation bill, which, along with the conference report on the tax bill, will finally implement a bipartisan plan to balance the budget.

I have to ask Senator DOMENICI, because he talked about the five words that appeared in the Washington Post, I wonder whether it read like this. I heard him say, ''This is a big deal.'' Or did it say, ''This Is A Big Deal?'' I wasn't sure quite where the emphasis was. But I assume it was the way it was intended.

Mr. DOMENICI. The way I said it.

Mr. LAUTENBERG. The way the Senator read it himself as opposed to, ''This is a Big Deal?''

I want to say to Senator ROTH, who was pulled from so many directions, I was amazed to see him arrive in one piece each day. He listened with great patience—great patience and great interest. Everybody is pleased. I will speak about it from the Democratic side. People don't realize, when there is a majority and a minority, the minority doesn't always get a chance to present their views. But BILL ROTH, Senator BILL ROTH of Delaware, is known as someone who is a fair-minded person, and while he would not always agree, he would almost always listen. I have never found him to say ''no,'' and I appreciated that. I think it produced a very good product. It is, under the circumstances, I think, perhaps the best that could have been gotten. All of us wish there were other things in there—everybody. If you ask any Member of the Senate whether they did not think there was another thing that should have been in or another thing that should have been out, they would have, I guarantee, a menu of things they would like to select from.

I am so pleased that we are joined in the Chamber by the ranking member of the Finance Committee, my good friend and colleague from New York, Mr. MOYNIHAN. Senator MOYNIHAN is a man with vast knowledge about so many things that I often say I would enjoy, even with all my white hair, going to college with Professor MOYNIHAN and hearing his views on things. But there is always a background of information that adds so much to the dialog and the debate, and I congratulate him for his role and for his willingness to hear the arguments and to work to try to get a consensus in the legislation which we now have in front of us.

Mr. DOMENICI. Will the Senator yield without losing his right to the floor?

Mr. LAUTENBERG. Be happy to.

Mr. DOMENICI. I note the presence of Senator MOYNIHAN, and I had not said anything about him in his absence. I would like now to say there are many points, as you look at the last 7½ months, when you would say this is critical, this is where it might end. And I believe the thing that gave us momentum to get it done was the Finance Committee's bipartisan addressing of most of the issues in this bill.

Now, I am sure the Senator from New York didn't get everything he wants, but I believe it was one of the big turning points when the Senator joined with Senator ROTH and between the two of them had such a large cadre of Senators from both sides supporting some very, very powerful things, and I thank the Senator personally for that.

Mr. MOYNIHAN. Mr. President, might I thank with great gratitude the senior Senator from New Jersey and my friend from the day I entered this Chamber, the chairman of the committee. They speak to what I think is an important fact. But, of course, the person who made it possible was Senator ROTH, the chairman of the committee. I was with him in this regard and proud to have been. I thank Senators.

Mr. DOMENICI. Mr. President, could I say that under the rule under the Budget Act somebody is designated to manage, and I am it for today, but I can give that to someone else. I am giving that to Senator ROTH until I return, and he will be our floor leader now. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I will continue to extend congratulations to some who are not here. I have to take my time to salute the efforts of Senator DASCHLE, who was ever present in his encouragement to get this job done—let's see what we can negotiate together, let's see if we can make this adjustment or that adjustment, or talked to his counterpart on the other

side. And I want to say for Senator LOTT, the majority leader, he, too, was someone who wanted to get this bill behind us, get this job done, and he has shown his interest in doing that as he runs the Senate from the majority leader's position that we do move things along. There were Members on both sides of the aisle who also helped, too numerous to mention, but I think it is fair to say that those whom we have talked about had a significant role.

PETE DOMENICI and I were among the four elected representatives to be negotiating, and we were often closeted days at a time. Though the atmosphere got stuffy, I think neither one of us did, and we were able to continue talking in a civilized fashion.

The bill before us is the culmination of those many months of intense effort and people of both parties deserve to be proud of this accomplishment. This budget proves that when leaders with good will come together, we can overcome partisan divisions and find common ground. That is good news for all Americans.

I will say this. We have gotten a lot of salutations, a lot of compliments about getting this job done. Threaded through those comments were the kinds of remarks that might surprise, like: Finally, the bickering has stopped, there is no partisanship involved; hurrah, the Senate and the House are working to get our interests put up front. I think that was kind of a noteworthy thing. It's not that we spend all of our time in the boxing ring here. But sometimes, when people's positions on legislation get too entrenched, they lose sight of the fact that we have to stop the argument and get on with producing a product. So, I think the Nation is going to be better off because of this.

The budget agreement is not perfect. It is not drafted exactly as I, as I said, nor any other Senator would have written it. But it is an honorable compromise that, on balance, is an enormous step forward. It will lead to the first balanced budget in this country since 1969. It invests in education and helps ordinary Americans afford college. It provides health coverage for many of America's uninsured children. And it provides tax relief for middle-class families. It provides important protections for kids and legal immigrants, people who were invited to come here and who later became disabled. And it helps accomplish something that President Clinton has had on the agenda for a long time—to move people from welfare to work, and to provide the means with which to make that transition.

More generally, it shows we can both be fiscally responsible and true to our highest values as a nation. This budget agreement will produce roughly $900 billion in net deficit savings over the next 10 years. It will give us the first balanced budget in a generation. It will build on President Clinton's tremendous success in reducing the deficit. And one cannot ignore—and Senator DOMENICI knew this was coming—one could not ignore the incredible accomplishments, economic accomplishments that have been made since President Clinton has been in office—with a budget deficit that was at $290 billion when he took over in 1993, and at the moment looking like it is going to be something less than $50 billion for the year 1997. It will build on President Clinton's tremendous success in reducing that deficit. It will build on the success that we have had in getting new jobs for people in our country—12 million new jobs created. And the stock market—one can't help but notice that indicator. I noticed today, after hearing the news and yesterday after hearing the news, the market continued to move upward. Inflation is in check. People feel very good about the strength of the United States, leading the world's most developed countries in competing in the marketplace. That is a terrific record upon which to build.

This balanced budget amendment is an extension of all of those good things. But I think the President is due a lot of credit for having brought that deficit down to where it was, based on his hard work and, yes, a turn of very good events at the same time. But it was his foresight and his planning that helped enable us to get to this point.

The budget agreement, also, will move our Nation into the 21st century by providing the largest investment in education in 50 years. I, as a recipient of the benefits of the GI bill—I served in the war. I don't always like discussing which one. Sometimes people ask me if it was the Spanish American? It was not. It was World War II. But, without the GI bill, my widowed mother, age 36 when my father died, and the poor circumstances in which our family found ourselves when I was discharged from the Army—never, never would have enabled me to get a college education and get a start on a career that has been very satisfying for me and, I hope, worthwhile for the country. So I saw the value of helping someone get a head start in life, someone getting an education and being able to contribute to our society. That is what I want to see us do and the President certainly led us to that point.

The tax bill we are going to be considering also will include a $1,500 tax credit to make the first 2 years of college universally available. There will be a tuition tax credit for all working Americans who want to pursue lifelong learning, continue to learn. That enriches the mind, enriches the body, and enriches the quality of life. That is what we have seen in so many cases. If you look in the universities and research laboratories and so forth, you see the people who continue to learn and who gain vitality and youth, even as they do that. These provisions are critically important to the future of our economy.

In addition, the budget agreement also includes $24 billion for children's health care, the largest increase in children's health care since the enactment of Medicaid in 1965. This will help provide health insurance to millions of uninsured children and it is a tremendous achievement.

The budget agreement also protects Medicare and extends the solvency of the Medicare trust fund by roughly another 7 years. Unlike earlier proposals, it does not ask senior citizens to bear unfair burdens and it doesn't threaten the quality of their health care. Instead, it reforms and modernizes the program and includes significant new preventive benefits.

We all know there is going to be a more thorough review of Medicare in the years ahead, to see whether we can comprehensively make changes that will guarantee that solvency for as long as one can imagine.

In addition, the agreement provides tax relief for the middle class. As we will discuss when we turn to the tax bill, the agreement provides a $500 tax credit for children under the age of 17, to help families to be able to bring up their children in the fashion that would provide them with sustenance and direction, and perhaps help them get started on their education. Importantly, that credit will be available to working families with lower incomes. This sounds a little mysterious but there are people whose incomes are supported by assistance from the Government, earned-income tax credit, in which a family that is below a certain level of income gets a stipend or a tax refund from the Government. It often makes their lives livable. But there was a huge debate about whether or not this credit would be available for people who do not pay taxes in the first place. But we know they are working families and they do pay payroll taxes and we decided, jointly, that it would be appropriate to give some credit on those payroll taxes that they pay.

We, the Democrats, made that a priority. With support from our Republican friends we won an important victory for millions of ordinary Americans.

The conference report also restores a basic level of fairness for people who have come into this country legally, who have obeyed the law, paid their taxes, and then fate delivers them a disability whether through accident or just sickness. Last year the Congress pulled the rug out from under these people and eliminated their disability benefits; for some, the only provision that they have that enables them to get along. But today we are restoring that basic safety net. It is the right thing to do. As the Senate sponsor of this amendment I am particularly pleased that it will be enacted into law.

Another important section of the conference report will protect 30,000 disabled children who otherwise would lose Medicaid coverage. This corrects a serious defect in last year's welfare

legislation and will make a huge difference for these children and their families. I am also pleased that the budget agreement includes a renewed commitment to environmental protection. We will be enacting new incentives to clean up thousands of contaminated, abandoned sites in economically distressed areas. That not only will improve the environment, but it will help encourage redevelopment of these areas, known as brownfields.

I have seen it in towns in New Jersey, industrial cities that had a glorious past but now suffer from the delinquency that often results from industrial pollution. Some of these communities have had these sites, dormant sites, small sites that were unused, yet with people begging for work not blocks away, able to get there; people begging for retail facilities—they are not used. We have seen, in New Jersey, where we have cleaned up a few of these sites, good retail activity—in one site in Hackensack, NJ, with a couple of hundred people working in a discount store, a marketplace that people can go to, to get their goods, buy their food. It has been a miracle, almost, to see these things. And it is, often, for very small sums of money.

So we now have brownfields that I worked very hard on. It's now in place. It's a win-win approach that will make a difference for communities around the Nation.

Additionally, the conference report includes important provisions to move people from welfare to work as I mentioned. One million long-term welfare recipients stand to benefit from this initiative. And the Nation as a whole will benefit, as more Americans leave welfare and become productive members of our economy, lift their heads high, lift their spirits, provide some vision for themselves and their families. It is a wonderful vision and I am pleased to see we are putting the resources there to make it happen.

Mr. President, I am going to leave to others the discussion on some of the other details of this legislation. But I once again take the opportunity to congratulate the President, President Clinton, for his outstanding leadership in this effort. We are here today on a bipartisan basis only because the President decided it could happen and he wanted to make it happen. His people were all over the place, working alike with Democrats who occasionally disagreed and Republicans who occasionally disagreed. He brought us all together and we are grateful for that. I think his commitment will be acknowledged for many years to come.

Mr. President, I don't think, as I said earlier, there is anyone who would say they are 100 percent happy with this agreement. But, while no one sees it as perfect, everyone should see it as good. It is fair, it is balanced, and it will serve our country well. It will balance the budget. It will invest in education and training. It will provide tax relief to the middle class. It will protect Medicare. It will provide health care coverage to millions of children. It will throw a life vest to disabled legal immigrants. It will invest in environmental protection, move people from welfare to work, and will make life better for millions of ordinary working Americans.

So I urge my colleagues to put aside as much challenge as they can. Yes, everybody in this place is free to make their statements, to say what they want. But I hope in the final analysis they are going to support this budget agreement enthusiastically, because it sends a message to the American people. It will say yes, this wasn't something that was nurtured through an inch at a time. This is something that was supported by people across the room from different States and from different parties. That is the way it ought to be. It is the right thing for America and I am proud to have been a part of it.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Who seeks recognition?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Rick Werner, a detailee to the Finance Committee from the Department of Health and Human Services, be granted the privilege of the floor for the duration of the debate on this conference report.

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

Mr. ROTH. Mr. President, the budget reconciliation conference between the Senate and House has come to an end. All sides have weighed in. The process has been long and involved, around the clock, through the weekends. But I must say the result is well worth the exercise.

What we have achieved is a balance, a carefully crafted compromise between the Senate and the House, between Republicans and Democrats, between Congress and the White House. I can say with certainty that no Senator, no Congressman, not even the President got everything he or she would have liked. Undoubtedly there are specifics in this final package that I would prefer to have seen written differently. But I can say that, while there were necessary compromises to achieve balance and to deliver the budget reconciliation to the American people, there was no compromise on principle. Differences? Certainly, but I cannot remember the last time I saw such a positive, bipartisan willingness to work together in a budget effort.

This, I believe, is because there has been a profound change in the nature and character of Washington. Two recent proclamations demonstrate this change. The first was President Clinton's declaration in his State of the Union Address that the era of big Government is over. And the second came from our distinguished colleague, Senator DASCHLE, when, during this debate, he agreed that the question in Congress is no longer whether or not taxes should be cut, rather a question of how much they should be cut.

Cutting taxes and achieving a balanced budget have long been Republican objectives. For years now, we have advocated the need to change the way Washington does business. Now President Clinton and the distinguished minority leader demonstrate the growing bipartisan consensus on these objectives, objectives that underscore this reconciliation package.

It is a strong first step. It signals that the era of big government is over. Certainly government has its place. There are moral and contractual obligations that the Federal Government must maintain with the American people. Many are enumerated in the Constitution. Others, like Medicare and Medicaid, are more recent and have become critically important to those who depend on them now and to those who rely on them for the future.

Having said this, I believe a clear and growing majority realizes that the Federal Government is not the answer to all that challenges us. In fact, in some cases, the Government is shown to be the problem, particularly when it comes to waste, fraud, abuse, inefficiency, and a top-heavy, unresponsive bureaucracy. The ability of both sides to compromise on this bill demonstrates that Washington acknowledges this reality and that Washington is responding to the attendant frustration and legitimate concerns felt by Americans everywhere.

Beyond signaling an end to big and inefficient government, this package meets several other shared criteria. It places us squarely and honestly on the road to a balanced budget by the year 2002. We all know how important this is. The United States has not balanced a Federal budget since 1969. This, despite the fact that our Founders made it clear that saddling future generations with debt is immoral. According to Thomas Jefferson, the question of whether one generation has a right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. Jefferson said that we should consider ourselves unauthorized to saddle posterity with our debts; we are morally bound to pay those debts ourselves.

This budget reconciliation package is the first in years that puts us back where we must be. It is balanced. It begins to address the dilemma of big government's licentious legacy, a legacy that burdens every man, woman, and child with almost $20,000 in public debt. I am happy to say that our majority leader, Senator LOTT, made it clear at the beginning of the 105th Congress that balancing the budget in 5 years would be one of our top priorities. Mr. President, we have delivered on that promise.

Our third objective has been to strengthen the programs that would be influenced by our actions. The reforms to entitlement that are contained in this package are, indeed, historic. We make significant and important changes to Medicare and Medicaid. We strengthen assistance to children. We return authority and means to our States so they can better meet the needs of their citizens. It was not enough to simply change entitlement programs to reduce their rate of growth. We sought in the process to improve, to strengthen them, to preserve them, and, again, we succeeded.

Let me give you the specifics. But before I do that, let me reiterate that we were able to accomplish these significant objectives because of a growing consensus on both sides of the political aisle, and because of our willingness to compromise, compromise not on principles but for principles.

In our effort to control spending, the largest program we addressed was Medicare. Our objective here was not just to control its spending, but to strengthen the Medicare Program for the long term, and we did this. We did this by increasing choice and competition within the program. Choice within the Medicare Program will give beneficiaries myriad options. It will allow them to participate in HMO's, PPO's, PSO's and private fee-for-service programs. We have based our expansion of choice in the Medicare Program on the successful Federal Employees Health Benefits Program. Through these options, seniors will be able to obtain important benefits, like prescription drugs, that are not covered by traditional Medicare.

These changes and the money they will save also allow us to expand Medicare coverage for certain important preventive services, including mammography, prostate colorectal screening, bone mass measurement, and diabetes management. Beyond increasing choice and competition within Medicare, we strengthen and preserve the program by slowing its rate of spending growth. Our measures save Medicare for another 10 years, while still increasing program spending per beneficiary from $5,500 this year to $6,800 in the year 2002.

Beyond encouraging choice and competition, this bill introduces important innovations into the Medicare Program, innovations that could go a long way toward strengthening the program for future generations.

One very important innovation is the creation of a demonstration project that will explore the advantages of having medical savings accounts available within the Medicare Program. This demonstration project will allow up to 390,000 Medicare beneficiaries to opt into an MSA program, a program that will allow them to choose a high-deductible Medicare choice plan.

I believe medical savings accounts will be an important component of Medicare's long-term viability, and to study and recommend other innovations, our legislation creates a national bipartisan commission on the future of Medicare. Senator MOYNIHAN and I called for this commission back in February as we realized that to realize long-term solutions for the program, we needed a commission that would be above politics. This will be a 17-member commission established for a little more than a year. Its task will be to make recommendations to Congress on actions necessary to ensure the long-term fiscal health of the Medicare Program. It will report back to Congress on March 1, 1999, and these changes to Medicare will result in a net savings of $115 billion over 5 years, savings that will not only help us balance the budget, but savings and reforms that will preserve the Medicare Program while ensuring that it continues to serve those who depend on it now.

Concerning Medicaid, we were able to achieve a total savings of $13 billion. This savings will come largely from a reduction in disproportionate share, or DSH payments, and by giving our States more flexibility in how they run the program.

For more than a decade, there has been a tug of war between the Federal Government and the States over Medicaid. Each side has tried to assert its will over the other. From the mid-1980's and 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 legislative package marks a new beginning, a new trend. It marks a change in the Washington mindset that has sought, since the days of the New Deal over 60 years ago, to centralize power in this city. With this substantive change in the Medicaid Program, we are offering our Governors the tools they need to control this program. This, I believe, is the way things should be done.

With this bill, they 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 provider for services. The States will be able to ask families to take some responsibility for the decisions they make when seeking health care services. This power at the State level will go a long ways toward stretching Government health care dollars.

As I said, beyond making significant and important changes to Medicare and Medicaid, we have strengthened assistance to our children to meet the health care needs of the most vulnerable among us. It became clear through the conference that both sides of the aisle are equally committed to increasing access to health care for as many children as we can. Both sides of the aisle are committed to finding an answer to the problem of uninsured children in this country, and this legislation represents an important agreement in this area. It creates a new program, a program that covers low-income, uninsured children. The process of providing insurance and health care coverage to vulnerable American children is complex. As I have said before, of the 71 million children in the United States, more than 86 percent are already covered by some type of health insurance. Two-thirds of our children are covered by insurance through the private sector. Twenty-three 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.

Our plan provides $24 billion over the next 5 years to be used by States in a manner that provides them flexibility in how they will expand health care coverage to our children.

Our States will have two mechanisms of establishing programs. They can expand their Medicaid coverage or they can create their own program to address the particular needs of the children in their States. And while the Governors are given certain flexibility in the way they can use this money, our bill requires that they meet specific standards regarding health care coverage for children.

Expanding Medicaid is certainly a choice States have made. Thirty-nine have expanded Medicaid eligibility for pregnant women and children beyond the Federal requirements. But States are also developing other strategies for increasing coverage of children as well. There are already public-private partnerships in more than half of our 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 these additional resources provided by this legislation.

These, Mr. President, are the major provisions of this legislation. They signal a new beginning in Washington—real reforms to make programs more cost-effective, more efficient, more responsive to the needs of our people and our States. Great care has been taken to assure that the most vulnerable among us are protected, and this includes our provision to restore benefits to all legal noncitizens who were receiving Social Security when last year's welfare bill was signed into law.

With this legislation, we also restore the ability to receive benefits to legal noncitizens who were residing in the United States as of that date should they become disabled in the future. These protections, however, are handled appropriately and in keeping with our overarching goal of restoring fiscal responsibility to Government.

With this reconciliation package, we have establish the first balanced budget since 1969. We have met the criterion given us in the May 2d budget compromise, and we will give Americans the first real tax relief package that they have had in 16 years.

Did we accomplish everything I would have liked to accomplish? No. I would have preferred to see some deeper, more significant fiscal restraint. I would have preferred to see a few other major reforms to Medicare, reforms that would have gone a long way toward strengthening the program, and these include the provisions that were in the original Senate package.

But recall, Mr. President, the history of the balanced budget debate; recall Congress' effort in November 1995 to balance the budget by the year 2002; recall the consequent Government shutdown and Bill Clinton's veto; recall the President's 10-year balanced budget plan and Congress insisting that balance could be achieved 5 years earlier.

Keep the history in mind, and the success of this legislation becomes clear. We have a balanced budget. That balanced budget will be achieved in 5 years, not 10. And we have achieved it without acrimony, without Government shutdowns, and without vetoes.

This is a bipartisan effort. It is an excellent beginning. And I am grateful to my colleagues on both sides of the aisle for their work, for the spirit of cooperation that existed on the Finance Committee, on the floor of the Senate, and throughout the conference.

I am especially grateful to my friend, PAT MOYNIHAN, for his wise counsel, his leadership, and cooperation in helping to bring about the success of this package. I am also grateful to the professional staff members on the Senate Finance Committee, as well as the Senate Budget Committee.

Likewise, I want to thank the staffs of the Congressional Research Service and the Congressional Budget Office, the Office of Legislative Council in the Senate, the Prospective Payment Assessment Commission, the Physician Payment Review Commission, the General Accounting Office, and all others who have worked long and hard for this package. The list of names is too long to read here, but I ask unanimous consent that these names be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

FINANCE COMMITTEE

Lindy Paull, Julie James, Alexander Vachon, Gioia Bonmartini, Dede Spitznagel, Dennis Smith, Donna Ridenour, Alexis Martin, Mark Patterson, David Podoff, Faye Drummond, Rick Werner, Kristen Testa, and Doug Steiger.

SENATE LEGISLATIVE COUNSEL

Jim Fransen, Mark Mathiesen, Ruth Ernst, John Goetcheus, Janell Bentz, and the rest of the Legislative Counsel's Office.

CONGRESSIONAL BUDGET OFFICE

Murray Ross, Tom Bradley, Cyndi Dudzinski, Jeanne De Sa, Anne Hunt, Jennifer Jenson, Jeff Lemieux, Robin Rudowitz, Kathy Ruffing, Paul Cullinan, Sheila Dacy, Joe Antos, and Pete Welch.

CONGRESSIONAL RESEARCH SERVICE

Celinda Franco, Beth Fuchs, Tom Gabe, Jennifer O'Sullivan, Richard Price, Richard Rimkunas, Kathy Swendiman, Madeleine Smith, Melvina Ford, Jean Hearne, Jennifer Neisner, Pat Purcell, Vee Burke, Christine Devere, Larry Eig, Gene Falk, Carmen Solomon-Fears, and Joyce Vialet.

PHYSICIAN PAYMENT REVIEW COMMISSION

Lauren B. LeRoy, David C. Colby, Anne L. Schwartz, John F. Hoadley, Christopher Hogan, Kevin Hayes, Katie Merrell, Michael J. O'Grady, David W. Shapiro, Sally Trude, and Christine M. Cushman.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

Donald A. Young, Laura A. Dummit, and Stuart Guterman.

Mr. ROTH. Mr. President, it is my hope that the spirit of bipartisanship that carried us through this effort continues as we now consider the final package and send the bill to President Clinton for his signature.

I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KERREY. I yield myself such time from the Democratic side.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I come to the floor and offer what I would call my reluctant support for this budget agreement.

Today, the subject at hand is the spending portion of this bill. And I wish it was completely different, I must say, than what is in here.

Yesterday, I spent most of the day in mourning for the loss of the provisions relating to structural changes in Medicare that would have added $8 billion to the HI hospitalization trust fund by imposing very reasonable and progressive change in the premium—it would have added $40 billion a year in spending relief in the year 2030 by accommodating this tremendous change in the baby-boom generation between 2010 and 2030—and other provisions. I spent the day grieving those. I have overcome my grief, and I am prepared to support this because I believe it does balance the budget by the year 2002. I believe it finishes the job that we started in 1990 and 1993. I voted for both of those bills, and I find myself compelled once again to come and vote for a bill that I am not altogether pleased with.

In this morning's New York Times there was an op-ed piece written by William Safire talking about an age-old problem in the West where cattlemen, because they had an interest in keeping the range open, and sheepherders, because they had an interest in keeping the range fenced in, were at constant odds and warring with one another. Their animals had different needs. They, as the guardians of those animals, went to war in order to protect the needs of those animals.

It was not until just recently that the people who manage these range animals have come together. They came together as a consequence of a common enemy, in this case, a rather pesky weed called leafy spurge that has roots that can go down as deep as 150 feet, impossible to, by any reasonable estimate, get rid of once it is in the grassland. It will spread and take over the entire prairie.

So the cattlemen are out there saying the leafy spurge will eliminate the grass. ''I'll have nothing for my cattle to graze on. What am I going to do? No herbicide is effective. No burning is effective. Nothing seems to work.'' Until one day they discover that what works is to put a few hundred sheep out on the grassland. As a consequence of the sheep's appetite for the leafy spurge, the sheep eliminates the weed, and thus is joined a battle between the cattlemen and the sheepherders. Suddenly they come together as a consequence of the common enemy.

I am impressed that Republicans and Democrats have come together with this bill to address a common enemy—the deficit. I wish that the 1993 bill had been bipartisan. I believe that if we had a few more spending cuts in 1993, that might have been possible. We missed an opportunity. It was bipartisan in 1990. It was not in 1993. And it is today. I am impressed with it.

I believe the Nation wants us to be bipartisan. I believe the Nation makes our greatest progress when we set aside not only our partisan differences, but we are able to find a common opponent, in this case, the deficit, a common objective, and we say that we are willing to risk a bit—in some cases, risk it all—for the larger goal.

I must say, after having made that observation, and to be specific, praising the distinguished chairman of the Budget Committee, Senator DOMENICI, the ranking Democrat, Senator LAUTENBERG, and on our Finance Committee, Senator ROTH of Delaware, Senator MOYNIHAN of New York, they have worked hard to say we have a common enemy—in this case, the deficit.

We see the connection between deficit reduction and jobs. We believe that jobs, and good jobs, can solve almost any problem that we have. And thus, we are willing to join forces against a common enemy.

I am reluctant to become enormously enthusiastic about this, as I say, because I do not believe it is asking of Americans the sort of tough decisions and choices that would enable us to say that we are tasking the American people to do something that is truly great.

We will balance the budget. It is true, we are reforming Medicare to give seniors more choice. I think the Federal Employee Health Benefit provisions in this bill will have long-lasting impact, give seniors more comfort as they make a choice to buy alternative care. The provisions for increased coverage for children, the provisions having to do with welfare reform, all these are good provisions and deserve attention.

We have, in addition, a lot of provisions—and I thank all four of the Members who have been involved with this for their assistance in making sure that rural America has an adequate reimbursement rate under managed care,

that we are able to take advantage of managed care and see increased penetration in rural America. I appreciate, as well, the change to increase budget enforcement to tighten some of the loopholes that were in law.

There are a lot of things in this bill, in short, that are good. It does, it seems to me, represent a successful compromise between Republicans and Democrats, and we have produced a piece of legislation that all of us, or most of us, anyway, are going to be able to come down and be enthusiastic about.

There are four things, Mr. President, that I would like to discuss which I would put in the category of unfinished business. First is entitlements. I appreciate that there is a commission in this bill. I believe it is 20 months that they have. I can save them a lot of time. We had a bipartisan entitlement commission, Senator Danforth and I. The distinguished occupant of the chair was on that commission as well.

There are a limited number of choices that one can make. There are roughly 10 or 15 choices you can make. They are all ugly. They are all difficult. And they all accommodate a demographic problem, not a problem caused by secular humanists or by Phyllis Schlafly or Ronald Reagan or George McGovern. This is not an ideological problem. It is a problem of birthrates during the period of time 1945 to 1965, and the birthrates following that. It is called the baby-boom generation.

Seventy-seven million Americans will begin to retire in 2010. And what we attempted to do, with what I consider to be a relatively modest change in the law with eligibility age and means testing and a copayment on home health care, was to accommodate that large generation of people. The sooner you do it, the better. You do not do them any favors by saying, we will do a commission for 2 years and perhaps do something in 1999. Then you have a Presidential campaign going. You will probably have to wait until 2001. The longer you wait, the harder the choices are.

As I said, the choices are fairly limited. If you do not like moving the eligibility age, if you do not like doing some means testing, the only thing you can hope to do is get some increases in the revenue stream, proposing to increase taxes or increase the premium. If that is your choice, make it now, because the longer you wait, the more likely it is that the people you are trying to help are going to pay a lot more. They are going to pay a bigger price. They have not been warned.

We missed an opportunity, and I am hopeful that by surfacing this in the debate and getting strong support, bipartisan support here in the Senate, we can keep these issues alive.

In addition to the long-term problem of entitlements is another problem with entitlements inside of our budget. Yes, it is true, we will have taken the final step to balance the budget with this bill, although I note parenthetically that one of the curious things about this particular proposal is we are going to balance the budget by rather substantially increasing spending in some areas and lowering taxes in others. It is an exciting proposition. We are going to balance the budget, it is true, but the budget has another big problem, and that is the growing percent of that budget that goes for mandatory programs.

Many of my colleagues have come down to give great, impassioned speeches about why we should not do all of these things. But the question that needs to be asked in a very calm environment is, what are you going to do about these numbers?

In this budget agreement, the amount of money we allocate for mandatory, plus interest, will go from entitlements, plus interest, the mandatory portion from about 66 percent, as I understand it—I haven't seen the final numbers—to about 70 percent in 2002. The Senator from New Mexico is shaking his head, but it does unquestionably increase. I do not know if it goes to 70 percent, but it increases, and it continues to increase. And it will increase even more when the baby boomers retire. It is not a flat number.

The head of the Congressional Budget Office, June O'Neill, prepared a report some time ago that shows how the cost of these programs continues to go up as a percent of our overall budget, and they are squeezing out our capacity to keep our defenses strong, our capacity to invest in education or infrastructure, or research, and all the other sorts of things that are being done in the other part of the budget. One of the reasons it was made easier to do our appropriation this year is, we put a little more money in the appropriated accounts in this fiscal year than you are going to see in the outyears.

So I alert Members that see the appropriations bills sailing through this year and are wondering why, there is more money this year than there will be next year and the year after that and the year after that. In years 4 and 5, we will have very tough decisions to make in discretionary spending—far tougher than I believe people realize. Thus, there is the second problem of the growing cost of entitlements inside of the budget. It sets up tough choices. It doesn't set up easy choices. It sets up very difficult choices that we have to make.

The second big area for me is, I must say, with the economy growing the way it is—and one of the great pieces of news for me in this budget debate is that as a result of the growth in the economy, I think there are very few people left that don't understand that, in addition to defending the Nation as the first order of business, whatever we do with our taxes, regulatory policy, and spending policy, we do need to ask ourselves: will this create jobs? Because if the economy is growing, it is producing jobs, and there is a demand for labor as a consequence of a growing economy. Lots of things get solved in a hurry. Not only does the Treasury have lots of revenue that makes our job easier, but the gap between rich and poor narrows, the number of people on welfare is reduced. A lot of problems we have get solved quickly if our economy is growing. If we recall from the recession of 1991, the problems are made a lot worse if you have the opposite in place.

So this growth we have out there in the economy is exciting. My view is that this is the time when we need to be investing in that public infrastructure—research, the transportation base, education, and all those things that will produce increased productivity and increased economic growth sometime out in the future. We may not get an immediate benefit from it, but we will benefit somewhere out in the future. It connects with this entitlement problem. For my friends on this side of the aisle who love to get up and get fired up and tell me why we can't do anything about entitlements, the question occurs: If you don't want to do that, Senator, where are you going to get the money to make these public investments?

I haven't heard many people that are enthusiastic about a tax increase. I have heard them being enthusiastic about going in the other direction. The only way you can find the resources to invest in the long-term growth of this country is by containing and controlling the pace of growth of entitlements. It is a question of whether or not we are going to endow the future, or are we going to convert the Federal Government into an ATM machine, entitling the present solving of the problems of me, me, me, now, now, now, but not solving the problems of future generations.

The third issue I speak of today is health coverage. I am of the opinion that the additional $24 billion that is in this particular budget is going to cover a lot fewer people than leading advocates predict. I don't believe that it is going to be a terribly efficient way to increase coverage. Again, I don't think you are going to be able to get the kind of increased coverage that is necessary, unless you come to grips with the rising costs of these mandated programs. For all the terrible things that were forecast and said about the proposal to add a $5 fee for home health, to add a means-tested and an income-related premium on Part B and increase the eligibility age, you thought we were not spending any money at all on Medicare.

No account in our budget grows as fast as Medicare. It will go up, on average, $24.5 billion per year for 10 years. Nothing grows that fast. We are allocating more and more of our gross domestic product into Medicare and other entitlements. Now, I am prepared to do more for low-income seniors, and help people who are in serious trouble out

there, having a tough time paying the bills. But the choice that we have to make, not only when it comes to investing in our future, but also being able to provide additional coverage, is between one group of Americans and another, or allocating $24.5 billion of additional money for children over 5 years and $24.5 billion per year for 37 million people over the age of 65.

Now, I think that is the kind of debate we need to have on this floor. It is a tough debate, and it involves telling the American people and, very often, giving them the facts. And the facts may be painful and difficult for us to face, but they are the facts. I, for one, as I said, am skeptical that $24 billion over 5 years is going to result in the kind of increased coverage projected for children. I must say again that I think the only way we are honestly going to be able to increase the coverage for Americans is to get after entitlements. There is a question of the legitimacy not only of the means test, but we must ask ourselves fundamental questions about requiring an eligibility test on age, another program based upon poverty, the veterans' programs, saying if you get blown up in a war, we have a good program for you. The final one, of course, is the income tax deduction.

The fourth problem that I think this country faces, which is not in this bill, but it will be taken up in the tax bill and I will talk about it later, but I think it's a big problem. We have a window into the problem of looking at the estate tax issue, and that is the difficulty Americans are having generating wealth. I will talk about it at greater length when we get on the tax bill. But income and wealth are not the same thing. It is not uncommon to pick up a newspaper and hear a story talking about this tax bill does this or that for the wealthy, and what they are talking about is income. They are not the same thing. I can have a half a million dollars a year in income and have no wealth, just as I can have $20,000 in income a year and if I save a little bit, I can get wealth. The estate tax debate is focused on about 2 percent of Americans who have estates at $600,000 or over. I believe estate tax relief is reasonable. I support doing that in the tax bill. But there are 98 percent of the American people that do not have wealth in excess of $600,000. It would not take much of a change in the Social Security program to enable somebody in the work force, indeed from the moment they were born, to have a savings account that enables them to say that when it comes time for me to retire, as I look forward to growing old, I know that in addition to some kind of an income transfer I am also going to have the opportunity to have security as a result of wealth. I think wealth distribution, identified as a problem repeatedly, cannot be solved by simply transferring income. It can only be solved by establishing that we are going to try to help working Americans acquire the wealth and use the principal retirement program, Social Security, that we have in place to get that done.

Mr. President, I close by saying that I intend to vote ''yes'' on this bill, and I intend to vote ''yes'' on the tax relief bill that follows. I wish it had done considerably more. I have great praise and great appreciation for the work done by the chairman of the Budget Committee, by the ranking Democrat, the chairman of the Finance Committee and the ranking Democrat on that committee as well. They set the tone of bipartisanship, which must be set if you are going to deal with these controversial issues, if we are going to be able to go after the common enemy, not just of deficit spending but other tempting, irresponsible things that might produce a round of applause, but might not be good for the United States of America.

Mr. DOMENICI. Will the Senator yield?

Mr. KERREY. I am pleased to yield.

Mr. DOMENICI. Senator, first let me make an observation, perhaps not as eloquently. I believe the Senator from New Mexico could, someplace or another in the United States, make a very similar speech. I think most of what you talked about I agree with. But I would like to make sure that everybody knows just how much you can do in a budget resolution and in a bill that is forced by a budget resolution and how difficult it is to try to do more than fits the bill. I want to say to the American people that while I agree with your statement wholeheartedly that we have to do much more with the entitlements—and let's be very precise, the one that is really, really in need of a long-term fix is Medicare—not because anybody wants to deny anyone anything, but the stark fact is that it, by itself, can break this country in another 15, 20 years all by itself.

Frankly, I never believed that we could fix Medicare in its totality in a budget resolution and a bill that was thrust by a budget resolution. Senator GRAMM is chairman of the Subcommittee on Health. I think he would agree with me that, while we probably could have done better, and should have, on the three items that would have helped, we can't force the total change of Medicare in a bill like this under a budget resolution format. First of all, a budget resolution is only applicable for 5 years. You are permitted to project for 10. I assume when Senator GRAMM starts that reform, he is going to start beyond 10 in terms of the real dollar impact, because that is when it is in trouble. It is not in trouble in the next 5 years. One might have a different mix as to how you get it to a state of solvency.

Senator, I would like you to know I never thought that we could do much more in Medicare. But I think the three changes you made in the Finance Committee, with your support, if we could have held them, it would have been a good first step. I still believe the spirit of getting this done may get us, within the next 2 or 3 years, to facing the issues for major, permanent reform of the entitlement programs. I am hopeful you are not giving up because we can't do it in this budget bill, because it is a very, very big issue that requires much debate in the Senate. I don't know exactly how that debate is going to be framed, but I don't think it is going to be framed in a reconciliation bill with no debate to speak of and no amendments to speak of. That is just the U.S. Senate's way of doing things. I thank you for yielding. Maybe you can comment on that.

Mr. KERREY. Mr. President, first of all, I say that the man who taught me about entitlements is the distinguished Senator from New Mexico. I recall coming to the floor, I believe it was on a budget resolution that the distinguished Senator from New Mexico and the now-departed Senator from Georgia, Senator Nunn, when they had the famous Nunn-Domenici amendment that controlled the growth of entitlements. The first time he proposed it, I voted against it. I listened to the opponents of it and said, ''That makes sense to me; this is not a good amendment, so I will vote no.''

Then I started looking at the facts, and I was very uncomfortable to have to conclude that I voted wrong. The next time the Senator brought it up, I voted for it and I became interested in this issue as a result of both you and Senator Nunn and your elaborations and your education that you did 3 or 4 years ago.

The point that I am trying to make, which I am afraid is sometimes lost, is that the longer you wait, the harder the choice is. This is not a problem that you can avoid forever. The more time you let expire, the more difficult the choice is—that is, on Medicare. The same is true on the budget item when it comes to Social Security. We have people under the age of 40 who will be beneficiaries out in the future, 26 and 27 years from now, under current law, for whom we have to say, are we going to be able to keep the promise that's on the table? We have to say no. Social Security Commissioner designate Shirley Chater, in 1996, when asked about it, said, ''You can expect Social Security to have to be reduced by 30 or 40 percent in benefits, unless some change occurs.''

Well, there is a presumption that those of us who proposed altering these programs today are proposing cuts. But the truth is, if you do nothing, that is what is going to happen; only the cut isn't going to occur to a future beneficiary, it will occur to a current beneficiary. Long after the time has passed when you can plan and make adjustments, suddenly the Congress is going to pop up and say, ''Sorry, folks, we have to cut the programs big time,'' in order to be able, as the Senator said, to save either the fiscal health or the program itself.

So my fear is that we missed an opportunity when the distinguished Senators from New Mexico and Georgia were down here. I recall people coming in the one year and pulling off veterans first, and once the floodgates were open, it was ''Katie bar the door,'' everybody got down here and got exempt and there was nothing left. There was no group that is entitled to payment left, and they were all exempted and there was no real reform that occurred.

So I am not going to give up on the issue. I am not going to stop talking about the need for these long-term changes. But I am just saying to the American people, especially those who understand the importance of Medicare and these entitlement programs, who consider it a victory that the conferees were unable—and I know the Senator from New Mexico fought for these things, but the conferees were unable to hold these provisions. There are many people who are advocates of these programs that consider that a victory. It is not a victory. It weakens the program long term. And some beneficiary out in the future is not going to thank us for this action. Maybe it gains a few votes in elections. I doubt it. I believe the American people once they hear the facts of the matter will be persuaded.

Anyway, it is a much longer answer. I know the Senator from Texas is not very appreciative of the fact that the Senator caused me to talk longer than I intended to.

But I want to underscore in closing that I do appreciate the fact that the Senator from New Mexico, Senator Nunn, and others led on this thing. It probably torments the Senator now to see his student come back here speaking in this fashion.

I just close by saying that I am prepared to vote for this agreement on the balanced budget. I believe that is good for the economy. I wish and hope that we are able in a bipartisan spirit to do much more, if not this year sometime relatively soon.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield to Senator GRAMM as much time as he may desire.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, let me first thank our chairman for yielding.

I would like to begin by congratulating some people and thanking them for their leadership.

First of all, I want to thank Senator DOMENICI for his leadership. I have had the opportunity to serve with Senator DOMENICI now for 13 years. I have been on the same side as Senator DOMENICI. I have been on the opposite side of Senator DOMENICI. I have noticed that when we are together we generally win. I wish Senator DOMENICI could be right more often.

But I want to congratulate him for his leadership. I don't have any doubt in my mind that Senator DOMENICI will go down as one of the great legislators of this era, and that I will always be proud to tell my grandchildren that I served with him. I want to congratulate him for his great work on this bill.

I also want to congratulate Chairman ROTH. This is the first full term that Senator ROTH has been chairman. He became chairman in the middle of the last Congress. And I think he has done a terrific job in chairing the Finance Committee and in building bipartisanship to a level that I would not have thought beginning this process that we could have ever had on the tax bill. I want to congratulate Chairman ROTH for his leadership, which I really think has been outstanding, having had the opportunity to be in committee, to be actively participating in the debate on the tax bill on the floor, and having had a chance to be in much of the conference.

I think our colleagues ought to know, or at least hear someone say what a great job that Chairman ROTH did.

I also believe that our Democratic colleagues, especially Senator MOYNIHAN, have made a great contribution to this bill. Whether you like the product, or whether you do not like anything else we do—it is as thick as this package that many like and many dislike—I think you have to clearly say that a tremendous amount of work has gone into the process.

Let me begin by talking about what I believe in this bill is unambiguously positive, and what is clearly going to be greatly appreciated by the American people—some of it immediately, and some of it over time—as people come to understand it.

I would like then to talk about the disappointments I have about some parts of the bill—opportunities lost, things done. And then I would like to conclude by simply talking about the future in the next 5 years as we try to implement what the Congress is clearly going to adopt, and then say a little bit about balancing the Federal budget. So I will try to do those things.

Mr. DOMENICI. Will the Senator yield?

Mr. GRAMM. I am happy to.

Mr. DOMENICI. I must leave the floor. I will tell the Senator that I look forward to reading the Senator's remarks. I think the Senator knows that I mean that. I believe what he has outlined is so typical. I mean the Senator is going to state the good things, things that are not as good as they could be, and he is going to lay them out with clarity. I say thank you for the generous remarks which the Senator made about me. But I also want to say I reciprocate.

It doesn't matter in the U.S. Senate whether you agree with another Senator half the time, all the time, or none of the time. What is important is that you respect them. That is all we can get in this place—is that somebody respects what we are doing. I want to tell the Senator from Texas, whether it is his way and I am not right enough, or whether it is my way and he is wrong too often, it doesn't matter. You can't be in the Senate and serve with PHIL GRAMM of Texas without respecting him. The Senator has a great mind, and he has learned to apply it to our problems in a way that really means something to a lot of us. It strikes our minds, and makes us think. I don't think the Senator from Texas can expect to do more, and he wins plenty of them because of the clarity and the philosophy, and the way he digs into the issues.

There are many things that we are experimenting with in this bill that may not work, and the Senator is going to certainly find them and tell us why. And they have an awful lot to do with the child health care package. The Senator is going to say something about that. And I am not trying to preempt him because I know there are problems there. I don't believe the people who say if it had gone straight under Medicaid that it would have covered many, many more. I don't believe that at all. The Medicaid Program that has not worked well in the past that we have been struggling to fix ought not be mimicked. It ought to be changed. And if you can, you ought to do the same thing in a different way. That is the theory of the Senator from Texas, and he has said that from the beginning. We are trying. But we are not there yet, and many other things.

I want to tell you, we struggled mightily on the welfare side, on the Fair Employment Labor Standards Act, and whether the myriad of laws should apply to trainees. And the Senator is going to speak about that. But I want to tell him, I couldn't win. I couldn't get it done. That is all there is to it. Everyone now knows, including the White House—and they will admit it—that the welfare program will not work in terms of the people that most need the training without some relief from some of the laws that apply across the board to people permanently employed in companies that make enough money to get by and have to pay them. And there is no doubt that the issue has been framed in a false way.

It is not a minimum wage issue. We have already agreed to the minimum wage. I heard the President yesterday speak of minimum wage again. That is not the issue. The issue is the rules that are going to govern a nonprofit organization that we asked to train 10 people. Isn't that right? They are going to say, ''Why should we do that?'' Every law on the books governs these trainees, and we didn't even pick them. You picked them for us.

So I am aware of those and many others. But I think the Senator is going to also say that there are some good things in this bill.

I thank the Senator very much for yielding.

Mr. GRAMM. I thank the Senator from New Mexico.

Mr. President, let me begin with the tax cut.

First of all, I think if you are going to judge what has been done, you have to first begin by looking at the fact that we are cutting taxes by approximately 1 percent. The tax cut on average over the next 5 years will lower the tax burden on the American people by slightly less than 1 percent.

So for all of those who are saying, ''Well, the Tax Code becomes more complicated, the changes that are made are piecemeal,'' all of that was driven by the fact that with the bipartisan nature of this bill and the fact that we have a President who was adamantly opposed to cutting taxes until 3 years ago, who only endorsed the concept of trying to balance the budget 2 years ago, that we had a very limited amount of resources. Obviously, for people who have listened to much of this debate and have gotten the idea that we are talking about a huge tax cut, they are going to be disappointed. But there are some people who are going to be directly affected, and in a very positive way. Right at the top of the list will be people who have families and who have children. Nearly all of the $85 billion net tax cut we have in this bill goes directly to families with children.

Why single them out? I am sure there are people who say, ''Well, children are important. Families are important. But why such a focus of this tax bill on children?'' Let me explain why.

In 1950, the dependent exemption—the amount you got to deduct from your income because you had a dependent—was $500. As a result of that $500 dependent exemption for children in 1950, 65 percent of all income of the average income working family was not subject to income taxes in the average family of four in America. Today the dependent exemption is $2,500. But to cover the same expenses and to protect the same level of income that it did in 1950, it would have to be twice that big, or $5,000 per child.

So what has happened since 1950 is that the real dependent exemption in terms of letting working families keep their money to invest in their own children has effectively been cut in half.

If you look at the Tax Code, what has happened is this: In 1950, rich people paid a lot of taxes. And today rich people pay a lot of taxes. In 1950, poor people didn't pay any income taxes to speak of. And today poor people do not pay any income taxes to speak of. But the explosion of Government between 1950 and today has been almost totally funded by a massive growing tax burden on working families with children. And we have literally starved the one institution in America that really works—the family.

So our primary focus—first, in the Contract with America, then the budget 2 years ago, then the budget a year ago, and now the budget this year—has been to give a $500 tax credit per child and to let working families invest in their own children, their own family, their own future, recognizing that the best housing program, nutrition program, and education program is to let working families keep their own money and invest in their own children, their own family, and their own future.

Second, in this tax cut bill we begin the long process of eliminating the death tax. People work a lifetime to build up a farm, or a small business, or to build up assets. And they do it for their children and their future. And they make the country rich in the process. But when they die, even though they pay taxes on every penny they earned along the way, when they try to pass these assets on to their children, the Government comes in and takes up to 55 cents out of every dollar.

So it routinely happens in America every day that parents die, and then their children have to sell the fruits of their lifetime labors—their business, their farm, their home, their assets—in order to give Government 55 cents out of every dollar of its value.

Republicans believe that is wrong. We believe you ought to tax income once, and not twice. And I think the changes we made in this area, especially for small businesses and family farms, is very, very important.

I believe that people who are trying to educate their children will be beneficiaries of this program.

Quite frankly, my favorite part of the tax bill in the area of education is not the President's initiative. It is instead an initiative that came from Senator ROTH. That is the initiative that lets people when they get out of school treat student loan interest payments as a business expense. Think about it for a minute. If you go out and buy a tractor, you can depreciate that tractor—write its value off against your income. But if you invest in going to college, or graduate school or medical school by borrowing a bunch of money on a guaranteed student loan, when you get out of college and you start to work with that big heavy burden of debt, none of the expenses you incurred in getting the education that economists call ''human capital'' can be written off as a business expense.

So our society's Tax Code has historically discriminated against investing in our own people.

One of the provisions of this bill that is critically important is the provision that for the first time will let a young wage earner who has gotten out of school, who has a big guaranteed student loan, to write off that interest against the income they are earning as a result of the earning power they got from going to college, or graduate school, or professional school. And I believe this is going to encourage people to go to school longer and to accumulate greater human capital.

There are a lot of provisions in the tax bill. I believe the tax bill is basically a good bill, and the American people are going to benefit from it. Not everybody is going to benefit. The top 5 percent of income earners pay 50 percent of the taxes. They are going to benefit from none of the general tax provisions. They will benefit marginally from the death tax change. They will benefit from the capital gains tax. But the focus of our benefit, quite frankly, with simply a 1-percent cut in taxes, is where it ought to be—on working middle-income families.

We have had a long debate with the President, and the President has won the debate in this bill. But what is the old saying? He, convinced against his will, is unconvinced still. And let me say I think it is a fundamental error, even though I am going to vote for the tax package, it is a fundamental mistake in a tax bill that only provides $17 billion of tax cuts a year, it is fundamentally unfair to take part of that tax cut away from working two-income families in order to give a tax cut to people who do not pay income taxes. I believe that tax cut bills should be aimed at cutting taxes for people who pay them. In any case, that is where we are in the tax bill.

Let me turn now to the spending bill. The best provision in the spending bill, from my point of view, is expanded choice on Medicare. Medicare has grown by 12 percent a year in cost in the last 20 years. No major program has ever grown that fast before, and, as a result, even with the reforms we have instituted, even under the best of circumstances, Medicare is destined to become the largest and most expensive program in the history of the American Government. But by letting our senior citizens have more choices, by encouraging competition, by allowing a broad range of choices between the traditional HMO and fee-for-service medicine, we are going to for the first time bring the forces of competition to bear on controlling the cost of Medicare.

Since 1965, we have tried to use Government regulation to control Medicare costs, and it has been a total and absolute failure. We are now going to try the forces of competition. I believe that they are going to be successful, and I believe that the most remembered part of the spending bill that is before us will be the expanded choices that we provide under Medicare. If we allow each of these choices to develop, if we continue to refine them and promote competition, I believe we can and will over time drive the cost of Medicare growth down to roughly the cost of medical care in the market system.

Last year, the cost of medical care in the private sector of the economy actually grew less than the Consumer Price Index. Medicare continues to outpace inflation by a wide margin. I believe that by bringing the forces of competition to bear, we have made a fundamental change in at least part of the Medicare problem. Our failure to deal with the long-term Medicare problem is my greatest disappointment with the bill before us.

Someone said in the newspaper this morning that the subtitle of this bill ought to be ''Opportunity Lost.'' I agree with that. I believe that we have missed a golden opportunity to begin the reform that will be required to keep Medicare solvent. I am proud of the Senate. I am proud of the three votes we cast to keep provisions in our bill that would have raised the eligibility age on Medicare to conform to Social Security, that would have asked very high-income retirees to pay their full part B premiums, that being the voluntary part of Medicare that you don't pay a penny for during your working life, and finally to have a simple $5 copayment for home health care.

Home health care is the fastest growing part of Medicare. The President had a 10-percent copayment in his national health insurance bill. The Democratic leader, Senator MITCHELL, when he offered the final version of the President's plan 3 years ago, proposed a 20-percent copayment. Prior to 1972, we had a 20-percent copayment. And the rejection of a simple $5 copayment to try to induce people to be cost conscious was, I believe, a sad commentary on the lack of leadership both at the White House and in the Congress. I believe we missed a real opportunity to reform Medicare, and I believe that each and every one of these things will be done.

Going back to a point that our colleague, Senator KERREY from Nebraska, made earlier, the longer we wait to institute these reforms, the more difficult it is going to become to make these reforms work because the problem is going to get bigger.

Some people are encouraged by the fact that we have set up a commission in this bill. Forgive me for being underwhelmed at setting up yet another commission. We have already had an entitlement commission. It has already reported. We know what the situation is.

Let me just summarize it. Under the best of circumstances, if everything goes right, if the economy stays strong, if we have the best possible circumstances that we could expect over the next 25 years, our current policy on Medicare and Social Security will require the payroll tax to double from 15 percent to 30 percent on every working person in America. Under the best of circumstances, if we do not change policy, we are going to have a doubling of the payroll tax in 25 years, and nobody disputes it. Under the pessimistic scenario of lower growth, we are going to have to triple payroll taxes.

Let me remind you what that means. It means that a low-income worker who is paying 15 percent of his income in taxes and 15 percent in payroll taxes will go from a 30-percent marginal tax rate to a 45-percent marginal tax rate. What it will mean, if we do not do something to reform Medicare and Social Security, is that, with absolute certainty, 25 years from today the average working American will be paying over 50 cents out of every dollar they earn in payroll taxes and income taxes.

For those people who said, do not make these hard choices in Medicare, they are the people who are going to have to explain why we are doubling payroll taxes over the next 25 years.

I believe we have a crisis in this area, and let me say the first week we are back, as chairman of the Medicare subcommittee, we are going to hold a series of hearings on Medicare. Senator KERREY and I are going to reintroduce our reforms as a freestanding bill, and we are not going to let this issue die. I am also going to expand our hearings to begin to look at private investments and ownership of assets especially by young workers as a way to guarantee that they have Social Security benefits when they retire and as a way of guaranteeing that they have Medicare benefits.

If we do not change this program, with the baby-boom generation retiring in 14 years, we are going to have a generation of Americans that will be paying 30 percent payroll taxes to pay benefits to retirees who will never get benefits out of these programs that are in any way related to what they paid in. Only if we begin to reform these programs now and only if we begin to restructure the system so when a young person is setting aside money for their retirement, it is not going to some phantom account with the Social Security Administration but where it is going in a real investment in something they own and can depend on and trust, until we collateralize or securitize the Social Security and the Medicare contributions of our young people, their retirement is not going to be secure.

Senator DOMENICI said that I was going to talk about the welfare reform, and I am. One of my biggest disappointments in this bill is that, as it is currently structured, we have gone a long way toward killing welfare reform, and let me explain why. First of all, we made some tough decisions about denying benefits, setting higher standards and saying, especially to immigrants, you come to America. You have to come with your sleeves rolled up ready to go to work. You cannot come to America with your hand held out ready to go on welfare. We have partially reversed that in this bill, and we are going to spend tens of billions of dollars providing benefits to people who are denied benefits under our welfare bill, but that is the smallest part of the problem.

As a result of the administration responding to special interest groups, especially organized labor, we now have provisions that will make it virtually impossible for States to require welfare recipients to work, and let me explain why.

If a State has a mandatory work requirement, and let us say they want to require welfare recipients who are young mothers who have one skill, and that skill is taking care of children, and let us say they set up in Government housing projects a day care center, and they ask some welfare recipients to do part of the baby-sitting under supervision, under the provisions of this bill and under the new requirements that have been set by the administration, we would have to pay minimum wage. We would have to provide fringe benefits. We could not count all the welfare benefits they are getting like Medicaid and housing subsidies as part of those wages. And so it is going to cost States substantial amounts of money to put welfare recipients to work where they would acquire skills that would let them go out in the marketplace and work.

The net result is going to be that we are in reality coming very close to killing the very welfare reform bill that was the greatest achievement of the last Congress.

These are trainees. They are people who are receiving public benefits, and to ask them, in return for those benefits, to do productive work is the most reasonable thing imaginable. It was something that a large percentage of Senators and Congressmen on a bipartisan basis agreed to last year, and yet 1 year later, with administrative action by the President and through this bill, we are going to make it virtually impossible for the States to have a work program for welfare recipients.

Now, I am hopeful that we can in the future come out with a bill that will at least let the States count all the benefits that are received by people who are receiving welfare in calculating what their effective wage is by working. But this is a very, very serious matter.

I am also very concerned about this massive new program to give health insurance to children. Who can be opposed to health insurance for children? Nobody. Bismarck once said, never does a socialist stand on firmer ground than when he argues for the best principles of health. And I would just paraphrase Bismarck by saying, never does a socialist stand on firmer ground or higher ground than when he argues for the best principles of health for children.

But here is the problem. We started off with a bill that had a broad consensus and it was a bill where we were going to spend $16 billion to try to help the States get access for health coverage for children from very low-income families. What happened in the process is that the piling on of the tobacco industry got caught up in this, so, whereas the President started out with $16 billion, it has now already grown to $24 billion before we adopt the bill, and does anybody believe that this program is not going to explode in the future?

Here is the problem. Once you get up to roughly 200 percent of poverty, 82 percent of the children are covered by private health insurance. So, unless we are very fortunate, what is going to happen to us in this bill is that we are going to end up having four children

who will give up, through their families, private health insurance, for every one new child we get covered. So 80 percent of our money will simply displace private health insurance. And how can you blame them? If you have a moderate-income family, having trouble making ends meet, and we are going to give their children private health insurance, what rational parents are going to continue to pay for it themselves?

So, we have the very real specter, here, of spending a tremendous amount of money and covering almost no additional children. Let me say, I totally agree with Senator DOMENICI. I think the worst choice we could have made was simply going through Medicaid, when all 50 Governors, 2 years ago, told the Congress that they could do what Medicaid was doing for 30 percent less if we would let them do it. But I think we have to be very concerned about this program. I hope we are as committed to monitoring what we are doing as we are to doing it. If it becomes clear that all we are doing is displacing private health insurance, I hope we will be willing to go back and try to adjust this program to try to prevent that from happening.

I am also very concerned about all of these new benefits. Again, they are not benefits anybody can be against. We are cutting the copayment for outpatient care under Medicare. We are adding a whole bunch of new benefits to Medicare. The problem is, Medicare is going broke as quickly as it can go broke. The only reason we can claim we have saved it for 10 years is we, in the process, were forced to give in to the administration's demand that we take the fastest growing part of Medicare and take it out of the trust fund and put it into general revenue. As I said when we first debated this, I can make Medicare solvent for 100 years by simply taking hospital care out of the trust fund. But have we changed anything by doing it? The answer is no.

I am concerned that, by creating these new benefits, all of which are popular, that we have to look and see whether, in fact, we made the problem better or worse. I am very skeptical that cutting reimbursements to doctors and hospitals will really save money. The reason I am skeptical is that, as we have gone back and looked at our reforms in the past, that has not been a very effective way to save money. Because what tends to happen is that doctors and hospitals—basically, doctors are smart people or they wouldn't be doctors; hospitals tend to be run by smart people—what they do is they figure out how they can change the billing so they end up billing for more and getting the same amount of money.

So, I am concerned about these add-on benefits. I am worried that these new programs are like little baby elephants, they are little and pretty now, but if we are not careful they are going to all grow, each one, into a big elephant. And, as we talk about balancing the budget, the final subject I wanted to talk about, this could be a problem for us.

Finally, let me talk about balancing the budget. I have been involved in budget debates since I first came to the House of Representatives. We have, on many occasions, claimed to have balanced the budget. Many of us on various occasions have thought we had really done it. And I think, on balancing the budget, it is important to remember an adage that ABRAHAM Lincoln used to be fond of. ABRAHAM Lincoln once said, ''The hen is the wisest of all birds. She never cackles until the egg is laid.''

I believe that a lot of work is going to be required to make this budget ultimately produce a balanced budget. Much of this budget is based on assumptions about a strong economy—which today is very strong. Obviously, we all want it to stay strong and we are going to try to make it stronger. It is also based on the premise that these programs are not going to grow beyond the levels we have set out in our budgets, even the new programs, and that we are going to live up to these discretionary spending caps. Obviously, it is hard to live up to them. As everybody knows, we pass emergency appropriations bills for $8 billion, and we end up breaking the budget, not only in the year we are in but for the next 3 or 4 years. We don't write money for emergencies into the bill, knowing we will have an emergency bill. It is going to take a tremendous amount of concerted, bipartisan effort to live up to the commitments we made on discretionary spending. I hope our colleagues are as committed to living up to this budget as they are to adopting it. I think, if they are, we might have a fighting chance. But clearly, balancing the budget is not something you buy on a one-time payment. You buy it on the installment plan.

And the weakness of the program is it is based on the assumption that this very strong economy is going to continue into the future. It may and it may not. We are in the second-longest peacetime expansion in American history. I think it is highly improbable that we would go 5 years without an adjustment. But we could still balance the budget with a minor recession if we could control the growth of these programs. I wish, as I said numerous times during the budget debate, we could have done more to control spending. I wish we could have bought more insurance.

But, in conclusion, let me say that the reforms in Medicare, the expanded choices, represent a fundamental change in policy. And I believe we will all benefit from them. I think we did about as good a job, given that we had a Democrat President who had very strong goals in the tax bill, especially a belief that you can't cut taxes for people who pay taxes unless you give money to people who don't pay income taxes. I think, given that we had 1 percent of taxes to deal with and we had a President who didn't share our fundamental goal, I think overall we did a pretty good job on the tax bill and I think we have reason to be proud of that.

I think the reforms and choice on Medicare are good reforms. But I think there is really reason to be concerned about what we have allowed to happen on welfare reform, and much of our budget is assuming that the progress we have made on reducing the welfare rolls is going to continue. I think we have to be concerned about growth, especially in these new programs. We have to enforce the discretionary spending caps to have any chance of balancing the Federal budget.

So my message today is that there is a lot of work to be done. I look forward to participating with Senator DOMENICI and with our colleagues to try to get that work done.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator KENNEDY has been waiting. I am only going to take a minute, Senator.

I did not get to hear Senator GRAMM's entire remarks. I pledged to him before that I would read them in their entirety, and I will. But let me make just a couple of quick observations.

I think everybody knows—my good friend from Texas said—you can't get a balanced budget overnight. You do buy it on the installment plan. When you buy it on an installment plan that is 3 years, 5 years, or 10 years, you have to make some assumptions. I think, distinguished economist that he is, he would know that.

The Senate should know we did not use optimistic economic assumptions. In fact, we used CBO's very modest economic assumptions. There is no way we could provide an assumption, outright, that, if we have a serious recession, that we provided for it. But CBO's economic assumptions versus others, more optimistic, at least build into their model that, indeed, there could be a slowdown and, thus, they take something off the growth edge. So I don't think we have an unduly high one.

Senator, I am agreeing with you that unless we seek to look at the new programs we created, in terms of are they performing as we expected, we won't make it. And, second, I am not terribly interested in being the enforcer on appropriations caps—which are very strenuous after 1998. In fact, I will give you the number. The baseline for discretionary, if we did nothing, is $2.943 trillion. Under this bill it is $139 billion less, which means for a period of time it is going to grow very little, in fact five-tenths of 1 percent.

But I am not going to run around being the enforcer if entitlements are going wild again. You might, and I would respect you for it. But, essentially, we cannot balance the budget on

the appropriations accounts. We have to make sure we control the entitlements and I think you agree with that. You are not agreeing with me that we should not worry about appropriations. I would worry less than you about correct appropriations. But what the Senator has said about making sure we get there, and making sure we do some things to assure that this commitment and this path is, indeed, realized—which is what you are saying, I believe—I think that's correct.

I think—so long as everybody leaves knowing that, in terms of making sure we don't let things within this slip and say, ''Oh, well, $10 billion didn't matter, we thought it was that but we are wrong,'' and just pass those tens of billions by—we will get there. And that's not an exceptional thing to expect of a group which is out claiming a balancing budget. Would you agree? We are out there claiming it. We ought to be willing to say we will do what's necessary. And I think if we do what's here that's enough. We don't have to do a lot more over the next 5 years, but if we are going to do less, it is not going to be enough and we are all going to be ashamed.

I thank the Senator for those observations which prompted me to say this because I believe that's absolutely true. I yield the floor and I yield to Senator KENNEDY.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself such time as I require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, this is a great day for America's children. With this agreement, we have taken a giant step toward giving all American children the healthy start in life they deserve.

The establishment of a new, $24 billion program to provide low and moderate income families the help they need to purchase health insurance for their children is a landmark achievement. It represents the most far-reaching step that Congress has ever taken to help the Nation's children and the most far-reaching advance in health care since the enactment of Medicare and Medicaid a generation ago.

The funds provided under this bill are sufficient to assure that every American family has access to affordable insurance for its children.

President Clinton deserves tremendous credit for his leadership in achieving this milestone. His fight for health security for all Americans in the first 2 years of his administration laid the foundation for the progress we made in the last Congress and for today's agreement.

The Kassebaum-Kennedy legislation enacted in the last Congress guarantees that workers can change jobs without losing their health insurance coverage, or being denied coverage because of a pre-existing condition. The vast majority of Americans obtain health insurance for themselves and their families through their jobs, and ending insurance discrimination against those in poor health was a significant step toward greater health security for all families.

Today's expansion of health insurance coverage for children could not have happened without President Clinton's strong support. The President fought hard to include a $16 billion commitment for children in the budget agreement. And it was his unwavering support that assured the additional $8 billion added by the Senate was included in the final bill.

I also commend several others who contributed to this victory for children. Mrs. Clinton has made the issue of good health care for children a lifetime of commitment, and I thank her for her strong support. Senator HATCH's courageous leadership in the battle for health insurance coverage financed by a cigarette tax was absolutely critical. Senator ROCKEFELLER, Senator CHAFEE, Senator JEFFORDS, Senator KERRY, Representatives NANCY JOHNSON, BOB MATSUI, and MARGE ROUKEMA and others were effective leaders in reaching this bipartisan goal.

Among many outside groups that worked to make this day possible, the Campaign for CHILD Health Now, cochaired by the Children's Defense Fund and the American Cancer Society, was indispensable in its tireless efforts to inform and mobilize the public in support of children's health insurance. Marian Wright Edelman, as always, was outstanding in these efforts.

When Senator HATCH and I introduced our children's health insurance proposal in March, we said that it would help guarantee good health care for millions of children who have been left out and left behind. These children come from hard-working families. Their parents work 40 hours a week, 52 weeks a year—but they still cannot afford the health care their children need. Whether the issue is eyeglasses, or hearing aids, or asthma, or prescription drugs, too many children do not get the care they need for the healthy start in life they deserve.

The agreement today brings new hope to these children and their families. It means that they will have a better opportunity to achieve a long and healthy life. It means that our country has at last given children's health the high priority it deserves.

I am also pleased that there will be an increase in the cigarette tax, but I am disappointed that the cigarette companies still wield sufficient power in the back rooms of Congress to roll back the tax below the 20-cent increase approved by an overwhelming bipartisan vote in the Senate. A higher tobacco tax is an effective means to discourage children from smoking. This issue will not go away, and I expect the Senate to return to it later this year, either in the context of legislation on the tobacco settlement or as part of other bills.

Finally, it is gratifying that the agreement drops the harsh and ill-thought-out proposals on Medicare, such as raising the eligibility age, imposing a means test on premiums, and requiring copayments for home health care that would have penalized the oldest, sickest, and poorest senior citizens. Long-run reforms are needed to keep Medicare strong, but any reform worth the name deserves careful deliberation by Congress, not the short-circuited consideration imposed by the strict rules on budget bills.

Finally, I express my very personal appreciation for the strong leadership that was provided by Senator DASCHLE, on our side, and for his strong commitment on health care. Senator DASCHLE had indicated that health care for children was going to be one of our Democratic strong priorities in this Congress. His unflagging strength and commitment and support for this program was invaluable in seeing its achievement.

Mr. President, I yield the floor and suggest the absence of a quorum.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the time 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. DASCHLE. 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. DASCHLE. Mr. President, I want to take a few moments to talk about the budget agreement, and this reconciliation bill in particular.

Let me begin by complimenting the distinguished majority chairman, Senator DOMENICI, and the ranking member, Senator LAUTENBERG, for their outstanding work in this whole effort. As has been said now by many Members, this would not have been possible were it not for their effort and the leadership they have demonstrated.

Let me commend the administration's negotiators—Secretary Rubin, Chief of Staff Erskine Bowles, John Hilley, and others—for the extraordinary effort they have made in working with us on the President's behalf.

The majority leader deserves a great deal of credit. This would not have been possible without his direct participation. He ought to take great pride in this agreement's accomplishments.

Many others on both sides of the aisle have worked diligently over the last several weeks to bring us to this point, and they too deserve credit. I am very appreciative of their efforts. This agreement is one of the most extraordinary accomplishments achieved, at least since I have been leader and perhaps since I have been in the Senate.

I think the message in the last election on the part of the American people all over the country was very simple:

We want Republicans and Democrats to cooperate, to work on major problems together, to address the major problems in a way that gives them and gives us hope that there is a better future, a stronger future. They recognize, as we do, that the deficit is a major problem and has been a major problem. I think this agreement—as spelled out in both the spending and tax reduction bills—is clear evidence that we understood that message and have responded as consequentially and as sincerely as we possibly can.

This agreement is the final downpayment on a budget process that has now been underway for several years. In fact, it goes back to the vote of 1993, as some of my colleagues have already articulated.

This chart, Mr. President, very clearly illustrates from where we have come and what we have left to do. The projected deficits prior to the enactment of the 1993 economic package are represented in the top line.

In 1993, we made the tough choices, the very critical decisions in 1993. As a result, we have been able to reduce the actual and projected deficits by $2.4 trillion over the period from 1993 to 2002. Were we to stop at this point and do nothing, annual deficits for the next 5 years are currently projected to remain in the range of $100 billion. If, as I expect, we pass this bill by week's end, we will have completely eliminated the deficit no later than the year 2002. In other words, the net savings over the next 5 years that will be generated by enacting this budget agreement will total over $200 billion.

So we will achieve our goal of a balanced Federal budget by the year 2002, if not sooner, as a result, first, of adoption of the 1993 budget agreement, and, second, enactment of the 1997 budget agreement. Passage of these two pieces of legislation will bring us to a balanced Federal budget for the first time since 1969.

There were many fears expressed about what would happen to our economy and the deficit if we were to enact the spending and tax policies contained in the budget agreement of 1993. I will not belabor the point or go over those fears at this time. Instead, I will simply concentrate on what has been said about the economy since the passage of the 1993 package by people outside of the Senate, in particular the Chairman of the Federal Reserve Board, Alan Greenspan.

Here's what he says about the state of our economy since the adoption of our 1993 budget plan: we are ''now in the 7th consecutive year of expansion, making it the third longest post-World War II cyclical upswing to date.''

In addition, he said:

> This strong expansion has produced a remarkable increase in work opportunities for Americans. . . . Our whole economy will benefit from their greater productivity.

Finally, he said:

> Consumers are also enjoying low inflation . . . financial markets have been buoyant . . . in a relatively stable, low-inflation environment.

That is about as optimistic a series of statements as I have ever heard the Chairman of the Federal Reserve make. He has a reason for making them—the economy is strong, we have been able to reduce the deficit, and we have an optimistic outlook about our future. And it is universally held. Whether we turn to the Chairman of the Federal Reserve Board, or Members of Congress, or the business community, or members of labor, the response is the same: Our country is stronger today.

There can be no doubt that we are strong.

Unemployment and inflation right now are at a combined rate of 8.7 percent. That is the best since Lyndon Johnson was President of the United States.

Inflation is at a 2.8 annual percentage rate. That is the best since John Kennedy was President.

The employment picture, with 12 million new jobs, is the best employment situation our country has faced in its history. Construction jobs are stronger now than at any time since I was born, since Harry Truman was President.

Consumer confidence has increased 14 percent in the last 4 years, which is the best we have seen since President Eisenhower.

Deficit reduction has been reduced to under 1 percent of gross domestic product in 1997. That is the best we have seen in all the years that I have lived. One would have to go back to Harry Truman's Presidency to find a time when it was this good.

Home ownership has increased from 63 percent to 65 percent, the best ever. Never in our Nation's history have two-thirds of all Americans lived in their own homes.

The stock market has gone from 3,500 to more than 8,000, a growth record that has been matched only once, and that was during World War II.

Median family income is up $1,600 since 1993, the best since Lyndon JOHNSON was President of the United States.

So, Mr. President, we feel very good about the circumstances and about the economic progress and performance of the last 4 years.

At the same time, we have said repeatedly over the last several months that there are four categories by which we would judge any agreement that would attempt to make further progress on the deficit: fairness, fiscal responsibility, education, and how we target the investments that we will make as a result of this legislation. Those are the four criteria. How fair is it? How responsible is it fiscally? How good an educational program can we achieve? And how well are we going to be able to target our investments?

Let us take the first category. How do Americans do under this agreement on the issue of fairness? Many of us talked for some time about how important it was that we benefit all income categories, not just the top income category, but those working families in the $20,000 to $30,000 income categories, people who pay a portion of their income to income taxes but an even greater portion to payroll taxes. Are we going to be able to provide tax relief to families such as those?

We will provide a child tax credit to 27 million working families. Families who pay thousands of dollars in payroll taxes, families who pay income taxes, families who try to make ends meet, each and every week, each and every month, those families are going to benefit very directly as a result of what we were able to do with the child tax credit.

And $24 billion has been committed in the first 5 years for a children's health program, which is the largest single investment in health care since the passage of Medicaid in 1965. That is just the beginning, because we have also committed another $24 billion in the second 5 years. For the first time in history, thousands of South Dakotans and millions of Americans are going to benefit from a Federal health program that for the first time will provide meaningful health care to children who are not getting it today.

And $1.5 billion is going to be committed to low-income seniors to help pay for Medicare premiums.

So, Mr. President, from a fairness point of view, there can be no doubt, when it comes to health, when it comes to the array of opportunities that we present working families, this bill deserves our support.

Mr. President, we also, as I indicated, made a very important point of arguing the need for targeted investment. Indeed, this legislation provides opportunities for targeted investment in environmental cleanup, in enterprise communities, and targeted job tax credits, ensuring that family farms and family businesses are going to be protected as one generation transfers its property to the next.

Employer tax deductions are going to be made available for employee education and training.

In a number of ways, we say we are going to take the resources available to us and target them to where they can be used to the greatest advantage—on environment, on communities, on jobs, on farms and small businesses. We provide an array of opportunities in that regard to do what Democrats said was very critical: provide the kind of targeted investment that is so essential to ensuring that all aspects and all elements of our American society benefit from what we are doing today.

The third criteri we spelled out was fiscal responsibility. How well do we do in that regard? We said at the very beginning, we do not want to see an explosion of deficit in the outyears. We wanted to be absolutely certain that, regardless of what else we do, we did not want to pass a tax cut we cannot afford and place ourselves back in the same box we created for this country in

the 1980's. We did not want to relive the bad old days of those extraordinarily high deficits. Instead, we now recognize that achieving a balanced budget in 2002 is only the first step in maintaining a balanced budget in the years beyond 2002.

So we do not index capital gains. We put income limits on individual retirement accounts. We do not index the estate tax exemptions, simply because we were afraid of the extraordinary explosion in outyear deficits that these changes would trigger.

I recognize the fact that we did not go as far as some of us would have liked to ensure fiscal responsibility, to ensure with a high degree of confidence that we will be able to maintain a balanced budget. However, I also believe we took a number of steps that allow for some confidence that once we have balance the Federal budget, it will stay balanced in the years 2003, 2004, 2005, and beyond.

Mr. President, the last category is one that is probably of greatest importance to many working families because they are trying to make ends meet and still send their children to college. In this information age, it is important that we do all we can to make available to working families the tools and the resources necessary to allow every child who graduates from high school the opportunity to get more education. So this bill provides the single largest investment in higher education since Harry Truman passed the GI bill almost 50 years ago.

We provide a $1,500 HOPE credit in the first 2 years of college and a 20 percent tuition credit for college juniors and seniors and lifelong learning opportunities. There are families of all ages with many different sets of circumstances involving children who want to go to college, involving a spouse who may want to get additional education. An array of different challenges confront all working families as they attempt to cope with the circumstances we are facing in this information age. We provide that mechanism and those tools to working families in ways that we have not done in more than four decades.

So, Mr. President, as a result of this President's advocacy, we are committing resources to education that we have not done in the period I have served in the Congress.

There are no Pell grant reductions. There are opportunities for people to use other tools as well and not be penalized for using the credits that we now make available.

In the end, Mr. President, it all comes down to real names and real families, people that are truly going to be affected. While there are many families who have come before us over the course of the last several weeks to describe their situation, and talk about their circumstances, I think the Richards family in Sioux Falls, SD, who talked to us via television camera just a couple of days ago, is a clear example of what this legislation means for a typical American family.

Charlie Richards is a teacher. He is not only a teacher; he has two extra part-time jobs. There are many people in South Dakota who work not just one job, but two and three jobs in order to make ends meet. Charlie Richards is that kind of an individual, hard working. He believes that his family must have the very best that he can provide them, and he is willing to commit the extra time and effort and hours to see that provides his family with a quality of life that he now only dreams of.

His wife Karen is pregnant with their second child. Their income is about $24,000 a year. As a result of what we are doing this afternoon and what we will do this week, Charlie and Karen will get a $975 child tax credit. This figure was zero under the legislation originally drafted and passed by the House. Both children, once the second child is born, will get health care coverage, perhaps for the first time. Both children will be eligible for HOPE credits when they are ready for college. Both children will be eligible for KidSave and other individual retirement accounts when savings increase.

For the first time, Charlie and Karen will be able to perhaps set a little money aside for savings, maybe to buy a home, maybe to improve the home they are living in now, maybe to give their family just a little bit more hope that they are going to be able to make ends meet and do the kinds of things that every family dreams of doing, not just with the one child they have now, but with two.

So to Charlie and Karen, and to families just like them across the country, let us say today that we give them hope of a better future, a brighter and more realistic opportunity of achieving their goals.

We heard our constituents last year when they told us we have got to work together to solve problems, when they told us it is important that they have the kind of economic strength and security that they want so badly, when they told us we have got to continue to work and put our best effort forward to reduce the debt. We heard them on all these fronts. As a result of the extraordinary leadership and work done on both sides of the aisle, we are responding today in a way that makes me very proud.

I yield the floor and 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. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, this conference report comes before the Senate in an atmosphere of near euphoria. While I have signed the conference report—I was a Democratic conferee from the Finance Committee on these matters—and while I will vote for each of the bills, I cannot share the elation. I say this with the greatest respect for the Senators who managed this through the Budget Committee and, of course, for our own revered chairman of the Finance Committee—Senator ROTH—and others who have worked so very hard on the legislation. Surely, there is much to applaud in both bills. But the agreement does little to address, in a serious way, either short run or long-run budget problems.

In the short-run, the Federal budget is already on the verge of balance. This is due to a strong 7-year economic expansion. The expansion is attributable, in part—very probably in large part—to the budget decisions made by the President and this side of the aisle in the Senate in 1993. Indeed, my respected colleague, BOB KERREY, suggests that the Omnibus Budget Reconciliation Act of 1993 be renamed the Balanced Budget Act of 1993. The deficit reduction brought about by OBRA 93, as our usage has it, is expected to reduce the deficit by a cumulative $924 billion through 1998. That is almost a trillion dollars.

I stood on the floor at this desk, with my great and good friend, Senator Sasser, as the chairman of the Budget Committee at that desk. I was chairman of the Finance Committee. In the end, we enacted that measure by one vote, which has brought us to where we are today. I don't know that the Nation, having heard so much for so long about deficits, had been properly concerned about them so much and for so long. It is not easy to grasp the possibility that the deficit for this fiscal year, which will end September 30, will come in under $30 billion. That is about one-third of 1 percent of gross domestic product—an insignificant number. If the present trends continue, we could well be in a surplus in a year's time—the first such surplus, if I rightly recall, since 1969.

And then having reached the point where we have free resources, we would be in a very proper position to turn to questions of, do we want to cut taxes, which clearly we might do? I would much prefer to see tax rates reduced—and I will talk about that tomorrow—or to provide new benefit programs of the kind that we are providing, but not before we have done what we said we would do first, which was to balance the budget.

Over the long run, too, this legislation does less than many of us on the Finance Committee would have liked. Indeed, I can say, sir, that all of us on the Finance Committee would have liked, as the measure I am referring to, passed unanimously in the Finance Committee, 20 to 0, on June 18. In particular, we chose to confront the long-run issues in Medicare. We are told that our two major retirement programs—Social Security and Medicare—

are in grave difficulties. That is not so clear in the case of Social Security.

Four rather simple steps would bring us into actuarial balance for a full 75 years—the usual way solvency is measured for the Social Security program. It could be done by four simple measures.

Construct an accurate cost of living index—rather than a consumer price index—in the manner that has been proposed by the chairman of the Federal Reserve Board, the previous director of the Office of Management and Budget, Dr. Rivlin, and the Boskin Commission established by the Finance Committee when Senator Packwood was chairman—he and I jointly did that.

Tax Social Security retirement benefits in the way that all other pensions are now taxed.

Include all workers in the Social Security system. To this day, in a kind of exasperating holdover from the 1930's, there are several million State and local government employees who are not in the Social Security system as government employees, but who acquire the benefits, in any event, through part-time work outside.

Increase the computation period from 35 to 38 years.

Just take those four measures, and a few other odd things, and we put Social Security in fine fiscal condition into the second half of the next century.

This is not the case with Medicare. Medicare is a health program, and it provides health care to a population that grows older and does so in the setting where medical science grows ever more successful in the treatment of the diseases associated with aging. But those treatments are, of necessity, ever more expensive. There is a true problem in Medicare. We have made many changes in the present program, so as to provide another 10 years of trust fund solvency. But in fact, sir, since 1992, the revenues from the Medicare payroll taxes have not equaled the outlays. And we have used general revenues to fund the shortfall, and since the Federal budget has been in a deficit situation, we have had to borrow money to do it. We can say, if you like, that we have 10 years of solvency. There is not now and there won't be until we do very important things.

We began that effort in the Finance Committee on June 18. We took the decision to increase the age of eligibility for Medicare from 65 years to 67, in very gradual steps over the next quarter century, and bringing it into line with the increased age of eligibility for Social Security benefits, provisions adopted in 1983 in the aftermath of a commission, headed by Dr. Greenspan, on which Senator Dole and I served, among others. That measure just responds to the age profile, the demographic profile of the American people. We are living longer. And I would say, Mr. President, also, while we are living longer, we are retiring earlier. The majority of Americans now retire at age 62, when a reduced benefit on Social Security is available, and some 70 percent have retired by age 65. It is not entirely clear why. Some have sufficient resources and they simply want to stop working, and others have not gotten work, or others find the work no longer possible for them. But the fact is that most people now are retired before age 65, and on actuarially reduced benefits, so the trust funds are left unaffected. We proposed to do that with Medicare.

If there is a problem of interim insurance from the time you leave employment to the time you are retired, well, we can resolve that problem. We could be thinking about it right now, in terms of those who retire early on Social Security. The problem of health care insurance does not deter, so far as we can tell, persons from doing that. It is not an admirable fact; it is a distressful fact that the last time the Social Security Administration did a survey asking persons the reasons why they retired early was about 15 years ago. The Social Security Administration is very slow in providing the kind of information we would like to have to make these decisions.

We also, in the Finance Committee, unanimously agreed to increase the part B premiums for upper-income beneficiaries. That is to say, to reduce the part of the Medicare Program paid for by general revenues. When the program was begun—and I was involved if not peripherally, but with some measure of consequence as an Assistant Secretary of Labor for Policy Planning and Research in the Johnson administration—we provided that this program, Part B, should be paid for half by premiums paid by beneficiaries and half by general revenues. Over the years, as a technical result of having constrained the increase in premiums to the same percentage increase in Social Security benefits, while the cost of medical care increased faster than the consumer price index—which itself was an inadequate measure of the cost of living—that 50/50 share dropped to 25 percent for beneficiaries and 75 percent for the Government.

We would simply provide that persons with higher incomes would pay more than the simple 25 percent that the great majority of persons would pay. We are talking about a very small number of people—about 6 percent of all beneficiaries—but the principle is that if you have the income, you don't need the subsidy. Indeed, the overall subsidy would still be much greater than it was originally envisaged in 1965—with the Federal Government financing 72 percent of program costs out of general revenues. The time has come to do that.

Equally, the time has come to provide some measure of copayment for home health care, which has been growing at extraordinary rates, and which is evidently subject to serious abuse. This was widely reported in the press just this week. These items have come to be known as the big three Medicare changes. They were adopted on June 25 here on the Senate floor by a vote of 73 to 27. However, they are not included in the conference agreement. The House was not willing to do this, and I can only regret that we have not done so. I stand here and say, however, that the Senate has led the way and has shown you can do it. The response in public opinion has been quite moderate. The comment in the press has been almost unvaryingly supportive.

These are necessary, sensible things to do. And it is time we set about doing them. There is an opportunity that we will not miss, particularly if the Finance Committee—under the leadership of Chairman ROTH—continues to work in a bipartisan manner.

About 80 percent of the savings in mandatory programs in this bill before us, this extraordinary large bill—I would hate to see it dropped on anyone's foot—about 80 percent of those savings came from actions by the Finance Committee. The 5-year savings for Medicare are $115 billion. That is a decrease in the increase, in a manner we have come to be familiar with, and, as I have said, the trust fund will be in technical balance for about 10 years.

This does buy us time for an important provision in the bill, the provision for the creation of a national bipartisan commission on the future of Medicare—time for such commission to do its work. The statute provides that it issue its report by March 1, 1999, a year and a half from now.

The commission is required, in the first instance, to review and analyze the long-term financial condition of the Medicare Program, which is not an easy matter because we are talking about the long-term progress of medicine in an age of discovery that has proved extraordinarily creative and fruitful but equally and not unsurprisingly costly, and to identify the problems that threaten the financial integrity of Medicare, including the extent to which Medicare update indexes do not accurately reflect inflation.

If I could say parenthetically, Mr. President, we have had a great deal of talk about the accuracy, or inaccuracy, or sufficiency, or insufficiency of the Consumer Price Index. The fact is, we have at least four distinct price indexes in our present statutes and in our practices. They are spread all over the Government. One of them indexes Medicare expenses in ways that it seems to me probably overstate inflation.

Next the commission is asked to make recommendations regarding the financing of graduate medical education, including consideration of alternative broad-based sources of funding for medical education. This could not be a more important matter. The question of medical schools and medical education is absolutely essential as we begin the process of economic rationalization in the provision of health

care, as we do in this measure making a wide range of HMO's available to Medicare beneficiaries and Medicaid recipients.

In this regard, Mr. President, might I just go back to 1994 when the Finance Committee was taking up the health care proposal sent to us by the administration in the last days of the first session of the 103d Congress. I was in New York City and asked the distinguished head of the Memorial Sloan-Kettering Cancer Center in New York—Dr. Paul Marks—if he would arrange a seminar to bring me up to date on the thinking of medical deans and medical academic researchers in the area of health care generally. We met one morning in a conference room in January at 10 o'clock. And at about 10:20, one of the deans, who comes from another part of the country, said, ''You know, the University of Minnesota may have to close its medical school.'' That was said to me and I knew I had heard something important. Minnesota is the kind of State where they open medical schools. They don't close them. I asked, ''How could that be?'' They said, ''Well, managed care is making its way from the west coast to the east coast. It has reached the high plains, and is now widely used in Minnesota.''

Persons enrolled in managed care plans are not sent to teaching hospitals because they are, by definition, more expensive. If you do not have a teaching hospital, you can't have a medical school. And, indeed, the teaching hospital at the University of Minnesota has since merged with another health care institution.

We are dealing with something profoundly important. An ancient practice of medicine goes all the way back to the Greeks. The establishment of medicine doesn't go back just to the Greeks, but the idea of a profession of medicine with a code of ethics, a Hippocratic oath, certain responsibilities, certain immutabilities in medicine—something of a mystery, something of a guide. In my youth, doctors would prescribe medicines taken from drugstores in a handwriting that was illegible to the laymen. Only the pharmacist could read it. All of that is disappearing.

In our hearings in the Finance Committee, Msgr. Charles J. Fahey, a professor at Fordham University said to us, ''What you are seeing is a 'commodification' of medicine.'' There is a striking image here on the Senate floor. For generations, we have argued the issue of whether labor is a commodity. Finally, in the Clayton Antitrust Act of 1914, we said labor is not a commodity. Well, medicine is becoming one.

The next week, Dr. Raymond G. Schultze, at the time the head of the UCLA Medical Center volunteered, and said, ''Can I give you an example of that?'' We were discussing it with our witnesses, saying that is a new idea. He said, ''In southern California, we now have a spot market of bone marrow transplants.'' Well, when you get into that, that is good. It keeps control on prices. It brings rational decision-making into this market. But it doesn't provide for the public good. Markets won't provide for the public good that a teaching hospital and a medical school constitute.

So our commission must pay special attention to these institutions.

Finally, we ask the commission to make recommendations on modifying the age of eligibility for Medicare so that it corresponds to the changes in the age of eligibility for Social Security. I would simply suggest that this provision—the instruction to the forthcoming commission to deal with this matter of age of eligibility—obviously reflects the decision in the Finance Committee and the Senate that it ought to be increased to be in harmony with that of Social Security.

The Medicaid changes in this legislation will save about $10 billion over 5 years by providing greater flexibility to the States, and at the same time, as I have remarked earlier, the Medicaid recipients will be encouraged to participate in HMO's just as Medicare recipients do. When we began Medicaid and Medicare, there were very few arrangements which we now call health maintenance organizations. Fee-for-service medicine was almost the universal experience. So, naturally, when people retired, they continued it, and Medicaid recipients took it up. That has changed with the general population and ought to change with this population as well.

To the one bit of really strikingly good news in this measure, we have taken action to provide health coverage for uninsured children, $24 billion over 5 years. This will be the largest expansion in Government health insurance since the enactment of Medicare and Medicaid in 1965. We have done something that has not been done in a generation, and something that is needed. It will be financed by an increase in the cigarette tax that will eventually reach 15 cents per pack. Both of these measures were also an initiative of the Senate Finance Committee.

I would also note that the conference committee, even prior to our commission, includes provisions to ensure an adequate stream of Federal funding for teaching hospitals. Financing of health care continues to undergo dramatic change. We will have a more comprehensive proposal from our commission. But we have done some things in this bill.

Medicare payments to HMO's now reflect the higher cost of providing care in teaching hospitals. Under the legislation before us, these payments will be carved out, as we say, and sent directly to the teaching hospitals, thereby ensuring that the money will go where it is intended.

In addition, while payments for medical education have been reduced as part of the overall reduction in payments to hospitals and physicians that are inevitable in a deficit reduction bill, the conference report includes the Senate language which limits the cuts to about $5.5 billion rather than $6.5 billion recommended by the House.

Again, sir, I would say that had we not decided to go for a large tax increase, which we will talk about tomorrow, we wouldn't have had to make some of these reductions which I think we will find difficult, if not indeed painful.

Finally, it should be noted that this bill sensibly increases the statutory debt limit from $5.5 trillion to $5.95 trillion, which will be sufficient to take us through December 1999—a much smaller increase would be required if we decided simply to stay the course that we set in 1993.

So, Mr. President, I will support this conference report. It is the product of a long and difficult effort to reach compromise between the Congress and the President. It was characterized by extraordinary unanimity in the Finance Committee, where 80 percent of the mandatory program reductions are to be found, and by very large majorities here on the Senate floor.

I think that speaks to the sincerity of the participants and, I hope, to our knowledge. If I consult my hopes in this matter, there is no real alternative. And, in the meantime, we have done some things that we surely can be proud of.

I see my friend, the Senator from West Virginia, is on the floor. I know what particular pleasure he will take in the provision of $24 billion in health insurance for children, the largest such increase in health care in a generation since the enactment of Medicare and Medicaid was done.

With that, Mr. President, and seeing that there are other Senators present, I yield the floor.

I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DOMENICI. Mr. President, I do not know who is controlling time, but certainly the Senator can take as much time as he desires. There is nobody here on your side. I give it to you off my side.

The PRESIDING OFFICER. The Senator from North Dakota is recognized under the time under the control of the Senator from New Jersey.

Mr. DORGAN. Mr. President, I thank very much the Senator from New Mexico for his courtesy, and I will take the time under the control of the Senator from New Jersey.

Mr. President, I will make a couple of general comments first, and then I want to speak specifically about a provision in the conference report which is before us that is enormously troubling.

First let me explain that I intend to vote for this legislation. The Senator from New Jersey and the Senator from

New Mexico and others have, I think, done a remarkable job of crafting a bill that represents a compromise with the White House, with the Republicans and the Democrats, putting together a piece of legislation that tackles this budget deficit, and is the second step of several steps that we have taken, first in 1993 and then now in 1997, which will lead to a fiscal policy that is under control in this country—not only tackling the deficit but doing so in a way that makes a great deal of sense, cutting spending in some areas and increasing investment yet in other areas.

This builds on accomplishments that we began earlier by tackling the budget deficit effectively but also by saying there are several other things in this country that are enormously important. One is children's health, what to do about children's health care in this country. The fact is this piece of legislation and the accompanying piece of legislation will make available a substantial amount of money to provide health insurance for children who are not now covered with health insurance. The question of whether a sick child gets health treatment or gets treatment in the medical care industry when that child is sick ought not ever be a function of whether that child has a parent with money in their checkbook. This piece of legislation will provide substantial additional coverage to provide health care to children, especially those who come from impoverished families.

This piece of legislation also says education matters, education is a priority in this country. This bill puts on track 1 million additional kids to be enrolled in Head Start by the year 2000. Head Start matters and Head Start works. Anybody who has been to a Head Start center and seen those bright little eyes of children who are getting a head start, coming from circumstances of difficulty getting a head start, understands this program works. This program saves money. And this program invests in the young lives of young people who otherwise would not have had an opportunity.

Mr. President, 300,000 more eligible college students will get additional help in Pell grants. This agreement places a priority on education, and that is exactly where the priority in this country ought to be. And finally this agreement solves a problem that caused me to vote against this legislation when it left the Senate. When the legislation left the Senate, it had two things that I did not support. One, increasing the eligible age of Medicare from 65 to 67 and, two, means testing Medicare.

Let me explain quickly I am willing to support means testing of Medicare. I am not willing to support providing a means test for Medicare for any purpose other than making Medicare solvent —certainly not for the purpose in a reconciliation bill of making room for some tax cut somewhere else. We will have to and we must find a way to deal with the ticking time bomb, the demographic time bomb that is going to cause us problems both in Medicare and also in Social Security because of the aging of our population. I understand that. In the construction of solving these problems, I am willing to cast hard votes on the issue of Medicare with respect to means testing. I am unwilling to do so in the construct of a reconciliation bill. This is not where that sort of thing should have been done, and I did not support it when it left the Senate. That has been solved. Those provisions are out of this legislation. This legislation is better because of it.

Let me mention one additional point. Senator ROCKEFELLER, from the State of West Virginia, is here to discuss another subject with me, but the point about health care and Medicare especially is one that all of us ought to understand. Even though it is a challenge, we ought to understand that this is born of success. Mr. President, 100 years ago, the average life expectancy in America was 48 years of age. Nearly a century later it is 78 years of age. Why? A lot of things. Better nutrition, better lifestyle, breathtaking changes in health care, new knees, new hips, cataract surgery, open up the heart muscle when it has been plugged, give people additional life, breathtaking medical advances, and therefore a 30-year increase in life expectancy in our country in one century. It is wonderful. It is born of enormous success. It is also very expensive, and that is also causing part of our strain with respect to the Medicare Program, and we must make that program solvent for the long-term because it is too valuable a program for us not to fix it for the long-term.

So I wanted to make a few comments. I intended to make more, but I will abbreviate them because we have another subject that is critically important. I want to make a few comments about the job that I think was done by the Senator from New Mexico, the Senator from New Jersey, the President and many, many others. It is nice for a change to be talking about something that is bipartisan. The American people tend to believe, and in many cases rightly so, that instead of getting the best of what both political sides have to offer we often end up with the worst. At least in this circumstance we have engaged in a bipartisan agreement that I am going to vote for, I am going to support.

Is everything here the way I would like or the way I would write it? No. But we have advanced in the area of education and health care and tackling the deficit and a number of other areas in a way that is significant and in a way that will be beneficial to this country's future, and I am going to vote for it.

Now, having said that in laudatory terms, let me say there are a couple things that give me enormous heartache here, and one of them is a problem the Senator from West Virginia and I want to talk about for a couple of minutes. And at the end of this I intend to make a point of order under the Byrd rule against the universal service provisions in this conference report.

Let me describe it very briefly and then yield to the Senator from West Virginia. There is, in my judgment, a fundamental mistake being made in the conference report in this reconciliation process. And that mistake is this: This conference report will use universal service funds in the Telecommunications Act for the purpose of plugging a hole in the budget process.

In my judgment, that is totally and completely inappropriate and without foundation. Those who were involved in it were repeatedly told this is inappropriate and yet somehow through the mechanisms of the Congressional Budget Office and the Office of Management and Budget and a range of other interests it got stuck into this piece of legislation.

Let me describe it very briefly. We have in this country something called the universal service provision in the Telecommunications Act. What does that mean? It means that in this country, even if you are in an area where it is very expensive to provide telephone service, we want to make sure you have good telephone service at an affordable price. If you happen to live in an area where it is very expensive to provide telephone service, we have a universal service fund that collects resources from all of the users in the country and uses it to drive down the cost to those in the highest cost areas of the country so that everyone in this country has affordable telephone service.

That is what universal means. It has been around forever and for a good purpose. Every telephone in this country is more valuable because there is a telephone in the smallest highest cost area of this country and we have decided to drive down those costs so that telephone service is universally affordable.

Now, the universal service fund produces the money to do that. It is not a fund that comes into the Federal Government. It is not Federal money. It is not a fund that has money that the Federal Government spends. It is completely apart and separate from the Federal coffers.

Two years ago, we passed something called a Telecommunications Act and now we are told by the Congressional Budget Office and by some others that the way the universal service fund is worded in the Telecommunications Act there is justification for the Congressional Budget Office and the Office of Management and Budget to rule that the universal service fund can be used in the construct of a Federal budget as both revenues and outlays.

That is pure nonsense. This has nothing to do with the Federal budget—nothing. And those who believe it does have either misread the law or don't

know the foggiest thing about what they are reading.

Now, we have tried very hard to pull this out of this conference report because it is a couple, I guess it is a $3 billion plug they stuck in, just like a cork in a big hole. They walk around with corks in their pocket down at OMB or CBO, and say, well, here is a big hole we can't explain; we will stick a cork in there. This cork is the universal service fund. And the minute you start using that as a cork the cork will get bigger every year they manipulate it. This is a misuse of the fund. And the Congressional Budget Office and the Office of Management and Budget had no business and no capability of suggesting that this is a part of the Federal Treasury.

Now, I would like to yield for purposes of discussion. At the end of the process, I am going to make a point of order, a Byrd rule point of order. And let me, as I yield to the Senator from West Virginia, say that the Presiding Officer, who is on the Senate Commerce Committee and was integrally involved in the issue of the construction of the Telecommunications Act and the universal service fund, has been involved in signing letters and discussions with other Members of Congress about this very subject. The Senator from Arizona, the current chairman of the Senate Commerce Committee, feels the same way I do. It is inappropriate to have it in this conference report in this manner. The Senate minority leader feels the same way. A good number of us feel the same way. And yet we seem powerless at this point to pull it out of this conference report. I expect that my challenge on the Byrd rule is probably not going to survive for reasons that I will understand, but I think it is critically important that we raise this issue now so it will not become habit forming; this will happen once and only once. And between now and the next time someone has an urge to do this with the universal service fund, I hope we have the law changed to disabuse anybody that they can interpret any language in the Telecommunications Act with the universal service fund in any way which suggests it is part of the Federal Treasury assets receipts or outlays.

Mr. President, the Senator from Arizona I notice is in the Chamber. I just mentioned him. He is the distinguished chairman of the Senate Commerce Committee. I know the Senator from West Virginia also wishes to be recognized. I would be happy to yield the floor so the Senator from Arizona may speak.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time would the Senator like—10 minutes?

Mr. McCAIN. Three minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is yielded 5 minutes from the time under the control of the Senator from New Mexico. The Senator from Arizona.

Mr. McCAIN. Mr. President, I understand and appreciate Senator DORGAN's concerns. I would disagree with the action of challenging it. The Senator from North Dakota is quite correct in one sense; Federal finagling with the universal service fund ought to raise concerns over any potential impact on the provision of essential phone service to rural and high-cost areas and low-income consumers.

Mr. President, I think it is important to put its genesis and its likely real life effect into perspective.

I reluctantly concurred with the last-minute—I emphasize reluctantly—inclusion of this provision in the bill. I am sure I am telling the worst-kept secret in town when I tell you this provision was dreamed up by the Clinton administration and essentially imposed on the Commerce Committee conferees by OMB. It is not a provision we liked and not a provision we wanted, but it was made very clear to us that our failure to include it would likely result in our losing control of the bill. And if this were to occur, the probability was that not only this provision but numerous others that would be worse, such as spectrum fees, would get added to the bill if that happened.

So including this provision was by far the lesser of two evils. This is particularly so because it is hard to see how this provision is likely to have any real life effect on maintaining essential telephone service. Basically, what this provision does is shift $3 billion in funds between the Treasury and the universal service fund in alternating fiscal years in an attempt to cover a residual $3 billion savings shortfall in the outyears.

Because industry universal service fund subsidies today total over $6 billion and are projected to soar as high as $12 billion to $20 billion, there can be no doubt that the telephone industry will be financially able to sustain a $3 billion loan for the limited time period prescribed. Similarly, if we really think that the Treasury will not be in a position to repay a $3 billion loan, we have far worse deficit problems than this bill can ever hope to cure. And because the bill explicitly provides that telephone companies may not raise their rates to recover this $3 billion, it attempts to assure that telephone rates will not increase, at least for this reason.

So, I believe it extremely unlikely that essential telephone service is likely to be hurt in any way by the enactment of this provision. In saying this, however, I do not wish to trivialize the validity of concerns over the Federal Government reaching into private, nongovernmental pockets to help plug a budget hole. That's a terrible precedent to set, regardless of whether it is the universal service fund or the airline safety funds, and I have consistently voted against such schemes in the past.

I suggest the better remedy is to pass this bill today, then enact new legislation that will prevent this kind of action in the future. We should not risk bringing down this historic agreement because of one such scheme that, however objectionable in concept, will have no practical impact on the public.

Let me emphasize again, this administration provision is designed to have no adverse effect on the consumer. For the information of my colleagues, I have already stated I will hold conference committee hearings early next year to make sure that we need do nothing more legislatively or in terms of FCC oversight to further assure that the universal service provision before us will not, in fact, cause any loss in essential service or raise telephone rates.

I want to tell my colleague from North Dakota, we will have hearings. We will take action to make sure that this provision does not raise phone rates nor impair the ability of people to have universal service. I want to point out that the Presiding Officer in the chair, the distinguished chairman of the Appropriations Committee, also a member of the Commerce Committee, has pledged to do exactly the same. I don't like it. You don't like it. He doesn't like it. In fact, in a rather unusual move, the chairman of the Appropriations Committee was more vociferous in his opposition to this provision than I was.

So I want to point out I think it is important the Senator from North Dakota raised this concern. I know the Senator from West Virginia has the same concern and will articulate it. But I want to say that we will have hearings. We will do whatever is necessary to make sure this does not impair—either raise phone rates or impair the ability of people to obtain universal service. I also want to reiterate, as did the Senator from North Dakota, it's a lousy way to do business, Mr. President. It's not a good way to do business. But I also, with some sympathy to my dear friend from New Mexico, realize that he was in a position where they were $3 billion short and they had to make it in order to make this budget work.

So I want to thank my colleague from North Dakota. I want to thank the Senator from Alaska as well, for his commitment to fix this situation. There is, quite simply, no reason to endorse this provision or the kind of tactic it employs. But neither is there any reason to vote against this balanced budget bill because of it. I urge my colleagues to take that into consideration.

I yield the floor.

Mr. DOMENICI. Mr. President, I thank my good friend from Arizona. I am sorry if we waited until the last minute to notify you. We had plenty of time. You could have come down slowly and taken your time.

Mr. President, I yield myself 5 minutes, and then I will yield to Senator ROCKEFELLER.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. DOMENICI. I surmise the distinguished Senator from West Virginia is going to stand up and agree with what has been said. I just ask him if he would consider seriously, with me, what the miner protection fund looks like. It is exactly like this, and it is on budget. The Federal Government orders mining companies to pay into a fund, but the Federal Government does not disburse the money. That is your bill. You are famous for it, Senator. That is on budget. It has been on budget from the beginning.

Now, let's look at this. It's exactly the same. We order companies to pay into this fund so that we can get universal service out of the fund. Who disburses the fund? The companies; not the Government. That resonates very well with a mining bill, miners' protection, the same way it has been on budget for 4 years. Frankly, it doesn't matter to this Senator.

But the point of it is, we are bound by an interpretation that essentially was this. The reason I didn't cite this is because it never became law. But you might recall, I say to the Senator, when we had the universal health plan from the White House, noted by some as the Hillary health plan, the distinguished chairman, then, of the Congressional Budget Office—not this one; one that you-all had appointed from the other side—ruled one morning, to the amazement of everyone, that the bill had a tax in it because the procedure was that we were ordering money to be paid by somebody, and then, in the various States, we would disburse the money. The Federal Government was not disbursing the money.

So the White House thought they would have a bill that was without taxation in it. And what did he rule? He ruled that if the Government orders payment of money into a fund, then the fund is on budget, even if the Government doesn't control the fund.

I know my friend in the chair does not agree. I might not agree. But I am merely explaining what the facts are. I understand that you would like to make a point of order. I will be here and we can talk a little more about it, Senator. I do believe we have just reason to ask the Senate not to impose that point of order under the circumstances surrounding it, but I understand you, and I will speak to that later.

I yield the floor at this point.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I yield myself, off the time of the Senator from New Jersey, 10 minutes.

The PRESIDING OFFICER. As the Senator present and in charge of the bill he has that right. The Senator is recognized for 10 minutes.

Mr. ROCKEFELLER. Mr. President, I appreciate that very much. I also appreciate very much, as I always do, what my good friend, the Senator from New Mexico, said. I would draw one small point, however of difference. That is, in the miners' health retirement bill there has never been any thought, any action, any suggestion that any of that money should be used for anything but the health care of miners, period. It doesn't go anywhere else. In the case of what we are now talking about, the universal service fund, it is something which was set up for one purpose and which is being used for an entirely different purpose. The Senator may wish to come back—

Mr. DOMENICI. Will the Senator yield?

Mr. ROCKEFELLER. Of course.

Mr. DOMENICI. Senator, when we first proposed this, we could find no way to do this without doing exactly what you said. But the White House came along, and they are a little more ingenious than are we. They offered us a proposal that is now in this bill. It does not change universal service, nor does it use that fund in any way other than what it was originally intended to do. All we have is, those who were paying into it get a 1-year reprieve, to the tune of $3 billion. Then they pay it in the next year. I think they are delighted. They get a reprieve because we lend them the money for the year and everything is exactly as you want it, and in the following year the companies that would have been paying it pay into it the next year. That happens to give us the $3 billion credit on the budget. That was dreamed up by the White House. We said, ''It's extremely ingenious and it fits all the tests,'' and that is why we are here.

Thank you for yielding.

Mr. ROCKEFELLER. I thank my friend and ask unanimous consent the time used by my friend from New Mexico be used on his side and not from the time of the Senator from New Jersey.

The PRESIDING OFFICER. It has been so accounted.

Mr. ROCKEFELLER. Mr. President, I strongly agree with what Senator DORGAN of North Dakota has said. I expect that, if the Presiding Officer were in a position to take the floor, he might say something not that dissimilar.

There is an enormous amount of anger among those of us who worry about rural America, that for the first time in its history —hopefully for the last time in its history—the universal service fund is literally being raided for the purpose of a gimmick. The Senator from New Mexico is correct, I think, in the way he describes the process of what will happen. He is incorrect in one small matter, which doesn't really make that much difference but happens to make some difference to me as a Democrat, and that is that the idea came first from the Congressional Budget Office, not from the White House. It came from the Congressional Budget Office, this so-called gimmick fix. Then it was upheld by, so to speak, the Office of Management and Budget, which is something that I am very angry about, as a Democrat, because that happened on the President's watch.

I think the problem with this is that universal service is sacred. When the Senator from North Dakota described equal phone calls—as he sometimes says, Donald Trump can call into Minot, ND, and that is good for Donald Trump in New York City and that's good for Minot, ND, and the possessor of that phone. But the purpose of universal service is, in fact, that rural areas are able to be sustained in part of their rate-paying because some States have to be more generous than others. That is what universal service is about. That is what the money is there for. It is not there for black lung, it's not there for retired miners, it's not there for environmental purposes. It's there for one purpose, and that is to guarantee that universal service on the telephones is available and affordable by people no matter where they live, and people particularly in rural areas.

Part of my objection to all of this, of course, is that this whole process of working out this reconciliation bill—which I do support. I am not jumping up and down, but I do support it. That will be another speech at another time. But basically there were a lot of meetings held in a lot of rooms in which a lot of us were not allowed to be. I have a feeling that this decision was made at the last moment by OMB. Their people tried vainly to convince Senator DORGAN and his folks and myself and my folks that this was all really nothing but just a shifting of money here and there. But that is not the case. If you look at the historic proportions of raiding the universal service fund, no matter for what purpose—it's not for telephone service, it's not for making it possible in rural New Mexico or rural West Virginia or rural North Dakota for people who have telephones not to have to pay exorbitant rates.

So here we have this one very unfortunate example. It's a budget gimmick. It's lousy policy. It's using the service fund as a piggy bank. There is no excuse for it. It's in the bill. I understand that we are probably not going to be able to do very much about it, but it is wrong. It is not only wrong because of what it does to universal service, but it's also very wrong because of what it does to libraries and schools and health care center telemedicine programs, which I will talk about in a moment.

I will say the fact that Senator MCCAIN was on the floor, that Senator STEVENS has strong feelings about this, and Senator HOLLINGS has strong feelings about this, Senator DASCHLE has strong feelings about this, Senator DORGAN, myself, many others, Senator SNOWE—many others—this is a problem that we are going to come back to and fix. As the Senator from Arizona indicated, he's going to hold hearings. But we are going to come back on this until we can fix this problem. We can't fix it today, but we will be back, we will be

back again, until we get this eliminated—eliminated and changed. Because it is wrong.

I recognize the universal service fund isn't recognized by most people. They don't know what it means. But it's something of such incredible importance to affordable phone rates for rural citizens that it is something people better understand very, very thoroughly. When a group of us passed and fought hard for something called the Snowe-Rockefeller-Exon-Kerrey amendment, we extended the promise and the idea of universal service to something which fits in that category; that is, schools, libraries and rural health care facilities that use telemedicine. There are 116,000 schools in this country, Mr. President, and we are going to make every classroom applicable and every one of those classrooms, every one of those schools, we are going to make them fully wired up, ready for Internet, so there won't be any first- and second-class society in our country.

I never, ever thought during the battle that we had to get to pass that Snowe-Rockefeller-Exon-Kerrey amendment, I never ever for a moment thought that we would be dealing with budget negotiators, but much more significantly I think, in this case, the Office of Management and Budget and their intransigence in trying to work out some kind of a Federal budget worked out that was not—I was shocked when I heard about that.

Unfortunately, the budget has a neat trick, and as the Senator from New Mexico points out, it will work. It will loan universal service funds in the year 2001 and it will repay that in the year 2002, solely to have enough money appear on the books to make it possible to say that the Federal budget was balanced in that particular year, 2002. It violates the promise made to telecommunications providers that the universal service money was for telecommunications only. They are offended by it.

I ask unanimous consent to have printed in the RECORD a letter from Bell Atlantic and Nynex expressing exactly that view.

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

BELL ATLANTIC,
Washington, DC.

NYNEX,
Washington, DC, July 25, 1997.

Hon. JAY ROCKEFELLER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR ROCKEFELLER: We urgently request that you delete the universal service ''tax'' from the budget reconciliation legislation. This proposed ''tax'' is a direct assault on the policy of universal, affordable telephone service for all Americans.

Section 3006 of the Budget Reconciliation Bill is bad public policy and it should be deleted from the Budget Reconciliation legislation. This budget gimmick borrows money from a fund established to ensure universal telephone service in order to ''balance'' the federal budget.

Because this fund is privately administered and not funded through the federal budget, it is questionable whether the federal treasury can ''borrow'' from this fund. If passed, this provision would surely be the target of litigation.

This section sets a dangerous precedent of using funds intended to support affordable phone service as a ''trust fund'' or ''piggy bank'' to balance the federal budget each cycle. As a result, this proposal raises serious concerns for the future viability of universal telephone service.

We urge you, in the strongest terms, to delete the universal service section from the budget reconciliation legislation.

Sincerely,

AUBREY L. SARVIS,
Vice President, Federal Relations, Bell Atlantic.

THOMAS J. TAUKE,
Executive Vice President, Government Affairs, Nynex.

(Mr. ABRAHAM assumed the chair.)

Mr. ROCKEFELLER. The provision that will probably become law, in this gigantic stack of papers, is opposed by telecommunications companies. It is opposed by education groups. It is going to be opposed by a lot more groups before this process is finished.

The universal service fund is private money. It comes from telephone companies. We don't own the telephone companies. They are their own property. It is managed by nonprofit NECA, the National Exchange Carriers Association. This is private money—private money—that should not be used for budget gimmicks.

At this point, we are caught between a rock and a hard place. The bill is before us. It is a good bill on balance. It is a bill that I am going to vote for. It is something that all of us have worked hard for since 1993, and probably before that. It is going to have to be changed, I fear, in the future. I tried to reach Franklin Raines this afternoon. I could not do so. I have spoken to the Vice President about it. I have spoken to everybody I possibly could, because it is terribly bad public policy.

I am committed to protecting the integrity of universal service, and I intend to work with Senator DORGAN, Republican colleagues, industry leaders, and advocates to protect universal service and its promise of affordable access to rural America.

I urge interested parties to join me in this fight. Universal service is not just about putting computers in classrooms. It is about fairness to rural Americans. It is a sacred trust. The universal service fund has been briefly violated. One can hope that this will be the only time, and one can hope that even this time, it will only last for about a year before we clear it up.

Mr. President, I thank the Presiding Officer and yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Will the Senator from New Mexico yield me 10 minutes?

Mr. DOMENICI. I yield as much time as the Senator from Alaska desires.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I send to the desk a request for privilege of the floor for my staff for today through August 1:

Antonette Advincula; Kai Binkley; Larissa Sommer; Matt Hopper; Melissa Kassier; James Hayes; Kate Williams; Bronwyn Rick; Jay McAlpin; and Jessica Huddleston.

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

Mr. STEVENS. Mr. President, first, let me thank the distinguished occupant of the chair. I was fearing that this issue might come up for a ruling while I had the privilege of sitting in that chair and was fearful what I might do, because I can tell the Senate that if one examines the signatures sheets for reporting this bill, you will find that I excepted from my approval of the bill as a conferee on the Commerce Committee side this provision on the universal service fund.

Mr. President, I am not going to raise a proper point of order, and there is a proper point of order, but it would bring down the whole bill, and it is not timely. I would raise it if this went into effect next year. It will not go into effect until October 1 in the year 2000. So we have time to work this out and find a way to make peace on this subject.

I intend to pursue that after the hearings that the Senator from Arizona has announced, as chairman of the Commerce Committee, he will hold.

I don't think anyone really realizes what this does. I will say, and I know the Senator from New Mexico was trying to get it to me, the first time I saw this was today, although it had been described to me, and that is why I would not approve the Commerce Committee portion of the bill pertaining to the service fund. As a matter of fact, this is the old interstate rate pool, Mr. President. People in the business still refer to that in many ways. It became the universal service fund. I was the one who dreamed this up about 5 years ago when we first introduced the bill to modify the old Communications Act of 1934, and really that was carried through in the Telecommunications Act that passed.

I am pleased to have been part of that, because what this does is it gives us a fund which the industry itself can use to equalize the costs of assuring service anywhere in the United States so that our telecommunications will, in fact, be capable of being delivered wherever there is a person seeking to send or receive communications as defined by our act.

This money is kept by the National Exchange Carriers Association, [NECA]. It is not Federal money. It is not subject to Federal control. As a matter of fact, it is not even enforced by the Federal Government in terms of payment into the fund. It cannot be a tax.

With due respect to my friend from New Mexico, I think we have a Supreme Court of the United States that will determine eventually what is on budget and what is not. The Director of the Congressional Budget Office, in my judgment, has made a serious mistake, and we are pursuing that mistake here. But there is more than just his mistake. The basic mistake has been made by the White House itself, when it conjured up this new approach to using this fund which is not Federal money, it is not taxpayer's money. It is paid by the ratepayers, not the Federal Government. You might have dipped into the Postal Service surplus in the bank right now under this theory. That is ratepayer money, too.

It is not on budget, but, as a matter of fact, this money is not subject to Federal control. But this bill says there is appropriated $3 billion to put into this fund that NECA manages for the telecommunications world, and it sits there for a year, Mr. President. Of course, it is going to earn interest, right? At the end of the year, it is paid back by the fund, and the fund can keep the interest it earned during that period.

Once more, the people who would have paid into the fund don't have to make a payment for a year. They keep that money that they would have paid the fund in their own banks and they pay it to NECA the following year, and guess what? They make money off it, too. So this is one of the greatest shell games I have ever seen with Federal money. The Federal money being fooled with is the $3 billion from the Treasury that goes into the fund before the game begins, and these guys get to play poker with this for a year, and then after a year, they can keep whatever they earned with it and pay back $3 billion to Treasury. It is a win-win thing for everybody but the people who should be served, because the earnings for the fund ought to accrue to the fund, the people who are the recipients of universal service, and this is just too cute. This, in my opinion, is the worst gimmick since the Budget Act was enacted, and I am glad the Senator from New Mexico has indicated he really didn't dream this one up, because I think he is smarter than that, and I think he is embarrassed to have to carry it, as I would be.

The proper point of order, Mr. President, is a constitutional point of order. I will not raise it because it will pull the whole bill down, and we have to have this to bring about a balanced budget. It will take place in the year 2000, as I said. But I warn the Senate, before 2000 gets here, we will raise a constitutional point of order to take this out of here unless it is straightened out, because it is nothing but smoke and mirrors. It is the worse case of smoke and mirrors that ever came out of the White House.

Somehow or another, someone has to understand that it is not right to play with money, that $3 billion of taxpayer's money goes into this fund, managed by a private association; it stays there for a year, the interest on it accrues to private associations, and at the end of the year, they pay back $3 billion. Meanwhile the people who should have been paying in for a year have earned their own money, and guess what? It is not a wash in the sense of everybody who keeps their own checkbook and everyone who pays bills and the people who need this service, this universal service; it is a wash under the Budget Act, which I thought was a stupid act to begin with, and now I know it is a stupid act, if it can conjure up something like this. It is not in the public interest.

So, Mr. President, I am now satisfied that I was right. I signed this bill and approved it, except for this provision. I urge everyone to read it, section 3006. If there is anything that demonstrates we need a new Budget Act, this is it, if people can sit in the basement of the White House and dream up a charade like this and say that it balances the budget. This is why people don't believe us. They really don't believe us, because they think we play funny games with their money, and this demonstrates they are right, Mr. President, unfortunately.

I will swear to you—I am glad you came, Mr. President, because I would be hard pressed not to approve the point of order that is raised by the Senator from North Dakota, and I would have hated to be in that chair and to have said what I don't believe. I am not saying you have to believe it either, Mr. President, just follow what the Parliamentarian tells you and we will pass this bill, and we will live to the year 2000.

Meanwhile, someone has to put down a marker on these people. They have to stop using smoke and mirrors. That is why we don't have a balanced budget now, because people play games with money, and those of us who don't have much money don't understand it.

It took me a little time to find out what they were trying to do, I say to the Senator from New Mexico. I see him smiling a little bit. He is my great friend, and I know he is embarrassed to have to carry someone else's brainchild like this. I hope we will find some way to stop this business, to give us a chance to deal with straight up-and-down money, and straight up-and-down provisions and not more smoke and mirrors.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just say to my good friend—who is my good friend, perhaps one of the best here—there are plenty of smoke and mirrors in the appropriations bills, and I am not here saying we should abolish the appropriations process. If you would like a debate someday, we will go through 20 bills, and I will find you more smoke and mirrors than $3 billion in any given year in the appropriations process. I yield the floor.

Mr. STEVENS. Mr. President, if the Senator will let me have a couple minutes, it would be nice to have this discussion. There are no smoke and mirrors in the appropriations bills. We sometimes have devices in order to enable us to meet the objectives of the Budget Act, but we never end up by appropriating money to an account that is not controlled by the Federal Government, nor do we give up interest on that $3 billion for a year and expect just to get the straight $3 billion back. If there is something like that going on in an appropriations bill, I don't know about it.

He is right, we have our devices for making sure that we have control on spending money, and sometimes that is subject to criticism, similar to what I have just given him.

Mr. DOMENICI. I appreciate that. That is plenty for me. I appreciate it very much.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from North Dakota, the Senator from West Virginia, and the distinguished chairman from the Appropriations Committee, the Senator from Alaska, as to the point being made relative to the universal service fund.

In the 4-year tour of work of trying to reconcile and bring up into the modern technological age communications law, there was one thing that was sacrosanct and generally agreed upon by everyone—and there really are no exceptions to it, because it was sort of a private endeavor. I know the distinguished occupant of the chair believes very strongly in the private market and the forces of private industry vis-a-vis those within the Government. But those within the telecommunications industry, years back, by way of the entities in which they belong, determined the volume of business, and with that volume of business and the costs, they then factored in each month through this private universal service fund the amount to be contributed thereto. And it is operated that way. From time to time the FCC has rules and regulations about it, but, generally speaking, it is a well-administered fund, not participated in, really, by Government law. The Government does not say or the 1996 Telecommunications Act does not require this.

So it came with some amazement that, in all the machinations in trying to work for the Balanced Budget Act of 1997, we were hearing that they were going into the universal service fund. We raised the point in discussions. We had resolutions about it. We put amendments up. And we thought we had gotten the clear, crystal word through to the negotiators and conferees. Now it appears that that has been disregarded.

For one, we can see what was really bringing it about. They came in with the spectrum auctions, which this Senator and the Senator from Alaska

joined in in the original instance, tried to raise money and factor in the market forces. But we have found in the more recent auctions that we sort of are scraping the cupboard dry or bare, as the expression is, whereby on an auction of last year, agreed upon in October to bring in $3.9 billion, only factored in or received $13.1 million instead of billions up there—few millions. So when they came with the factored-in $26.1 billion in spectrum auctions, they realized that the Congressional Budget Office, and anyone else estimating it, was going to have to downgrade it, so they put in a catchall, the universal service fund with a blank amount, until now, I guess. It is marked at the desk.

I understand from the debate it is $3 billion. This cannot happen. You do not want to take what is really working and turn it into a slush fund for budgeteers or for conferees or for any other kind of nonsense that is going on along here—smoke and mirrors, as they call it.

So I am glad the point is being made here in a most eloquent fashion by the distinguished Senator from North Dakota, Senator ROCKEFELLER of West Virginia, and now Senator STEVENS, who was the ranking member on our Commerce and Communications Subcommittee for many, many years. We worked in this field. We fashioned out some funds that would be available for the schools, for the libraries, the hospitals, and otherwise.

We really have, I would say, one of the finest elements of the 1996 Telecommunications Act, passed by a vote of 95 Senators here in this body, that the outstanding innovative feature was the agreed-upon embellishment of the universal service fund in order to bring in the libraries and schools and hospitals and otherwise of America, to bring to all of America communications services in the Internet and otherwise.

Now, we just passed that early on, and we turned our backs, and, heavens above, budgeteers have turned it into a slush fund. I hope that does not occur. I hope the point is made. I do appreciate the leadership of our colleagues who pointed it out this afternoon.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I appreciate very much the comments made by the Senator from West Virginia, the Senator from South Carolina, the Senator from Alaska, the Senator from Arizona, and others. I say that the Senate minority leader, Senator DASCHLE, feels very strongly in opposition to this particular provision.

I was very careful when I began this discussion. I was not critical of the distinguished chairman of the Budget Committee. I said that I thought they had brought a product to the floor that is a compromise which represents the best of public service.

There is much in here to commend this. I am going to vote for this. This is what we are going to vote on. It is a pretty good piece of work. This page is what I am talking about, coming right out of the middle of this provision, ''Universal Service Fund Payment Schedule.''

There was a story once about a fellow—I do not have backwoods in North Dakota. In fact, we rank 50th in America in the amount of our native forest lands. So we do not have any backwoods stories. But down in your part of the country, we hear all these backwoods stories.

There was a story I heard once about a fellow that came over a hill in the backwoods, and he found a couple of old codgers there sitting over a pot that was hanging over a fire, and they were making something. He said, ''What are you fellows making?''

They said, ''Stew.''

''What kind of stew?''

''Horseradish stew,'' they said.

''How on Earth do you make horseradish stew,'' they asked.

''Well,'' one said, ''You take one horse and one radish.''

That is the menu here—''horse'' and ''radish.''

You have to look through this whole thing to find out what has been brewed, what has been cooked. And I like a lot of this. I think a lot of this advances this country's interests. The provision I brought to the floor today to talk about is a terrible provision. It is a terrible provision and ought not be here.

Mr. President, I heard discussion earlier by the chairman of the Senate Commerce Committee, chairman of the Senate Appropriations Committee, and others, that there will be legislation—first a hearing, and then legislation to deal with this. We may never again be back at this intersection, an intersection where we are having to come to the floor to say, ''You can't use money, you can't count money that never comes to the Federal Treasury as part of a calculation to balance the budget.'' Why, in my hometown of 300 people, you would be laughed out of the cafe in 2 seconds. You can't count money that does not come to the Federal Government.

So, despite the fact that I am going to offer a point of order under the Byrd rule—and my understanding is that I will probably not prevail—I do not intend to ask then for a vote to appeal the ruling of the Chair. I will accept the ruling of the Chair as a ruling, and will disagree with it, I suspect, if the ruling is what I expect it to be. But I will say this: I expect us never to be back to this intersection because I expect that those of us on the authorizing committee who know what the fund is and what it is for and what it is about, we will never again allow a discussion to go on somewhere in the bowels of this building in which OMB and CBO bring to the table a menu of items that say, ''By the way, here is a way to count money to make things look different than they really are.''

I say, the Senator from New Mexico talked about this being a White House creation. My understanding is that, indeed, the Office of Management and Budget and the White House have agreed that this provision is part of this budget process. In fact, the latest provision, which is, I think, the third provision of this type, this was, in fact, brought to the table by the White House. Originally, I understand it came from the Congressional Budget Office, agreed to by the Office of Management and Budget. But notwithstanding what its conception was, I think it is terrible, terrible public policy, and I hope that we never again are at this point.

I think the discussion we have had is a useful discussion, which has served notice to every Member of Congress that while we cannot get at this provision at this point, there will be a time when we will no longer debate this because we will have changed Federal law to prevent this sort of thing from happening.

Mr. BURNS. Mr. President, the Federal Government should not manipulate the universal service fund to balance the Federal budget. I believe this for several reasons.

The provision in the conference reconciliation package which manipulates the Federal universal service fund and allows the Federal Government to use this fund to balance the Federal budget is outrageously bad policy, and is, I believe, an unconstitutional takings.

In States like Montana, the universal service fund is absolutely critical to the provision of basic telephone service at reasonable and affordable rates. However, lately it seems that this fund is becoming the ''ox that gets gored'' to resolve a variety of high profile problems or issues. Universal telephone service is a privately funded support system that works without Federal monetary aid. Unfortunately, due to its present on-budget status, this privately financed program is subject to the whims of the budgeteers. A couple of months ago, the FCC, at the urging of the Vice President, decided to add a further burden of $2.25 billion a year on the contributions to the fund to pay for linking schools, libraries, and rural health care facilities to the Internet. Now the Congress, by this reconciliation package, is seeking to balance the budget at the cost of universal telephone service. This will have extremely negative impacts upon basic telephone service in rural and remote areas of the country which depend upon the fund to keep prices for telephone service reasonable; consequently, here we are, in the name of balancing the Federal budget, effectively raising rates for telephone service for all customers who happen to live in states like mine. This effectively targets the rural customers and is simply unacceptable. Sound telecommunications policy must not be manipulated to comport with fleeting budgetary concerns. Rural Americans—and those others who receive affordable

service as a result of universal telephone service—must not be subjected to the uncertainty of this process.

Furthermore, I believe that, even if this provision were not such outrageously bad policy, we should not adopt it because it will likely be struck down by the courts as an unconstitutional taking of private property. Contributions to the Federal universal service fund are made by telephone companies and wireless telephone providers and, as such, are not the property of the Federal Government. The Telecommunications Act clearly establishes the manner in which universal telephone service funds are to be collected and disbursed. Pursuant to the act, universal telephone service moneys logically should not be classified as either Federal receipts or Federal disbursements and thus should not be associated with the Federal budget, as the administration has insisted, and as some in Congress have allowed. Clearly these are not Federal funds.

Thus, the Federal Government's use of these funds interest free is, in effect, a governmental taking of that interest. Consequently, I believe that a constitutional challenge to this provision will likely be successful. Regardless, there is one thing of which we can be absolutely certain: this provision will end up in the court system, thus wasting phone company, and by extension phone company customer, and taxpayer money. Folks, this provision is a bad idea for any of a number of reasons, and I urge my colleagues to join me in opposing any efforts by either the administration or Congress to use the universal service fund to balance the Federal budget.

Additionally, this ill-advised raiding of the universal service fund sets an absolutely terrible precedent. While I am confident that the budget agreement is based on sound numbers, what will happen if the economy takes a turn for the worse and the economic assumptions on which the balanced budget plan is based come up short? Will the budgeteers not look to increase the amount of money that is borrowed from the universal service fund? Even if that's not the case, and even if the money borrowed from the fund will be repaid, this amounts to a back-door tax increase levied on every American through his or her telephone bill. I don't believe that we need to raise taxes in order to balance the budget—that's why I joined every other Republicans member of Congress in voting against the ill-conceived Omnibus Budget Reconciliation Act of 1993—but if we're going to raise taxes, we ought to be forthright about it. This scheme to raid the universal service fund is anything but forthright.

UNIVERSAL SERVICE

Mr. KERREY. Mr. President, I support the Dorgan point of order against the provisions in the reconciliation bill which manipulate the universal service support system to create a book-keeping gimmick which is disguised to look like deficit reduction.

Universal service support is the complex system of intercompany payments between phone companies designed to ensure that telephone rates are reasonable and affordable. The universal service support system assures that phone rates and services are comparable in rural and urban areas. This system of payments and shared costs does not touch the U.S. Treasury.

For the first time, the reconciliation conference agreement would manipulate the universal service support system for budgetary gains. This is a terrible precedent which if abused will drive up phone rates, especially for rural Americans.

The idea of universal service is profound. It is one of the most fundamental principles of telecommunications law and economics. The concept was introduced in the original Communications Act of 1934 which promised ''to make available to all Americans a rapid, efficient, nationwide and world-wide wire and radio communications service * * *''

From 1934 to 1996, regulation and monopoly were the primary means of ensuring telephone services to all Americans. In 1996, the Congress embraced the idea that competition would best deliver telecommunications services to all Americans at affordable rates.

The Congress also recognized that there were some markets which competitive companies would not serve and some areas where costs are so high that rates would drive citizens off of the phone network. In those markets, universal service support would keep rates affordable and comparable to urban areas.

The principle of universal service is that all Americans should have modern, efficient, and affordable communications services available to them regardless of where they live.

Universal service support is not a subsidy, and it is not a tax. It is a shared cost of a national telecommunications network.

What makes the American phone network valuable is that almost anyone can be reached. Affordable phone service is not just important to the citizens of Valentine, NE or Regent, ND, it is of value to the citizens who live in New York, Chicago, and other urban areas who need to reach Americans in all 50 states.

The basic bargain of the Telecommunications Act of 1996 was that the gates of competition would open, provided all telecommunications carriers contribute to the support of universal service. Under the act, support would be sufficient, predictable, and the burdens would be shared in a nondiscriminatory manner.

To assure that all Americans shared in the benefits of the information revolution, the Congress also adopted the Snowe-Rockefeller-Exon-Kerrey amendment which provided for discounts to schools, libraries, and rural health care facilities. The bottom line was that no American would be left behind.

The precedent that the reconciliation conferees have set is dangerous. It threatens to undermine the promise of sufficient and predictable support for universal service. It does so to gain a smoke and mirrors bookkeeping advantage in the budget.

If the universal service support system is manipulated for this purpose, consumers will lose.

The very system which assures affordability should not be jeopardized by an attempt to avoid the real choices necessary to produce a balanced budget.

Mr. DOMENICI. I ask the Senator, are you ready to at least make your statement about this? I understand your points. I hope everybody knows—I should have gotten recognition. Are you through?

Mr. DORGAN. I ask the Senator from New Mexico if he could hold for a moment. I will be happy to yield the floor and take a moment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I would like to ask the Senators, we have now been on this bill since 12 o'clock, which has been for 5 hours, 25 minutes, all of which I believe is counted against the 10 hours. I very much wonder what Senators would like to do with reference to the bill.

Are there more Senators who would like to speak? The bill is not subject to amendment. There is a list of BYRD rule violations that is around. It is not hidden. I just am wondering what the pleasure of the Members is. I think that most of the Byrd rule violations have been clearly worked by Democrats and Republicans and are consistent with the bill and should be waived. But we cannot do that without conferring with a number of Senators, including the distinguished Senator BYRD, in due course.

There is a conference going on, so 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. DORGAN. 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. DORGAN. Mr. President, I appreciate the indulgence of the chairman of the Budget Committee. I was prepared to make a point of order, a Byrd rule point of order, on this universal service provision. I am persuaded that making a point of order, in which the Parliamentarian would likely rule that this provision is not violative of the Byrd rule, would put us in the position of having a ruling by the Chair blessing an approach that I think deserves not a blessing but condemnation. So I am not going to proceed to make the point of order.

I am persuaded to decide that by the fact that the Senator from Arizona, the

chairman of the authorizing committee, of which I am a member, indicates, first of all, a determination to hold hearings in support of changing the law to prevent this from occurring again and statements by the Senator from Alaska, Senator STEVENS, and Senator ROCKEFELLER and others, including Senator HOLLINGS.

It is clear to me that we will not likely come to this point again. We will likely see a law change that says universal service funds cannot be used for this purpose. For that reason, I will not require the Chair to rule on a Byrd rule point of order on the universal service provision because I simply don't want anybody to believe there was any blessing applied to this approach in this piece of legislation.

Let me make one additional point. The Senator from New Mexico made a point some while ago, and I suspect he thinks that we are here in some ways jabbing away, and so he made a point that, gee, this isn't the only place this stuff goes on. Everybody in the Chamber would agree with that assessment. We understand that there are games and there are games. We also understand that this piece of legislation, the reconciliation bill, this year provides significant traction toward the goals we all want for this country: getting our fiscal house in order, making the right investments, cutting spending, and doing other things. I understand all that.

My point was—and I was not critical of the Senator from New Mexico—there is a provision right in the middle of this, which is a tiny provision, that is fundamentally wrong and ought to never be put in a piece of legislation like this. I am now believing from this discussion this afternoon that we will not likely be forced to discuss this again on the floor of the Senate, because those of us who are involved in describing what a universal service fund was in the Telecommunications Act will join and conspire, in a thoughtful way, to change the law, so no one—OMB, or CBO, or anyone—can misinterpret whether those revenues touch the Federal Government. They do not and they cannot, therefore, be used to plug some kind of a hole in the budget process.

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes. First, while Senator STEVENS is on the floor, he has made some very good points, and, certainly, the distinguish Senators on the Democrat side have made some good points. The Senator from New Mexico wants to do nothing in this budget bill that will adversely affect our movement toward universal service. There is no intention in this budget reconciliation bill, which I ended up agreeing to—and I have already explained why—but there is nothing in it that is going to deny the march toward universal service that is prescribed and was your thoughtful, visionary idea, Senator STEVENS. I just ask you, so we have the record straight, is that your interpretation, also?

Mr. STEVENS. Mr. President, I say to the Senator from New Mexico that we have studied this and there is no impact on any universal service provider or universal service beneficiary that is adverse. There may actually be a beneficial effect, in terms of some of the providers. But it is not a provision that harms universal service. It is a provision that tinkers with the funding of universal service, but not adversely to the system. I will agree with that.

Mr. DOMENICI. Now, Mr. President, might I say while a number of Senators are present—and hopefully others have access to what we are saying—we have now been on this bill on the floor for 6 hours, or we will be in 15 minutes. As everybody knows, there are 10 hours on reconciliation. Frankly, there are no amendments in order, and, clearly, the Senator from New Mexico will stay here if there are other speeches or other comments that people want to make. But I very much think we ought to be able to vote at a time certain tomorrow morning.

Now, I am just wondering if there is anybody who—Senator BYRD?

Mr. BYRD. Mr. President, I thank the distinguished Senator. I have a question. Under the rule with respect to extraneous material, I read an excerpt therefrom:

> The Committee on the Budget of the Senate shall submit for the RECORD a list of material considered to be extraneous under subsections b(1)(A), b(1)(B), and b(1)(E) of this section to the instructions of the committee as provided in this section.

Is that list available?

Mr. DOMENICI. Senator BYRD, that list is not only available, it has been sent to the desk in accordance with the statute.

Mr. BYRD. May I see a copy of it?

Mr. DOMENICI. Yes, indeed. This is the list that we submitted.

Mr. BYRD. I thank the distinguished Senator. Now, I have been supplied by the minority with a list of extraneous provisions, and it appears that, on a cursory examination, they are not the same; the two lists are not in agreement on all fours.

Mr. DOMENICI. Senator, we don't know what might be different, but we are certainly willing to look and see what is different. We have been in contact with them and working together, as you might suspect.

Mr. BYRD. Mr. President, I think if there is going to be a list, it should be a complete list, and I am only raising the question because I have been supplied with two different lists—one list by the minority and one by the majority—and there may be some of the same things on both lists, but I am not sure. It appears to me that some of the items on the minority list are not on the majority and perhaps vice versa.

Could we have a clarification of this matter?

Mr. DOMENICI. Staff for the minority is approaching. I will ask him the question.

Could I get a quorum call?

Mr. BYRD. Absolutely.

Mr. DOMENICI. 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. 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. Mr. President, I yield to the other side.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I request such time as I may consume from the Senator from New Jersey.

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

Mr. DOMENICI. Could the Senator kind of guess? How much; 15 minutes?

Mr. REED. No. Close to 5 minutes.

Mr. DOMENICI. Why doesn't the Senator ask for up to 10?

Mr. REED. I ask for 10 minutes.

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

Mr. REED. Thank you, Mr. President.

Mr. President, I rise to speak in favor of this bill. As one who voted against the Senate version of this legislation, I am especially pleased today to be able to support this initiative—an initiative that, among other things, provides 10 years of solvency to the Medicare Program, and makes a substantial investment in the health care of our children. I would like to remind my colleagues that we were able to craft this agreement because of the tough vote that I and others cast in 1993 for President Clinton's deficit reduction plan—a plan that has reduced the deficit from almost $300 billion to approximately $40 billion or perhaps lower.

I am particularly pleased that this bill makes a remarkable investment in the health care of our children by providing $24 billion to States to spend for children's health care. This new program represents the most significant and far-reaching expansion in our social programs since the passage of Medicaid and Medicare in the mid-1960's. These children's health provisions will give our children the healthy start that they deserve, and the healthy start that is necessary to help young people become effective students and help these students become effective workers, and help all of us raise a generation of American citizens who will serve this country and lead the world.

Congress is committing significant resources to children's needs. And now we must turn our attention to the days ahead to ensure that these resources are used wisely. I remain cautious about this new initiative. As with any investment of our taxpayer's dollars,

the Federal Government needs to ensure that the investment is well spent. The plan which is being offered today provides a wide array of options and benefit plans with a high degree of flexibility. And it is crafted in a such a way that it could perhaps be gamed—not for the benefit of the children but for the benefit of those who will be enriching themselves from the system. As this program is implemented, we need to provide adequate oversight to ensure that the children are the beneficiaries of this program, and that they receive the benefits they need, that their health care is protected, and that we as a Nation can prosper. The Secretary of the Department of Health and Human Services, along with the Congress, has her work cut out for her. And together we must ensure that this program is implemented wisely and benefits the children that we so desperately and appropriately want to serve.

In addition, this conference agreement makes significant changes in the Medicare Program. Most importantly, this bill brings 10 years of solvency to the Medicare Program—a program that more than 30 million Americans depend upon, and that more than 170,000 Rhode Islanders depend upon.

Like the amendment I offered during the debate on the Senate version of this bill, this legislation does not include the provisions which I believe take the wrong approach to solving our Medicare problems—provisions like raising the eligibility age, means testing for the part B premiums, and a home health copayment for home health services. This legislation strikes those provisions, as my previous amendment struck those provisions.

A home health care copayment would have negatively impacted the sickest and poorest of Medicare beneficiaries. And an increase in Medicare's eligibility age is a step in the wrong direction. Simply put, raising the eligibility age for Medicare increases the ranks of the uninsured. Already, 13 percent of the 21 million people age 55 to 64 lack health insurance. It makes no sense at all for Congress to eliminate Medicare as an option for seniors who have nowhere else to turn. These and other issues will be debated in the context of long-term Medicare reform as we address the problems faced by Medicare for the next generation.

During the Senate debate on this bill, as I indicated, I offered an amendment to strike these provisions. My amendment failed. But I am glad to see that today we have reached an agreement which protects Medicare, extends the life of the program for at least 10 years and does not attempt an ad hoc approach to structural reform.

This bill includes many improvements to Medicare. For example, it has expanded preventive health care benefits for mammography, pap smears, diabetes, prostate, and colorectal cancer screening, bone density measurements, and vaccines. This bill also requires the Medicare Program and managed care plans to give more information to beneficiaries about their choices and their coverage, and the quality of that coverage. All of these are welcome developments.

I am also pleased that this bill contains $1.5 billion for protecting low-income Medicare beneficiaries against an increase in Medicare premiums. However, I am disappointed that this comes in the form of a block grant to the States that ends after 2002. This approach has the potential to fall short of providing real protection for low-income Medicare beneficiaries. Any increase in Medicare premiums can result in significant hardships for low-income seniors, and these individuals deserve a permanent guarantee of protection.

This bill also includes numerous changes in Medicare reimbursement policies—changes that will have a great impact on those individuals and institutions that provide health care to Medicare beneficiaries. I will keep a vigilant eye on the implementation of these changes, paying particular attention to their impact on the access to and quality of care provided to Medicare beneficiaries.

This legislation also establishes a bipartisan national commission to examine the long-term solvency of the Medicare Program. The creation of this commission lays an important foundation to work on long-term reforms and solutions, and to tackle those issues that are not suitable for the narrow confines of a budget debate. Such reform is needed to address the challenges that the Medicare Program will face as members of the baby-boom generation become recipients of Medicare. This commission provides that framework, and I am encouraged that the commission is established by this legislation.

I am prepared to vote in favor of this bill. As with any piece of legislation, it is not perfect. Indeed, many individuals will benefit from various provisions of the bill. Medicare beneficiaries will have the security of an additional 10 years of solvency in the program. The families of uninsured children will now have new State programs to turn to. Medicare beneficiaries will have new choices and increased preventive health care benefits.

But this is no time to rest on our laurels. To ensure that Medicare beneficiaries continue to have access to high-quality care in the face of constrained payments to providers, to ensure that the $24 billion for children's health care is well spent, and to ensure the long-term viability of the Medicare Program, we will need continued vigilance on the part of many, including the Congress, the Secretary of Health and Human Services, and those persons served by the Medicare and Medicaid Programs.

We also must recognize that within this budget, as we continue to draw down discretionary spending over the next several years, harder and harder choices will ensue. We have to ensure that we make the right choices. We have to ensure that the spirit today—a spirit that reaches out to help our children, a spirit that reaches out to help and maintain our seniors—will be the spirit that dominates our future budget deliberations as it has ennobled our past efforts to strengthen America.

I yield the remainder of my time.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, on behalf of Senator DOMENICI, I yield myself up to 15 minutes. I don't believe I will take that long.

But I also ask that the Senator from Montana be allowed to take a minute to introduce legislation.

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

Mr. BURNS. I thank my friend from Indiana.

(The remarks of Mr. BURNS pertaining to the introduction of S. 1090 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Indiana.

Mr. COATS. Madam President, I don't believe I will take all 15 minutes.

I want to express, however, the reason I am voting against this budget agreement. When the budget resolution came before the floor of the Senate initially, I voted against it because it did not contain the entitlement reforms—the structural reforms that I felt were absolutely necessary if we are ever going to have a sustained, consistent effort at balancing our budget. Clearly, we all know that the entitlements—the mandatory spending—have not been structurally reformed for a long, long time, and we are on a collision course with their ability to meet the demands on those funds in the future. Some changes were made in this bill. I want to talk about those in a minute. But they were not the structural reforms.

Then when the budget reconciliation bill came before the Senate, I supported the budget reconciliation bill because the Senate had the courage to stand up to the plate and address the need for entitlement reforms. I doubt that there is a Member of this Congress, House or Senate, or anyone else who has paid attention to this issue, that doesn't recognize that this is something that we have to do. We are on a collision course with bankruptcy for Medicare.

We hear all of this wonderful talk about preserving Medicare for the benefit of our elderly. Yet, the quality of Medicare services continue to decline because we continue to impose restraints and restrictions on the providers, and it squeezes the quality of care. And we fail to have the will to step up to the plate and deliver any kind of structural reform in the program—even reform that takes place well into the next century. The Senate addressed that issue. The Senate by a fairly substantial vote passed legislation which

would begin that process of structural reform. So I supported the bill on that basis, hoping that it would survive conference. Due to a number of factors which I will talk about, it didn't survive. And it is back here now without those reforms.

All the wonderful promises and rhetoric about addressing the Medicare problem is more of the same that we have been promising for the last several budget resolutions, most of which has not come to fruition.

So I approach this conference spending bill with a sense of sadness and feeling of resignation—a sense of sadness because I know that the Senator from New Mexico and others who have been involved in this process have worked very, very hard to put together a bill which moves us toward a balanced budget. They have incorporated a number of provisions in here which I believe are important provisions, and provisions which I support; but a sense of sadness because we have dropped in the negotiations what I think were the most important parts of this budget reconciliation bill—the structural reforms and entitlements.

It is entitlements that are eating up our revenues. It is the entitlements, were it not for a booming economy which is pouring revenues into our coffers for the present time—it is the entitlements which would be squeezing other aspects of the budget, whether you are for education, or roads or safe water, or environmental issues, or a whole number of other things. Those are being squeezed because we don't have the political will and courage to address the entitlements.

It is resignation that I feel because lasting structural reform of Government spending seems to be beyond the ability of the Congress and the executive branch.

The measure before us today is significant not for what it contains but for what it does not contain—commitment to fundamental institutional change. And that failure is most obvious, as I have said, when we look at the entitlement parts of this bill.

Here, for whatever reason—probably a lack of political will—we have dropped the three measures which maybe signaled the best hope of future ability to contain entitlement growth. Instead, we have what is estimated as a $115 billion reduction in Medicare spending, but this is an evasion, not a reform, because these projected savings are achieved by the typical way we have done this: decreasing payments to providers. It has been tried over and over again, and it has failed. Costs have continued to rise under reduced payment schemes while the quality of care has decreased.

The plan also shifts the home health care program, the fastest growing part of Medicare, from Medicare part A to part B. That is a shift, at taxpayer expense, by the way, that simply delays the overall failure of this program by not reforming its faults but simply making it sustainable. In addition, the measure drops the Senate provisions that would have set the stage for future reforms, measures that, as I said, were adopted as a result of the leadership of Senator GRAMM, who offered the amendment, and support on a bipartisan basis—Senator KERREY of Nebraska and others—for these reforms. The Senate bit the bullet. The Senate exercised the political will. The Senate put itself out on a limb only to see all of these reforms dropped in these negotiations.

Means testing provision dropped, the increase, very gradual increase in eligibility from 65 to 67 that would not affect anybody 46 years of age and older, and the increase in copayments for home health care service dropped, all killed, and along with that any hope for meaningful reform.

The President bears some of this responsibility, a lot of this responsibility, because we all know that we cannot accomplish this without Presidential leadership, and that leadership was tepid at best. There was no sustained active involvement on the part of the executive branch and the President to bring about these reforms. And support from the House, not this body, but support from the House was weak, and I regret that. It falls on the shoulders of both parties.

Left unchecked, CBO projects that Medicare spending will explode to $470 billion a year by the year 2007, representing an average annual increase of 8 percent over the next 10 years. This is a growth rate of nearly double the estimated growth of the overall economy for the same period. In the period from 2010 to 2030, when 80 million baby boomers move into retirement, Medicare's expenses are expected to surge to 14 percent of our gross domestic product as compared with 2.5 today. This cannot be sustained. This is a train coming down the track headed for a wreck, and yet time after time after time, as we are faced with the prospect of that train wreck, we blink. We pass it off to the next Congress and the next Congress, and we defer and pass that debt off to future generations.

The $115 billion in promised reduced payments does nothing to avert this long-term disaster. By dropping the reforms passed by the Senate, budget negotiators have brought the looming crisis one step closer to reality. And just yesterday in the Washington Post, there was an article entitled, in fact, ''Billions Wasted, Medicare Audit Says.'' The article opens by stating that nearly 40 percent of the home health care services provided to frail elderly Americans under the Medicare Program are unjustified either because the service is not necessary or the agency administering the care is not sanctioned to do so or the person is not covered—40 percent. I think the figure was $23 billion a year in fraud and waste and abuse of one part of the Medicare system.

We had a provision in the bill that began to address the problem, and we passed on it. We could not even turn to seniors and say that the program which benefits you, home health care—and I used that for my father when he was home in need of that health care—the program that benefits you is so fraught with waste and abuse it is jeopardizing the entire Medicare system. And yet, the Congress refuses to even impose the most minimal of corrections to try to address that problem.

So what do we offer our seniors? A so-called bipartisan commission to study the problem. Madam President, there is nothing left to study. We have studied this thing to death. The problem is not a lack of knowledge. It is a lack of political will. Confronting the Medicare crisis will take political courage and it will take sacrifice. But these values, which should come easier in a time of economic growth and prosperity, are absent in the spending plan. That is to say nothing about Social Security. That is another problem that we don't even touch here and we also need to address.

All of this, as I said, is deeply disturbing, but then when you add to that a new entitlement program, a $24 billion health care entitlement, paid for with a tax hike on cigarettes and tobacco, you compound the problem—not because we do not need a health care program for children; we do, but because this one was designed with no rational basis. It was created without an assessment of the need. The level of funding was arbitrary. We were throwing figures around here—how much can we add? How much can we subtract? Pulling figures out of thin air in a mindless bidding war rather than having an adult policy debate.

We are creating in this measure future entitlement problems that we cannot even imagine because we have not taken the pains to consider those problems.

I am not speaking against the need for health care for children. I am saying let us determine what the need is and tailor a program that addresses the specific need without just throwing a new entitlement program in place that will probably go the way of all other entitlement programs and that will grow beyond our means to check it, and we will not be able to put reforms in that either.

What is absent from this agreement is any type of fundamental, lasting structural reform in our Government and its spending. That reform is now possible because of the strength of our economy. This is when we ought to be putting these reforms in place.

We always hear that we cannot make structural reforms during times of economic slowdown, because that would have too much negative impact on our economy. And now we hear the argument that we cannot make reforms during economic prosperity because it is too difficult, because a strong economy signals to us that we do not need to make reforms. We will just reap the benefits of the new revenues that are

coming in. And so when the economy is down, we cannot do it because it hurts the economy, and when the economy is doing well, we say we do not need to do it; there is no sense of urgency anymore.

Our entitlement crisis is lurking around the corner, just below the surface of this strong economy. The same irrational and bloated bureaucracies that choke our economy in hard times hide in the shadows of economic boom because this legislation does nothing to reform and limit the Federal Government.

Sooner or later the economy is going to slow. I wish it would not, but it will. And when it does, the reckoning will be even more severe. We have squandered a unique opportunity—a President who is not running again, a Congress led by Republicans who are willing to walk out on a limb again for entitlement reform, who will support a President if he would just provide leadership on entitlement reform, a prosperous economy where people are at work, revenues coming in.

Is there ever going to be a better time to bring entitlement reform to our budget process? I doubt it. And yet we are squandering this marvelous opportunity to make changes now that will be incremental and small in nature but will provide great dividends and great benefits for the future. Instead, in the interest of political expediency, we postpone those tough decisions to a future Congress, to future generations, and we look myopically at the immediate election consequences, what we perceive them to be. I do not believe they are there. I think people are looking for politicians who will exercise political will, make the tough decision, step up and do what is right, and I think they will be rewarded in the polls. Instead, we say let us pass on this one more time.

We will never have a better moment. We will never have a better opportunity. We will never be in a position where we are 3 years out from a general election, more than a year out from the next off-term election, with an Executive who does not ever have to stand for election again in his life, with a Senate that has already made the decision to go out on the limb. We will never be in a better position, and yet we have squandered this moment.

For that reason, for all of the hard work that the Senator from New Mexico and others have put in this agreement, for all of the benefits in this agreement and the positive things in this agreement, I cannot support this resolution, because my litmus test, as I stated when I voted against the budget resolution and for the budget reconciliation, included entitlement reforms. But now, because they have been drawn out, that litmus test was not met.

That is a minimal litmus test. I was willing to accept minimal reforms, anything, anything that moved us in a path of structural reform, addressing a problem that we know is going to impact negatively on the people of this country and the economy of this country. We know it passes on debt to future generations. We know it places our elderly people in a precarious position for the future of Medicare. And yet at this golden time, which may not come again, for political expediency or whatever reason—I wasn't in the budget negotiations—we once again pass, we once again take a powder on this and say we will do it another time; let's form a commission; let's study it some more; let's have some more recommendations.

How many studies, recommendations and conditions do we have to put in place to keep telling us what we already know?

So, Madam President, I know I am a skunk at the party here, the celebration for the passage of this so-called balanced budget agreement, and I hope it does balance the budget, and it may, mostly, I think, not because of new spending we put in place but because the economy is roaring along and pouring money into the coffers of the Government. I wish we could get more of that money back to the people who have earned that money. Instead, we are creating new entitlements. We passed on the opportunity to reform existing entitlements, and I just regret that very much.

So I may be a lonely voice in this vote, but I cannot for the reasons I have stated support this resolution.

I yield back whatever time I have remaining.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Madam President, I have spoken with the distinguished chairman of our Budget Committee. He has allocated 20 minutes. I think I will take far less.

Madam President, when Alice in Wonderland asked the cat where they were headed, the cat replied, ''before you decide where you are going, you must first decide where you are.''

And as we look at this so-called Balanced Budget Act of 1997, we should look to see, before anything is enacted, exactly where we are. At this very minute, we have a pretty good estimate from the Congressional Budget Office.

We know, Madam President, that as of May 19, CBO estimated the deficit for this year, 1997, to be $180 billion. We also know that both the CBO and the Office of Management and Budget have agreed that this year's revenues are now exceeding their original estimates by as much as $40 billion. So, the August estimate for 1997 will be revised to show a deficit of about $140 billion.

The idea is to balance the budget and remove the deficit. If you are going to remove your deficit, you have to do it one of two ways—or both ways; namely, you have to cut back on your spending and you have to increase your revenues or do both. The present Balanced Budget Act of 1997 proposed increases in spending, rather than cuts in spending. And, instead of increasing the revenues, it reduces revenues by some $90 billion.

So, Madam President, I have studied this document, and I have to stand here as a matter of conscience, because I have been the chairman of the Budget Committee. I have been in the committee itself since its institution in 1974. I cannot mislead the people with a vote that would approve what this budget resolution is all about. I could go at length as to the various smoke and mirrors, backloading, excessive spectrum auctions and other deceptions contained in this bill, but let me go to one that is not just a simple smoke or a simple mirror. The fact of the matter is, it is an illegal smoke and an illegal mirror. Why do I say that? We had some struggle during the original enactment of the Greenspan Commission report in 1983. Social Security was about to go broke, but its bankruptcy was avoided by the National Commission on Social Security Reform. I hold a section of the report, dated January 1983, in my hand.

Section 21 of the Greenspan Commission report recommended taking Social Security off budget. That is the core of the misunderstanding—or the understanding. We stated categorically, in accordance with the Greenspan Commission, that when we were calculating deficits, whether or not we were in the red or in the black, that we would not include Social Security trust funds.

I ask unanimous consent at this point to have printed in the RECORD a table of the various pension fund moneys that have been expended and, so there will be no misunderstanding, I would also like to include the ''Budget Reality'' table that I referred to earlier which contains the CBO figure of a $180 billion actual deficit this year.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TRUST FUNDS LOOTED TO BALANCE BUDGET

[By fiscal year, in billions of dollars]

	1996	1997	2002
Social Security	550	629	1,095
Medicare:			
HI	126	116	−58
SMI	27	22	34
Military Retirement	117	126	173
Civilian Retirement	394	422	561
Unemployment	54	61	77
Highway	21	23	40
Airport	8	5	−28
Railroad Retirement	17	18	20
Other	60	62	78
Total	1,374	1,484	1,992

HOLLINGS' BUDGET REALITIES

[In billions of dollars]

President and year	U.S. Budget	Borrowed trust funds	Unified deficit with trust funds	Actual deficit without trust funds	National debt	Annual increases in spending for interest
Truman:						
1945	92.7	5.4	−47.6	.....	260.1	.....
1946	55.2	−5.0	−15.9	−10.9	271.0	.....
1947	34.5	−9.9	4.0	+13.9	257.1	.....
1948	29.8	6.7	11.8	+5.1	252.0	.....
1949	38.8	1.2	0.6	−0.6	252.6	.....
1950	42.6	1.2	−3.1	−4.3	256.9	.....
1951	45.5	4.5	6.1	+1.6	255.3	.....
1952	67.7	2.3	−1.5	−3.8	259.1	.....
1953	76.1	0.4	−6.5	−6.9	266.0	.....
Eisenhower:						
1954	70.9	3.6	−1.2	−4.8	270.8	.....
1955	68.4	0.6	−3.0	−3.6	274.4	.....
1956	70.6	2.2	3.9	+1.7	272.7	.....
1957	76.6	3.0	3.4	+0.4	272.3	.....
1958	82.4	4.6	−2.8	−7.4	279.7	.....
1959	92.1	−5.0	−12.8	−7.8	287.5	.....
1960	92.2	3.3	0.3	−3.0	290.5	.....
1961	97.7	−1.2	−3.3	−2.1	292.6	.....
Kennedy:						
1962	106.8	3.2	−7.1	−10.3	302.9	9.1
1963	111.3	2.6	−4.8	−7.4	310.3	9.9
Johnson:						
1964	118.5	−0.1	−5.9	−5.8	316.1	10.7
1965	118.2	4.8	−1.4	−6.2	322.3	11.3
1966	134.5	2.5	−3.7	−6.2	328.5	12.0
1967	157.5	3.3	−8.6	−11.9	340.4	13.4
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	0.3	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.2	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
Carter:						
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	503.5	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.5	−212.3	−252.8	1,817.5	178.9
1986	990.3	81.9	−221.2	−303.1	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	114.2	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	117.4	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	122.5	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	94.3	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	89.2	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	113.4	−163.9	−277.3	4,921.0	332.4
1996	1,560.0	154.0	−107.0	−261.0	5,182.0	344.0
1997	1,622.0	110.0	−70.0	−180.0	5,362.0	359.0

Historical Tables, Budget of the US Government FY 1998; Beginning in 1962 CBO's 1997 Economic and Budget Outlook, May 19, 1997.

Mr. HOLLINGS. Fortunately—and we are all enthused about it—the deficit is going to come down to about $140 billion this year. It may come down to $135 billion, but I doubt that. I have talked to the authorities. But we know we are spending over $100 billion more than we are taking in. We cannot, under the law, use Social Security trust fund surpluses to mask this deficit. The Senate voted on October 18, 1990, by a vote of 98–2, to take Social Security off budget. It took us quite a while in the Budget Committee, but we finally got it done. That is a law, section 13301, signed by President Bush, to take Social Security off budget.

So, this was a very deliberate act. I am not just trying to impassion senior citizens or any of that nonsense. I am trying to inflame the intellects and the consciences of the Senators. Because every Senator present here today who was here in 1990, voted and said, I believe in that particular policy. No Senator since 1990 has tried to change that; there has been no amendment or bill or otherwise. We had the policy itself reaffirmed in the Retirement Protection Act of 1994 which barred businesses from using the pension moneys to pay the debt.

Then, the Senate passed an amendment in the budget bill, barring corporations from pension misuse, known as the Pension Reform Act of 1994.

Madam President, when I look at this particular budget, I say how in the world, if you are spending over $100 billion more than you are taking in, can you remove the deficit by increasing spending and decreasing revenues? It is quite obvious it cannot be done, except under subterfuge, misuse, misappropriation or other fraudulent acts. Because the Balanced Budget Act of 1997—and we have examined the document now—uses $465 billion of Social Security trust funds to make it appear balanced.

There is no gimmickry here about Government moneys and buying bonds. When you spend the money out of the fund—and that is what we are doing because we don't have it—then it has to be replaced. Under the chart I included earlier, you can see that over $600 billion from the Social Security trust fund has already been expended, and now they will spend an additional $465 billion in this bill. This means that by the year 2002 we will owe Social Security over $1 trillion.

They say, ''Oh, it's the baby boomers in the next generation that are going to bankrupt Social Security.'' No, not at all, my colleagues. It is the senior citizens, the adults on the floor of the U.S. Congress that are decimating Social Security. It is going on. It continues to go on. It is absolutely fraudulent. It is absolutely illegal.

I ask unanimous consent to have section 13301 printed in the RECORD.

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

SEC. 13301. OFF-BUDGET STATUS OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other

provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''.

Mr. HOLLINGS. Then, Madam President, I refer to the document itself. They do not have to list in this reconciliation bill the annual deficits, the outlays, budget authority, and the debt itself. But the document of last month, the conference report, does—and I refer to Mr. KASICH's bill: ''From the committee of conference submitted on the conference report on the concurrent resolution on the budget for fiscal year 1998.''

If you turn to page 4—and I am going to ask the first 15 lines, just those 15 lines, be printed in the RECORD at this particular point. I ask unanimous consent to have that printed.

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

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $—173,000,000,000.
Fiscal year 1999: $—182,200,000,000.
Fiscal year 2000: $—183,200,000,000.
Fiscal year 2001: $—157,100,000,000.
Fiscal year 2002: $—108,300,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,593,500,000,000.
Fiscal year 1999: $5,841,000,000,000.
Fiscal year 2000: $6,088,600,000,000.
Fiscal year 2001: $6,307,300,000,000.
Fiscal year 2002: $6,481,200,000,000.

Mr. HOLLINGS. Madam President, on line 1 it says, ''fiscal year 2002''; line 2, subsection 4, it says ''deficit.''

Then you look down on line 8 at ''fiscal year 2002,'' and you will not see a balance, but a deficit of $108,300,000,000.

The reason it shows this deficit is because of section 13301, which says you cannot include Social Security trust fund surpluses.

But, if you go down to line 15 and see that the fiscal year debt, from year 2001 to 2002, goes up, not into balance. The debt doesn't go into balance from the year 2001 to 2002. Instead, the debt increases $173.9 billion. This is not a balanced budget.

It's a tragic thing that you can't get this reported. It is a matter of fact. It is a matter of law. It is a matter of conscience. We should all come together and say we won't use pension funds to pay off our debt. We passed a formal rule here some time ago for all corporate America which made this illegal. Denny McLain, the Cy Young Award winning pitcher for the Detroit Tigers, when he got out of baseball, became the head of a corporation, and, unfortunately, used the corporate pension fund to pay off the debt. He was sentenced to 8 years in prison. Tell our friend Denny, if you can catch him in whatever prison, to please run for the U.S. Senate because, rather than sending us off to prison here when we use the pension funds to make the debt look smaller, we get the Good Government Award. Everybody is standing up with the President and the Speaker and the majority leader and saying, ''How wonderful, boys. It is Christmas in July.'' It is a total fraud, absolute farce, and everybody ought to know it. Because what we are doing is breaking into the airport trust fund, the highway trust fund, the military retirees' pensions, the Civil Service retirees' pensions, and everything else I have included in the record. There it is. I have had it typed up.

As a matter of conscience I cannot engage in this deception. I was always taught, some 50 years ago when I got into public service, in 1948—that public office was a public trust. I believe Social Security is a public trust. I think the consummate 98 Senators said we ought to make it a public trust. They said, not only for us but for corporate America, we ought to make certain that some fast-moving merger artist can't come in on a takeover and abscond with the pension funds to pay the debt and pay himself a good bonus and leave everybody else hanging.

So we have it in formal law, we have it in formal policy. But, when it comes to us, we run around and say ''unified, unified.'' There is nothing unified. It is expended moneys in violation of the formal statutory law of the United States of America, section 13301 of the Budget Act.

I can't vote to violate that law and, therefore, will have to oppose the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I would like to offer my congratulations to the leaders on both sides of the aisle, the chairmen and ranking minority members of the Finance and Budget Committees, for all of their hard work in consummating this very significant, bipartisan budget agreement. While this bill is not everything I had hoped for, it is an important step toward getting our fiscal house in order.

Moreover, it is grounded in a philosophy that I strongly believe in—that bipartisanship is the key to making government work. On difficult national problems, such as balancing the budget, neither party alone can get the job done, nor garner the public consensus needed for such action.

Indeed, this was the genesis behind establishing the so-called Chafee-Breaux centrist budget coalition, which I believe deserves considerable credit for advancing the terms of debate on the issue of long-term Medicare reform. Regrettably means-testing of the part B premium, increasing the age of eligibility from 65 to 67, and the $5 home health copayment were dropped from the final package. However, the credit for getting them into the Senate version of this bill belongs to the centrist budget coalition. Each of these provisions was added to the Senate bill with a big, courageous bipartisan vote—something which would have been unthinkable just a few years ago.

As a result of these pioneering Senate votes and the growing national consensus on the need for long-term reform, President Clinton has now pledged to stand with those Members of Congress who vote for means-testing of the part B premium, an important step toward creating the political environment which will be needed to secure this program for future generations of retirees.

I would further urge the President, as well as Democratic party leaders, to disavow and distance themselves from candidates who resort to mediscare demagoguery in their future political campaigns. The American people deserve a responsible debate on this difficult subject, and the centrist coalition will be working to see that this happens.

This bill does include a number of helpful changes for Medicare beneficiaries, low-income children, and legal immigrants which I would like to briefly highlight.

Medigap provisions included in this bill, which I was pleased to author earlier this year, will do for Medicare beneficiaries much of what the Kassebaum-Kennedy health insurance bill did for working Americans: It vastly improves portability and bans preexisting condition limitations for Medigap policy holders.

This bill also improves access to emergency services for Medicare beneficiaries enrolled in managed care plans, which is derived from legislation Senator GRAHAM authored and I was glad to cosponsor earlier this year. This provision establishes a prudent layperson definition of emergency medical conditions to ensure that emergency services are properly covered.

This legislation also includes expanded preventive health care benefits for Medicare enrollees, including mammography, colorectal and prostate cancer screening; testing for osteoporosis; and improved coverage for diabetes and other important prevention measures. These enhanced services will be helpful to the more than 174,000 Medicare beneficiaries in Rhode Island.

One of my most important priorities, that of expanding access to health insurance for low-income children, is also addressed in this bill. I am especially pleased that we are providing $24 billion for this purpose. This is a critical step forward for Rhode Island's

children, 19 percent of whom live in poverty. Many of these poor children—38 percent—live in families where at least one parent is working, yet they are still poor. These funds are targeted to help these families especially.

While I would have preferred greater specificity in terms of the benefits to be provided to children under this program, the final package is a significant improvement over some of the earlier proposals. I want to thank and acknowledge Senator ROCKEFELLER for his leadership and expertise in working to advance the cause for children's health insurance. He was a strong partner in helping to make this a stronger and better program than it otherwise would have been.

I also want to thank Senator ROTH for helping me to ensure that Rhode Island can take full advantage of the funding provided under this program to continue its children's health initiatives. The Finance Committee chairman was very responsive to the problems this legislation posed for States, like Rhode Island, that have already expanded coverage. We were able to work together to ensure that Rhode Island will not be penalized for choosing to expand coverage on its own.

This bill also gives States critical new flexibility by allowing them to enroll Medicaid beneficiaries into managed care without obtaining a waiver from the Department of Health and Human Services. At the same time, the legislation includes important safeguards for these beneficiaries, many of which were contained in legislation I introduced earlier this year. For example, disabled children, children in foster care and special needs children who have been adopted are protected from mandatory enrollment in managed care. Women enrolled in Medicaid managed care programs will continue to have the freedom to choose their family planning provider, even if that provider is not part of their managed care plan.

This bill also restores Medicaid coverage to thousands of children who were removed from the SSI rolls as a result of eligibility changes made in the 1996 welfare reform law. This will be enormously helpful to many low-income families whose children may no longer be considered statutorily disabled but who nevertheless have significant special health care needs.

Let me take a moment to describe the provisions of this bill dealing with legal immigrants. As my colleagues know, the 1996 welfare reform law placed severe restrictions on the Federal benefits that legal immigrants may receive. Among these restrictions was a complete and immediate cut-off of supplemental security income [SSI] and food stamp benefits, not only for future immigrants but for those already in this country legally.

For the elderly and disabled legal immigrants who last August were in the United States—including nearly 4,000 in my own State of Rhode Island—the new SSI ban represented nothing short of a crisis. For many, the loss of this critical Federal aid would mean losing the ability to live independently. In turn, this would present a serious community and fiscal challenge to State and local governments, as immigrants who had lost benefits and faced destitution turned to nursing homes or other costly facilities for support.

I was sorely troubled by these restrictions on immigrants, and pledged to do what I could to mitigate the most harsh of these during this Congress. I am delighted to say that in this regard, we have been successful. The conference report before us now is identical to the Senate-passed bill on which I and others of my colleagues worked very hard.

It restores benefits to those legal immigrants who were receiving SSI as of last August. It also allows immigrants who were in the United States last August and who may become disabled in the future to receive SSI. For my State, this means that 3,753 currently elderly and disabled Rhode Island residents—and many others who may become disabled in the future—will be able to receive basic SSI assistance to allow them to live with dignity.

Now, the immigrant provisions of this bill are not perfect. And I am disappointed that it does not contain the Chafee-Graham amendment on legal immigrant children and Medicaid, or the provision dealing with SSI for those too disabled to naturalize. But the bill before us goes a long way toward restoring fair treatment for the thousands of legal, tax-paying immigrants who were in the country and playing by the rules when welfare reform was enacted.

I want to commend Senators D'AMATO, FEINSTEIN, DEWINE, and GRAHAM for all of their hard work in helping to solve this problem. Since the introduction of our Fairness for Legal Immigrants Act in April, we have been working as a united team toward fair treatment for legal immigrants. With passage of this bill, our efforts will have met with success.

In closing, I am hopeful that we can build upon the bipartisanship that was necessary to make this bill a reality when we turn to the more challenging task of advancing long-term budget and entitlement reforms in the future.

I particularly want to address the entitlement reforms I strongly believe are necessary for Medicare. Although the provisions we worked hard on—means testing the part B premium, increasing the age of eligibility from 65 to 67, the $5 home health care copayment—were dropped in the final package, nonetheless, I think it behooves all of us to continue our work on each of these measures, and certainly I will do everything I can to advance them. I thank the Chair.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. GRASSLEY. I yield myself such time as I might consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRASSLEY. Madam President, I rise to address the Balanced Budget Act of 1997.

This is an important moment. This bill represents the triumph of the idea that we must get our national accounts in order. This is an idea that Republicans, with the help of many Democrats, have labored for years to put at the top of the national agenda.

Finally, it is close to being done.

As a member of the Finance and Budget Committees, and as a Budget Committee delegate to the conference, I have been deeply involved in the consideration of this bill. And I have been in a position to witness the dedication Senator ROTH, Senator DOMENICI, and Senator LOTT hve brought to the difficult task of giving birth to this balanced budget legislation. I want to congratulate them on the success of their efforts.

I would particularly like to thank Chairman DOMENICI, Chairman ROTH, Senator LOTT and the other Senate conferees for protecting a number of excellent Senate provisions in the conference committee. Believe me, Madam President, it wasn't easy.

The Medicare portions of the bill will bring about very positive changes in the program.

The bill calls for necessary savings in Medicare, and thereby will help put Medicare, and particularly the Medicare hospital trust fund, on a sounder financial footing. The bill also contains a number of innovations that I think will improve the Medicare Program.

First and foremost is the new Medicare Plus Choice Program, reforming Medicare managed care.

From my perspective, representing the State of Iowa, the inclusion in this bill of a 50–50 local/national blended rate for Medicare managed care reimbursement is extremely important. Also critical is the bill's inclusion of a minimum payment of $367 in 1998, with annual updates thereafter.

The opportunity for additional types of health plans, other than HMO's, to participate in the Medicare Choice Program will open additional opportunities to Medicare beneficiaries. Based upon what I have been hearing from Iowa, I think the reformed payment system and the additional types of plans should truly broaden choice for Medicare beneficiaries in Iowa.

These provisions together should go a long way toward giving Iowans the same kinds of choices Medicare beneficiaries in other parts of the country have.

I also want to thank the chairman and my colleagues on the Senate Finance Committee and the House and Senate conference committees for including many provisions contained in S. 701, legislation I introduced earlier this year regarding Medicare managed care standards. I am especially pleased to see that, beginning in 1998 and annually thereafter, beneficiaries will receive comparative user-friendly charts

listing health plan options in their area. The only way to foster consumer choice and competition is by informing Medicare beneficiaries of their options and their rights under the Medicare Choice Program. The lack of information currently distributed to Medicare beneficiaries is astonishing.

The Medicare conference agreement will ensure that beneficiaries have the information they require to make the right health plan choice for their individual health care needs.

Another important protection for Medicare beneficiaries is a fair appeals process. I have been advocating for an objective review of health plans' decisions to deny care.

I am pleased that the Medicare conference agreement adopted my provisions to provide Medicare beneficiaries increased protections during the appeals process. Now, all Medicare beneficiaries will have the assurance that the Medicare program will provide an independent review of all denials of care by health plans prior to beneficiaries appealing to the Department of Health and Human Services.

This increased protection will hold health plans more accountable in their decision making process regarding medically necessary care and will give beneficiaries greater confidence in Medicare managed care, if they choose this option.

Madam President, I am also very pleased that we have preserved in the conference agreement rural health provisions that I have been working on for several years.

These provisions include:

My Medicare dependent hospitals bill, which will help a large number of rural hospitals in Iowa suffering from negative Medicare margins;

Senator BAUCUS' bill on critical access rural hospitals, on which Senator ROCKEFELLER and I have been close collaborators;

Reform of the Medicare disproportionate share hospital program, so that deserving hospitals will be treated fairly whether they are located in urban or rural areas——

Mr. DOMENICI. Would the Senator yield on that point?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. I say to the Senator, I have been listening to your remarks and analysis.

I want to tell the Senate, and anybody interested, if not for CHARLES GRASSLEY, the Senator who has been speaking, we would not have gotten that provision. That is a fair provision because those parts of America—your State, my State, and others—that have done a good job of keeping costs way down, can't make it if we build the program on keeping them down while the very expensive States do not come down. And this is a formula we did not get exactly what we wanted, but thanks to your efforts we came very close to something that you can say is fair and much better for your people.

Mr. GRASSLEY. Yes. I thank the Senator from New Mexico for his kind remarks. And he has spoken better than I can on that issue. But basically what his constituents do not realize and my constituents do not realize, is that we have a very cost-effective delivery of medicine in rural America, very high quality by the way, but because of the historical basis for the reimbursement of Medicare, based upon that cost-effective medicine, we are at a very low level, and the options that metropolitan areas have will not come to rural America; but the provisions of the legislation he just described will make that possible now.

And so I can say this, that in 1995, it would not have been included in the legislation without the intervention of the Senator from New Mexico, even though it was my basic legislation. And he helped us this time at a very, very critical time in the negotiations between the House and the Senate. So I may have authored this legislation, but the fact that it is in the final package is a tribute to the leadership of Senator DOMENICI.

I will continue on and say that we have also for rural areas the provisions for:

Expanding the existing telemedicine demonstration project, in order to improve the delivery of health care to underserved areas;

Reform of the eligibility requirements for rural health clinics, enabling this vital program to operate as originally intended; and

My legislation assisting rural referral centers.

I am also pleased to finally see my legislation to provide direct reimbursement at 85 percent of the physician fee schedule to nurse practitioners, clinical nurse specialists, any physician assistants is finally going to become law. Similar measures were included in the President's Medicare proposal and in the House Ways and Means Medicare bill and were part of the Balanced Budget Act of 1995.

Senator CONRAD and I introduced these bills in the last three Congresses. We reintroduced them again in this Congress and were successful in getting them included in the Senate Finance Committee bill. This legislation will reform Medicare policies which, under certain circumstances, restrict reimbursement for services delivered by these providers.

Direct reimbursement to these nonphysician providers will improve access to primary care services for Medicare beneficiaries, particularly in rural and under served areas.

There has been much deliberation in this Congress over proposals to address the problem of uninsured children in our Nation.

I am very pleased that the bill before us today includes a strong bipartisan package addressing this matter. This bill includes a total of $24 billion to be spent on children's health insurance initiatives for those who are not currently enrolled in Medicaid or who do not have access to adequate and affordable health care coverage. This is $10 billion more than the President's original proposal.

We should view this achievement not only as an important piece of health care policy, but also as a giant step toward improving the quality of life for our Nation's children. I commend the Senate leadership, particularly Chairman ROTH and Chairman DOMENICI, for their leadership and commitment to this important matter.

These funds will be provided to States in the form of block grants. States are allowed considerable flexibility in designing health insurance programs, yet States must meet important Federal guidelines in their efforts to provide quality health care coverage.

I am confident that this proposal will be successful in meeting our goals to cover our Nation's uninsured children.

Yet, it is important that Congress remain committed to this goal and we must closely monitor the developments of the proposal set forth in this legislation.

This budget bill includes a number of improvements to the Medicaid Program to ensure that high-quality of care is provided to our Nation's most vulnerable population. And, this bill reforms Medicaid to give States much more flexibility in managing their programs.

In recent years, States have undertaken numerous initiatives to control spending in Medicaid. As a result, Medicaid spending has slowed significantly. This budget saves a total of $13.6 billion in the Medicaid Program over 5 years. Most savings are achieved through new policies for payments to disproportionate share hospitals. Funds have been retargeted to hospitals that serve large numbers of Medicaid and low-income patients.

Other improvements made to the Medicaid Program include changes to last year's welfare reform law so that benefits are restored to legal immigrants needing long-term care services. Also, a number of important reforms were made to managed care policies for Medicaid programs serving children, people with disabilities, and other Americans.

Of course, I do have a number of concerns, Madam President. Does this bill represent a long-term solution to the problems facing the entitlement programs? No, it most certainly does not. But I note that the proposal of Senators ROTH and MOYNIHAN to establish a Medicare Reform Commission is included in the conference agreement. We will look to the work of this commission to make proposals for reform and to help us produce the consensus we need to act to put the Medicare Program on a sound footing for the retirement of the baby-boom generation. Make no mistake: we will need to do more. But on balance, I believe that we have made a good start.

I want to conclude by again thanking Senators ROTH and DOMENICI and their

hard-working staffs for the efforts they have made, for several years now, to bring us to this point.

RESTORING BENEFITS FOR LEGAL IMMIGRANTS

Mr. KENNEDY. Mr. President, the balanced budget agreement represents major progress in restoring benefits to legal immigrants. The harsh welfare law passed last year wrongfully denied access by legal immigrants to most Federal assistance programs. It permanently banned them from SSI benefits and food stamps. It banned them for 5 years from AFDC, Medicaid, and other programs. And it gave the States the option of permanently banning them from these programs.

Americans across the country were rightly concerned about these unfair provisions, and Congress soon agreed that the legislation had gone too far.

If the provisions of last year's welfare law remain in effect, many elderly legal immigrants would be forced out of nursing homes. Legal immigrants injured on the job and those with disabled children would lose assistance. Some 500,000 legal immigrants who were already living in the United States would have been affected. In Massachusetts, 15,000 elderly and disabled legal immigrants would have lost their SSI benefits.

Some said in last year's welfare debate, ''Let the immigrant's sponsor support them.'' But, Congress now realizes that legal immigrants often do not have sponsors. Refugees, for example, do not have sponsors. In cases of many older immigrants, their sponsor has died or is no longer able to provide support.

Immigrants affected by last year's harsh cuts are individuals who came to this country legally. Many are close family members of American citizens. They play by the rules, pay their taxes, and serve in our Armed Forces. They are future citizens trying to make their way in this country.

The $12 billion restored for legal immigrant assistance over the next 5 years in this bill is urgently needed. It will allow most legal immigrants who currently receive SSI benefits to stay on the rolls. In addition, legal immigrants who were in the United States at this time last year's welfare bill was enacted in August 1996 can receive SSI in the future if they become disabled. These changes will help a very large number of people hurt by the welfare law.

Unfortunately, those who are too disabled to go through the process of naturalization to become citizens are left out of the final bill. I proposed an amendment, which was accepted by the Senate, to receive SSI benefits after their first 5 years in the United States, and I hope we can revisit this important issue in the near future.

I had also hoped the final budget agreement would allow legal immigrant children to continue to receive Medicaid. Currently, they are banned from Medicaid for 5 years. Some States may even act to ban legal immigrant children from Medicaid forever. The Senate bill included a Chafee-Graham amendment to enable these children to receive Medicaid benefits, and I regret that it was dropped from the first bill.

There is still much more to be done to correct the problems created for legal immigrants by last year's welfare bill. The Senate version of this bill restored less than 50 percent of the cuts made last year in their benefits. We are making worthwhile progress in this legislation, and I intend to do all I can to see that additional progress is made in future legislation.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. DOMENICI. How much time does the Senator desire? Fifteen minutes?

Mr. CRAIG. Yes.

Mr. DOMENICI. I yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, let me thank the chairman of the Budget Committee for yielding, and let me also recognize him this evening and the chairman of the Finance Committee, Senator ROTH, for the work that both Senators have done with their ranking members over the last good many months to craft the legislation that is before us today, tomorrow, and through the balance of the week dealing both with the budget and with tax cuts.

I rise in support of H.R. 2015, the Balanced Budget Act of 1997.

Madam President, in 1993 and 1994, we had a President who said balancing the budget probably was a bad thing to do. We had a high administration official who actually had written a book that said it was a loophole whenever children could inherit some of their parents' money. Congress had increased spending and joined with the President in the passing of the biggest tax increase in the history of our country. That was not a decade ago. That was just a few years ago.

Then came November 1994. And what a difference an election makes. What a great transformation of the mind and the political thought can occur when the American people have spoken and said, ''We've had enough.''

We asked the Congress to change their thinking. And we changed the Congress to think differently. And the first Republican Congress in 40 years began in 1995, with promises to do several very important, necessary things—to reform welfare, to cut back bureaucracy, to balance the budget, and to provide some tax relief for American taxpayers who work hard, have families, and create jobs.

In 1996, the voters rewarded a Congress and President who accomplished the first two of these items and who promised to bring about the rest.

This week, the Republican majority in Congress, joined by now many reform Democrats in a bipartisan majority, will deliver on those promises.

Madam President, this week, as we consider the Balanced Budget Act, and especially the Tax Relief Act of 1997, we are talking about more freedom for more of America's people.

Freedom is not something that the Government gives the people. Our Nation's founders knew that the people's freedom is, in the words of the Declaration of Independence, ''self-evident,'' ''unalienable,'' and ''endowed by their Creator.''

Freedom comes from limiting Government to its necessary functions. Freedom is what remains when Government is not excessively burdensome or coercive.

This week, we take modest but very significant steps toward restoring freedom to the American people—freedom from the most severe tax burden on families in our Nation's history, freedom from an oppressive national debt, freedom from the growth of an ever-larger, ever-more intrusive Federal Government.

A couple from Idaho and their four daughters visited my office just this week and we discussed taxes, and particularly death and inheritance taxes. They told to me they run a small farm in Idaho that their great-grandparents had established in 1882. And they reminded me that people turned to Government to take care of them when the Government, usually through taxes, takes away their ability to take care of themselves.

And as Ronald Reagan said: A Government big enough to promise you everything you need is a Government big enough to take away everything you have.

The Tax Relief Act that we will begin debating tomorrow, combined with balancing the budget, will help more families take care of themselves the way they want, by keeping more of their own hard-earned money; by bringing about the ability to save more for their retirement, their children's education, and other priorities they have; by making it easier to own your own family farm or small business or home; by making it easier to do the kinds of things that Americans like to do, without having to think twice or three times whether they can afford to, or worry whether the Government will take more of their money; by creating, in other words, the economic atmosphere that will allow Americans to invest in creating more and better jobs for themselves, their children, and the future of our country.

The bills we will pass this week mark the triumph of the principle that the Federal budget should be balanced and should stay balanced.

In 1994, when the American people spoke so clearly about changing the political thought in this country and the political attitudes, the Dow Jones was hovering at about 3000. Today, it is at 8000. We have, by these efforts to balance the budget and provide tax relief,

unleashed a dynamic of this economy that is, without question, historic.

We are now seeing the reverse of what happened about 40 years ago, when an elite group of liberal economists sold liberal politicians on the idea that you could promise your voters a free lunch. Their intellectual justification was the so-called enlightened discovery that unlimited borrowing could pay for unlimited social spending without much consequence.

It's easy to understand the political appeal of this proposition. What is incredible is that anyone really believed it, or that they would follow it for nearly 40 years and create a $5 trillion borrowed debt—almost beyond understanding.

But that is where we are today. That is clearly why the American people have spoken, and that is why this Congress and this Senate finally said we have to change the way we do business.

You can't borrow your way to prosperity over the long term. We tried and we saw our economy grow even more sluggish. We saw people become even more dependent on Government largess. Thank goodness, Americans, enlightened as they always are, recognizing that they are the Government, took charge and said, ''No more.''

A huge national debt means our Government has spent the last generation mortgaging the future for the next generation.

That is not a matter of green-eyeshades accounting; it really is an immoral assault on the well-being of our children and their ability to produce for themselves and their prodigies.

Balancing the budget is not about numbers, it is about people. Balancing the budget means more and better jobs, making it more affordable to buy a home, and more families affording a good education for their children without having to come to the Government and say, please help me. They can do more of it for themselves. Balancing the budget means that essential Federal programs like Social Security and Medicare will be there for those who need it and not become a liability and a burden on future generations.

There will be more freedom because of a balanced budget, because people will get no more Government than they are willing to pay for. Balancing the budget means Americans—all Americans—win. And we have the actions of the last 3 years now—an economy responding to spending restraint and real efforts to balance the budget and cut taxes—to demonstrate that what I am talking about tonight has a very strong foundation of truth.

I want to pause for a moment and review one critical reason why we are here this week passing legislation that promises to balance the budget by fiscal year 2002. This die was cast when Congress, by the narrowest of margins, defeated the balanced budget amendment to the Constitution.

Only the threat of the ultimate legal sanction—a constitutional amendment—and the overwhelming public support for that amendment finally convinced Congress, most important, some of my colleagues and some in the administration, that we had to quit talking the talk and start walking the walk.

In other words, I have heard so many on the other side throw up their hands and say, we do not need a constitutional amendment to make us balance the budget; all we have to do is do it; all we have to do is exert fiscal responsibility. But we also have to have this program and we have to have that program, and we have to spend here and there. And 2 years running, by one vote, the people almost began to take control of their Government again. It frightened the Congress.

A President who once said a balanced budget is a bad idea is now out strutting around talking about his balanced budget and all of the wonderful things that will be reaped by it. Well, it is always surprising to me that people like our President think the American public has such a short memory. They don't. His record suggests he doesn't believe it is a good idea. He also knows politically that he has to do it. And there are some in Congress who sometimes choose to do something differently than we otherwise may like to do, but who know what they have to do because the American people expect it. Balancing the budget has always been the right thing to do. We are here tonight because it is now also, at last, the politically correct thing to do, and I suggest that that vote occur.

Mr. LAUTENBERG. Will the Senator yield?

Mr. CRAIG. No, not at this time. I'd like to finish my thoughts. I know that 2 years running, with the House having passed a balanced budget amendment and this Senate missing by just one vote—finally, it is recognized by all in a bipartisan gesture that, the closer the people come to changing their Constitution and exerting that control over Congress, the more motivated Congress becomes in doing it, doing it ourselves, and that is exactly what is occurring here. I believe that, without the constitutional discipline, we will always risk the return to more spending and more borrowing. Ultimately, to safeguard the future, the balanced budget amendment to the Constitution must come into place.

Some may suggest that passage of this year's balanced budget agreement means we no longer need the constitutional amendment. I suggest that is not true. One balanced budget in 30 years hardly means that we have fixed the system or that we have systemically changed the attitude of some who serve here. It will never be easier than it is right now to balance the budget.

In the past, the temptation always was to put off the hard choices; Members have thought, it will be easier in the future than it is now. But in fact, it will never again be as easy as it is right now to begin that long march to arrest the growth of a $5 trillion national debt.

That is what the long-term economic and demographic trends tell us. This year's budget discipline and hard choices are nothing compared to what Congress must wrestle with in just the next few years.

For what we have committed ourselves to tonight and for the balance of this decade will not be easy choices. It was difficult enough to arrive at the agreement that we now have, and I will say, even though I differ sometimes with the President and others, that this is now a bipartisan effort, and I accept that and I honor them in their recognition that, finally, they are willing to offer to the American people what the American people have asked for.

When we finally pass this balanced budget and then the balanced budget amendment and send it out to the States for ratification—and I believe that will occur in my lifetime and probably within the decade—we will show we understand, as the American people clearly understand, that a nation so indebted ultimately cannot survive, and that to clean up our debt, to balance our budget was ultimately the necessary thing to do.

The Balanced Budget Act of 1997 is a mixed bag. I don't support every portion of it. I have reservations about some of it.

It creates new social spending; it locks in, in the form of entitlements, that social spending. It could use stronger enforcement provisions. For example, I continue to support the idea that caps on spending should extend to spending overall and not only to annual appropriations. It does not address the long-term economic and demographic trends that drive entitlement spending and cry out for reform.

The chairmen of our committees and some Senators tried hard to get those reforms. That was bipartisan. Some partisans on my side, too, could not accept that. But, ultimately, we will get there. We have to get there. I don't want my grandchildren turning to me and saying, Grandpa, we love you dearly, but we can't afford you and afford to provide for ourselves. We want to buy our own home, educate our children, and we cannot afford the amount of money that would come from our paycheck to go to the Federal Government because that government promised to provide for everyone's future. I don't want that to happen, and the chairman doesn't want that to happen. The future demands that we address it, that we help people prepare themselves for it, and that we will try to do.

Today, annual discretionary appropriations make up only one-third of the total budget, and that share will continue to shrink. The Kerrey–Danforth entitlement commission of a couple of years ago estimated that in just 14 years, 2011, entitlement spending and interest payments will consume all

available tax revenue. That means we will either have to borrow incredible amounts for deficit spending; or go without defense, highways, law enforcement, parks, forestry, education, science, and medical research; or raise taxes to ruinous levels.

We are not going to do that. We are smarter than that. More important, we wouldn't be here to do it if we tried, because the American people won't tolerate it. They will demand reform before we get to that point, and if we can't give it to them, they will find the candidate willing to do so.

While this bill before us today does establish another commission to address the need for long-term entitlement reforms, we have already had that kind of commission, chaired by Senator KERREY of Nebraska. We already know what the current trends are and have some idea of what needs to be done.

But there is also considerable good in this bill. It does accomplish more in the way of spending control and entitlement reform than many thought possible even a year ago. There are significant repairs to the Medicare System. Medicare will be solvent for at least another decade and will continue to be there for seniors who need it.

Last, we will begin the process of injecting consumer choice into the system. Why should our seniors not have some of that? The Medicare System, based on market principles, means better care and more economic care. I am always amazed when the bureaucracy thinks it can outperform the marketplace. We know it can't, we know it never has, and, in this instance, we finally recognize that by putting some market principles in.

The fundamental reforms in last year's historic welfare reform bill will remain in place. We continue to move toward a system that rewards work and allows the States the freedom to develop new and better approaches.

Enforceable caps on discretionary appropriations spending—virtually the only thing out of the 1990 budget agreement that worked—will continue through the year 2002.

Overall, the growth in spending will slow by $270 billion over the next 5 years and $1 trillion over the next 10 years, a saving that will be locked in by permanent law and not be subject to year-to-year political whims.

New spending will be accomplished with a minimum of bureaucracy and a maximum of State flexibility.

This is far from the ideal balanced budget bill. But it takes the first major step away from demagoguery and toward genuine entitlement reform. It delivers on and locks in the promise of a balanced budget, something I have demanded and worked for my entire time here serving the State of Idaho.

Why do I demand that? Because the citizens of my State know that a government that continually spends beyond its means, a government that mounts a $5 trillion debt, a government that allows interest on debt to rapidly move toward becoming the largest single item in its budget, is a government that cannot sustain itself. That we recognize. The chairman of our Budget Committee and the chairman of our Finance Committee recognize that. We all recognize that. That is what our party has stood for. That is what the majority here in Congress has demanded because the citizens of our country have said it is a requirement of government.

I must say that the Balanced Budget Act of this year and the Taxpayers' Relief Act of this year are responses to demands of the American people. I am proud to have been a part of helping craft them. I look forward to the opportunity to vote for them, to cause them to become law, and to see this economy remain dynamic, create jobs, and provide opportunities for this generation and generations to come.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to my friend, Senator CRAIG, perhaps if we had adopted what he has been recommending for many years—a constitutional amendment to balance the budget—we wouldn't be here with the kind of circumstances that confront us.

I don't think the Senator from Idaho has to stand up here, or with his people, and talk about where he stands in terms of overspending by our National Government because his record is excellent in that regard. I think his remarks today indicate that, when you have a Democrat President, a Republican Congress, and a strong Democratic minority in both Houses, you can't get everything that you want. As a matter of fact, the Democrats differ from their President, and the President differs from us.

What we have done, I think, is borderline on being a miracle. The only thing that keeps me from saying that is that I don't know whether the product deserves being labeled a miracle. But in terms of getting it put together, coming here today and getting it finished and voted on tomorrow—I am sure we are going to get in excess of 75 votes tomorrow—that is pretty good.

As I said this morning when I opened up, even the Washington Post finally said, ''That Is a Big Deal.'' I think it is.

I am very glad that the Senator from Idaho is going to support it and that he has been helping us as much as he has. I thank him for that.

Mr. CRAIG. Mr. President, I thank the Senator from New Mexico. I recognize the bipartisan nature in which this was created, and I support that. I hope that we can sustain that in years to come to truly get our budget in balance and to do so in a way that remains or creates or participates in a vibrant economy.

There is no question that this effort was accomplished not by us alone but in a bipartisan effort. Certainly the ranking member, who stands here this evening, was a major contributor. And I recognize that.

I am always a bit surprised when for the 17 years that I have been here I have always heard, ''Oh, we don't need to worry about that. We can balance the budget. We have the will to do it.'' Well, we didn't have the will until the American people demanded it of us. Now we do have that will. It will only come by a bipartisan effort. I recognize that this evening. I appreciate it. I think it is a great accomplishment, and the Senator from New Mexico is to be congratulated for it.

I thank both Senators.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I mentioned that this was a ''big deal.'' Every time I say that I want to make sure that I say, ''and a good deal for all Americans'' because that is what is important—not that it is big, not that people think it is a big deal, but that it is good for our people. And that it is.

I yield the floor. Senator LAUTENBERG wants to speak.

Mr. LAUTENBERG. Just for a few minutes, Mr. President.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, in the almost afterglow of feeling pretty good about things, we worked hard, everybody together. There were no fingers pointed.

I chided the chairman of the committee this morning when he excerpted from the headline of the Washington Post. He said that the headline in five words said, ''This is a Big Deal.'' I asked a question. Was the intonation properly affixed, or did it say, ''This is a good deal?'' It is quite a different meaning.

Mr. DOMENICI. We read the story. They were saying it is a ''big deal.''

Mr. LAUTENBERG. It is a big deal; a giant deal. I think, without breaking our arms or patting ourselves on the back, there was a lot of goodwill that was injected into the discussion and into the debate.

My colleague from Idaho, who is a man who has a way with words, kind of laid it on us and included the President in there as someone who did buy into the balanced budget notion but was dragged kicking and screaming.

Mr. President, I wish it was 1 o'clock in the afternoon and we were all energized and we had a chance to talk a little bit. But I will not prolong the process except for a minute or two to say, since it took what I thought was a slight partisan turn—it makes me unhappy when things have gone this well this way to say that I have been here long enough to remember Presidents Reagan and Bush. I like them both. They are nice people. But people on their watch, as we say, who managed to have this deficit of ours skyrocket

right up into the air—turn up the tax cuts and let the deficits run. That is what they did.

When our President and the Democratic Party took over in 1992, 1993, he inherited a deficit that year of $290 billion without a balanced budget amendment but with the interest that was generated. Yes, we were profligates, and we spent too much money, and perhaps we did a few things wrong. But it was an honest try all the way. And the assertion or the insinuation that these guys didn't care or those guys didn't care, it is not a way to do business. I don't care if we never get a balanced budget amendment. I want to tell you right now. As a matter of fact, I hope you don't. I love the Constitution, and the Constitution loves America, and it is the best document ever written. The fact that we have altered it so few times is a testimony to the strength and the wisdom of the Founders and those who have written amendments.

The only time we wrote an amendment that kind of restricted our activity was prohibition, and it was soon canceled. It is a wonderful prescription for how a society should function, preserving individual rights and making sure that the freedoms as much as possible are extended to every citizen in our country.

So I just felt like I had to respond. No one worked harder than the man on my right, the distinguished chairman of the Budget Committee, Senator DOMENICI. I didn't always agree with him, but nobody worked harder, and no one assembled a more honest attempt to do it in a bipartisan fashion. There were things that he wanted that we on my side of the aisle didn't want. But he was willing to explain them and willing to take a deep breath when necessary not to fight them. I have gained great respect for him, as well as personal affection, honestly.

Mr. President, I just want to change the tone for a minute, and let off a little steam and say that I hope we will move on to pass this document into law and make sure that everybody understands there was a good attempt by everybody working in this place to get it done with, to get on with the task that we have a very good start on because of the shape of the deficit that we see now.

So, Mr. President, I yield the floor. I know the Senator from New Mexico has a UC that he would like to propose. I hope that we will have a chance to hear that.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I note the presence on the floor of the junior Senator from Oregon. Might I ask, did he desire to speak on the budget?

Mr. WYDEN. On the budget.

Mr. DOMENICI. I wonder if I could propose a UC regarding the budget. When I am finished I will try to work in an exception for him.

How long does the Senator desire to speak?

Mr. WYDEN. Fifteen or twenty or minutes would be plenty.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate resume the pending conference report at 9:15 a.m., Thursday, and that the remaining hour be equally divided between the chairman and the ranking minority member of the Budget Committee; and that, at 10:15 a.m., the Senate proceed to vote on adoption of the conference report without any intervening action. I further ask consent that this evening Senator WYDEN of the State of Oregon be allowed 15 or 20 minutes on the bill after which we will be finished for the evening.

Is that satisfactory with the Senator?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, there will be no further votes tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Thank you, Mr. President.

Mr. President, first, let me say to my good friend, Senator DOMENICI, the chairman of the Budget Committee, I just want him to know how much I have appreciated the chance to be a member of his committee. I think this is a historic occasion and a chance to work very closely with him on a variety of issues. Coming to the Senate has been a special pleasure.

I also want to commend our good friend, Senator LAUTENBERG of New Jersey, who in my view has done yeomen work in terms of keeping this whole effort together and keeping it bipartisan.

Mr. President, the balanced budget agreement that will be passed this week has been a long time in coming. I think our challenge is to now make sure that actually getting a balanced budget takes a shorter period of time.

I do believe that we are finally on the right track because this budget provides an opportunity for the Federal Government to get its fiscal house in order while still making a handful of extremely needed investments in the people of our country and in U.S. productivity.

Most importantly, I am of the view that this is a historic moment because it has been achieved by working together. If ever there was an issue that required bipartisan cooperation, this is it. It seems to me that this is an example of what can happen when you put down for just a few moments the political cudgel and focus on the needs of our country first.

Let me also say that I would like to make a special effort in the days ahead to address the Medicare provision of this legislation. In my view, in the 21st century, Medicare is not just going to be a part of the Federal budget; it is going to be the Federal budget. There is no program in America growing at the rate of Medicare. I think it is well understood that in the 21st century our country will be faced with a demographic tsunami. We are going to have upwards of 50 million baby boomers retiring, and it is quite clear that efforts must be made now to modernize Medicare and get this program ready for the 21st century.

I sought to begin those efforts by introducing S. 386, the Medicare Modernization and Patient Protection Act, in the spring. And the fundamental principle of that legislation was to make sure that Medicare began to introduce the kind of competition and choice and emphasis on quality for older people that is available in private sector health care.

What we are seeing in our country today is that Medicare has essentially been engaging in purchasing practices and management practices that the private sector threw in the attic years and years ago. In much of the United States, Medicare has been rewarding waste and penalizing efficiency, and we all saw that emphasized again this week when the Inspector General of the United States indicated that more than $20 billion is lost each year in the Medicare Program due to fraud and waste.

The issue of inefficiency and the rewards for waste that you see in the Medicare Program are particularly important to those I represent at home in Oregon. We have gone a long way to reinventing the health care system in our State, particularly in the metropolitan areas. We have competition. We have extensive choice for older people. We do not have the gag clauses in the managed care plans where physicians are restricted from telling older people about their options. We have done a lot to come up with a health plan for seniors that will be good for older people and taxpayers in the 21st century.

The reward to Oregon for doing the heavy lifting to reform Medicare over the last few years has been lower reimbursement collection. In effect, what the Federal Government told the people of Oregon over the last 10 years is you would have gotten higher reimbursement, you would have received higher payments, if you had gone about the process of offering wasteful, inefficient health care. And so what happens in much of my State, an older person, say, in the Klamath Valley will call their cousin or their sister in another part of the United States and ask them about their Medicare. And a senior in another part of the country where health care isn't provided so efficiently will say to the Oregonian, you know, my Medicare is great; I get prescription drugs for free; I get eyeglasses at a discount; I get all these extras that are not covered by Medicare.

Seniors in Oregon and other States where health services have been efficient say, I pay the same into Medicare as seniors in those States. Why don't I get the same benefits?

Medicare is a national program. Why shouldn't the senior in Oregon get the

same benefits as the senior in another State, which on top of everything else is offering care that is more costly and inefficient?

The reason for this bizarre situation is a very technical reimbursement system, an eye-glazing concept known as the average adjusted per capita cost. And the long and short of it is that it rewards waste, penalizes efficiency and in parts of the country like mine has meant that many of the health programs have difficulty even providing the basic benefits to older people let alone some of the additional benefits such as prescription drugs.

Under this legislation, because of exceptional bipartisan work—and here I want to particularly commend Senator GRASSLEY of Iowa, the chairman of our Aging Committee, who has worked very closely with me, for his perseverance in correcting this inequity. As a result of the work of our bipartisan coalition, this reimbursement system is going to change. We will see all counties in our country get a minimum payment for these health care plans that are holding costs down while giving good quality, and over a period of time there will be a blending of reimbursement rates to consider both local reimbursement patterns and national patterns.

What this means is that areas like Oregon that have held costs down while giving good quality will get higher reimbursement, and my constituents, older people, are pleased because they will be in a position to get better benefits. But what is especially important is this is the kind of reimbursement change that is essential to save this program in the 21st century.

I would submit that what will happen as a result of the bipartisan work to change the Medicare reimbursement process—Senator GRASSLEY, myself, and others have spent so much time—is we will start seeing competition and choice come to health care programs in parts of the country where there is no competition and there is no choice. So we are talking about a change that, in my view, is going to really pay off for our country and pay off greatly in the years ahead.

Mr. President, I want to turn very briefly to the question of the other changes in Medicare that the Senate has debated and we are going to have to tackle in the days ahead. Particularly now I turn to the question of raising the age of eligibility for the Medicare Program and the question of a means test or some sort of ability-to-pay test being incorporated into Medicare.

I have long felt that Lee Iacocca ought to be paying more for his Medicare than should an older woman who is 75 and has Alzheimer's and has an income of $10,000 a year. So I think it is clear there is going to have to be an ability-to-pay feature added to the Medicare Program. But it is extraordinarily important that this be done right and that this be done carefully. I and other Members of the Senate felt that to try to do this over just a few months with so many questions about how this would be administered was precipitous action. But it must be done. Let us make no mistake about it. That change is going to have to be a part of 21st century Medicare. It has to be done fairly. My constituents were concerned that at a time when already they did not get a fair shake under the Medicare reimbursement formula, they were going to be asked to pay more immediately under Medicare.

So there are some real questions about how to do this and do it fairly. But I want it understood I am of the view that there will have to be an essential change, and I am very hopeful the Senate will not wait for a bipartisan commission to make recommendations but with the completion of this legislation will start on that issue as well.

With respect to the question of the age of eligibility for the program, here, too, there are very important technical questions of how it is done and how it is done fairly. There have been a number of analyses of late that have shown there is a significant increase in the number of uninsured Americans between the age of 55 to 64. So if that group of uninsured individuals is growing, to then add more, those between the ages of 65 and 67, would cause a hardship. So what I and others hope will be done as this effort to examine the age of eligibility is addressed is that there will be a buy-in opportunity, an opportunity for those individuals without insurance in that age group to be able to buy into the Medicare Program on a sliding scale.

Again, I think this is an opportunity the Senate ought to examine carefully, ought to look at in a bipartisan way, and not wait for a commission to make recommendations as to how it ought to be done.

Finally, Mr. President, let me say that as these significant changes in Medicare are made, beginning with the reimbursement formula changes that are being made now, changes that will bring fairness and competition and choice to the program, at every step of the way we have to keep the focus on protecting the rights of the patient. In this body Senators AKAKA, KENNEDY, and myself have led the push to ban gag clauses from managed care health plans. Health care is a complicated issue, we could all agree. But one issue we all should agree on is that patients have a right to know all the information about the kind of medical services and options that would be made available to them.

Under this legislation, that significant protection for patients is in place and I think it is just the beginning of the kind of new focus that should be placed on patients' rights and the protection of quality health care which older people deserve. At a time when the health care system and Medicare specifically are in transition, protection for the rights of the patients is even more important than ever. At a time when there is a focus on more competition and choice, it ought to be met with an equal emphasis of protecting the rights of the patients, and that has begun in this legislation as well.

Mr. President, I come from a part of the country that is proud to have led the Nation in the cause of health care reform and efficiency. Under the leadership of our Governor, Gov. John Kitzhaber, we have reinvented the Medicaid Program with the Oregon Health Plan.

For more than a decade, as a result of work done by Democrats and Republicans and older people and health care professionals, we have reinvented the Medicare Program in much of our State. So there is a new emphasis on choice and quality. What this legislation does is it removes the penalties against those programs that have been creative, those programs that have led the Nation in reforming Medicare and Medicaid. It is high time that those changes are made.

Mr. President, I think those changes lay the foundation for the other critical changes that are going to be needed to strengthen health care services in the days ahead. I look forward to working with our colleagues on a bipartisan basis to achieve those changes.

Mr. President, I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent I may speak for 10 minutes.

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

Mr. SANTORUM. I thank the Chair.

Mr. President, I wanted to make a couple of comments also on the budget bill that we have before us here this evening and that we will be voting on, I guess, tomorrow morning.

I come here excited in a sense that we are finally doing something that when I first ran for office back in 1990 I pledged to do, which was to come here and try to balance the Federal budget. Not to put schemes out there that say, well, we will target this and we will adjust to this number when we get there, but actually pass a law that will get us there without Congress having to do one more thing.

I think that is what we have accomplished here in this legislation. We will pass the changes, the needed reforms, in the entitlement programs that will get us to a balanced budget, that will save an estimated $270 billion over the next 5 years, will require no further Federal action other than just passing our appropriations bills under the limits we have set, and we do a pretty good job at that. If there is anything I can say Congress has done in the past few years it is that we have kept to the budget caps. I do not anticipate that being a problem. In fact, I think many of us would advocate trying to come in below those caps. So I think this bill

will accomplish what we set out to do, balance the budget by 2002. And hopefully, if we do not have any kind of major recession, we will be able to balance it sooner than 2002.

So, I am very excited about that. We have been able to face that problem, and we have been able to deal with it in a responsible fashion.

I must admit, though, that I am somewhat disappointed at some of the things we did not accomplish here that we, in fact, passed in the Senate bill. We took, I think, some courageous political stances here in the U.S. Senate in dealing with the issue of Medicare. The Senator from Oregon was talking about that just a few minutes ago, some of the changes that were not made that he believed in. In fact, some of them, even though I notice he didn't support them, need to be made.

Senator GRAMM, during the debate here on the budget last month, talked about the demographic cliff that we are going to fall off in the year 2011. I share that with you again this evening. In the year 1995, in fact for the years pretty much throughout the 1990's, roughly 200,000 people will turn 65 per year—200,000 people. In the year 2011, 1.6 million people will turn 65. That is just a cliff. That is 1.6 million people going into a system, no longer paying into that system, into a system that today cannot absorb 200,000 a year. It is going bankrupt absorbing 200,000. We are asking that same system, that same program, to now absorb eight times the number, and that is not just a blip. It is not 1.6 million in the year 2011 and then back down to 200,000. No; it's 1.6 million and then it levels off to about 1.5 million a year throughout the years of the baby boom generation and their retirement.

It has been estimated that if we don't change Medicare and Social Security in the next few years, the payroll tax will double within a generation. That is from 15 percent of every dollar that is earned in America up to $60,000 for Social Security tax and 1.45—actually 3 percent if you take the employee and employer share for every other dollar, irrespective of income. We are going to have to double that payroll tax. That's an optimistic projection. Pessimistically, we will have to triple the tax if we keep Medicare and Social Security just the way they are.

So, to the people who run around and say, ''We don't need to fix Medicare now, we don't need to fix Social Security now, everything is fine; those people who want to change Medicare and Social Security are just out to get the elderly,'' I would just suggest this: Anybody who is not talking about long-term structural changes to those two programs is out to get the elderly who are yet to be elderly, who are waiting to be elderly, because those are the folks who are going to pay—and big. I think it is only fair that we spread this out a little bit and we begin to make changes now.

The two major things I wanted to see done that were not done were, No. 1, as the Senator from Oregon talked about, means testing part B benefits. This is a chip shot. I mean, this is a layup. I can't think of any other term. This is an easy one. This affected about 4 percent of the population of seniors in this country who were the highest income-earning seniors. What were we going to do? For Medicare, part A, part B—there are two parts to Medicare. Part A is hospitalization, major medical; part B covers some of the other things. It is a voluntary program. It covers some outpatient, labs, doctors, things like that. It's a voluntary insurance program. You don't pay one penny into Medicare part B over the course of your earnings before you turn 65. But when you turn 65 you can opt into this, in a sense, public insurance program. It is voluntary. If you choose to get into part B, you pay a premium. It is about $45 a month.

That $45 only covers 25 percent of the cost of the program. Who picks up the other 75 percent? Mr. and Mrs. Taxpayer. That's fine if you are a senior who needs subsidies from the Federal Government to be able to afford insurance, but in my mind it's not fine to give a subsidy to people who don't need a subsidy. I am not someone who comes to the floor on many occasions and talks about class warfare. I don't believe in that. I don't believe in a lot of the arguments that the rich don't pay their fair share. I think a lot of it is just hooey, and in fact class warfare.

What we are talking about here is we are talking about subsidizing people at a higher income. I am not for that. I am not for taxing them more, but I am not for subsidizing them, either. So, to the extent that we subsidize, we said, ''Look, if you are earning over $70,000 as a couple, you are going to pay a little bit more for your Medicare part B premium.'' It's still a good deal. It's a pretty big group, and you get a nice group rate.

We should have done that in this bill. I can tell you, I have been to senior center after senior center after senior center, and I have gotten up and I talked about this. I have never heard an objection. No one has ever objected to this. They thought that's pretty reasonable. We should not be subsidizing Ross Perot in his Medicare part B premium. It's crazy. He doesn't need it. Most of these people don't need it, and they probably wouldn't want it if they realized what it was costing the Federal Government to do it and what it was costing their children and grandchildren. So that's one of the things we missed, in my opinion. It's unfortunate.

The second—I know this is a tougher issue—and that is raising the eligibility age for Social Security. I know this is not a very popular issue, but I can tell you we got 62 votes here in the U.S. Senate, I will say very proudly, in a bipartisan vote. The eligibility age for Social Security, to be able to qualify for full Social Security benefits, is going up. Most people in this country don't know that, but it is. It is going up. In 1983, when they passed the Social Security reform, they did a couple of things. They raised taxes and they raised the eligibility age from 65 to 67. They didn't start doing it, though, for 20 years. The first people who turn 65 who are going to be affected by this raise in the eligibility age are people who retire in the year 2003, 20 years after the bill passed.

You will hear the people who were here in the Congress who said, ''We waited 20 years to enact this so people could prepare for this time.'' It is funny, because I talked to a lot of people who are planning to retire who are about that age, in their fifties right now, who are going to be retiring, late fifties, retiring in 2003. Most of them don't know the retirement age is being moved back. I talked to most younger people, and they have no idea the retirement age is being moved back. These people, as far as I am concerned, who passed this thing in 1983 and put it off 20 years, put it off 20 years because they will be gone in 20 years, most of them, and so they won't have to take the wrath of the American public, if there is going to be some. I hope there will not be, once they understand the problem of having to deal with the issue. I think we should deal with the issue now.

We should tie the Medicare eligibility age to Social Security, which phases up over a 20-year period. It doesn't hit 67 as a retirement age until the year 2025. We should tie the two together, because most people, most lower and middle income people, are not going to be able to retire prior to being eligible for Social Security, so there should not be much of a problem with tying in Medicare because they are going to retire when they hit the retirement age for Social Security. That will also be the retirement age, in a sense eligibility age, for Medicare.

For those who can afford to retire sooner, they probably are more well off, by and large, or they may have a disability. But in that case they qualify for Government benefits through disability. But, for those who are more well off, then we should create an option for them to buy in at age 65, they can buy into Medicare if they can't continue their private insurance.

There was a way to work this out that I think would have been, again, the right thing to do for the long term for Medicare. If you really care about providing a health safety net for the future, those were two things that were really missed opportunities. It is unfortunate we missed them.

I will say, overall, we have taken a positive step here. I think we missed an opportunity to do something really lasting, really significant. We stood up and made a courageous vote, a vote that, frankly—if Members would go out and take the time to talk to people and explain the demographic problems that we have, the fact that people are living substantially longer and they are substantially healthier, that these kinds

of changes only make sense to make sure that future generations have these retirement security programs like Medicare and Social Security to rely on for the future.

So, I am disappointed that we blinked, the White House was not supportive, and frankly our colleagues in the House were not supportive. I think that is unfortunate for both of those entities. I stand with particular pride at the U.S. Senate, that it had the courage to look ahead, to not make decisions just based on short-term fixes. Frankly, the Medicare provision here is a short-term fix. We had long-term fixes in the Senate bill and we didn't follow through, and I think that is unfortunate.

We did do a lot of other positive things in this bill, and I will support it as a result of that. But I think this piece of legislation, given what the Senate did in their courageous action by going out on Medicare and setting the course, missed a tremendous opportunity.

One final comment. There is an additional concern I have about a provision in the welfare bill. There is welfare reform—or, in my opinion some of it is a backtracking on reform from the last bill. We have some positive things in this bill with respect to work, but we also have a provision in there that is very worrisome for me, as far as the ability for work programs, workfare, to work in the States. This gives the President and the Department of Labor the opportunity to designate people on workfare in an employment setting as workers covered by the Fair Labor Standards Act, the minimum wage laws, and all the other laws that apply to all other employees. The problem with that is that you get into a whole host of complex things that drive up significantly the cost of providing a work slot for someone on welfare.

If you believe, as I do, that the most important thing for most of the people on welfare today is to get them into the workplace, to teach them the value of work, to give them the sense of pride which so many millions of Americans for the first time are feeling now, to get off the welfare rolls and get them into the workplace where they are doing positive works, where they are getting positive reinforcement for the things that they are accomplishing, where they are learning the ability to get up, get their children off to school or to day care or to a relative and get to work, keep those hours, work hard and come back home and manage their life—those are important life skills. If we put the barrier too high for the States, we are going to limit the number of work spots available for, really, millions of people and, I think, destroy a lot of the tremendous progress that we have made in creating an environment under this welfare reform bill that we passed last year for people to rise out of poverty, to get the kind of experience necessary to get the sense of accomplishment and self-pride that is necessary to rise out of poverty.

I am very concerned about that. I hope the administration does not pull the trigger. They are getting immense pressure from the unions to do so because the unions want to protect their piece of the pie when it comes, particularly to the public sector spots that will be filled in some cases by welfare recipients.

So, I hope the President does not bow to the unions at the expense of millions of people who want to get out of welfare and who need these work opportunities to be able to do so.

MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent there be a period for the transaction of morning business.

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

Mr. LEVIN. Mr. President, I want to discuss today a disinformation campaign being conducted by indicted war criminal Radovan Karadzic and his Bosnian Serb henchmen, a campaign which threatens our forces in Bosnia, and a powerful tool available to the United States to counteract that campaign.

Despite his agreement to remove himself from political life, Radovan Karadzic has continued to play a leading role in Bosnian Serb politics, running the Republika Srpska from behind the scenes. Moreover, he has used the Bosnia Serb controlled radio and television to present a distorted picture to the Bosnian Serb people. Most ominously, since the arrest of one secretly indicted war criminal and the killing of another by NATO forces in Prijedor in northwestern Bosnia on July 10, Karadzic and the state controlled media have been orchestrating attacks on NATO troops.

As the New York Times reported on July 26, ''television and radio broadcasts have been increasingly inflammatory.'' This distorted picture has been used to interfere with the implementation of the civilian aspects of the Dayton peace accords. It has also been used to wage a smear campaign against Bosnian Serb President Biljana Plavsic, who sought to expose Karadzic's criminal activities that have brought him wealth at the expense of the Bosnian Serb people.

Karadzic has shown himself to be a master of the ''no lie is too great'' approach. For example, when the Office of the High Representative, the senior international civilian position created by the Dayton accords, recently announced a significant civil military project that would involve the repair of the Tuzla to Brcko railway line by an Italian Railway Regiment with funding from United States AID, the state controlled Bosnian Serb media claimed that the repair train had been modified to transport Serb civilians to the Hague. A project designed to improve the quality of life for all Bosnians in the region was twisted to frighten the people and to foment ill-feeling towards the Stabilization Force.

Mr. President, the influence of indicted war criminal Karadzic must be checked. I believe that his control of the Bosnian Serb media is a good place to start. The United States military has the capability through the EC–130E Commando Solo aircraft to broadcast television and radio programming directly to the Bosnian people, overriding Karadzic's programming. This capability was put to successful use during Operation Urgent Fury in Grenada to inform the people on Grenada of the United States military action; during Operation Desert Storm to convince Iraqi soldiers to surrender; and during Operation Uphold Democracy in Haiti to broadcast radio and television to the Haitian citizens and leaders. It could be used to get the true word out to the Bosnian Serbs.

I applaud the decision of the recent international donor's conference for Bosnia to channel money only to communities that comply with the Dayton peace accords. Republika Srpska has received only a small percentage of such aid in the past due to Karadzic's behind the scenes refusal to cooperate. He has also mounted a media disinformation campaign, accusing the international community of bias against the Bosnian Serbs when his own policies are to blame. The Bosnian Serb people need to hear the real causes for their isolation and lack of international aid.

Mr. President, paragraph 5 of article VI of the Agreement on the Military Aspects of the Dayton Peace Settlement gives the SFOR Commander the authority to do all that he judges necessary and proper to protect the SFOR and to carry out its responsibilities. I believe that it would be appropriate for the SFOR Commander to determine that the presentation of distorted reports about SFOR, the inflaming of emotions against SFOR, and the encouragement of reprisal action by the Bosnian Serb media controlled by Karadzic and the ruling Serb Democratic Party, are impeding the SFOR Commander's ability to protect SFOR and to carry out SFOR's responsibilities. Once the SFOR commander makes that determination, the Air National Guard EC–130E Commando Solo aircraft could be used to counteract Karadzic's disinformation campaign which so endangers our forces and hampers the implementation of the Dayton accords.

Mr. President, I wrote last week to National Security Adviser Sandy Berger and Secretary of Defense Bill Cohen proposing the use of the Commando Solo aircraft under the circumstances we confront in Bosnia. I ask unanimous consent that these letters be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. LEVIN. I believe that, until the Bosnian people, particularly the

Bosnian Serbs, are able to receive television and radio broadcasts that depict the true reasons for their isolation and poor standing in the international community, it is less likely that meaningful progress will be made in the implementation of the civilian aspects of the Dayton accords.

Mr. President, the European Stars and Stripes reported last week that many Bosnian Serbs have refused to accept copies of a free publication called the Herald of Peace that is handed out throughout Bosnia by SFOR. I am sure that they are reluctant to be seen accepting this publication for fear that they will be reported to Karadzic and his henchmen. The beauty of Commando Solo is that its radio and television broadcasts will go into the homes of the Bosnian Serbs where they can receive it away from prying eyes. Karadzic can't stop the broadcasts—they override his transmissions. It is time to put this valuable tool to work for peace in Bosnia and for the security of our forces.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, July 24, 1997.

Mr. SAMUEL R. BERGER,
Assistant to the President for National Security Affairs, National Security Council, Washington, DC.

DEAR. MR. BERGER: I am writing in connection with the lack of progress in implementing the civilian aspects of the Dayton peace accords, particularly the problem of war criminals. I am deeply disturbed about the failure of the Bosnian parties, particularly the Republika Srpska, to cooperate in the investigation and prosecution of war crimes and other violations of international humanitarian law as required by Article IX of the General Framework Agreement for Peace in Bosnia and Herzegovina.

Recent press reports regarding the influence of former Bosnian Serb president and indicted war criminal Radovan Karadzic, establish that his and his party's control of all Bosnian Serb media, particularly Bosnian television, consistently presents a distorted picture as to the cause of the Republic's isolation and poverty.

Until the Bosnian people, particularly the Bosnian Serbs, are able to receive television broadcasts that depict the true reasons for their isolation and poor standing in the international community, it is doubtful that any meaningful progress will be made in the implementation of the civilian aspects of the Dayton accords.

I am concerned that the local media's distorted reporting is inflaming the situation in Republika Srpska and encouraging the Bosnian Serbs to take reprisal action against personnel of the Stabilization Force (SFOR), the International Police Task Force (IPTF), and the Organization for Security and Cooperation in Europe (OSCE). It seems to me that those actions and other less dramatic, but improper, actions by the Bosnian Serbs and their political leadership are impeding the ability of the SFOR Commander to protect the SFOR and to carry out its responsibilities under the accords.

Paragraph 5 of Article VI of the Agreement on the Military Aspects of the Peace Settlement gives the SFOR Commander the authority to do all that he judges necessary and proper to protect the SFOR and to carry out its responsibilities. I believe that it would be appropriate for the SFOR Commander to determine that the presentation of distorted reports about SFOR, the inflaming of emotions, and the encouragement of reprisal action by the Bosnian Serb media controlled by Karadzic and the ruling Serb Democratic Party, are impeding his ability to protect SFOR and to carry out SFOR's responsibilities.

The U.S. military has the capability through the EC–130E Commando Solo aircraft to broadcast television and radio messages to the Bosnian people. I strongly recommend that, once the SFOR Commander makes the above determination, he be authorized to utilize Commando Solo to conduct television and radio broadcasts in Republika Srpska to inform the Bosnian Serbs of the true facts.

It may also be necessary to take similar action with respect to the other Bosnian parties. I fear that without such action war criminals will not be brought to justice, reconciliation will not take place, and the human and material investment of the United States and its allies will have been in vain.

I am sending a similar letter to the Secretary of Defense.

Sincerely,

CARL LEVIN,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, July 24, 1997.

Hon. WILLIAM S. COHEN,
Secretary of Defense,
The Pentagon, Washington, DC.

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Sincerely,

CARL LEVIN,
Ranking Minority Member.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, July 29, 1997, the Federal debt stood at $5,373,127,138,499.91. (Five trillion, three hundred seventy-three billion, one hundred twenty-seven million, one hundred thirty-eight thousand, four hundred ninety-nine dollars and ninety-one cents)

One year ago, July 29, 1996, the Federal debt stood at $5,182,455,000,000. (Five trillion, one hundred eighty-two billion, four hundred fifty-five million)

Five years ago, July 29, 1992, the Federal debt stood at $3,995,312,000,000. (Three trillion, nine hundred ninety-five billion, three hundred twelve million)

Ten years ago, July 29, 1987, the Federal debt stood at $2,298,353,000,000. (Two trillion, two hundred ninety-eight billion, three hundred fifty-three million)

Fifteen years ago, July 29, 1982, the Federal debt stood at $1,089,771,000,000 (One trillion, eighty-nine billion, seven hundred seventy-one million) which reflects a debt increase of more than $4 trillion—$4,283,356,138,499.91 (Four trillion, two hundred eighty-three billion, three hundred fifty-six million, one hundred thirty-eight thousand, four hundred ninety-nine dollars and ninety-one cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 25

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 25, the U.S. imported 8,138,000 barrels of oil each day, 585,000 barrels more than the 7,553,000 imported each day during the same week 1 year ago.

Americans relied on foreign oil for 56.3 percent of their needs last week, and there are no signs that the upward

spiral will abate. Before the Persian Gulf War, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.—now 8,138,000 barrels a day.

TRIBUTE TO CHRIS YODER

Mr. CRAIG. Mr. President, I would like to take a few moments to recognize Mr. Chris Yoder, a fellow Idahoan, who will be leaving his professional staff position at the Senate Committee on Veterans Affairs to accept a new challenge with the Commission on Service Members and Veterans Transition Assistance.

A veteran, himself, of the Vietnam War in Army Intelligence, he continued his dedication to the colleagues by serving 13 years with the Veterans Administration in Boise, ID. There he worked in various capacities as a benefits councilor, claims examiner and education specialist.

Except for the 102d Congress when he worked for the Veterans Affairs, in Washington DC as a staff assistant to the Deputy Secretary, Mr. Yoder has been with the committee for 12½ years. During that time he served with distinction, helping to fashion policies that serve America's veterans.

He has always accepted challenges, faced them head on and worked diligently in providing the critical answers that have shaped the positive direction the Veterans Committee has taken.

Mr. Yoder's efforts have always represented his personal commitment to constituents, the veterans service organizations and members of the committee. His timely initiatives and extraordinary abilities will have lasting results for years to come.

I have high praise for Chris's leadership, dedication, professionalism and accomplishments. On behalf of myself and the veterans of Idaho, we wish him well in his new endeavor, and wholeheartedly thank him for his outstanding service.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, 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 treaties and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:31 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 430. An act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

S. 670. An act to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States.

At 5 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2015) 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.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

S. 1085. A bill to improve the management of the Boundary Waters Canoe Area Wilderness, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 30, 1997, he had presented to the President of the United States, the following enrolled bills:

S. 430. An act to amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

S. 670. An act to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States.

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–2639. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, five rules received on July 24, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2640. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, one rule received on July 17, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2641. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, six rules received on July 21, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2642. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, twelve rules received on July 21, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2643. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, one rule received on July 29, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2644. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, twenty-eight rules received on July 29, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2645. A communication from the Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, seven rules received on July 22, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2646. A communication from the Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, one rule received on July 28, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2647. A communication from the Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, one rule received on July 29, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2648. A communication from the Director, National Oceanic and Atmospheric Administration, National Marine Fisheries Service, U.S. Department of Commerce, transmitting, pursuant to law, a rule relative to the threatened Southern Oregon/Northern California coast (RIN0648–AG56), received on July 21, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2649. A communication from the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to fresh cut flowers and greens, received on July 29, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2650. A communication from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting, pursuant to law, a rule relative to releasing information (RIN3052–AB77), received on July 29, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2651. A communication from the Acting Administrator, Agricultural Research Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to a schedule of fees to be charged, received on July 29, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2652. A communication from the Administrator, Farm Service Agency, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to Disaster Set-Aside Program (RIN0560–AE98), received on July 25, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2653. A communication from the Secretary of Defense, transmitting, a notice regarding the ''Balanced Budget Act of 1997''; which was ordered to lie on the table.

EC–2654. A communication from the Director of the Office of Sustainable Fisheries,

National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, eight rules; to the Committee on Commerce, Science, and Transportation.

EC–2655. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, three rules; to the Committee on Commerce, Science, and Transportation.

EC–2656. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, three rules; to the Committee on Commerce, Science, and Transportation.

EC–2657. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–97 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2658. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–98 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2659. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–99 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2660. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–100 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2661. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–107 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2662. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–108 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2663. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–109 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2664. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–113 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2665. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''Fiscal Year Annual Report on Advisory Neighborhood Commissions''; to the Committee on Governmental Affairs.

EC–2666. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''Certification of the Fiscal Year 1997 Revised General Fund Revenue Estimates in Support of the District of Columbia General Obligation Bonds (Series 1997A)''; to the Committee on Governmental Affairs.

EC–2667. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''District of Columbia General Hospital's Sole Source Contract Award to Medical Services Group, Inc. Violated D.C. Laws and Regulations''; to the Committee on Governmental Affairs.

EC–2668. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''Certification of the Water and Sewer Authority's Fiscal Year 1997 Revenue Estimate in Support of a $25,000,000 Revolving Line of Credit''; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 910. A bill to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1998 and 1999, and for other purposes (Rept. No. 105–59).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1198. A bill to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon.

H.R. 1944. A bill to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon.

S. 871. A bill to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 1082. A bill to authorize appropriations to pay for United States contributions to certain international financial institutions.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 39. A concurrent resolution expressing the sense of the Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors.

S. Con. Res. 45. A concurrent resolution commending Dr. Hans Blix for his distinguished service as Director General of the International Atomic Energy Agency on the occasion of his retirement.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 46. An original concurrent resolution expressing the sense of the Senate regarding the terrorist bombing in the Jerusalem market on July 30, 1997.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

The following-named officer for appointment in the U.S. Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Michael J. Byron, 0000.

The following-named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert H. Foglesong, 0000.

The following-named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John M. Pickler, 0000.

(The above nominations were reported with the recommendation that they be confirmed.)

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Shirley Robinson Watkins, of Arkansas, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Shirley Robinson Watkins, of Arkansas, to be Under Secretary of Agriculture for Food, Nutrition, and Consumer Services.

I. Miley Gonzalez, of New Mexico, to be Under Secretary of Agriculture for Research, Education, and Economics.

Catherine E. Woteki, of the District of Columbia, to be Under Secretary of Agriculture for Food Safety. (New Position)

August Schumacher, Jr., of Massachusetts, to be Under Secretary of Agriculture for Farm and Foreign Agricultural Services.

August Schumacher, Jr., of Massachusetts, to be a Member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Foreign Relations:

Stanley O. Roth, of Virginia, to be an Assistant Secretary of State.

Marc Grossman, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be an Assistant Secretary of State.

James P. Rubin, of New York, to be an Assistant Secretary of State.

Edward William Gnehm, Jr., of Georgia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Director General of the Foreign Service.

Bonnie R. Cohen, of District of Columbia, to be an Under Secretary of State.

David Andrews, of California, to be Legal Adviser of the Department of State.

James W. Pardew, Jr., of Virginia, for the Rank of Ambassador during his tenure of service as U.S. Special Representative for Military Stabilization in the Balkans.

Wendy Ruth Sherman, of Maryland, to be Counselor of the Department of State, and to have the rank of Ambassador during her tenure of service.

Stephen R. Sestanovich, of the District of Columbia, as Ambassador at Large and Special Adviser to the Secretary of State for the New Independent States.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, None.
3. Children and spouses: Benjamin Sestanovich, None. Clare Sestanovich, None.
4. Parents: Molly B. and Stephen N. Sestanovich, $100,000, 1994, Ellen Schwartz (Dem. candidate, 10th dist., CA).
5. Grandparents: Deceased.
6. Brothers and spouses: Kathryn L. and R. Benjamin Sestanovich, None.
7. Sisters and spouses: Mary Sestanovich and William Sillavo, None.

Maura Harty, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I

have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse: James Larner, None.
3. Children and spouses: No children.
4. Parents: Louise Harty, None. Edward W. Harty (deceased 11/94), No information available.
5. Grandparents: Ana and Luis Torreblanca (deceased 2/71 and 6/70), None. Frank Harty (deceased 1/73), None. Nora Harty, None.
6. Brothers and spouses: Mark Harty (single), None.
7. Sisters and spouses: Nancy and Fred Sanguiliano, None.

John Christian Kornblum, of Michigan, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self: John C. Kornblum, None.
2. Spouse: Helen Kornblum, None.
3. Children and spouses: Alexander Kornblum, None. Stephen Kornblum, None.
4. Parents: Samuel C. Kornblum, deceased. Ethelyn E. Kornblum, deceased.
5. Grandparents: Herbert Tonkin, deceased. May Tonkin, deceased. Christian Kornblum (father), deceased. Luisa Kornblum (mother), deceased.
6. Brothers and spouses: Stephen Kornblum (brother), None. Nancy Kornblum (sister-in-law), None.
7. Sisters and spouses: No sisters.

James Franklin Collins, of Illinois, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Russian Federation.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, see attachment No. 1.
3. Children and spouses: Robert S. Collins, None. Deborah Chew (spouse), None.
4. parents: Jonathan C. Collins, None. Caroline C. Collins, None. Harrison F. Collins, $50.00, 02/92, John Crawford (Candidate for Illinois Rep.). (See attachment No. 2.)
5. Grandparents: Deceased.
6. Brothers and spouses: Jefferson C. Collins, None.
7. Sisters and spouses: No sisters.

ATTACHMENT NO. 1: DR. NAOMI F. COLLINS CONTRIBUTIONS

Date, Amount, and Donee

01/93, $25.00, Democratic National Committee.
03/93, $15.00, Dollars for Democrats.
05/93, $15.00, DCCC (Democratic Congressional Campaign Committee).
06/93, $25.00, Bruce Adams for County Council.
10/93, $15.00, Maryland Democrats.
11/93, $25.00, Nancy Kopp (candidate for State Legislature).
01/94, $18.00, Women's Higher Education Fund.
01/94, $25.00, Democratic National Committee.
03/94, $30.00, Emily's List.
03/94, $25.00, Bruce Adams for County Council.
03/94, $20.00, Democratic National Committee.
04/94, $25.00, Elanor Carey for Attorney Gen 1994.
05/94, $30.00, Pat Williams.
09/94, $25.00, Nancy Kopp.
09/94, $25.00, Dollars for Democrats.
12/94, $50.00, Emily's List.
4/95, $125.00, Emily's List.
9/95, $25.00, Maryland Democratic Party.
12/95, $25.00, Democratic National Committee.
12/95, $25.00, Mikulski for Senate.
1/96, $25.00, Clinton-Gore '96.
9/96, $20.00, Marilyn Goldwater.
9/96, $40.00, Emily's List.

ATTACHMENT NO. 2: HARRISON F. COLLINS CONTRIBUTIONS

Date, Amount, and Donee

1994, $10.00, Democratic National Committee (Precise date and amount unknown).
2/95, $25.00, Democratic Congressional Campaign Committee.
10/95, $25.00, Democratic National Committee.
2/95, $30.00, Democratic National Committee.
5/95, $50.00, Democratic National Committee.
7/95, $80.00, Democratic Socialists.
10/95, $100.00, Democratic Socialists.
1/96, $35.00, NRDC.
1/96, $50.00, Democratic National Committee.
1/96, $20.00, Democratic National Committee.
7/95, $35.00, Democrats 2000.
3/96, $20.00, Democratic National Committee.
4/96, $20.00, Democratic National Committee.
5/96, $20.00, Democratic National Committee.
6/96, $20.00, Democratic National Committee.
7/96, $50.00, Democratic National Committee.
8/96, $30.00, Democratic National Committee.
9/96, $50.00, Democratic National Committee.
11/96, $20.00, Democratic National Committee.
12/96, $20.00, Democratic National Committee.
1/97, $20.00, Democratic National Committee.
2/97, $20.00, Democratic National Committee.

Philip Lader, of South Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all member of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, $1,000, 1994, Theodore-for-SC Governor.
2. Spouse: Linda LeSourd Lader, $1,000, 1996, Clinton/Gore Campaign.
3. Children and spouses: Mary-Catherine Lader, None. Linda Whitaker Lader, None.
4. Parents: Phil Lader (deceased), None. Mary Lader (deceased), None.
5. Grandparents: Cosmo Tripoli (deceased), None. Josephine Tripoli (deceased), None.
6. Brothers and spouses: Isadore Lader (deceased), None. Retta Lader (deceased), None.
7. Sisters and spouses None.

Felix George Rohatyn, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self: Felix G. Rohatyn—See attached for list of contributions.
2. Spouse: Elizabeth Fly Rohatyn—See attached for list of contributions.
3. Children and spouses—Three sons: Pierre Rohatyn—No contributions. Nicolas Rohatyn—See attached for list of contributions. Michael Rohatyn—No contributions.
4. Parents: Edith Knoll Plessner (mother)—Deceased. Henry Plessner (stepfather)—Deceased. Alexander Rohatyn (father)—Deceased. Patricia Rohatyn (stepmother)—No contributions.
5. Grandparents: Deceased.
6. Brothers and spouses: None.
7. Sisters and spouses: None.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—ELIZABETH ROHATYN

Amount, Date, and Donee

$500, Mary Boyle for U.S. Senator/Emily's List.
$1,000, 3/6/93, Moynihan Committee Inc.
$1,000, 4/13/93, Bob Krueger Campaign.
$1,000, 6/9/93, Emily's List.
$500, 3/24/94, Delahanty for Congress Committee/Emily's List.
$500, 3/24/94, Delahanty for Congress Committee/Emily's List.
$500, 3/24/94, Friends for McGuire/Emily's List.
$500, 3/24/94, Friends for McGuire/Emily's List.
$1,000, 5/16/94, Robb for the Senate.
$1,000, 5/19/94, Emily's List.
$1,000, 7/23/94, Friends of Dave McCurdy.
$250, 9/12/94, Karen Shepherd for Congress.
$1,500, 9/21/94, Women's Campaign Fund Inc.
$750, 9/20/94, Karen Shepherd for Congress.
$500, 10/18/94, Louise Slaughter Re-election Committee.
$1,000, 3/24/95, Emily's List.
$500, 1995, Friends of Dave McCurdy.
$1,000, 6/20/95, Friends of John Warner 1996 Committee.
$1,000, 8/2/95, Friends of Schumer.
$500, 8/14/95, Emily's List.
$1,000, 10/9/95, Clinton/Gore '96 Primary Committee Inc.
$25,000, 10/11/95, DNC—Non-Federal Individual.
$5,000, 12/18/95, DSCC Non-Federal Individuals.
$1,000, 3/12/96, Emily's List.
$250, 3/22/96, Louise Slaughter Re-Election Committee.
$12,500, 4/19/96, Democratic Congressional Campaign Committee.
$12,500, 9/12/96, DSCC Non-Federal Individuals.
$1,000, 10/21/96, Karpan for Wyoming.
$1,000, 1997, Moynihan Committee Inc.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—FELIX ROHATYN

$5,000, 1/21/93, Committee for Effective Government.
$1,000, 3/12/93, Moynihan Committee Inc.
$1,000, 4/13/93, Bob Krueger Campaign.
$5,000, 4/28/93, Committee for Effective Government.
$1,000, 5/5/93, Mitchell for Senate.
$1,000, 5/6/93, Lieberman '94 Committee.
$35,000, 5/17/93, DNC—Non-Federal Individual.
$1,000, 11/9/93, Friends of John Glenn.
$500, 11/9/93, Friends of Jane Harman.
$−2,193, 11/22/93, Committee for Effective Government.
$2,500, 3/28/94, Democratic Congressional Campaign Committee.
$1,000, 3/31/94, Lieberman '94 Committee.
$2,500, 3/31/94, Committee for Effective Government.
$1,000, 4/1/94, Leahy for U.S. Senator.
$500, 5/18/94, Oberly Senate Committee.
$1,000, 6/8/94, Moynihan Committee Inc.
$100,000, 6/9/94, DNC—Non-Federal Individual.
$500, 7/14/94, Voters for Choice/Friends of Family Planning.
$500, 7/23/94, Friends of Dave McCurdy.
$1,000, 8/26/94, Kerrey for U.S. Senate Committee.
$1,000, 9/30/94, Friends of Bob Carr.
$500, 10/9/94, Linda Kushner for U.S. Senate.
$1,000, 10/13/94, Citizens for Sarbanes.
$500, 10/17/94, Citizens for Senator Wofford.
$1,000, 10/19/94, Maloney for Congress.
$1,000, 10/21/94, Launtenberg Committee.
$10,000, 12/13/94, DNC Services Corporation/Democratic National Committee.
$500, 3/20/95, Friends of Dave McCurdy.
$500, 3/21/95, Voters for Choice/Friends of Family Planning.
$1,000, 5/22/95, Friends of Max Baucus.
$500, 6/9/95, Voters for Choice/Friends of Family Planning.
$1,000, 6/20/95, Friends of John Warner 1996 Committee.
$1,000, 6/30/95, Kennedy for Senate (1994).
$20,000, 7/19/95, DNC—Non-Federal Individual.
$80,000, 7/19/95, DNC—Non-Federal Individual.
$20,000, 7/28/95, Democratic Senatorial Campaign Committee.
$1,000, 8/2/95, Friends of Schumer.
$1,000, 8/7/95, Friends of Senator Rockefeller.
$1,000, 8/16/95, Friends of Senator Carl Levin.
$1,000, 8/24/95, Kerry Committee.
$25,000, 10/11/95, DNC—Non-Federal Individual.
$1,000, 10/23/95, People for Pete Domenici.
$500, 2/15/96, Voters for Choice/Friends of Family Planning.
$12,500, 4/19/96, Democratic Congressional Campaign Committee.
$500, 5/8/96, Friends of Bob Graham Committee.
$500, 6/6/96, Friends of Jane Harman.
$500, 6/10/96, Crawford for Congress Committee.
$2,500, 7/23/96, Democratic Senatorial Campaign Committee.
$12,500, 9/12/96, DSCC Non-Federal Individuals.
$50,000, 9/25/96, DNC—Non-Federal Individual.
$25,000, 10/11/96, DCCC Non-Federal Account #5.
$25,000, 10/11/96, DCCC Non-Federal Account #5.
$125,000, 10/18/96, DNC Non-Federal Unincorporated Association Account.
$1,000, 1997, Moynihan Committee Inc.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—NICOLAS ROHATYN

$5,000, 4/6/93, Morgan Companies Political Action Committee (Morganpac).
$5,000, 4/20/94, Morgan Companies Political Action Committee (Morganpac).
$5,000, 4/19/95, Morgan Companies Political Action Committee (Morganpac).
$500, 5/8/96, Friends of Bob Graham Committee.
$5,000, 5/16/96, Morgan Companies Political Action Committee (Morganpac).

Richard Dale Kauzlarich, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bosnia and Herzegovina.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, None.
3. Children and spouses: Terri L. Skender, None. Derek Skender, None. Son, Richard Kauzlarich (deceased), None.
4. Parents: Victor Kauzlarich and Eva Kauzlarich, $15, Spring '96 Mike Grchan, Treasurer, Rock Island County Democratic Committee.
5. Grandparents: George Kauzlarich (deceased), None. Emma Kronfeld (deceased), None.
6. Brothers and spouses: Stanley Kauzlarich, None.
7. Sisters and spouses: Victoria Kauzlarich, None. James Thane, None.

Daniel V. Speckhard, of Wisconsin, a Career Member of the Senior Executive Service, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Belarus.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, None.
3. Children and spouses: None.
4. Parents: Carol Speckhard, None. Thomas Speckhard, $30.00, 1996, Representative David Obey.
5. Grandparents: Deceased.
6. Brothers and spouses: James Speckhard, None. Thomas J. Speckhard, None.
7. Sisters and spouses: Kathleen White, None.

Keith C. Smith, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lithuania.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self: Keith C. Smith, None.
2. Spouse: Nina Smith, None.
3. Children and spouses: Brian Smith, son. Tanya Batdorff, daughter. Craig Smith, son. John McKeever, stepson. Peter McKeever, stepson. Michael McKeever, stepson. None.
4. Parents: Harold L. Smith, deceased. Lydia D. Smith, deceased.
5. Grandparents: Robert Daines, deceased. Chloe Daines, deceased. Alexander Smith, deceased. Angela Smith, deceased.
6. Brothers and spouses: Harold D. Smith, None. Kent D. Smith, None.
7. Sisters and spouses: Bonnie Smith, None. Carolyn Buhman, $25, 1990, Cong. Howard McKeon.

Anne Marie Sigmund, of the District of Columbia, a Career Member of the Senior foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kyrgyz Republic.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, none.
2. Spouse: no spouse.
3. Children and spouses: no children.
4. Parents: Lawrence and Mary Sigmund, $100, 1996, Concord Coalition.
5. Grandparents: deceased.
6. Brothers and spouses: Michael and Cynthia Sigmund, none.
7. Sisters and spouses: None.

James F. Mack, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Co-operative Republic of Guyana.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, none.
2. Spouse: $25.00, 8/18/96, $25.00, 6/24/96, Republican National Committee.
3. Children and spouses: Robert, Sally, David & Frances Mack, none.
4. Parents: Frederick & Dorothy Mack, deceased.
5. Grandparents: Frank & Ann Mack, deceased. Nehamiah & Ann Candee, deceased.
6. Brothers and spouses: none.
7. Sisters and spouses: Caroline Mack Westdorp, (sister), None. Wolfgang Westdorp (brother-in-law), None.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS (for himself, Ms. SNOWE, and Mr. LEAHY):

S. 1087. A bill to provide for the modernization of port and rail access in northern New England, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ROTH:

S. 1088. A bill to suspend temporarily the duty on ACM; to the Committee on Finance.

By Mr. SPECTER (for himself, Mr. FORD, Mr. SANTORUM, Mr. HARKIN, Mr. INOUYE, Mr. INHOFE, Ms. MIKULSKI, Mrs. BOXER, Mr. ROCKEFELLER, Mr. BRYAN, and Mr. DURBIN):

S. 1089. A bill to terminate the effectiveness of certain amendments to the foreign repair station rules of the Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BURNS (for himself, Mr. JOHNSON, Mr. MCCONNELL, Mr. GRASSLEY, Mr. BROWNBACK, Mr. THURMOND, Mr. HELMS, Mr. DASCHLE, Mr. COCHRAN, Mr. HATCH, Mr. INHOFE, and Mr. CONRAD):

S. 1090. A bill to specify that States may waive requirements relating to commercial drivers' licenses under chapter 313 of title 49, United States Code, with respect to certain farm vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1091. A bill to amend title 23, United States Code, to provide for maintenance of public roads used by school buses serving certain Indian reservations; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI:

S. 1092. A bill to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, Alaska, and King Cove, Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KERRY (for himself and Mr. MCCAIN):

S. 1093. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of the Lao People's Democratic Republic, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WYDEN (for himself and Mr. WARNER):

S. Res. 110. A bill to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services; to the Committee on Rules and Administration.

By Mr. HELMS:

S. Con. Res. 46. An original concurrent resolution expressing the sense of the Senate regarding the terrorist bombing in the Jerusalem market on July 30, 1997; from the Committee on Foreign Relations; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS (for himself, Ms. SNOWE and Mr. LEAHY):

S. 1087. A bill to provide for the modernization of port and rail access in northern New England, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE OLDER INDUSTRIAL REGION RAIL/PORT ACCESS AND MODERNIZATION ACT

Mr. JEFFORDS. Mr. President, I rise today with Senator SNOWE to introduce legislation to aid the growth of commerce throughout New England. The Older Industrial Region Rail and Port Access and Modernization Act aims to improve northern New England's aging rail infrastructure and ocean ports to speed delivery of goods and people throughout the region.

New England was built by the railroads. But in our modern economy, highways have captured a majority of the commerce, supplanting rail. As we reach the end of this century, our region has begun to recognize the importance of railroads, and their vital role in our expanding economy. Efficient highways run north to south in northern New England, but we have no east to west roads sufficient to handle growing trade and commerce. As Vermont, New Hampshire, and Maine work together to compete in this global economy, our success is dependent on our mutual efforts to improve access to markets. We will succeed only if modern freight railroads can serve the entire region and through our ports bring goods to market across the Nation and around the world.

Rail lines throughout northern New England have been neglected for many years. Crumbling rail beds and constricted passage has limited the movement of freight and passenger trains and restricted rail access to deep water ports. Older bridges, deteriorated tracks, inadequate tunnels all contribute to a rail system that fails to fulfill the needs of the three-State area. As a result, commerce throughout the region suffers.

A recent report by Cambridge Systematics, entitled ''New England Transportation Initiative,'' indicates that northern New England's economy cannot fully expand without a carefully planned and implemented intermodal strategy. The study predicts that Maine's ports will gradually lose business to southern ports, primarily in New Jersey and New York, because of inadequate rail transportation and port access. In addition, the study predicts that business and jobs in New Hampshire and Vermont will not keep pace with other regions without a better strategy to efficiently move goods and people.

An exhaustive analysis by the Eastern Border Transportation Coalition regarding the trade and traffic flows across the eastern United States-Canada border projected a trade increase of close to 200 percent by the year 2015. The report also outlines that this increase could be hampered by a lack of adequate transportation options and overcrowded roads and highway border stations. To avoid this setback, rail options must be available. Without proper infrastructure development, New England's chance to take advantage of such economic growth will diminish.

The legislation we introduce today will authorize Federal spending to rehabilitate rail beds in Vermont, Maine, and New Hampshire, enabling them to improve their freight rail traffic and better handle the movement of goods and people with their borders. States will be able to apply separately to the U.S. Secretary of Transportation for individual grants. Grant funding is provided for a variety of categories: Port development and access; bridge and tunnel obstruction repair and replacement; repair of railroad beds; and development of intermodal facilities, including intermodal truck-train transfer facilities. Revitalization of these resources will allow freight and passenger trains to move freely throughout the region, reconnecting railroad towns long separated by the hazards of unpassable tracks.

The bill also establishes a loan assistant program. Railroad companies in Vermont, Maine, and New Hampshire will be able to access low interest loans to improve their rail lines in the region. The loans can be used for purchase of rolling stock, development of maintenance facilities, and many other capital improvements.

Without this legislation, Vermont, New Hampshire, and Maine may fail to benefit from future growth opportunities. Even though international shipping trade is expected to increase by 20 percent in the next 5 years, New England is less likely to benefit from the influx of business and jobs because of its decaying rail and port infrastructure. Improving rail lines will bring new life to our region, strengthening our industries and thereby our economies.

Mr. President, I would urge action on this legislation, because, as we are learning, ports and railroads are the life lines that will help to ensure the well-being of all of northern New England.

Ms. SNOWE. Mr. President, I rise today with my colleague and good friend, Senator JEFFORDS of Vermont, to introduce the Older Industrial Region Rail/Port Access and Modernization Act.

There is an old Yankee saying ''you can't get there from here''. If we do not take steps to upgrade our aging transportation infrastructure in order to allow us to be a vigorous competitor for the movement of goods, that saying may become a sad reality. That is why the bill we introduce today is so important to northern New England's future, because its purpose is to revitalize our aging rail infrastructure. As much as rail is a part of our Nation's history, it is also the pathway to a bright economic future.

The bill, which covers Vermont, New Hampshire, and Maine, will provide funding for improving and modernizing our freight rail system—removing obstacles like low bridges that constrict the use of double-stack trains, and intermodal facilities construction and maintenance. It would also provide funding to assist Maine's ports in updating and modernizing their facilities

and rail transport access. This upgrading is particularly important as studies have shown that Maine's ports are losing business to southern ports because of inadequate rail transport and access.

Under the bill, an 80/20 Federal/State share grant program would be created. The States could use this money for first, connecting all railroads to ports; second, removing, repairing or replacing bridges or other obstructions that inhibit the use of double-stack rail cars; third, repairing, upgrading and purchasing railbeds and tracks and fourth, constructing, operating and maintaining intermodal truck-train transfer facilities and train maintenance facilities.

Intermodalism is the future, as we have seen from the success of ISTEA. I have seen it at the intermodal facility in my hometown of Auburn, ME. Secretary of Transportation Rodney Slater visited the facility earlier this year with me and other members of the Maine delegation. After the visit, he told me that Auburn was a model facility that he would use in his travels as an example of how well the concept works when done correctly. Our bill will provide States with the flexibility to encourage new facilities and to upgrade current ones. It will provide our businesses with better, faster, more cost effective access to out of State markets and it will increase the viability of our three ports—Portland, Eastport, and Mack Point—by making them more attractive options for shipping and receiving goods.

More important is the basic fact that a modern transportation system is vital to any economic development. Our bill will allow the northern New England States to upgrade their aging infrastructure to ensure that we do not allow future economic development and growth to slip away because we cannot meet the transportation needs of business and industry in the coming years.

By Mr. ROTH:

S. 1088. A bill to suspend temporarily the duty on ACM; to the Committee on Finance.

LEGISLATION TO SUSPEND TEMPORARILY THE DUTY ON ACM

Mr. ROTH. Mr. President, I rise to introduce a bill to suspend the duty through December 31, 1999, on a product commonly known as ACM or [3-(Acetoxy)-3-cyanopropyl] methyl-phosphinic acid butylester, which falls under subheading 2931.00.90 of the Harmonized Tariff Schedule of the United States. ACM is an essential ingredient in the production of glufosinate ammonium, a patented nonselective, broad-spectrum herbicide, manufactured by AgrEvo USA under the brand name Liberty and used primarily in corn and soybean cultivation.

The cost to import ACM currently comprises roughly 90 percent of the total cost of manufacturing glufosinate ammonium. Suspension of this duty will substantially lower AgrEvo's cost of production and thereby improve the company's competitiveness.

By Mr. SPECTER (for himself, Mr. FORD, Mr. SANTORUM, Mr. HARKIN, Mr. INOUYE, Mr. INHOFE, Ms. MIKULSKI, Mrs. BOXER, Mr. ROCKEFELLER, Mr. BRYAN and Mr. DURBIN):

S. 1089. A bill to terminate the effectiveness of certain amendments to the foreign repair station rules of the Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRCRAFT REPAIR STATION SAFETY ACT OF 1997

Mr. SPECTER. Mr. President, I have sought recognition today to introduce legislation designed to address aviation safety concerns which arise out of the proliferation of aircraft repair facilities outside the United States which are used by airplanes that fly within our Nation every day. This legislation would change current regulations so that U.S. aircraft are repaired to the maximum extent possible by professional U.S. mechanics, properly trained and supervised, using certified parts. This bill also addresses the critical issue of substandard or uncertified airplane parts, known as bogus parts.

I am pleased to be joined by 10 of my Republican and Democratic colleagues in introducing the Aircraft Repair Station Safety Act of 1997, which is similar to a bill introduced by my colleague from Pennsylvania, Congressman BORSKI (H.R. 145) which currently has 135 cosponsors.

A key focus for many of us in the 105th Congress is aviation safety. As a member of the Transportation Appropriations Subcommittee, I have worked with my colleagues to ensure that we spend the maximum amount possible on improving our aviation infrastructure for safety purposes, including altogether new runways, runway extension projects, and new generations of radar and landing systems. Air travel is an essential element of our lives, as millions of Americans use airplanes for personal and business trips. Our economy is deeply rooted in the success of our aviation system, which makes it even more critical that we take all necessary steps to enhance aviation safety.

This legislation is intended to address a regulatory loophole created in November, 1988, when the Federal Aviation Administration promulgated new rules which weakened the restrictions on certification for foreign aircraft repair stations. The 1988 changes have resulted in a situation where FAA certification—the highest seal of approval in the world—is much too easy to obtain. Prior to those changes, a foreign repair facility had to demonstrate that there was a need to service aircraft engaged in international travel before they could get certified. But now, a station can receive FAA certification for the simple goal of attracting U.S. business. I am advised that repair stations in Tijuana, Mexico and Costa Rica applied for and received FAA certification even though few expect these locations to become new hubs for international travel. Instead, these facilities are becoming new hubs for stealing U.S. jobs and could potentially jeopardize aviation safety because of inadequacies in U.S. regulatory oversight.

One example of where work performed on an aircraft at a foreign facility had significant repercussions within the United States was the 1994 engine explosion and fire on a Valujet plane on the runway at Atlanta's Hartsfield International Airport, which necessitated the evacuation of the 57 passengers. According to media reports, the work was done at a Turkish repair station that lacked FAA approval, and whose shabby business practices included plating over a cracked and corroded compressor disk. Had the explosion occurred in midflight, the results could have been catastrophic.

When the 1988 regulations were adopted, the FAA expected that the number of foreign repair stations it certified would rise from the level of 200 to possibly 300 or 400. I understand that there are now nearly 500 such foreign aircraft repair stations with FAA certification. This comes at a time, however, when the FAA is having enough trouble inspecting domestic repair stations and enforcing aviation safety rules within facilities in the 50 States. I find it hard to believe that the FAA has sufficient resources to adequately investigate problems at the 480 foreign aircraft repair facilities in addition to its U.S. responsibilities.

I am advised that one recent phenomenon is that foreign repair facilities are being used by some U.S. carriers on a contract basis as a means of holding down costs, and some have become what have been termed virtual airlines because so little maintenance and repair work is done in-house. Instead of aircraft repair work being done at relatively few sites, countless contractors and subcontractors domestically and abroad are now filling that function.

I would note that the Gore Commission on Aviation Safety and Security stated in its Final Report of February 12, 1997 that:

> Considerable attention has been given to the issue of outsourcing of maintenance and other work, particularly in the wake of the Valujet crash. The Commission does not believe that outsourcing, in and of itself, presents a problem—if it is performed by qualified companies and individuals. *The proper focus of concern should be on the FAA's certification and oversight of any and all companies performing aviation safety functions, including repair stations certificated by the FAA but located outside of the United States.* (Emphasis added.)

A problem is that under the current regulatory framework, foreign aircraft repair stations have not had to demonstrate legitimate need or to meet all the standards and procedures imposed on U.S. stations. For example, I am advised that domestic facilities and their employees must meet rigorous worker

surveillance standards including broad drug and alcohol testing requirements. Many other nations seeking to compete do not have these same requirements in place or the same level of enforcement. There is also a discrepancy between the requirement that certain mechanics at a U.S. facility are certified airmen and the absence of such a mandate on certified foreign repair stations. One would think that this requirement is important enough to be imposed wherever a plane which flies within our borders is repaired and maintained. Accordingly, this legislation provides that all standards imposed on domestic repair stations and their employees must be imposed on foreign facilities and their employees.

In sponsoring this legislation, I am not attempting to deprive U.S. carriers of access to foreign repair facilities when necessary. Strategically based foreign repair stations have been part of our aviation network since 1949, when it was recognized that such stations were needed for the repair of U.S. aircraft operating outside our airspace. In addition, foreign manufacturers producing FAA-approved air frames or components have traditionally been allowed to support their products. Further, it is my intention that this legislation would not hinder the repair of U.S. aircraft abroad which do not operate within the United States.

This legislation would not change these accepted practices, but would give the FAA the opportunity to revisit this issue by returning the regulations governing the certification of repair stations to what they were before November, 1988. This legislation is aimed at the proliferation of foreign FAA-certified repair facilities which exist to service aircraft that, except for the cheap labor and lower regulatory oversight, would never leave the United States.

This legislation would also clamp down on the possibility that aircraft repair stations would knowingly use bogus parts instead of properly certified parts. The bogus airplane parts trade has become lucrative and gives real cause for concern. The FAA and law enforcement agencies have cracked down in recent years, resulting in 130 indictments across the country as of May, 1997 of people suspected of being dealers of bogus airplane parts. In one troubling media account, when an American Airlines plane crashed in Colombia in 1995, salvagers extracted valuable components from the plane before even all the bodies were collected and the parts were offered for sale in Miami shortly thereafter. Under this bill, if a facility is found to have knowingly used bogus parts, the FAA will revoke its certification.

In closing, I want to reiterate that the Aircraft Repair Station Safety Act of 1997 is a sensible approach to increased aviation safety. This is more than just a jobs issue; peoples lives and our economy are at stake. At a time when the FAA's resources are stretched thin, I do not believe it is in the public interest to continue to certify foreign aircraft repair facilities which we cannot observe or regulate adequately.

I look forward to working with the members of the Senate Commerce, Science, and Transportation Committee on this issue, as well as the carriers, both passenger and cargo, which operate under current regulations and whom I hope will support this legislation.

By Mr. BURNS (for himself, Mr. JOHNSON, Mr. MCCONNELL, MR. GRASSLEY, Mr. BROWNBACK, Mr. THURMOND, Mr. HELMS, Mr. DASCHLE, Mr. COCHRAN, Mr. HATCH, Mr. INHOFE, and Mr. CONRAD):

S. 1090. A bill to specify that States may waive requirements relating to commercial drivers' licenses under chapter 313 of title 49, United States Code, with respect to certain farm vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WAIVER LEGISLATION

Mr. BURNS. Mr. President, today I rise to correct an unintentional Federal burden that has been placed on a sector of our Nation's agricultural community.

The Commercial Motor Vehicle Safety Act of 1986 subjected operators of large trucks and buses to new regulations including the requirement that States devise a commercial driver's license [CDL] program by April 1, 1992.

The intent of this act was to improve highway safety by requiring a higher level of qualification and knowledge for those engaged in commercial trucking activities and was primarily aimed at addressing the safety issue of over-the-road, long-haul truckers.

In 1988, the Federal Highway Administration [FHwA] granted States the authority to waive the CDL requirements for farmers and others who operate large vehicles incidental to their occupations. States retained the right to impose restrictions and conditions on those for whom the waiver was applied.

Unfortunately, the CDL requirement continues to apply to many vehicle operators who are neither a highway safety hazard or engaged in commercial trucking enterprises. Such is the case of those engaged in the unique, seasonal business of harvesting the Nation's crops.

Custom harvesting is a service industry which, for a fee, provides farmers the personnel and equipment necessary to harvest their crops; relieving them of the need to invest, operate and maintain the costly, specialized equipment which can only be utilized on a limited seasonal basis.

Incidental to this service is providing the transportation equipment and drivers necessary to deliver those crops to on-farm or local storage or processing facilities.

This service harvests nearly 60 percent of the Nation's entire wheat crop from my State of Montana to Texas and many wheat growing States in between.

The vast majority of miles driven in providing this service are off-road or on low traffic density rural roads and highways. Because of the unique nature of this business and the substantial investment in equipment, the owner-operator of these predominantly small, family-owned businesses devote a significant amount of time and resources to employee training and safety education which is relevant to the service they provide, rather than simply accepting the generally inappropriate standards based on the urban-suburban driving needs requires for a CDL.

In addition, close supervision of the harvesting and transport activities is provided both during the actual harvesting operations and the movement of equipment from site to site.

Given the failure of the FHwA to acknowledge the unique characteristics of the custom harvesting business and to provide a reasonable waiver to States to determine an appropriate level of regulation for this industry, we are introducing legislation to provide States the authority to grant an exemption from the CDL requirements.

This legislation does not mandate that those engaged in activities such as custom harvesting will be unregulated. It does provide those States, who wish to do so, the opportunity to provide regulatory relief to an industry which is critical to the production of food and fiber in this country.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

JUNE 26, 1997.

Hon. CONRAD BURNS,
U.S. Senate, Washington, DC.

DEAR SENATOR BURNS: Recently you received a letter from Senator Conrad Burns and Tim Johnson requesting your co-sponsorship of legislation to modify the Commercial Driver's License (CDL) requirements for those engaged in custom harvesting and processing of our nation's crops. The membership of the undersigned organizations urge you to join in supporting the legislative relief provided in their bill.

The Commercial Motor Vehicle Safety Act of 1996, required that states develop and implement a CDL program by April 1, 1992 and a drug and alcohol testing program in 1996. It was intended to improve the safety performance of commercial, over-the-road trucking enterprises. In recognition of the unique nature of some trucking activities, the Federal Highway Administration provided States the authority to waive the CDL requirements for farmers, firefighters and others who operate large vehicles as part of their day-to-day business, but who were not engaged in commercial trucking. Individual states retained the ability to develop conditions and restrictions as part of the waiver process. Unfortunately, the CDL requirements still apply to that sector of agriculture which provides an important seasonal service by harvesting this nation's food and fiber crops and delivering the harvest to storage or processing for

individual farmers. These businesses pose little safety hazard, and are not engaged in hauling crops on a commercial basis. Their operations predominantly require skills associated with driving off-road or in low traffic density areas. Unlike commercial trucking operations, the drivers involved in the harvest are closely supervised both during the harvest activities and those limited times when they must utilize the nation's highway system to move from farm to farm.

Harvesters and agriculture processors currently provide education, training and experience for drivers that is directly applicable to the conditions those drivers will face throughout their employment. The CDL requirements force the employer to also train their drivers so they can obtain a license which is of little practical use in their workplace. This dual burden is costly, time consuming and has reduced the ability of the industry to find competent employees.

The legislation proposed by Senator Burns and Johnson does not eliminate the CDL requirement for all drivers in all states. It does, however, provide States the opportunity to determine the appropriate level of regulation which should be applied to this important segment of the agriculture industry.

We urge you contact Senator Conrad Burns (Randall Popelka 224–2644) or Senator Tim Johnson (Sarah Dahlin 224–5842) and join them in ensuring that custom harvesters and agriculture processors are able to continue providing this safe, professional, efficient and competitive service which benefits all Americans.

Sincerely,

American Farm Bureau Federation; National Barley Growers Association, National Cotton Ginners Association; U.S. Custom Harvesters, Inc.; National Association of Wheat Growers; National Cotton Council, and the National Grain Sorghum Producers Association.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1091. A bill to amend title 23, United States Code, to provide for maintenance of public roads used by schoolbuses serving certain Indian reservations; to the Committee on Environment and Public Works.

THE INDIAN RESERVATION SCHOOL ROADS MAINTENANCE ACT OF 1997

Mr. BINGAMAN. Mr. President, I rise today to introduce the Indian Reservation School Roads Maintenance Act of 1997. This bill, which is being cosponsored by my colleague from New Mexico, Senator DOMENICI, addresses a unique situation with respect to roads in and around Indian reservations and nearby counties that is actually preventing children from getting to and from school safely. Because of the unique nature of this situation, it can only be addressed at the Federal level.

I would like to start with an example of this unique problem and why I believe a Federal solution is necessary. As you can see, Mr. President, this first chart is a map of the Navajo Reservation in New Mexico, Arizona, and Utah. The Navajo Nation is by far the Nation's largest Indian reservation, covering 25,000 square miles. To give you an idea of its size, there are 10 States that are smaller than this reservation. For instance, it is the same size as the State of West Virginia.

According to the Bureau of Indian Affairs, there are 9,000 miles of roads that serve the Navajo Nation. Only one-fifth of these roads are paved—the rest, over 7,000 miles, are dirt roads. The schoolbuses have to use nearly all of the 9,000 miles of roads each and every day to get the kids to and from school.

About 6,400 miles of these roads on the reservation are BIA roads and over 2,500 miles are State and county roads. All public roads within, adjacent to, or leading to the reservation, including BIA, State, and county roads, are considered part of the Indian reservation road system. However, only BIA roads are eligible for Federal maintenance funding from BIA, and generally, construction and improvement funding from the Federal Lands Highways Program in ISTEA is applied to BIA roads. On the other hand, States and counties are responsible for maintenance and improvement of their roads.

Mr. President, the Federal Government is asking the States and counties to bear too large a burden for road maintenance in this unique situation, given the resources most of these counties have. For example, counties around the Navajo Reservation are predominantly comprised of Federal or tribal lands. Three-quarters of McKinley County in my State of New Mexico is either tribal or Federal land, including BLM, Forest Service, and military. This next map is of McKinley County, and as you can see, Mr. President, everything shown on this map that is either orange, yellow, green, or red, is tribal or Federal land. The Indian land area alone comprises 61 percent of the county. As you can see, everything else is county land, which is a very small fraction of total land area. Therefore, there is a very small tax base on which the county can rely as a source of revenue for maintenance purposes. The picture for San Juan County in the northwest corner of New Mexico is very much the same.

Mr. President, families living in and around the reservation are no different from families anywhere else; their children are entitled to the same opportunity to get to school safely and get a good education. However, the miles and miles of unpaved, deficient roads in this vast area are frequently impassable. If the schoolbuses don't get through, the kids simply cannot get to school.

Of the 600 miles of county-maintained roads in McKinley County, 550 miles serve Indian land. Because of the vastness of the reservation, this is a cost that the counties in New Mexico, Arizona, and Utah simply cannot and should not have to bear without Federal assistance. Indeed, because of the large tribal and Federal presence in these counties, it is encumbent upon the Federal Government to provide this assistance.

What my bill does is set aside $10 million from the highway trust fund that counties such as these can apply for to help maintain the roads used by schoolbuses to carry children to school or to a Headstart program. Let me be very clear: these Federal funds can be used only on roads that are located within, or that lead to the reservation, that are on the State or county maintenance system, and that are used by schoolbuses.

Let me just state again, Mr. President, that maintaining schoolbus routes in this vast area is a unique problem that only the Federal Government can effectively deal with.

I don't believe any child wanting to get to and from school safely should have to risk or tolerate unsafe roads. Kids today, particularly in rural areas, already face enough barriers to getting a good education. I ask all Senators to join with me in assuring that all schoolchildren at least have a chance to get to school safely and have an opportunity for an education. I urge all of my colleagues to support this bill.

Mr. President, I ask unanimous consent that the full text of the bill, a summary, a McKinley County Commission resolution, a letter from the McKinley County road superintendent, David Acosta, and a letter from the Northwest New Mexico Council of Governments be included in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 1091

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

SECTION 1. INDIAN RESERVATION SCHOOL ROADS.

(a) FUNDING.—Section 1003(a)(6) of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 1919) is amended by adding at the end the following:

''(D) INDIAN RESERVATION SCHOOL ROADS.—For maintenance of Indian reservation school roads $10,000,000 for each of fiscal years 1998 through 2003.''.

(b) DEFINITION OF INDIAN RESERVATION SCHOOL ROAD.—Section 101 of title 23, United States Code, is amended by inserting after the undesignated paragraph defining ''Indian reservation roads'' the following:

''The term 'Indian reservation school road'' means a public road that—

''(A) is within, is adjacent to, or provides access to an Indian reservation (including associated trust land and restricted Indian land) having a land area of 10,000,000 acres or more; and

''(B) is used by a school bus to transport children to or from a school or Headstart program.''.

(c) MAINTENANCE UNDER THE FEDERAL LANDS HIGHWAYS PROGRAM.—Section 204 of title 23, United States Code, is amended—

(1) in the first sentence of subsection (a) by striking ''and Indian reservation roads'' and inserting ''Indian reservation roads, and Indian reservation school roads'';

(2) in subsection (b), by inserting after the second sentence the following: ''Funds available for Indian reservation school roads shall be used by the Secretary to pay for the cost of maintenance of Indian reservation school roads in accordance with subsection (k).'';

(3) in the last sentence of subsection (c), by striking ''The Bureau'' and inserting ''Subject to subsection (k), the Bureau''; and

(4) by adding at the end the following:

''(k) INDIAN RESERVATION SCHOOL ROADS.—

''(1) FUNDING.—A State or county with an Indian reservation school road on its maintenance system may apply for funding from the Secretary for maintenance of the Indian reservation school road, which the Secretary may grant if the Secretary determines that funding for maintenance of the road from other sources is not sufficient to provide maintenance that ensures the safety and welfare of children being transported in a school bus to and from a school or Headstart program.

''(2) METHOD OF CONTRACTING.—All maintenance work funded under this subsection shall be performed—

''(A) by contract awarded by competitive bidding; or

''(B) by a State or county that the Secretary has determined has the ability to administer efficiently funds granted for the maintenance of Indian reservation school roads.

''(3) SUPPLEMENTARY FUNDING.—The Secretary shall ensure that funding made available under this subsection for maintenance of Indian reservation school roads for each fiscal year is supplementary to and not in lieu of any obligation of funds by the Bureau of Indian Affairs for road maintenance programs on Indian reservations.''.

BILL SUMMARY—INDIAN RESERVATION SCHOOL ROADS MAINTENANCE ACT OF 1997

The bill creates a new category of funding called ''Indian reservation school roads'' in the existing Federal Lands Highways Program (ISTEA, section 204 of title 23). This new category is in addition to the existing Indian reservation roads category. The authorized level of funding is $10 million per year for six years from the Highway Trust Fund, other than the mass transit account.

Indian reservation school roads are defined to be public roads that are within, adjacent to, or provide access to an Indian reservation (including associated Indian trust lands and restricted Indian lands) with a land area of at least 10 million acres and are used by school buses to transport children to or from school or Headstart programs.

A state or county with an Indian reservation school road on its maintenance system may apply to the Secretary of Transportation for funding for maintenance of a school bus road. The Secretary may grant funding if the Secretary determines the roads are not being maintained adequately to ensure the safety and welfare of children being transported to and from school or headstart program.

Maintenance work shall be performed by contract awarded by competitive bidding or by a state or county that the Secretary has determined has the ability to administer funds granted for the maintenance of Indian reservation school roads.

Funds provided for maintenance of Indian reservation school roads is supplemental to any funding for maintenance of Indian reservation roads provided by the Bureau of Indian Affairs.

STATE OF NEW MEXICO, COUNTY OF MCKINLEY, RESOLUTION NO. SEP–96–078

Whereas, the McKinley County Board of Commissioners has entered into a intergovernmental agreement with the Navajo Nation and the Bureau of Indian Affairs (BIA) to provide road maintenance on school bus routes within the McKinley County portion of the Navajo Nation; and

Whereas, McKinley County, the Navajo Nation and the BIA are aware of the many additional miles of roads on the reservation that are used for school bus routes but are not maintained due to a shortfall in maintenance funds; and

Whereas, the maintenance of school bus routes is necessary and a benefit to Navajo students and will provide continued access to the public education system in McKinley County; Now, therefore be it

Resolved, That McKinley County requests that in the reauthorization of the ISTEA program in 1997 that the United States Congress allow twenty-five percent (25%) of those funds allocated to the Navajo Nation for new road construction, be set aside for maintenance of existing school bus routes.

Passed, approved and adopted by the governing body at its meeting of September 30, 1996.

COUNTY OF MCKINLEY,
Gallup, NM, August 29, 1996.

Hon. JEFF BINGAMAN,
Senator, New Mexico,
Senate Office Building, Washington, DC.
Attention: Mr. Steve Clemens

DEAR STEVE: McKinley County is responsible for the maintenance of approximately 591.343 miles of roadway. Approximately 450 miles consist of unimproved dirt roads. The majority of roads serve as school bus routes for the Gallup-McKinley County Schools, BIA Schools, and several private and parochial schools. McKinley County is comprised of approximately 5,454 total square miles, with approximately 61% of the land base classified as Native American and BIA lands. McKinley County has approximately 540 miles of maintained roads which provide access to and within the Indian Reservation, Indian Trusts Lands, and Restricted Indian Lands.

Our request is that the upcoming Intermodal Service Transportation Efficiency Act (ISTEA) legislation be modified to provide greater flexibility in the use of ISTEA funds on local roadways, or modify the upcoming reauthorized version of ISTEA to establish a ''Rural Area Set Aside for Local Roads''. McKinley County would benefit greatly if County Government could become eligible under the Indian Reservation Roads (IRR) set aside funding. Currently the funding consists of $191 million dollars per fiscal year which is allocated directly to Indian Tribes and BIA.

The current legislation prohibits the use of ISTEA Surface Transportation Funds for any roads that are functionally classified as local or rural minor collectors. Since virtually all County roads fall under this category, counties throughout the nation do not currently qualify for ISTEA funding.

On behalf of all counties within New Mexico, we are requesting that the reauthorization of ISTEA funding have the specific language which will provide funding for County Government.

If you have any questions or need further clarification, please do not hesitate to notify me at (505) 722–7171. Thank you for your assistance and support to McKinley County.

Sincerely,

DAVID J. ACOSTA,
Road Superintendent.

NORTHWEST NEW MEXICO
COUNCIL OF GOVERNMENTS,
Gallup, NM, July 25, 1997.

Hon. JEFF BINGAMAN,
U.S. Senate, Hart Building,
Washington, DC.

DEAR SENATOR BINGAMAN: I am writing to express my support and endorsement of your proposed bill pertaining to school bus route roads on the Navajo Nation Reservation. (An amendment to Section 1000 (a)(6) of the Intermodal Surface Transportation Efficiency Act of 1991) The school bus routes in northwest New Mexico, like much of the road network in the region, are not well maintained. McKinley and San Juan Counties public school systems, the BIA, and private schools all provide educational opportunities to children on the Navajo Reservation. The counties' school system, and school bus route system is extensive, yet there are not adequate funds to maintain school bus routes at the county level. Other routes and counties in and around the Navajo Reservation have these same problems.

This additional funding would allow the county school systems to provide safe, adequate transportation of children on the reservation to and from school.

Please contact me if you have any questions.

Sincerely,

PATRICIA LUNDSTROM,
Executive Director.

By Mr. MURKOWSKI:

S. 1092. A bill to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, AK, and King Cove, AK, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. MURKOWSKI. Mr. President, today I rise to introduce legislation to benefit one of Alaska's most isolated regions, the Alaska Peninsula. This bill, The Izembek Refuge Land Exchange Act, provides a balanced approach to a difficult problem. In this remote area, there is a small Aleut Native village, King Cove, which is completely isolated from other Alaska cities and towns, and the rest of the world. The only way you can get to King Cove is by air or sea. And in this part of Alaska, the weather is so bad that neither sea or air is very reliable.

My bill will permit King Cove to be connected to the rest of the world through a road link to Cold Bay, a regional center, and the location of a good, all weather airport which can provide year round and emergency medical evacuation for the residents of King Cove. Currently, when somebody is injured or gravely ill, treatment is at the mercy of weather and sea conditions.

Mr. President, King Cove is a tough place to live and the residents are tough and independent people. Their ancestors migrated to this part of the State thousands of years ago and have made a life out of this area with its rich bounty of fish. But people get sick there just like any place in the country, emergencies happen there more than most other places in America because the lifestyle is so close to the edge.

We have had long debates in this body this year about access to health care. Nowhere does this take on a more dramatic meaning than in King Cove. When I say access, I mean access. That means the actual physical ability to get to a hospital in Anchorage or Seattle to get the specialized health care needed in the event of a serious emergency or sickness. Right now, the residents of King Cove do not have this access. Since 1981, 11 air crash fatalities have occurred flying residentS from King Cove to Cold Bay. Numerous other crashes have also occurred, luckily without fatalities.

Many of these crashes involved flying injured or sick people out of King Cove in an attempt to get emergency care. Often the trip to care is as dangerous as the infliction itself. For example, in 1981, a medivac plane was forced to leave King Cove for an emergency/life and death rescue mission. There was no alternative to this flight and the plane crashed. Four people died including the pilot and the medivac victim. Six years ago another fatal crash occurred with six people killed. The list goes on.

This is a terrible place to have to fly out of if you cannot afford to wait. On medical emergencies, nobody can afford to wait. These residents are predominantly Alaska Natives, Aleuts for the most part. They have a good Alaska Native hospital available to them in Anchorage. In fact, thanks to this body, it is a new hospital with great facilities. But it might as well be on the dark side of the Moon for the residents of King Cove. When they need it, they can't be sure they will be able to get to it.

This legislation provides the solution by allowing ground access to an all-weather runway only 30 miles from King Cove in Cold Bay. In fact, thanks to World War II, Cold Bay has the third longest runway in the State. The runway has modern all weather equipment such as instrument landing systems and many other modern landing system improvements. In the past 4 years, the Cold Bay airport has seen only one instance in which air traffic from Anchorage could not land. It is safe to say that air operations can occur here in virtually all weather and can accommodate the King Cove emergency needs at all times. With no road between King Cove and Cold Bay there will be no hope for those seeking help. My bill would provide a land exchange that will permit the road to be built between King Cove and Cold Bay. This is the reasonable solution.

Mr. President, there is a need for this road, but there will be concerns raised because most of that road will be sited through the Izembek National Wildlife Refuge. This is unavoidable. The refuge is located completely astride the route between King Cove and Cold Bay. This is nobody's fault, and I know that the Fish and Wildlife Service has concerns. I also have concerns and my constituents and I are prepared to do what it takes to minimize the impact of this road on the surrounding area and resources.

The King Cove Corp. has proposed an exchange for valuable wetlands it owns near the refuge for the road right of way. The bulk of the right of way is already owned by King Cove as an inholding in the refuge. Only 7 miles is not owned by King Cove and this is the Federal land which would be exchanged under my bill. That portion is in the wilderness portion of the refuge, but there is no alternative to this except further danger to my constituents and the inevitable death and destruction to future victims of the next air crash.

Mr. President, I stand ready to work with the Fish and Wildlife Service to make this as constructive process as possible, but make no mistake, it is absolutely critical that this road be built. My constituents deserve a way to save their lives in times of emergency. They cannot be hostage to fear for life and limb.

By Mr. KERRY (for himself and Mr. McCAIN):

S. 1093. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of the Lao People's Democratic Republic, and for other purposes; to the Committee on finance.

LAO PEOPLE'S DEMOCRATIC REPUBLIC MOST-FAVORED-NATION LEGISLATION

Mr. KERRY. Mr. President, today I am introducing legislation, along with Senator McCAIN, to extend nondiscriminatory treatment most-favored-nation treatment to the products of the Lao People's Democratic Republic. To avoid confusion, let me say at the outset that this bill, if enacted into law, would not give Laos special tariff treatment but rather put it on a par with the vast majority of our trading partners. This bill is identical to H.R. 2132, introduced in the House of Representatives by Congressman CRANE. The administration strongly supports this bill.

Recognizing the importance of a free market economy to economic growth and development, Laotian political leaders, in the late 1980's, made a fundamental decision to abandon Laos' centrally planned economic system and adopt free market reforms. Since taking this decision, the Laotian Government has embarked upon a constant process of reform. Over 90 percent of the 600 state-owned enterprises have been privatized. The foreign investment code, first adopted in 1989, was further liberalized in 1994 to make it consistent with World Trade Organization [WTO] standards. Laotian tariffs have been consistently reduced. An import-export regime consistent with WTO standards has been legislated. In 1995 an intellectual property, patent and trademark protection law was enacted. Laos has complied with International Monetary Fund guidelines on fiscal policy, instituted making reforms, and is following stringent fiscal management to reduce inflation.

In recognition of these developments, the Association of Southeast Asian Nations [ASEAN] admitted Laos as a member this month. The Laotian Government is now revising its laws and regulations, as necessary, to be consistent with ASEAN and ASEAN free trade agreement requirements.

The United States and Laos have also taken steps to improve bilateral economic relations. Last year, an OPIC agreement was successfully negotiated. The U.S. Trade Representative's Office and Laotian officials are currently negotiating a bilateral trade agreement, which will also meet WTO standards.

Reform in the economic area has been accompanied by major political changes as well in Laos. All but three political prisoners from the Southeast Asian war era have been released. In 1990 the Laotian Government adopted a constitution and bill of rights based on principles enshrined in the U.S. Constitution. In fact, American lawyers, serving as consultants, played a major role in writing these documents. Nationwide elections by secret ballot in 1992 led to the creation of a new National Assembly. Although still a one-party state, it is worth noting that individual candidates did not have to be Communist Party members to run in the elections, and in fact, several members of the assembly are not Communist Party members. The Laotian Government is also making a concerted effort to enhance the independence of the judiciary.

The United States and Laos have established good working relations, particularly on two issues of great importance to us—POW/MIA and counter narcotics. Extending MFN to Laos makes sense economically, in terms of the Laotian commitment to economic reform, and in terms of our overall bilateral relationship.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1093

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

SECTION I. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the Lao People's Democratic Republic is striving to shed centralized government control of its economy in favor of market-oriented reforms;

(2) extension of unconditional most-favored-nation treatment would assist the Lao People's Democratic Republic in developing its economy based on free market principles and becoming competitive in the global marketplace;

(3) establishing normal commercial relations on a reciprocal basis with the Lao People's Democratic Republic will promote United States exports to the rapidly growing Southeast Asian region and expand opportunities for United States business and investment in the Lao People's Democratic Republic economy;

(4) United States and Laotian commercial interests would benefit from a commercial agreement between the United States and the Lao People's Democratic Republic providing for market access and the protection of intellectual property rights;

(5) economic reform in the Lao People's Democratic Republic is increasingly important as that country integrates into the ASEAN free-trade area and accedes to the World Trade Organization; and

(6) expanding bilateral trade relations that include a commercial agreement may promote further progress by the Lao People's Democratic Republic on human rights and democratic rule and assist that country in adopting regional and world trading rules and principles.

SEC. 2. EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF THE LAO PEOPLES DEMOCRATIC REPUBLIC.

(a) HARMONIZED TARIFF SCHEDULE AMENDMENT.—General note 3(b) of the Harmonized Tariff Schedule of the United States is amended by striking ''Laos''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the effective date of a notice published in the Federal Register by the United States Trade Representative that a trade agreement obligating reciprocal most-favored-nation treatment between the Lao People's Democratic Republic and the United States has entered into force.

SEC. 3. REPORT TO CONGRESS.

The President shall submit to the Congress, not later than 18 months after the date of the enactment of this Act, a report on the trade relations between the United States and the Lao People's Democratic Republic pursuant to the trade agreement described in section 2(b).

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 39, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 322

At the request of Mr. GRAMS, the names of the Senator from Ohio [Mr. DEWINE], the Senator from Indiana [Mr. COATS], the Senator from Oregon [Mr. WYDEN], and the Senator from Colorado [Mr. ALLARD] were added as cosponsors of S. 322, a bill to amend the Agricultural Market Transition Act to repeal the Northeast Interstate Dairy Compact provision.

S. 539

At the request of Mr. BYRD, his name was added as a cosponsor of S. 539, a bill to exempt agreements relating to voluntary guidelines governing telecast material from the applicability of the antitrust laws.

S. 727

At the request of Mrs. FEINSTEIN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 727, A bil to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for annual screening mammography for women 40 years of age or older if the coverage or plans include coverage for diagnostic mammography.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 859

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 859, a bill to repeal the increase in tax on social security benefits.

S. 1009

At the request of Mr. KENNEDY, the names of the Senator from Minnesota [Mr. WELLSTONE] and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 1009, a bill to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage.

S. 1054

At the request of Mr. COCHRAN, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1054, a bill to amend title II of the Social Security Act to establish, for purposes of disability determinations under such titles, a uniform minimum level of earnings, for demonstrating ability to engage in substantial gainful activity, at the level currently applicable solely to blind individuals.

S. 1083

At the request of Mr. MACK, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1083, a bill to provide structure for and introduce balance into a policy of meaningful engagement with the People's Republic of China.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. HELMS, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution expressing the sense of the Congress that the Republic of China should be admitted to multilateral economic institutions, including the International Monetary Fund and the International Bank for Reconstruction and Development.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. HUTCHINSON, the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution recognizing and commending American airmen held as political prisoners at the Buchenwald concentration camp during World War II for their service, bravery, and, fortitude.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. GLENN, the names of the Senator from Delaware [Mr. BIDEN], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Concurrent Resolution 45, a concurrent resolution commending Dr. Hans Blix for his distinguished service as Director General of the International Atomic Energy Agency on the occasion of his retirement.

SENATE RESOLUTION 102

At the request of Mr. SPECTER, the names of the Senator from California [Mrs. FEINSTEIN], the Senator from South Dakota [Mr. JOHNSON], the Senator from Utah [Mr. HATCH], the Senator from Florida [Mr. MACK], the Senator from Massachusetts [Mr. KERRY], and the Senator from Michigan [Mr. ABRAHAM] were added as cosponsors of Senate Resolution 102, a resolution designating August 15, 1997, as ''Indian Independence Day: A National Day of Celebration of Indian and American Democracy.''

AMENDMENT NO. 1027

At the request of Mr. KENNEDY his name was added as a cosponsor of amendment No. 1027 proposed to S. 1022, an original bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

SENATE CONCURRENT RESOLUTION 46—ORIGINAL RESOLUTION REPORTED BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. HELMS, from the Committee on Foreign Relations, reported the following original resolution; which was placed on the calendar:

S. CON. RES. 46

Whereas on July 30, 1997, two terrorist bombs exploded almost simultaneously in an open air Jerusalem market, killing at least 18 people, and wounding more than 100, and

Whereas this attack is a violent and vicious attack against the peace process and against the people of Israel: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) Expresses the deep condolences of the Congress and the American people to the people of Israel for the loss of life and the serious injuries that have been suffered in the terrorist bombing in the Jerusalem market and expresses the solidarity of the American people with the people of Israel in the wake of this tragic and senseless act;

(2) Expresses the determination of the Congress to join with the government of Israel in fighting against terrorism;

(3) Urges Yasser Arafat and officials of the Palestinian Authority to do more to combat terrorism and to eliminate terrorist networks in areas under their control;

(4) Calls on Yasser Arafat and officials of the Palestinian Authority to cooperate more intensively with the Israeli government in fighting terrorism; and

(5) Reaffirms the commitment of the United States Congress to peace in the Middle East and urges all parties to work together to bring an end to terrorism and to promote lasting peace and security in the region.

THE REPREHENSIBLE BOMBING IN JERUSALEM

Mr. HELMS. Mr. President, this morning, the Foreign Relations Committee approved and sent to the Senate an original resolution—Senate Concurrent Resolution 46—condemning the terrorist attack in Israel at 1:15 p.m. Wednesday afternoon, Israel time, when two terrorists entered a market in the center of Jerusalem and blew themselves up, killing at least 12 Israelis, and leaving 120 wounded, at least 20 of whom are described in critical condition.

Mr. President, the reason for this attack was probably yesterday's announcement that the peace talks between Israel and the Palestinians were about to resume. Clearly, the terrorists decided to try to derail the peace process by murdering innocent people.

They perhaps have succeeded, because the peace process, Mr. President, is meaningless if there is no security for the people of Israel.

It is reported that Yasser Arafat telephoned Prime Minister Netanyahu to apologize for the bombing. He has had ample practice in issuing apologies and regrets for Palestinian attacks on Jews. But rhetoric is cheap. The question all of us must ask is: ''Has Yasser Arafat done what it takes to rid the territories under his control of terrorists?'' The answer to that is obvious: no.

The United States has done a great deal, too much, some contend, to support the Palestinian Authority. What has the Authority done to crack down on terror? Not nearly enough. Palestinian police officials are implicated in murders; terrorists are operating freely in areas under the Palestinian Authority's control.

Now dozens of innocent people lie dead and wounded. Not soldiers. Not military or police personnel. Just innocent people—mothers, fathers, children. There is no peace in this process.

SENATE RESOLUTION 110—RELATIVE TO THE SENATE FLOOR

Mr. WYDEN (for himself and Mr. WARNER) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 110

Resolved, That an individual with a disability who has or is granted the privilege of the Senate floor under rule XXIII of the Standing Rules of the Senate may bring necessary supporting aids and services (including service dogs, wheelchairs, and interpreters) on the Senate floor, unless the Senate Sergeant at Arms determines that the use of such supporting aids and services would place a significant difficulty or expense on the operations of the Senate in accordance with paragraph 2 of rule 4 of the Rules for Regulation of the Senate Wing of the United States Capitol.

AMENDMENTS SUBMITTED

THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

SNOWE (AND OTHERS) AMENDMENT NO. 1045

Ms. SNOWE (for herself, Mr. BREAUX, Mr. STEVENS, and Mr. MCCAIN) proposed an amendment to the bill (S. 39) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes; as follows:

In lieu of the matter proposed to be inserted by the committee amendment, insert the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSES AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) EXCEPTIONS TO MORATORIUM.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103.''; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) DOCUMENTATION REQUIRED.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is further amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of section 4 of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of section 4 of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per-stock per-year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed the limits determined for 1997, or for any year thereafter, consistent with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation program;'';

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(3) by inserting after subparagraph (B) the following:

''(C) shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna commission to release complete and accurate information to the Secretary in a timely manner—

''(I) to allow determination of compliance with the International Dolphin Conservation Program; and

''(II) for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(ii) after taking into consideration such information, funding of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) CERTAIN INCIDENTAL TAKINGS.—Section 101 (16 U.S.C. 1371) is further amended by adding at the end the following new subsection:

''(e) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) PERMITS.—Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 306 of this Act, subject to the regulations issued pursuant to section 303 of this Act.''

(e) INTERNATIONAL NEGOTIATIONS.—Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by inserting after subparagraph (B) the following:

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) RESEARCH GRANTS.—Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

SEC. 5. AMENDMENTS TO DOLPHIN PROTECTION CONSUMER INFORMATION ACT.

(a) LABELING STANDARD.—Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended to read as follows:

''(d) LABELING STANDARD.—

''(1) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'dolphin safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product were harvested using a method of fishing that is not harmful to dolphins if the product contains tuna harvested—

''(A) on the high seas by a vessel engaged in driftnet fishing;

''(B) outside the eastern tropical Pacific Ocean by a vessel using purse seine nets—

''(i) in a fishery in which the Secretary has determined that a regular and significant association occurs between dolphins and tuna (similar to the association between dolphins and tuna in the eastern tropical Pacific Ocean), unless such product is accompanied by a written statement, executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary, certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna were caught and no dolphins were killed or seriously injured in the sets in which the tuna were caught; or

''(ii) in any other fishery (other than a fishery described in subparagraph (D)) unless the product is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna was harvested;

''(C) in the eastern tropical Pacific Ocean by a vessel using a purse seine net unless the tuna meet the requirements for being considered dolphin safe under paragraph (2); or

''(D) by a vessel in a fishery other than one described in subparagraph (A), (B), or (C) that is identified by the Secretary as having a regular and significant mortality or serious injury of dolphins, unless such product is accompanied by a written statement executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary that no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught, provided that the Secretary determines that such an observer statement is necessary.

''(2) For purposes of paragraph (1)(C), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain providing the certification required under subsection (h);

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer provided the certification required under subsection (h); and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which provide for the verification of tuna products as dolphin safe.

''(3)(A) The Secretary of Commerce shall develop an official mark that may be used to label tuna products as dolphin safe in accordance with this Act.

''(B) A tuna product that bears the dolphin safe mark developed under subparagraph (A) shall not bear any other label or mark that refers to dolphins, porpoises, or marine mammals.

''(C) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to label a tuna product with any label or mark that refers to dolphins, porpoises, or marine mammals other than the mark developed under subparagraph (A) unless—

''(i) no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught;

''(ii) the label is supported by a tracking and verification program which is comparable in effectiveness to the program established under subsection (f); and

''(iii) the label complies with all applicable labeling, marketing, and advertising laws and regulations of the Federal Trade Commission, including any guidelines for environmental labeling.

''(D) If the Secretary determines that the use of a label referred to in subparagraph (C) is substantially undermining the conservation goals of the International Dolphin Conservation Program, the Secretary shall report that determination to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, along with recommendations to correct such problems.

''(E) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) willingly and knowingly to use a label referred to in subparagraph (C) in a campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.''.

(b) TRACKING REGULATIONS.—Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this Act, including regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall address each of the following items:

''(1) The use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported.

''(2) Additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures.

''(3) The designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d).

''(4) The reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set.

''(5) The shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise.

''(6) The use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

''(7) The provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake

the actions required in paragraph (6) of this paragraph.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

(c) FINDINGS CONCERNING IMPACT ON DEPLETED STOCKS.—The Dolphin Protection Consumer Information Act (16 U.S.C. 1385) is amended by striking subsections (g), (h), and (i) and inserting the following:

''(g) SECRETARIAL FINDINGS.—(1) Between March 1, 1999, and March 31, 1999, the Secretary shall, on the basis of the research conducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make an initial finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The initial finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(2) Between July 1, 2001, and December 31, 2002, the Secretary shall, on the basis of the completed study conducted under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make a finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(h) CERTIFICATION BY CAPTAIN BY OBSERVER.—

''(1) Unless otherwise required by paragraph (2), the certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified in subsection (d)(2)(B)(ii) shall be that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

''(2) The certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified under subsection (d)(2)(B)(ii) shall be that no tuna were caught on the trip in which such tuna were harvested using a purse seine net intentionally deployed on or to encircle dolphins, and that no dolphins were killed or seriously injured during the sets in which the tuna were caught, if the tuna were caught on a trip commencing—

''(A) before the effective date of the initial finding by the Secretary under subsection (g)(1);

''(B) after the effective date of such initial finding and before the effective date of the finding of the Secretary under subsection (g)(2), where the initial finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any depleted dolphin stock; or

''(C) after the effective date of the finding under subsection (g)(2), where such finding is that the intentional deployment of or encirclement of dolphins is having a significant adverse impact on any such depleted stock.''.

SEC. 6. AMENDMENTS TO TITLE III.

(a) CHANGE OF TITLE HEADING.—The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) ADDITIONAL FINDINGS.—Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues, that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Title III (16 U.S.C. 1411 et seq.) is amended by striking sections 302 through 306 (16 U.S.C. 1412 through 1416) and inserting the following:

''SEC. 302. INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

''The Secretary of State, in consultation with the Secretary, shall seek to secure a binding international people to establish an International Dolphin Conservation Program that requires—

''(1) that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(2) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2000, at a level between 0.2 percent and 0.1 percent of the minimum population estimate, as calculated, revised, or approved by the Secretary;

''(3) the establishment of a per-stock per-year dolphin mortality limit, beginning with the calendar year 2001, at a level less than or equal to 0.1 percent of the minimum population estimate as calculated, revised, or approved by the Secretary;

''(4) that if a dolphin mortality limit is exceeded under—

''(A) paragraph (1), all sets on dolphins shall cease for the applicable fishing year; and

''(B) paragraph (2) or (3), all sets on the stocks covered under paragraph (2) or (3) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(5) a scientific review and assessment to be conducted in calendar year 1998 to—

''(A) assess progress in meeting the objectives set for calendar year 2000 under paragraph (2); and

''(B) as appropriate, consider recommendations for meeting these objectives;

''(6) a scientific review and assessment to be conducted in calendar year 2000—

''(A) to review the stocks covered under paragraph (3); and

''(B) as appropriate to consider recommendations to further the objectives set under that paragraph;

''(7) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under paragraphs (1) through (3); and

''(8) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''SEC. 303. REGULATORY AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations, and revise those regulations as may be appropriate, to implement the International Dolphin Conservation Program.

''(2)(A) The Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of, or serious injury to, marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin morality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or serious injury do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing within the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not internationally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determine, on the basis of the best scientific information available (including research conducted under section 304 and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse impact on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her determination, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's determination under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the actions necessary to reduce incidental mortality and serious injury and mitigate the adverse impact which resulted in the determination. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''SEC. 304. RESEARCH.

''(a) REQUIRED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, conduct a study of the effect of intentional encirclement (including chase) on dolphins and dolphin stocks incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The study, which shall commence on October 1, 1997, shall consist of abundance surveys as described in paragraph (2) and stress studies as described in paragraph (3), and shall address the question of whether such encirclement is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean.

''(2) POPULATION ABUNDANCE SURVEYS.—The abundance surveys under this subsection shall survey the abundance of such depleted stocks and shall be conducted during each of the calendar years 1998, 1999, and 2000.

''(3) STRESS STUDIES.—The stress studies under this subsection shall include—

''(A) a review of relevant stress-related research and a 3-year series of necropsy samples from dolphins obtained by commercial vessels;

''(B) a 1-year review of relevant historical demographic and biological data related to dolphins and dolphin stocks referred to in paragraph (1); and

''(C) an experiment involving the repeated chasing and capturing of dolphins by means of intentional encirclement.

''(4) REPORT.—No later than 90 days after publishing the finding under subsection (g)(2) of the Dolphin Protection Consumer Information Act, the Secretary shall complete and submit a report containing the results of the research described in this subsection to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representative Committees on Resources and on Commerce, and to the Inter-American Tropical Tuna Commission.

''(b) OTHER RESEARCH.—

''(1) IN GENERAL.—In addition to conducting the research described in subsection (a), the Secretary shall, in consultation with the Marine Mammal Commission and in cooperation with the nations participating in the International Dolphin Conservation Program and the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1) may include—

''(A) projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States; and

''(D) projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks and nontarget species.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) There are authorized to be appropriated to the Secretary the following amounts, to be used by the Secretary to carry out the research described in subsection (a):

''(A) $4,000,000 for fiscal year 1998.

''(B) $3,000,000 for fiscal year 1999.

''(C) $4,000,000 for fiscal year 2000.

''(D) $1,000,000 for fiscal year 2001.

''(2) In addition to the amount authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Secretary for carrying out this section $3,000,000 for each of the fiscal years 1998, 1999, 2000, and 2001.

''SEC. 305. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 304;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the program's goals and objectives, including the protection of dolphin stocks in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.

SEC. 306. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 303, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 303, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorization and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 307;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 307; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

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

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

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

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(d) Section 307 (16 U.S.C. 1417) is amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued under pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(e) Section 308 (16 U.S.C. 1418) is repealed.

(f) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. International Dolphin Conservation Program.
''Sec. 303. Regulatory authority of the Secretary.
''Sec. 304. Research.
''Sec. 305. Reports by the Secretary.
''Sec. 306. Permits.
''Sec. 307. Prohibitions.''.

SEC. 7. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

''SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

''The Secretary of State, in consultation with the Secretary of Commerce and acting through the United States Commissioners, shall seek, in cooperation with other nations whose vessel fish for tuna in the eastern tropical Pacific Ocean, to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

''(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

''(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

''(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

''(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.''.

SEC. 8. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN FORCE.—Sections 3 through 7 of this Act (except for section 304 of the Marine Mammal Protection Act of 1972 as added by section 6 of this Act) shall become effective upon—

(1) certification by the Secretary of Commerce that—

(A) sufficient funding is available to complete the first year of the study required under section 304(a) of the Marine Mammal Protection Act of 1972, as so added; and

(B) the study has commenced; and

(2) certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in force.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), the Secretary of Commerce may issue regulations under—

(1) subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 5(b) of this Act'

(2) section 303(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1413(a)), as added by section 6(c) of this Act,

at any time after the date of enactment of this Act.

THE NEED-BASED EDUCATIONAL AID ANTITRUST PROTECTION ACT OF 1997

DEWINE (AND KOHL) AMENDMENT NO. 1046

Mr. SANTORUM (for Mr. DEWINE, for himself and Mr. KOHL) proposed an amendment to the bill (H.R. 1866) to continue favorable treatment for need-based educational aid under the antitrust laws; as follows:

Strike section 2 and insert the following:

SEC. 2. CONTINUATION OF FAVORABLE TREATMENT FOR NEED-BASED EDUCATIONAL AND 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 subsection (a)—

(A) in the heading, by striking ''TEMPORARY''; and

(B) by striking paragraph (4) and inserting the following:

''(4) to exchange through an independent third party, before awarding need-based financial aid to any of such students who is commonly admitted to the institutions of higher education involved, data submitted by the student so admitted, the student's family, or a financial institution on behalf of the student or the student's family relating to assets, liabilities, income, expenses, the number of family members, and the number of the student's siblings in college, if each of such institutions of higher education is permitted to retrieve such data only once with respect to the student.''; and

(2) in subsection (d), by striking ''September 30, 1997'' and inserting ''September 30, 2001''.

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

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 30, for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Ms. SNOWE. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing on Wednesday, July 30, 9:30 a.m., Hearing Room (SD–406) on S. 1059, the National Wildlife Refuge System Improvement Act of 1997.

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

COMMITTEE ON FOREIGN RELATIONS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 30, 1997, at 10:00 a.m. to hold a business meeting.

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

COMMITTEE ON FOREIGN RELATIONS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 30, 1997, at 11:00 a.m. to hold a House/Senate conference.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Ms. SNOWE. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee Special Investigation to meet on Wednesday, July 30, at 10:00 a.m. for a hearing on campaign financing issues.

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

COMMITTEE ON INDIAN AFFAIRS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, July 30, 1997 at 9:30 a.m. in room 106 of the Dirksen Senate Building to mark up S. 569, a bill to amend the Indian Child Welfare Act of 1978; to be followed immediately by an Oversight Hearing on the Special Trustee's 'Strategic Plan' to reform the management of Indian trust funds.

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

COMMITTEE ON THE JUDICIARY

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 30, 1997 at 10:00 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: ''Review of the Global Tobacco Settlement.''

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

COMMITTEE ON RULES AND ADMINISTRATION

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration hold a business meeting at 2:30 p.m. on Wednesday, July 30, 1997 on the status of the investigation into the contested Senate election in Louisiana at which the committee could consider and vote upon a resolution, or resolutions, prescribing the future course of action to be taken by the committee.

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

SELECT COMMITTEE ON INTELLIGENCE

Ms. SNOWE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 30, 1997 at 2:00 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON COMMUNICATIONS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, July 30, 1997, at 9:30 a.m. on international satellite reform.

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

SUBCOMMITTEE ON FINANCIAL SERVICES AND TECHNOLOGY

Ms. SNOWE. Mr. President, I ask unanimous consent that the Subcommittee on Financial Services and Technology of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 30, 1997, to conduct a hearing on the financial institution regulators' management of the year 2000 problem.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Ms. SNOWE. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 30, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this hearing is to review the management and operations of concession programs within the National Park System.

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

ADDITIONAL STATEMENTS

THE MICHIGAN LEGISLATURE'S POSITION ON EPA REGULATIONS

• Mr. ABRAHAM. Mr. President, I rise today to submit for the RECORD a concurrent resolution passed by the Michigan Legislature earlier this year. Recognizing the impact of ozone transport on the west side of the State, and understanding the potentially devastating effects of ill-considered regulations, the Michigan House of Representatives and the Michigan Senate adopted a resolution which urges the EPA to reaffirm the previous standards of ozone and particulate levels.

Specifically, this resolution strongly urges the EPA to maintain the .12 parts per million standard for ozone and conduct all necessary research to reach conclusive findings on questions concerning particulate matter measuring 2.5 microns in diameter and larger. In addition, this resolution asks the EPA to identify any unfunded mandates or other administrative and economic burdens for State and local governments or agencies that would result from the proposed changes to the National Ambient Air Quality Standards.

Unfortunately, this bipartisan request has been ignored. The EPA has gone forward with new regulations. After making only minor modifications to the EPA proposal, the administration announced the final standard 2 weeks ago. I am disappointed, because I was hopeful the President would recommend a policy that recognized the importance of clean air, and the importance of jobs and economic growth. However, since he did not, I will continue to work hard to highlight the importance of these very real, very serious issues.

This resolution makes clear that the people of Michigan understand what is at stake in this debate. I wish the same could be said of the administration.

The resolution follows:

HOUSE CONCURRENT RESOLUTION NO. 11

Whereas, the United States Environmental Protection Agency (EPA) has a responsibility to review periodically the National Ambient Air Quality Standards (NAAQS) for ozone and particulate matter (PM); and

Whereas, The EPA is considering establishing a more stringent ozone standard and a new, more stringent standard for particulate matter at or below 2.5 microns (PM2.5); and

Whereas, Michigan, through its local jurisdictions, businesses, and citizens, has supported health-based National Ambient Air Quality Standards (NAAQS) that are premised on sound science; and

Whereas, Michigan has made significant progress in meeting current NAAQS for both ozone and particulate matter (PM) under the Clean Air Act Amendments of 1990, although there are some areas that have not yet come into compliance with the current standard(s); and

Whereas, Michigan, through its local jusidictions, businesses, consumers, and taxpayers, has become considerable cost to come into compliance with the current NAAQS for ozone and participate matter; and

Whereas, The proposed new standards will significantly expand the number of nonattainment areas for both ozone particulate matter. This may result in additional emission controls in all areas, thus imposing significant economic administrative, and regulatory burdens on Michigan, its citizens, businesses, and local governments; and

Whereas, EPA's own Clean Air Science Advisory Committee (CASAC) was unable to find any ''brighline'' that would distinguish any public health benefit among any of the proposed new standards for ozone, including the current standard; and

Whereas, There is very little existing PM2.5 monitoring data; and

Whereas, There are many unanswered questions and scientific uncertainties regarding the health effects of particulate matter, in particular PM2.5, including:

Divergent opinions among scientists who have investigated the issue;

Exposure misclassification;

Measurement errors;

Lack of supporting toxicological data;

Lack of a plausible toxicological mechanism;

Lack of correlation between recorded PM levels and public health effects;

Influence of other variables; and

The existence of possible alternative explanations; and

Whereas, No scientific proof exists that establishing a more stringent ozone standard or a new, more stringent PM2.5 standard would avoid alleged adverse health, but it would assuredly impose significantly higher costs; and

Whereas, The issue of transported volatile organic compounds is not adequately addressed; now therefore, be it

Resolved by the House of Representatives (the Senate concurring). That we advise and strongly urge the EPA to reaffirm the existing NAAQS for ozone; and be it further

Resolved, That we advise and strongly urge the EPA to reaffirm the existing NAAQS for PM10; and be it further

Resolved, That we advise and strongly urge the EPA to refrain from establishing a new NAAQS for PM2.5 at this time and to gather the necessary PM2.5 monitoring data and conduct all necessary research needed to address the issue of causality and other critical and important unanswered scientific questions concerning PM2.5; and be it further

Resolved, That we advise and strongly urge the EPA to identify any unfunded mandates or other administrative and economic burdens for state or local governments or agencies that would result from the proposed changes to the NAAQS for ozone and particulate matter, and be it further

Resolved, That copies of this resolution be transmitted to the President of the Untied States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, the administrator of the United States Environmental Protection Agency, and other appropriate administration officials.

Adopted by the House of Representatives, March 11, 1997.

Adopted by the Senate, March 12, 1997.●

VFW INITIATIVE TO PROVIDE LONG-DISTANCE PHONE SERVICE TO HOSPITALIZED VETERANS

● Mr. ROCKEFELLER. Mr. President, I rise today to congratulate the members of the Veterans of Foreign Wars of the United States for their program called Operation Uplink. Through private donations, the VFW has been able to distribute more than 11,000 hours worth of free long-distance calling time to hospitalized veterans and active duty troops overseas who might not otherwise be able to talk with their loved ones back home. Since I represent a State which especially honors national service and has the most combat veterans per capita, you can be sure that this is an issue I care about deeply.

Shortly after I joined the Senate Committee on Veterans' Affairs, I learned that none of our country's veterans' hospitals had bedside phones. Patients had to collect change to use at a pay phone, or wait for a nurse to wheel a portable phone into their room. Not only did this inconvenience patients greatly, it added to the burdens of an already overworked nursing staff.

We all realize that a phone is more than a modern convenience; it is a lifeline to the outside world for a sick veteran. That is why I fought for, and won, $1.5 million in 1993 to support the work of the bedside phone project, P.T. Phone Home, in West Virginia and elsewhere.

A couple of years ago when I was in West Virginia visiting the Clarksburg VA Medical Center, I spoke with a World War II combat veteran, Kenneth Getz. Mr. Getz had been experiencing serious medical problems, but he was much more concerned about his blind wife than his own health. He told me, ''We start the day with a phone call and end it with a phone call. Phones should have been in here years ago.'' And he is exactly right—we have an obligation to make certain that every veteran receives the same quality care you or I would want for ourselves.

Unfortunately, too many poor veterans are not able to take advantage of the bedside phone service, since for many, home is not a local call from the hospital. The thought of a sick or wounded veteran, lying in a distant veterans' hospital, cut off from family, children and friends, is very troubling to me. It is plain wrong.

I highly commend the VFW for recognizing this problem and taking action. We know that in the long run, veterans who can talk to their spouse or children are not only happier, but also have higher morale, and that can go far in improving their health. I can just envision the comforting effect on a patient like Mr. Getz in having the opportunity to talk to his son in Houston or wife in Charleston—all of this made possible by the VFW initiative.

Mr. President, I ask my colleagues to join me in extending a warm thank-you to the VFW and its members all across America. I am especially pleased to note that this service is being provided by private donations, thus protecting the already beleaguered Federal budget. This project is a tribute to the many veterans who believed in the principles of freedom and democracy strongly enough to risk their lives in the name of freedom. By providing prepaid phone cards to sick vets and overseas troops, the VFW truly ''Honors the dead by helping the living.''●

CONGRATULATIONS TO YOUSIF GHAFARI

MR. ABRAHAM. Mr. President, I rise today to offer my warm congratulations to Mr. Yousif B. Ghafari who is celebrating the 15th anniversary of Ghafari Associates.

The economic success in Michigan is due in no small part to the invigoration of small businesses like Ghafari Associates. Over the past 15 years Ghafari Associates has risen to be the third largest architectural and engineering firm in the State. This incredible achievement is largely due to

the outstanding leadership capability and business savvy of its founder, Yousif Ghafari.

I have the pleasure of personally knowing Yousif and appreciate his dedication, not only to the business world but to his family and community as well. Yousif's exemplary duty and service to the community at large has earned him the great respect of his colleagues, friends, and family. I would like to join them in commending him for his dedication to seeing Ghafari Associates grow into one of Michigan's most distinguished and respected engineering firms.

The State of Michigan is very fortunate to have Mr. Yousif Ghafari amongst its citizens, and should be very proud of his accomplishments. I would like to conclude by extending to him my best wishes for much success in all of his future endeavors.

NATIONAL WOMEN'S BUSINESS COUNCIL AND WOMEN-OWNED BUSINESSES

• Mr. CLELAND. Mr. President, I want to speak today about the work the National Women's Business Council [NWBC] is doing in my State and the work they do for the country in the interest of women-owned businesses. I want to make special note of the efforts of one of Georgia's shining examples of entrepreneurship. Mr. President, Carolyn Stradley started out filling in potholes with asphalt and from that has grown a small business that is now responsible for work done in both the Olympic Stadium and the Georgia Dome. In addition to successfully competing in a male dominated business world, she is literally paving the way for other women to find opportunities into the work force through the creation of small businesses.

Yesterday morning Carolyn moderated a workshop that provided a forum to discuss, develop, and find consensus on policy recommendations which enhance women business owners access to capital and credit at every stage of business growth. This forum was part of 10 workshops being held at Federal Reserve Banks and branches across the nation. The top 10 recommendations from each of the 10 workshops will be compiled into a report and presented to Congress and the President by the NWBC. The participants of these workshops include women business owners, bankers and other lenders, government representatives and other experts who work daily to develop financial strategies that are so essential in getting small businesses off the ground.

Mr. President, I want to commend the NWBC for their work and their continued efforts as an independent source of advice and counsel to the Congress, the President and the Small Business Administration. Their mission is to promote bold initiatives, policies and programs designed to foster women's business enterprise as well as an economic environment conducive to business growth and development for women-owned businesses. The council has focused on four key areas: (1) expanding public and private market opportunities for women-owned businesses; (2) promoting the development of a research agenda and data collection on the women's business sector and public awareness of its contributions; (3) strengthening the networking capabilities of women entrepreneurs and the technical assistance and training infrastructure; and (4) expanding the financial resources available to women business owners and ensuring their access to them.

I believe that it is particularly fitting that the NWBC does have this focus and I would point to a few important figures, just in Georgia alone, that would support this. Mr. President, as of 1996 there are nearly 204,000 women-owned businesses in Georgia employing over 622,000 people and generating over $87 billion in sales. During the period of time from 1987 and 1992, the National Foundation for Women Business Owners estimates that the number of women-owned firms in Georgia has increased by 112 percent, employment has grown by 334 percent and sales have risen 508 percent. In 1996, women-owned firms accounted for 36 percent of all Georgia firms, and provided employment for 34 percent of Georgia workers, and generated 24 percent of the State's business sales. Finally, I am proud to point out that Georgia ranks fifth in growth in the number of minority women-owned firms as of 1996—a 227 percent increase between 1987 and 1996.

Mr. President, I encourage my colleagues to support and fund organizations like the National Women's Business Council. Small Businesses are the foundation of our Nation's economic engine and small businesses are the future continued economic growth and success.•

OECD SHIPBUILDING AGREEMENT

• Mr. ROTH. Mr. President, as the Senate moves toward concluding its business before the August recess, I would like to take this opportunity to clarify the circumstances surrounding the Finance Committee's consideration of legislation to implement the OECD Shipbuilding Agreement.

This vital agreement has already been the subject of a hearing in the Finance Committee in December 1995, and, in May 1996, the Committee voted unanimously in favor of the legislation to implement the Agreement.

I understand my Finance Committee colleagues, Senators LOTT and BREAUX, have made substantial progress in resolving the controversial issues surrounding some parts of the legislation originally reported by the Finance Committee. I expect that their work on the implementing legislation and the resolution of certain procedural issues will be concluded shortly so that we can complete committee consideration and congressional passage of this bill as soon as possible after we return in September.

I trust the other signatory countries to the Shipbuilding Agreement will understand that the recent delay in the Finance Committee's consideration of the implementing legislation was unavoidable—that it was simply a result of the committee's need to complete its work on the hallmark legislation to balance the U.S. budget and need to resolve certain parliamentary questions. This delay should in no way be interpreted as a lack of resolve to bring the OECD Shipbuilding Agreement implementing legislation to closure.

I strongly urge other signatory countries not to take any action that might forever compromise our long-held goal of achieving free and fair trade in the global shipbuilding sector. It is my view that the United States is very close—closer than it has ever been—to enacting the legislation necessary for completion of U.S. ratification of the agreement. It would be terribly counterproductive and inappropriate for other signatory countries to abandon this important agreement at this juncture in reaction to this relatively minor and unavoidable delay.

With that clarification, I look forward to working with my colleagues on the Finance Committee and in the Senate as a whole in moving this critical legislation forward to ultimate passage by Congress as quickly as possible.•

CHINA TRIP REPORT

• Mr. BAUCUS. Mr. President, over the last Memorial Day recess, I visited South Korea, Japan, North Korea, China, and Hong Kong, on an official Finance Committee trip.

Today I am entering into the RECORD the first half of a trip report I recently filed with the Committee, and tomorrow I will include the second half, dealing with China and Hong Kong. I hope the Senate will find it of use.

The material follows:

ASIA TRIP REPORT—COVERING VISITS TO SOUTH KOREA, JAPAN, NORTH KOREA, BEIJING, AND HONG KONG, MAY 24–31, 1997

I. INTRODUCTION AND SUMMARY

A. Itinerary—Over the 1997 Memorial Day recess, between May 24th and May 31st, I made a week-long trip to East Asia to host a three-day conference in Beijing entitled ''Working With America: Food Security and International Trade,'' put on by the Mike and Maureen Mansfield Center for Pacific Affairs and the Chinese People's Association for Friendship with Foreign Countries.

With the authorization of the Senate Committee on Finance, I visited South Korea, Japan, North Korea and Hong Kong as well as Beijing to discuss trade, security, agricultural and humanitarian problems in Asia. This report will inform the Senate on the substance of my discussions, particularly on food and security in Korea; China's application to enter the World Trade Organization; and Hong Kong's transition to China's sovereignty.

B. Goals—As I see it, our country has three long-term interests in Asia. First, preserving the peace which is critical to our national

security and is also the foundation of Asia's current prosperity. Second, opening markets and creating more reciprocity in trade relations with Asian countries. And third, raising the quality of life and promoting long-term political stability by advancing human rights, fighting crime and protecting the environment. My goal on this trip was to understand more fully the immediate issues we must address in order to secure these long-term interests, and to advance if possible our policy goals on these issues.

In 1997 and 1998, the issues I believe most critical to securing these interests will be: (1) the security and humanitarian problems on the Korean peninsula posed by hunger and economic decline in North Korea; (2) China's application to enter the World Trade Organization; and (3) Hong Kong's transition to Chinese sovereignty. Thus, while I discussed issues ranging from food security to human rights, US-China security relations, environmental protection and agricultural trade with Korea, I concentrated on the first three issues.

C. Conclusions—I finished the trip feeling that current American policy on these issues is well conceived and well implemented. While I have differences with some of our specific positions and will mention them further on in the report, I believe that in general, we are on the right track.

In Korea, we are deterring conflict, preventing nuclear proliferation and providing humanitarian assistance as appropriate.

On China's WTO application, we rightly support China's WTO membership on a commercially appropriate basis, and are working with the other WTO members to make sure that while China understands we are not trying to block membership on political grounds, we also expect them to live up to the fundamental obligations of all WTO members.

And on Hong Kong's transition, we seem to have secured the direct US interests; we are in close contact with all the political actors and economic interests involved in the transition; and we are appropriately active without being confrontational on political and human rights issues.

All of these questions are highly complex. The Korean situation, in particular, is dangerous and becoming more so as North Korea's economy declines. All of them will demand a great deal of informed attention from Congress and the American public, as well as from the Executive branch and our diplomats and military leaders in the region. But on the basis of my visits, I am generally pleased with our policies and impressed with the people implementing them.

II. KOREAN PENINSULA

A. Visit—The Korean peninsula was the first stop on my trip. I arrived in Seoul on Sunday, May 25th, spent the next day in discussion with South Korean national security and agricultural officials, representatives of the US business community, and with American diplomats and military personnel. On the morning of May 27th I departed for Pyongyang, where I met with Foreign Ministry and Agriculture Commission officials, departing for Beijing the morning of the 28th. I also had the opportunity to discuss Korea later in the trip with Chinese political and military leaders, and with two senior officers of the Japan Self-Defense Forces during a refueling stop at Misawa Air Force before arrival in Pyongyang.

My purpose, in addition to discussing bilateral agricultural trade issues with South Korean leaders, was to look into the security and food questions we face on the Korean peninsula. I concluded that American policy with respect to these issues is well-conceived. We have a highly capable military force on the peninsula, which works together with South Korea in the Joint Command. Our political policies are carried out in tandem with South Korea, with the apparent endorsement of the neighboring countries. And we are providing food aid as the World Food Programme identifies the areas of need.

There is, no doubt, room for improvement. In particular, we could be speeding up our provision of missile defense for Seoul. North Korea's need for food aid may well increase this summer and require a higher-level effort. And while we seem to be in full agreement with neighboring countries on the contingencies we hope to avoid (i.e. war, nuclear proliferation, or sudden collapse into anarchy in the North), we do not appear to have grappled with our long-term positive goals for the Peninsula. But on the whole, I believe that we are confronting a very dangerous situation and doing it well.

The following sections will evaluate the food situation in North Korea; review the opinions offered by South Korean, Japanese and Chinese officials on policy toward the Korean peninsula; evaluate U.S. policy; and provide a first-hand, if brief and incomplete, look at life today in Pyongyang.

B. Food Crisis—I discussed reports of food shortages in North Korea with U.S. diplomats and agricultural specialists; South Korean Agriculture Ministry officials; North Korean Foreign Ministry and Agriculture Ministry officials; and Chinese leaders. I had also asked to meet World Food Programme experts in Pyongyang, but was unable to do so.

My conclusion is that we can think of the food issue as a three-part problem. First, over the next few weeks North Korea will need humanitarian assistance. Second, this need is likely to reach crisis proportions over the summer of 1997. Third, North Korea needs to make some fundamental changes in its agricultural and military if it is to feed itself in the long term. I see little evidence that the government is prepared to do so.

1. US and South Korean Assessment—Most U.S. and South Korean experts believed the majority of North Koreans continue to receive basic subsistence rations, feeling the North Korean government continued to distribute some basic rations and some more food was available in small farmer markets. In more remote rural areas, however, hunger is probably very severe. This situation is likely to worsen soon, however.

Over the year as a whole, the U.S. Department of Agriculture forecast a shortfall of about 1.2 million metric tons of rice. To put the figure in context, USDA's estimate of a year's consumption of food in North Korea is 5.4 million metric tons. South Korean estimates were similar.

US and South Korean experts also agreed on the cause of the food shortages. While floods may be an immediate cause, long-term factors—loss of aid from Russia and China at the end of the Cold War, failure to make rural reforms, and spending of 25%–30% of GDP on the military—are much more important. A South Korean agricultural official noted very simply that North Korea uses its oil for military exercises rather than to make fertilizer or run tractors, and thus the agricultural sector has been short of energy throughout this decade. Chinese officials from Manchuria tell him, he said, that since 1991 North Korea has conducted a propaganda campaign calling for ''two meals a day for the glorious unification of the peninsula.''

2. North Korean Views—The North Korean officials appeared to realize they face an emergency. Foreign Ministry Officials spoke in general terms about food problems and North Korea's appreciation of foreign assistance. Agriculture Commission officials, led by Vice Chair Madame Kim Yong-suk, provided a highly detailed statistical review of recent flood damage, reclamation work in paddy fields, and overall food shortages.

According to Mme. Kim, the most pressing need for food aid will be quite soon. Spring planting had gone well, and in the absence of new flooding the fall harvest would be good. However, she said, ''in July and August we will face a very tense situation,'' and in the interim North Korea ''would accept with pleasure 1 million tons of assistance.''

This recognition of an immediate crisis was not matched by any realistic appraisal of the causes of the present food crisis or of North Korea's long-term policy needs. Both the Foreign Ministry and Agriculture officials attributed the food crisis solely to flood damage in the last two years. The only long-term effort they said was necessary was a reforestation program to reduce erosion.

3. Policy Conclusions—North Korea is clearly in dire straits. While I did not travel outside the capital (because of time constraints rather than North Korean unwillingness), US and South Korean experts provided accounts of severe food shortages which I consider credible. Their views were generally in accord with the accounts of North Korean officials, international food experts, and recent travellers outside Pyongyang including Rep. Tony Hall and several journalists.

Up to now we have provided $25 million in humanitarian food aid. South Korea, China and Japan have also made contributions. Our diplomats believe the WFP is capable of providing assistance without significant diversion to the North Korean military, and I see no reason to question that assessment.

My own strong opinion is that, as a humanitarian matter we should provide short-term food aid to people proven to need it. This will be most urgent this July and August. However, longer-term aid or large-scale involvement in the North Korean agricultural and industrial economy should only be done in concert with South Korea, and should not proceed without willingness on the part of the North to address the basic economic and military issues that have caused this crisis.

C. Security on the Korean Peninsula—Despite North Korea's economic and food difficulties, US military officers and diplomats along with South Korean officials stress that it continues to pose a severe military threat to South Korea and Americans stationed in the South. It maintains a million-man army in a population of 23 million; spends 25–30% of its GDP on the military; and stations about 65% of its troops, and most of its artillery and rocket launchers in offensive positions very close to the Demilitarized Zone. Our response has come in two main forms.

1. Deterrence—The foundation of all US policy toward the North is strategic alliance with South Korea to deter North Korean military aggression. We have done this through permanent stationing of 37,000 American troops in South Korea, and complete cooperation in a Joint Command with South Korea.

Up to now, deterrence has succeeded. US military officers, including Supreme Commander Gen. John Tilelli, said that relations with the South Korean military are very good. South Korean officials agreed. Both sides emphasized the importance of continuing to work very closely together on military preparation, and also in any negotiations with North Korea. All agreed that if the North Korean industrial and agricultural economy continued to decline—as it seems very likely to do in the absence of any reform—the North Korean government would become more desperate and the military situation would become more dangerous.

Finally, I should mention that military officers had some concerns about quality-of-

life issues for American soldiers, but felt that construction of new barracks under the last two Military Construction appropriation bills would help a great deal.

2. Nuclear Proliferation and the Agreed Framework—A corollary to our broader defense strategy in Korea is opposition to proliferation of nuclear weapons. These would not change the ultimate outcome of any conflict, but would raise its cost in human life, physical destruction and environmental damage enormously.

Since 1994, we have attempted to prevent nuclear proliferation through the ''Agreed Framework.'' Under this agreement, North Korea agreed to freeze its nuclear program while we supply 500,000 barrels of oil and over a longer term replace the heavy-water nuclear reactor at Yongbyon, north of Pyongyang, with light-water reactors whose products cannot be used for weapons. Our military people and diplomats feel that North Korea is complying with this part of the agreement. I have no reason to disagree, and believe we should continue with the Agreed Framework.

While I will address political issues and negotiating proposals later on, I should note here that the Agreed Framework also calls for progress toward political and economic normalization of relations between the US and North Korea. North Korean officials, including the Foreign Minister, complained repeatedly about the slow pace of normalization with the US and our failure to lift sanctions, saying this had increased North Korean ''suspicions'' about US intentions and reliability. However, the Agreed Framework also includes a commitment to North-South dialogue aimed at reducing political and military tension between the two Korean governments. North Korea has not done this. American action on the political side of the Agreed Framework must depend on North Korean willingness to begin North-South dialogue.

3. Conclusions—I was extremely impressed by our military officers and enlisted people. I believe our strategy is appropriate and our coordination with South Korea is close. I would add only one point. I heard many times about the vulnerability of Seoul to North Korean missile, rocket and artillery fire. If we can ease that by providing some missile defenses to Seoul, we should do it as soon as possible.

D. Political Issues and Negotiations—Progress toward normal political relations, relaxed trade sanctions or assistance beyond short-term humanitarian aid, must result from talks leading to reduced military and political tension on the peninsula. These must address first and foremost the basic issue of North Korea's threats and aggressive military posture vis-a-vis South Korea, but can include North Korean concerns as well. And they must not lead to any separation of the US from South Korea, nor any unnecessary political conflicts with China, Japan or Russia.

1. Four-Party Talks—Last year, President Clinton proposed ''four-party talks'' on Korean issues including South Korea and North Korea along with the US and China as the two principal belligerent powers in the Korean War. These could address North Korean concerns about trade, economics and other issues as well as the concerns we and South Korea have about security. Based on my discussions in Seoul, Pyongyang and Beijing, I remain convinced this is the best approach to Korean security issues. Recent progress toward these talks bears out this conclusion.

2. North Korean Views—I repeatedly urged the North Korean Foreign Ministry officials to open a North/South dialogue as the Agreed Framework requires, and to begin four-party talks with South Korea, China and the US.

Foreign Minister Kim Yongnam and Vice Foreign Minister Kim Gye Gwan were my main interlocutors on this issue. The Vice Foreign Minister gave a peculiarly weak and unconvincing reason for North Korea's failure to engage in a North-South dialogue, saying North Korean public opinion had been offended when President Kim Young-sam of South Korea failed to offer condolences on the death of former President Kim Il-sung in 1994. He did, however, state support in principle for North-South dialogue, and neither he nor the Foreign Minister, however, ruled it out after the election of South Korea's new President this December.

Both the Foreign Minister and the Vice Foreign Minister raised concerns about the four-party talks proposal, mostly questioning the reason why China should be involved. They also insisted that the US was following a hostile policy by continuing to impose sanctions and an overall trade embargo on North Korea. They did not, however, insist on large-scale food or economic aid as a precondition for entering the four-party talks.

3. The Chinese Role—As the largest local military power bordering on North Korea, and as a government with traditional ties to North Korea, China has very large interests in the Korean issue and will play a key role in any solution to it.

American officials in Seoul and Beijing generally felt that China is acting responsibly and helpfully. South Korean officials agreed. In a more general sense, they said they were satisfied with the state of South Korean-Chinese relations, and hoped US-China relations would remain ''harmonious.''

North Koreans, by contrast, seemed indifferent to China. They did not encourage Chinese participation in four-party talks—to the contrary, in fact, they called for a ''3+1'' formula with China playing an unspecified but clearly minor role. One official, commenting on the overall political situation of the Korean peninsula, said ''the directly involved parties are the DPRK and the US, and we acknowledge that the South has some indirect concerns. China is not concerned.''

E. Japanese and Chinese Views—During my trip, I met with senior policymakers in Beijing about Korean issues, and discussed Korean policy with two senior officers of the Japan Self-Defense Forces. A brief summary of these conversations follows.

1. Japanese Views—At Misawa Air Force Base I met with Gen. Akihiko Hayashi and General Minoru Hoso, of the Northern Command of the Japan Self-Defense Forces. These discussions were brief given our limited time, and concentrated on Japan's security role rather than on Japan's particular political concerns about its kidnapped citizens and the recent apprehension of a North Korean ship loaded with amphetamines at a Japanese port, or its broader political views on Korean issues. Japan is deeply concerned about North Korea's deployment of a new generation of medium-range missiles capable of targeting Japan, and working closely with us on attempts to deter conflict on the peninsula.

2. Chinese Views—The senior political leaders, Foreign Ministry officials and military officers I met in Beijing were quite interested in my visit to Pyongyang, and asked about my physical impressions of Pyongyang and the discussions I had with North Korean officials. None raised any basic objections to US policy toward North Korea.

On the political issues, their general view was that Kim Jong-il is a rational person who understands that, in the words of one Chinese officer, ''to attack the South would be the act of a madman,'' and is unlikely to engage in any serious provocation. Further, they believe he is in firm control of the North, and that no political upheaval is likely in the short-term despite the food and economic problems.

With respect to economics and the food situation, Chinese said they were unsure whether North Korea's problems resulted from floods or from ''poor economic organization.'' They said they would help with food needs ''within China's capacity.''

Finally, all the Chinese with whom I raised the Korean issue said that China's influence over North Korea is limited; that China would act with the goal of maintaining peace and stability on the Korean peninsula; and that China viewed the four-party talks proposal favorably. US diplomats generally agreed that China is acting very constructively on these issues. I believe it is essential that we continue to work with China on the four-party talks proposal.

F. Long-Term Issues—Opinions were divided as to North Korea's long-term prospects.

Americans and South Koreans tended to believe that the North was fairly resilient, that Kim Jong-il is in firm control of the government, and that could probably continue along its present path for several years. However, objective indicators pointed to a situation which is not sustainable indefinitely, and many felt that some abrupt collapse or desperate military assault on South Korea was possible. Chinese agreed that Kim Jong-il was firmly in control of the country, but felt more certain than US or South Korean sources that North Korea would remain politically stable.

Many people commented that South Koreans did not feel the German model of unification was ideal—it had been very expensive and difficult for the German economy to absorb, and they preferred a ''soft landing'' for the North followed by a longer transition. However, few seemed to have a vision of how to make this possible, and a number of Americans commented that a ''soft landing'' did not seem very likely.

North Korean officials gave essentially ideological explanations of why their country would emerge from the present ''arduous march'' and recover economically. The Vice Foreign Minister, for example, said that while many foreigners spoke of North Korea as ''a broken airplane and some say it will soon collapse . . . my country is not going to collapse at all. We have the wise leadership of the Great Leader Comrade Kim Jong-il, and the entire people rally around in general and single hearted unity. We have a guiding ideal which is different from the USSR or Eastern Europe, and that is the juche [self-reliance] idea.''

G. Personal Assessment of Pyongyang.—Finally, a visit to Pyongyang is unusual, and apart from the policy issues, my personal impressions of the city may be of some interest.

I arrived in North Korea on a specially arranged U.S. Air Force flight, which entered North Korean airspace at the Russian border on North Korea's far northeast, proceeded along the coast and then crossed over a mountainous area to Pyongyang. From the air, as far as I could tell, the fields and rice paddies look in bad shape and rivers show severe siltation.

We proceeded from the airport (we landed at 12:20 p.m.; at least one radar was turned off, and no other planes appeared to be active) by car to Pyongyang. We were able to drive around the center of the city on the way to several meetings, and took an unaccompanied 15-minute walk from the hotel to the city railway station and back. This relatively short experience revealed a city which resembles a ghost town—I can only compare it to my visit to Phnom Penh in 1979, just after the Vietnamese Army had expelled the Khmer Rouges.

We saw very few cars, few trucks or buses, and no sense of normal business or economic activity at all. Streets were almost empty, and no economic activity was apparent—I saw no people engaged even in waiting in lines at stores. The people we did see appeared in reasonably good physical health, although listless and low on energy. This applied to the many (but not well-armed) military people I saw on the street as well as to the civilians. And the physical plant of the city is clearly deteriorating. Electricity was spotty in our hotel, in surrounding buildings and on the streets. A number of trucks and buses appeared to be rusting and out of use, and a trolley car was essentially abandoned near the hotel with its back wheels off.

In preparing for this stop, I anticipated a highly repressive state. I expected poverty and perhaps visible signs of hunger, although I had been told this was less likely in the capital than in rural regions. And I expected constant surveillance. What I did not expect was the almost empty, eerie quality of Pyongyang. Clearly, the country is in dire straits. While I cannot speculate on North Korea's long-term prospects with any authority, it is hard to imagine that they can sustain their current domestic and military policies indefinitely.●

OPENING OF THE NEW NATIONAL AIRPORT

● Mr. WARNER. Mr. President, over the past 2 weeks, and culminating with ceremonies this past Sunday, the Metropolitan Washington Airports Authority opened the new terminal at National Airport.

This $450 million state of the art facility is just one element of a $2 billion capital development plan at both Washington National and Dulles International Airports, made possible by the creation of the Metropolitan Washington Airports Authority only 10 short years ago.

To understand the significance of this achievement, one only needs to recall what it was like to use either Washington National or Dulles International during the late 1970's and early 1980's.

Both airports were owned by the Federal Aviation Administration, and Congress was absolutely unwilling to appropriate more than the bare essential amount necessary to operate either facility.

National Airport was in a grave state of disrepair, and Dulles was called the great white elephant.

Looking upon these airports as integral parts of the areas economy was unfathomable, and the notion of customer service was even more unimaginable.

Then, thinking in the region began to change.

Encouraged by the desire of the Reagan administration to re-examine the proper role of Federal Government, area business leaders and members of the Virginia congressional delegation started asking the question: Why not divest the Federal government of these two airports, and let them be run like a business?

Fortunately, there was a Secretary of Transportation whose response to the question was: Why not indeed!

Not about to be discouraged by enormity or ambitious nature of the task, that Secretary of Transportation, Elizabeth Hanford Dole, enlisted the assistance of a very able and influential statesman, former Virginia Governor Linwood Holton, who worked tirelessly to help mold both a plan, and the consensus to transfer ownership of the two airports to a non-Federal authority.

This authority was authorized under an interstate compact to operate the airports and to raise the money necessary to renew National Airport, and to make Dulles the economic dynamo its creators once envisioned.

Following a very tortuous and uncertain course through the legislative process, a bill was finally placed on President Reagan's desk for signature, and in 1987, the Metropolitan Washington Airports Authority took control of the two airports.

Under the stewardship of James A. Wilding, and the leadership of a ten person board comprised of appointees from Virginia and Maryland and the District of Columbia, the Airports Authority designed a capital development plan which relied on the sales of bonds financed by future revenues.

This capital development plan became the catalyst enabling the Metropolitan region to achieve its dream.

Today, Dulles International Airport is a major force in the growing hightech and biotech economy of the region, and with the opening of the new National terminal last Sunday, the region now has a world-class dining, shopping, and transportation facility to welcome the more than 15 million passengers who come to the Nation's capital from cities within a 1,250 mile perimeter of the airport.

In fact, it is this perimeter, combined with a limitation on the number of flights that can arrive and depart from National Airport each hour, and a curfew on stage two aircraft after 10 P.M., that maintains the political and economic balance enabling National Airport to serve short-haul passengers, while Dulles International serves long-haul passengers from across the United States and around the world.

Without these tools, the community would be in a literal uproar over the noise and volume of air traffic at Washington National Airport, and Dulles would still be the white elephant it was in the 1970's and early 1980's.

Needless to say, the region's economy would be nothing like it is today had the vision of Secretary Dole, area business leaders and Virginia's Congressional delegation not been realized.

So, Mr. President, it is with gratitude that I salute all the thousands of people who helped make this dream come true.

Especially I thank the present and former members of the Metropolitan Washington Airports Authority board of directors including Linwood Holton, Ron Linton, and Robert Tardio; the staff and management of the Airports Authority including James A. Wilding, general manager, August Melton, manager of Washington National Airport, and Keith Merlin, manager of Dulles International Airport; and architect Cesar Pelli and all the construction personnel who turned Mr. Pelli's designs into a living, working masterpieces.

Congratulations to all. Job well done.●

TRIBUTE TO THE SAVANNAH INTERNATIONAL TRAINING CENTER AND THE OLYMPIC SOLIDARITY PROGRAM

● Mr. CLELAND. Mr. President, I rise today to praise the accomplishments of the Olympic Solidarity Program and its partnership with the Savannah International Training Center, the only recognized athletic training venue in the United States whose athletes are funded by the International Olympic Committee. This scholarship program has brought athletes from Africa and South America to Georgia, continuing the spirit of the 1996 International Olympic games by giving opportunities to athletes from developing countries.

The Savannah International Training Center is the largest Solidarity Training Center in the world. The Solidarity Program provides athletes with funds for room and board, education, visas, transportation and training costs. In June 1996, 25 Olympic Solidarity Athletes arrived in Georgia from countries such as Zimbabwe, Rwanda, and Colombia to participate in the outstanding track and field program. The facility hopes to be able to expand its programs to include weightlifting, swimming, and soccer. Essentially, the Solidarity Program provides athletes with a unique experience like no other in the United States or in the world.

This program not only enhances the quality of life for the athletes; the Olympic Solidarity Program has provided the community of Savannah and the State of Georgia with an international experience comparable to the 1996 Olympic games. Exposure to the variety of cultures existing among the participating countries allows the citizens of Savannah to develop stronger ties with these nations and improve foreign relationships.

The Savannah International Training Center continues to thrive and grow, exemplifying Georgia's commitment to the success of international athletics and the spirit of the Olympics. It is with great pride that I congratulate the Savannah International Training Center, the city of Savannah, the International Olympic Committee and the athletes involved for contributing to the unparalleled success of this distinguished program in the United States and for continuing the Olympic legacy in the State of Georgia.●

RECOGNITION OF BETTY GREGOIRE

● Mr. BOND. Mr. President, Today I stand before you to recognize a truly

unique individual and personal friend for her exemplary service to my home State of Missouri at the time of her retirement. Betty Gregoire, has lived in Kansas City, Missouri for the past 24 years during which she has been a wife and mother, a volunteer and a public servant. Betty has shown the kind of lifelong devotion to her State that make it an honor to commend her for her many years of civic contribution.

After receiving a B.S. Degree from State University of New York, she taught in Long Island Elementary Schools and in Rochester, New York High School System. Betty came to Weatherby Lake, a community near Kansas City, in 1973 and by 1980 had established a position as Manager of the Prosecuting Attorney's office. Later she became the Administrative Assistant to the County Commission.

In addition to her service on the Weatherby Lake Improvement Board, as secretary, Legislative Committee, Missouri Assessor's Association, she was appointed by Governor John Ashcroft to fill the term of Assessor in 1985 and continued to serve for three terms.

Now part of the Finance Committee of St. Teresa Catholic church in Parkville, Betty is also a member of the Mid American Regional Council (MARC) Board and has held the position of Treasurer and 2nd Vice-President.

Betty was appointed by the Governor in 1986 to the Missouri Job & Employment Council then reappointed in 1992, and was District 3 Director of Missouri Association of Counties from 1991–94.

As an active member of several other civic organizations, Betty is an example for her fellow Missourians. I commend Betty for her many years of service and I am glad to say that the State of Missouri is enriched with her wisdom and leadership.●

THE 50TH ANNIVERSARY OF THE INDEPENDENCE OF PAKISTAN

● Mr. DURBIN. Mr. President, I rise today to honor the people of Pakistan on the occasion of the fiftieth anniversary of their independence. In August of 1947, Pakistan gained its independence from the British Empire. For the past fifty years, the people of Pakistan have shared with the people of the United States a common interest in the establishment of democracy. In recent years, Pakistan has reasserted its committment to democratic government and is deserving of both our recognition and our support.

The friendship between the United States and Pakistan goes back many years. In the mid-1950's, Pakistan and the United States joined together in a security agreement to resist Soviet expansion in South Asia. In late 1955, Pakistan joined the South East Asia Treaty Organization and the Central Treaty Organization, demonstrating Pakistan's committment to the Free World. This commitment proved invaluable during the Soviet occupation of Afghanistan, as our two nations united in opposition to Soviet aggression. Without a doubt, a close, constructive friendship between the United States and Pakistan has been essential to the security of both nations.

Beyond the affairs of state, there are the economic and cultural exchanges which spur growth and development and enrich the lives of our nations. In 1996, the total value of U.S. trade with Pakistan was $1.3 billion. Pakistan has recently embarked on an ambitious economic reform program to jumpstart the economy of Pakistan and provide the necessary foundation for free and fair trade. The United States should support these efforts, as Pakistan has the potential to one day become a model for the newly independent states of West and Central Asia.

Pakistani-Americans are a vibrant part of American cultural and economic life. Across the nation, Pakistani-Americans share their knowledge and heritage with other Americans, contribute to our economy, and create homes and neighborhoods which are a vital contribution to the American dream.

And so, on this the fiftieth anniversary of the independence of Pakistan, I rise to honor the people of Pakistan and their commitment to forge a free and democratic society. I look forward to many years of continued friendship between the people of Pakistan and the United States.●

INCREASING INCOME FOR THE DISABLED

● Mr. ABRAHAM. Mr. President, I rise today as a cosponsor of S. 1054. This legislation, introduced by Senator COCHRAN, gives greater opportunity to disabled workers.

In a nation professing to honor and reward hard work, I find it distressing that individuals able and, more importantly, willing to work do not receive all the benefits they are entitled to. Presently, disabled individuals can maintain Social Security benefits only if they do not earn a substantial amount. For the disabled, this amount is $500 per month, or $6000 per year. Blind individuals, however, are able to earn nearly twice as much without diminished benefits; nearly $12,000 per year. This discrepancy is wrong.

During the 104th Congress, the Senate acted on legislation expanding senior citizens ability to work. The Senate passed the ''Senior Citizens' Right to Work Act of 1996'' by unanimous consent. This legislation, which I was proud to support, allows seniors to retain more of their Social Security benefits even if they continue to work. By the year 2002, seniors will be able to earn up to $30,000 in outside income without penalty. I see no reason why the Senate can extend the earnings limit to seniors and the blind, but does not extend the ability for greater income to the disabled. I urge my colleagues to support this legislation and correct this outstanding deficiency.●

SPECIAL COORDINATOR FOR U.S. POLICY TOWARD TIBET

● Mr. MOYNIHAN. Mr. President, today the New York Times reports an important advance in United States diplomacy. Secretary of State Albright has agreed to appoint a special coordinator to oversee American policy toward Tibet. This brings to fruition the vision of our beloved former chairman of the Foreign Relations Committee, Senator Pell, who introduced a bill (S. 2554) at the end of the 103d Congress to establish a position in the Department of State to coordinate United States policy on Tibet.

Since 1959, the Tibetans have suffered the liberation of their country by the Communist Chinese. Tibet is a remote land. Tibetans at that time had no interest in relations with other countries. No interest in joining the newly formed United Nations. Perhaps if Tibet had, we would have paid more attention when it was invaded.

Now it's time to pay attention. Most importantly, we must focus on efforts to bring the Tibetans and the Chinese to the negotiating table to resolve their differences. The situation requires far more attention within the administration and a special coordinator can provide appropriate attention. While the Dalai Lama has stated repeatedly his willingness to begin negotiations, the Chinese continue to issue denials. As my daughter Maura wrote in a Washington Post article in April:

> Most policy makers do not realize that the Dalai Lama is not seeking territorial sovereignty for his captive nation; nor is he asking to be reinstated as the head of the theocratic government that ruled Tibet prior to the Chinese invasion. In an address to the European Parliament in 1988 in Strasbourg, France, the Dalai Lama offered the Chinese control of Tibet's military and diplomatic affairs if they would allow the Tibetan people a measure of self-governance and non-interference in religion and culture.

That is certainly a magnanimous offer. The response from the Chinese? Silence.

In creating this new position, we make clear that we have heard this reasonable offer and intend to pursue it. As Lodi Gyari, the able diplomat who represents the Dalai Lama in Washington, is quoted in the New York Times today:

> If the United States is consistent and sincere and vigorous in trying to persuade the Chinese Government to come to a settlement, I strongly believe it will happen.

The new post will also allow closer scrutiny of human rights abuses in Tibet, which continue at an appalling level. I would note, as the author of the provision which resulted in a separate Tibet report in the State Department's annual Country Reports on Human Rights Practices, that the Bureau of Democracy, Human Rights and Labor, led by Assistant Secretary Shattuck, has done a superb job in documenting

the situation in Tibet. The excellent information the Bureau collects will be more readily acted upon by an officer focused solely on Tibet.

For too long, Tibet has fallen between the cracks of United States foreign policy. Such neglect has led Abe Rosenthal to wonder if Tibetans are not ''Endangered Species,'' as he asked in the New York Times on May 21, 1994:

Is anybody protecting, please, another of God's endangered species, which happens to be human, the Tibetans? Not yet. Neither the Republic nor the Empire nor any other nation, great or small, does anything about the Tibetans, except India, which gives them refuge when they can escape their cage.

Would it help to say that just as there are laws against slaughtering hawksbill turtles, there are international laws against genocide—the elimination of nations and cultures? Probably not.

This is a rather somber note on which to end, yet the situation in Tibet is grave. I am pleased that the Secretary has decided to appoint a new special coordinator for Tibet and both Congress and the Administration can devote more attention to this ''Endangered Species.''

Mr. President, I ask that the article on the position be printed in the RECORD.

The article follows:

[From the New York Times, July 30, 1997]

ALBRIGHT TO NAME SPECIAL AIDE ON U.S. POLICY TOWARD TIBET

(By Steven Lee Myers)

WASHINGTON, JULY 29.—Secretary of State Madelene K. Albright told Congressional leaders today that she would appoint a new ''special coordinator'' to oversee American policy toward Tibet.

The announcement, which came in response to Democratic and Republican pressure in Congress, could create new diplomatic strains with China.

The United States has never had diplomatic relations with Tibet, which it regards as part of China, but the creation of the new position would significantly raise the profile of Tibetan affairs within the Government, according to Administration and Congressional officials familiar with the plan.

''We are prepared to have someone working in the State Department to see that the religious freedom of Tibetans is promoted and that their ethnicity is respected,'' a senior Administration official said, speaking on condition of anonymity.

The new coordinator, however, would not have the rank of ambassador, with the diplomatic credentials to act on behalf of the United States, nor would the appointment bestow any diplomatic recognition on Tibet. In that sense the idea would fall short of recent proposals in both the House and the Senate, which the Administration has opposed.

But the appointment is likely to rankle China, which has repeatedly accused other nations of interfering with internal matters by raising concerns over Tibet.

President Clinton met in April with the Dalai Lama, Tibet's exiled spiritual leader, and promised to raise Tibet as a prominent issue when he meets President Jiang Zemin of China in the fall. The meeting with the Dalai Lama, a so-called drop by during the Tibetan's session with Vice President Al Gore that stopped short of an official visit, prompted protests from Beijing.

''I see this as a step in the right direction,'' said Lodi Gyari, president of the International Campaign for Tibet and a former aide to the Dalai Lama. ''I hope this is the beginning of a trend. If the United States is consistent and sincere and vigorous in trying to persuade the Chinese Government to come to a settlement, I strongly believe it will happen.''

Ms. Albright, visiting Singapore today, discussed the appointment in a telephone call with leaders of the Senate's Committee on Foreign Relations and the House's Committee on International Relations, which are considering new legislation to force the appointment of an envoy with ambassadorial rank, a move the Administration opposes.

The details of the position—including the scope of the duties and resources—were not disclosed.

After the meeting, an aide to a Senate Republican said, ''We want to make sure this is not one guy sitting in the bowels of the State Department with no influence over policy in Tibet.''

The special coordinator would have a broad mandate to orchestrate the Administration's policies internally and also to meet with Tibetan officials, including the exiled leaders based in India, officials said. The officials said the coordinator would also act as a mediator between Chinese and Tibetan officials, trying to restart contacts.

China seized Tibet in 1950.

U.S. TO PRESS FOR POL POT TRIAL

(By the New York Times)

SINGAPORE, JULY 29.—Ms. Albright said today that the United States would continue to press for an international war crimes trial for Pol Pot, the former Cambodian leader.

''What we do think is very important is that Pol Pot be tried,'' she said in a briefing for journalists traveling with her to Asia. ''We consider him a war criminal.'' She added that the United States sought to have him tried ''by some procedure that is internationally accepted.''

She acknowledged that earlier explorations into using Canadian or Dutch law had run into complications, but said American officials were continuing to search for the right site and method for a trial.●

TRIBUTE TO GARY HURT

● Mr. BOND. Mr. President, I rise to pay tribute to a friend and outstanding member of the Missouri Highway Patrol, who is retiring after many years of dedicated service.

You have heard the expression, ''you can bet your life on it.'' That was more than an expression for me during the 8 years my family and I depended on the Governor's security team. We literally bet our lives on Gary Hurt and his colleagues, just as all Missourians bet their lives on other members of the highway patrol every day.

Gary Hurt has devoted 28 years of service to the Missouri State Highway Patrol. Of this tenure, 18 years has been spent on the Governor's security division, where Gary has served as assistant director for 14 years. He learned his craft in the time-honored way, as a road trooper for a full decade.

Gary fought back several years ago from an injury that threatened to end his career with the patrol. An injury to his ''gun arm'' required two operations, extensive physical rehabilitation and tremendous grit to overcome but overcome it he did.

As Governor, I became very close to my security team members sharing every event and most waking hours. I am particularly grateful for their patience during the endless hours that, while driving to events, I read bedtime stories into a tape recorder for my son, Sam, for those nights I could not be home in time to read to him in person. Gary and I have shared floods, tornadoes, prison riots, hangings in effigy, election night victories and defeats, births, deaths, weddings, budget crises, and fiscal triumph. As an aside, one of the weddings we most recently shared occurred when Gary's son married a caseworker in my office of constituent services.

I regret that Missouri will no longer have Gary Hurt among its law enforcement members, but I am counting on him to continue to share his humor, insight, and experience through different avenues. Thank you, Gary, and best of luck in your retirement. You have earned the chance to do things you want to do for a change.●

INDIAN GAMING REGULATORY ACT AMENDMENTS OF 1997

● Mr. MCCAIN. Mr. President, there is an error in the statement that I submitted for the RECORD in introducing S. 1077, a bill to amend the Indian Gaming Regulatory Act. The portion of the statement alluding to a new process for the negotiation of gaming compacts was inadvertently included. There is no section concerning compacting in the bill I introduced.●

100 YEARS OF THE FORWARD

● Mr. MOYNIHAN. Mr. President, on July 22, 1997, the Washington Post contained a moving tribute to the Forward, a New York City journalistic tradition currently celebrating its centennial year.

The Members of the Senate are probably aware of the Forward's magnificent history; this daily Yiddish newspaper once enjoyed a daily circulation of over 250,000. It did its job of helping new arrivals assimilate and become Americans so very well, that its original readers' descendants can now enjoy the newspaper's superb English language edition, while a wave of new immigrants are being introduced to the nuances of American life by the newspaper's Russian edition.

The Forward's legacy lives on, not only in its three current editions, but with the tens of thousands of families whose ancestors learned about this country in the pages of Abraham Cahan's remarkable publication. On May 22, New York Mayor Guiliani hosted a reception at Gracie Mansion to mark the one- hundredth anniversary of the Daily Vorwaert's first issue. I sent a message to this reception which was reprinted in the Forward's Yiddish, English and Russian editions:

I have long believed that the Forward renders an invaluable contribution to American

society. Your dynamic newspaper should be appreciated by all who cherish our national heritage of respect for intellectual creativity and journalistic integrity. Even those of us who couldn't enjoy A Bintel Brief in the original were long ago aware of the Forward's power to captivate, educate and inspire. Your vigorous English edition is a worthy companion to the historic Yiddish Forward.

Please accept my great congratulations on this magnificent milestone.

With my best wishes to the ''gold standard'' of ethnic journalism.

The Forward has played a significant cultural and educational role in its first century and I trust that the members of the Senate join me in wishing similar success to the three editions that so ably carry on the historic Forward tradition.

Mr. President, I ask that the text of the Washington Post article on the Forward's centennial be printed in the RECORD.

The material follows:

[From the Washington Post, July 22, 1997]

NEW VOICES FOR A NEW CENTURY—NEWSPAPER OF AN EXODUS SPEAKS A LANGUAGE ITS CHILDREN NO LONGER HEAR, BUT REACHES OUT IN OTHERS

(By John M. Goshko)

NEW YORK.—Some of this city's most prominent editorialists, academics and intellectuals lately have been waxing nostalgic about a New York institution now personified by a half-dozen elderly men hunched over rickety, ancient typewriters in a charmless office.

These men—not all in the best of health and able to put in a full day's work—are what remains of the Yiddish staff of the Forward, or Der Vorwaerts, once celebrated as the most influential foreign-language newspaper in the United States. Now marking its 100th anniversary amid growing uncertainty about its future, the Forward is known as the paper that did its job so successfully that it has come to the brink of putting itself out of business.

To survive into a second century, the Forward has had to start thinking about ways to reinvent itself. It actively is experimenting with moves away from Yiddish, seeking to attract new audiences with editions in English and Russian.

The English edition, in particular, has aroused considerable interest because of its aggressive, no-sacred-cows coverage of Jewish affairs under editor Seth Lipsky, a graduate of the Wall Street Journal's editorial page, and his staff of young reporters. The English version doesn't always sit well with many old-line readers who find Lipsky's combative conservatism jarringly at odds with the Forward's foundations in socialism and trade unionism. They say that while the name on the masthead of the English edition may be the same, the newspaper itself is not. To them, he Forward's identity cannot be separated from the language and culture that the great waves of turn-of-the-century immigration brought to this country from East European Jewish communities destined to perish in the Holocaust.

More than 2.5 million Yiddish-speaking Jewish immigrants poured into New York between 1880 and 1925, and many learned how to Americans from the Forward. At the height of the newspaper's influence, its daily circulation of more than 250,000 stretched from New York into the sizable immigrant communities of Boston, Philadelphia, Chicago and Los Angeles. And it used this influence to become a key player in shaping the modern American labor movement and leading the exodus of Jewish immigrants from European-inherited socialist politics to the New Deal.

''For people like me, the Forward is part of a culture; something that's in my genes,'' said Hyman J. Bookbinder, long the American Jewish Committee's representative in Washington. ''I was brought up in a Forward home, where my parents, who came from Poland as teenagers, looked to the Forward for what amounted to their high school and college education.''

In 1947, the Forward's 50th anniversary celebration packed Madison Square Garden. Today, the editor of the Yiddish Forward, Mordechia Shtrigler, worries that the paper, which became a weekly in 1983, might have to cut back further and go biweekly or even monthly. The grandchildren and great grandchildren of the original faithful have moved on. For the Yiddish edition, there remain only a geriatric generation whose imminent passing effectively will mark the dying out of Yiddish as a language with any currency in the United States.

''It's not just that the young people don't read or speak Yiddish,'' said Shtrigler. ''We are almost out of people who can write commandingly and persuasively in Yiddish about politics and literature and culture. Many weeks I have to write more than half the newspaper myself. I fear what the future will be.''

His anxiety is, in many ways, a testament to the certain vision of Abraham Cahan, an autocratic but brilliant editor who ran the paper for more than 50 years. Cahan arrived in New York from Lithuania in 1882 and quickly acquired a gift for writing in English that enabled him to become a star reporter for English-language newspapers. He gained even wider notice by writing two novels about Lower East Side ghetto life: ''Yekl,'' which in the 1970s became the basis for the film ''Hester Street,'' and the ''Rose of David Levinsky,'' acclaimed at the time as a minor masterpiece of genre realism.

Both books dealt with the theme of assimilation as necessary and inevitable for survival in the new world, even when it meant a melancholy loss of one's youthful ideals. That was the message that Cahan carried over into the pages of the Forward. Cahan built a devoted readership from sweatshop laborers and pushcart peddlers with detailed, colorful coverage of New York's politics and its nascent labor movement. And he added a high-toned side, publishing the work of the best Yiddish poets and novelists. One, Isaac Bashevis Singer, published almost all of his stories in the Forward before their book publication.

But the Forward's basic message was underscored by Cahan's lead editorial on his first day as editor: ''Send Your Children to College if You Can, but Don't Let Them Become Disloyal to Their Parents.'' It set the tone for future Forward articles that would attempt to act as a bridge between America and the shetl. They covered every conceivable subject including one, ''Fundamentals of Baseball Explained to Non-Sports,'' which came complete with a diagram of the Polo Grounds.

By far the most popular and famous feature was the ''Bintel Brief'' (''Bundle of Letters''), where readers wrote in to seek advice about their most personal concerns and aspirations.

The letters included such pre-''Dear Abby'' trivia as one from ''The Unhappy Fool,'' who confessed that he considered the girl be loved flawed because she had a dimple. The Forward's tart reply:

''The trouble is not that the girl has a dimple in her chin but that some people have a screw loose in their head.''

But others were what has been called ''a cry from the depths of immigrant life'': the new arrival's anguish at leaving his aged parents in Europe, the plight of the young mother deserted by her husband, the despair of a tenement janitor condemned to eke out his days in '' a place where the sun is ashamed to shine.''

If the people who wrote to the ''Bintel Brief'' have a present-day counterpart, it is the immigrants from the now defunct Soviet Union, whose population in the New York area has swelled to almost 400,000 in recent years. An estimated 95 percent of them are Jewish, and in December 1995, the Forward began a weekly Russian edition to cater to their needs, with a circulation now of 10,000.

It carries a heavy dose of news about the Russian immigrant community, particularly its problems of adjustment. It even carries a Hebrew lesson in each issue.

As to the descendants of those earlier immigrants who were the Forward's original audience, they are largely successful business and professional people who have graduated to the suburbs and Manhattan's tonier neighborhoods. The English edition, a weekly established in 1990, is hoping it can lay the foundations for a new kind of paper by establishing with the new generation the same bonds of passion for Jewish issues that existed between their forebears and the Yiddish Forward.

It has a ways to go. Its circulation is only about 25,000, and it hemorrhages red ink at the rate of about $1 million a year. Still, Lipsky optimistically insists that it is not unrealistic to harbor hopes of someday becoming a daily. In pursuit of that dream, he has hired a constantly revolving team of your talent.

Although they work just down the hall from the Yiddish staff, there is a respectful but clear separation between the two. The English edition does not use any material from its older sibling. And the younger staff members, their accents and sensibilities betraying the stamp of places like Berkeley, Cambridge and New Haven, have only the foggiest notions of the Talmudic arguments about assimilation and schisms in the socialist movement that preoccupied earlier generations of Forward editors and reporters.

Collectively, they turn out a newspaper distinguished by sophisticated arts coverage and a more probing, sometime sensationalist approach to Jewish issues than most other American Jewish publications, whose ties and funding sources generally cause them to tread cautiously around Jewish charities and organizations. The Forward also is unlike its competitors in that it frequently is willing to take some critical looks at Israel.

This attitude has earned the English edition a substantial number of enemies among Jewish organizations and individuals who feel the paper has treated them unfairly. Inevitably the biggest share of brickbats has been aimed at Lipsky's editorial positions which reader nostalgic for the old Forward consider an unpalatable mix of Reaganomics and Cold War rhetoric.

Rabbi Arthur Hertzberg, a professor of humanities at New York University, accused Lipsky of trying to turn ''a newspaper of socialists and social democrats [into] an echo of the Wall Street Journal.'' Jack Sheinkman, former president of the Amalgamated Clothing and Textile Workers Union, expressed outrage at Lipsky's unapologetic defense of American involvement in the Vietnam War, and the literary critic, Alfred Kazin, protested that a Forward proposal to bomb North Korea's nuclear weapons facilities had no place in ''a paper founded a century ago on the blood and toil of peaceful laboring people who believed in harmony with people like themselves.

Lipsky takes the criticism in stride: ''A lot of people tiptoe around our ideological battles as through its something to be embarrassed about. Actually, I find it a matter of great zest.'' He even wrote an article in a recent issue of Commentary magazine arguing that ''Abraham Cahan would have perfectly well understood the contours of the struggle we are in today and have responded in the spirit in which we carry on.''●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of S. Con. Res. 32, the First Concurrent Resolution on the Budget for 1986.

This report shows the effects of congressional action on the budget through July 28, 1997. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1997 Concurrent Resolution on the Budget (H. Con. Res. 178), show that current level spending is above the budget resolution by $9.5 billion in budget authority and by $12.9 billion in outlays. Current level is $20.5 billion above the revenue floor in 1997 and $101.9 billion above the revenue floor over the 5 years 1997–2001. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $219.9 billion, $7.4 billion below the maximum deficit amount for 1997 of $227.3 billion.

Since my last report, dated June 23, 1997, there has been no action that has changed the current level of budget authority, outlays, or revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 29, 1997.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1997 shows the effects of Congressional action on the 1997 budget and is current through July 28, 1997. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1997 Concurrent Resolution on the Budget (H. Con. Res. 178). This report is submitted under section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated June 23, 1997, there has been no action that has changed the current level of budget authority, outlays or revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1997 105TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS JULY 28, 1997

[In billions of dollars]

	Budget resolution H. Con. Res. 178	Current level	Current level over/under resolution
On-Budget			
Budget authority	1,314.9	1,324.4	9.5
Outlays	1,311.3	1,324.2	12.9
Revenues:			
1997	1,083.7	1,104.3	20.5
1997–2001	5,913.3	6,015.2	101.9
Deficit	227.3	219.9	−7.4
Debt subject to limit	5,432.7	5,283.0	−149.7
Off-Budget			
Social Security outlays:			
1997	310.4	310.4	0.0
1997–2001	2,061.3	2,061.3	0.0
Social Security revenues:			
1997	385.0	384.7	−0.3
1997–2001	2,121.0	2,120.3	−0.7

Note.—Current level numbers are the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 105TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1997 AS OF CLOSE OF BUSINESS JULY 28, 1997

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions			
Revenues			1,101,532
Permanents and other spending legislation	843,324	801,465	
Appropriation legislation	753,927	788,263	
Offsetting receipts	−271,843	−271,843	
Total previously enacted	1,325,408	1,317,885	1,101,532
Enacted this session			
Airport and Airway Trust Fund Reinstatement Act of 1997 (P.L. 105–2)			2,730
1997 Emergency Supplemental Appropriations Act (P.L. 105–18)	−6,497	281	
Total, enacted this session	−6,497	281	2,730
Entitlements and mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	5,491	6,015	
Totals			
Total current level	1,324,402	1,324,181	1,104,262
Total budget resolution	1,314,935	1,311,321	1,083,728
Amount remaining:			
Under budget resolution			
Over budget resolution	9,467	12,860	20,534
Addendum—Emergencies			
Funding that has been designated as an emergency requirement by the President and the Congress	9,228	1,917	
Funding that has been designated as an emergency requirement only by the Congress and is not available for obligation until requested by the President	315	300	
Total emergencies	9,543	2,217	
Total current level including emergencies	1,333,945	1,326,398	1,104,262

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 105–18 AND TREATY DOCUMENT NO. 105–19

Mr. SANTORUM. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties transmitted to the Senate on July 30, 1997, by the President of the United States:

Extradition Treaty with Argentina (Treaty Document No. 105–18);

Extradition Treaty with Organization of Eastern Caribbean States (Treaty Document No. 105–19).

I further ask that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

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

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty between the United States of America and the Argentine Republic, signed at Buenos Aires on June 10, 1997.

In addition, I transmit, for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report states, the Treaty will not require implementing legislation.

The provisions in this Treaty follow generally the form and content of extradition treaties recently concluded by the United States.

Upon entry into force, this Treaty would enhance cooperation between the law enforcement authorities of both countries, and thereby make a significant contribution to international law enforcement efforts. The Treaty would supersede the Extradition Treaty Between the United States of America and the Republic of Argentina signed at Washington on January 21, 1972.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 30, 1997.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaties between the Government of the United States of America and the governments of six countries comprising the Organization of Eastern Caribbean States (collectively, the ''Treaties''). The Treaties are with: Antigua and Barbuda, signed at St. John's on June 3, 1996; Dominica, signed at Roseau on October 10, 1996; Grenada, signed at St. George's on May 30, 1996; St. Lucia, signed at Castries on April 18, 1996; St. Kitts and Nevis, signed at Baseterre on September 18, 1996; and St. Vincent and the Grenadines, signed at Kingstown on August 15, 1996.

In addition, I transmit, for the information of the Senate, the report of the Department of State with respect to the Treaties. As the report explains, the Treaties will not require implementing legislation.

The provisions in these Treaties follow generally the form and content of extradition treaties recently concluded by the United States.

Each Treaty will enhance cooperation between the law enforcement communities in both countries. That will thereby make a significant contribution to international law enforcement efforts. Upon entry into force of the extradition treaties between the United States and Antigua and Barbuda, Dominica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, the Extradition Treaty between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland signed June 8, 1972, which was made applicable to each of these territories upon its entry in force January 21, 1977, and which continues to apply between the United States and each of the entities subsequent to becoming independent, will cease to have any effect between the United States and the respective country. Upon entry into force of the Extradition Treaty between the United States and Grenada, the Extradition Treaty between the United States and Great Britain signed December 22, 1931, which was made applicable to Grenada upon its entry into force on June 24, 1935, and which continues to apply between the United States and Grenada, following its becoming independent, shall cease to apply between the United States and Grenada.

I recommend that the Senate give early and favorable consideration to the Treaties and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 30, 1997*.

NEED-BASED EDUCATIONAL AID ANTITRUST PROTECTION ACT OF 1997

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1866, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1866) to continue favorable treatment for need-based educational aid under the antitrust laws.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1046

(Purpose: To limit the application of an exemption of antitrust laws relating to need-based educational aid and to extend the period of applicability of that exemption)

Mr. SANTORUM. Mr. President, Senators DEWINE and KOHL have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. DEWINE, for himself and Mr. KOHL, proposes an amendment numbered 1046.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike section 2 and insert the following:

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 subsection (a)—

(A) in the heading, by striking ''TEMPORARY''; and

(B) by striking paragraph (4) and inserting the following:

''(4) to exchange through an independent third party, before awarding need-based financial aid to any of such students who is commonly admitted to the institutions of higher education involved, data submitted by the student so admitted, the student's family, or a financial institution on behalf of the student or the student's family relating to assets, liabilities, income, expenses, the number of family members, and the number of the student's siblings in college, if each of such institutions of higher education is permitted to retrieve such data only once with respect to the student.''; and

(2) in subsection (d), by striking ''September 30, 1997'' and inserting ''September 30, 2001''.

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

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1046) was agreed to.

Mr. SANTORUM. I ask unanimous consent the bill be considered read a third time and passed, as amended, the motion to reconsider be laid on the table, and any statements relating to this bill be placed at the appropriate place in the RECORD.

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

The bill (H.R. 1866), as amended, was considered read the third time and passed.

AUTHORIZING THE USE OF THE CAPITOL GROUNDS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 132, H. Con. Res. 98.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 98) authorizing the use of the Capitol Grounds for the SAFE KIDS Buckle Up Car Seat Safety Check.

The Senate proceeded to consider the concurrent resolution.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 98) was agreed to.

ADDITIONAL CONFEREE—H.R. 2203 AND H.R. 2169

Mr. SANTORUM. Mr. President, I ask unanimous consent that Senator INOUYE be added as a Democratic conferee with respect to the following:

H.R. 2203, energy and water appropriations, and H.R. 2169, transportation appropriations.

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

ORDERS FOR THURSDAY, JULY 31, 1997

Mr. SANTORUM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:15 a.m. on Thursday, July 31. I further ask unanimous consent that on Thursday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate immediately proceed to the conference report accompanying H.R. 2015, the Balanced Budget Act, as under the previous order.

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

PROGRAM

Mr. SANTORUM. Mr. President, tomorrow morning, from 9:15 a.m. to 10:15 a.m., the Senate will conclude debate on the conference report to the Balanced Budget Act. Under a previous order, at 10:15 a.m., the Senate will proceed to vote on the conference report. Following that vote, it is the intention of the majority leader that the Senate will begin debate on the conference report to the Taxpayer Fairness Act. As Members are aware, there are 10 hours of statutory debate time in order to this conference report. Therefore, Members can anticipate additional rollcall votes following the 10:15 a.m. vote. As always, Members will be notified as to when rollcall votes are required.

ORDER FOR ADJOURNMENT

Mr. SANTORUM. 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 following the remarks of the Senator from New Jersey.

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

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

THE PLAGUE OF TERRORISM

Mr. TORRICELLI. Mr. President, only hours ago, in a market in Jerusalem, the plague of terrorism once again struck the people of the Middle East. Simple people shopping for their goods and wares were struck down by a terrorist bomb. People who do not have

the courage to stand on the battlefield or the wisdom to sit across a conference table with diplomats have, once again, sought to impose their own will on the people of Israel.

I rise on the floor of the Senate to express all of our sympathies for the families of the victims, the people of Israel, and to Prime Minister Netanyahu.

I know in all of us, there is not only a prayerful sorrow, but also a great anger. The sacrifices and the works and the hopes of so many might be dashed by these few who would impose their will. The best message may not simply be our prayers or our condolences. Perhaps, Mr. President, as Americans, we are best to respond to this tragedy as Americans have always responded to those who act in violence and with such irresponsible actions. Our best message may be our uncompromising determination to pursue peace.

It is, after all, the interruption of the peace process that terrorists desire the most. If they had a coherent argument that had intellectual weight, they would have sought an entry into the peace process to make their arguments to diplomats. If they could make a coherent case to either the electorate in Israel or the people of the Palestinian Authority, they would have taken their case through a democratic process to those peoples. Their terrorist actions are the best evidence that they have no such arguments. They can make no such case. They, indeed, do not have confidence themselves in the strength of their own positions.

In responding to this terrorist action, President Clinton made clear that the United States will not be dissuaded, that we are not led away or apart from our current policy of seeking a peaceful resolution to events in the Middle East. I believe that President Clinton, when he speaks these words, represents all of us.

It is, therefore, only right and proper that, when the mourning ends and the dead are buried, our diplomats return to the Middle East with all dispatch. If it was the intention of the administration that they were to return in several days, the best message to the terrorists is that they return sooner. If it was their intention to remain a month, it is the best message to the terrorists that they should remain 2 months. If it was the intention of this Congress to continue American assistance to Israel for several years, the best message to these terrorists is, it shall continue for more years.

There are those through the years who do not understand the United States. They think that because we are a patient and a reasonable people, inclined towards peace and willing to talk, that we lack strength or resolve. Those who know our history, watched our actions, or understand us and our culture the best know that, in fact, nothing could be further from the truth. We are a people of enormous resolve. That resolve will best be demonstrated in the coming days when this administration sends our diplomats back to the negotiating table, this Congress continues with our commitments to Israel, and we make clear we will not be separated from our ambition of a strong and free Israel, with a Middle East with a lasting peace.

To the Palestinian Authority and its leader, Yasser Arafat, we are all grateful that Mr. Arafat has expressed to Prime Minister Netanyahu and to the families of the victims his condolences. It is, however, on this occasion, not enough. The best expression of condolence to the victims and to the people of Israel is for Mr. Arafat to renew his commitment to the peace process without condition. It is not enough simply to express regret at the suffering of those who are victims or for Mr. Arafat to express his commitment to find those responsible and to cooperate with the Israeli authorities.

It is also not enough to cooperate because of the deeds of this day, but to assure that tomorrow, and in all days that follow, the Palestinian Authority security forces will cooperate with Israeli law enforcement to share intelligence information, to open her borders and her files to ensure that this deed that has been suffered upon the people of Israel is not repeated.

Mr. President, the people of Israel have suffered on many such days. Terrorism has not become the exception, but sometimes it seems the rule of the politics of the Middle East.

In Israel, like in America, we are misunderstood. This much should be clear: There is no terrorist action so great, no number of victims so large, that the people of Israel will be convinced to compromise on the needs of their basic security, their determination that they and their children will live in an undivided Jerusalem. At times we seem so close to peace and yet more victims, more sacrifice is asked.

Wherever these terrorists might be hiding tonight, whatever cave may conceal their cowardice, let this much be clear: Israel will remain free, Jerusalem will remain Israeli, the future will be secured. And if the sacrifice of the people of Israel through all these years has not convinced these terrorists, or those who would follow them, of that fact, then add this to the equation: The U.S. Congress, this Senate in representation of all the people of the United States, are determined to make it so as well.

Mr. President, our prayers, our heartfelt sorrow go to the families of the victims of all the people of Israel. May the future at long last be different than the past.

I yield the floor.

ADJOURNMENT UNTIL TOMORROW AT 9:15 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:15 a.m. tomorrow.

Thereupon, the Senate, at 8:11 p.m., adjourned until Thursday, July 31, 1997, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate July 30, 1997:

THE JUDICIARY

SUSAN GRABER, OF OREGON, TO BE U.S. CIRCUIT JUDGE FOR THE NINTH CIRCUIT, VICE EDWARD LEAVY, RETIRED.

DEPARTMENT OF STATE

PETER L. SCHER, OF THE DISTRICT OF COLUMBIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL TRADE NEGOTIATOR.

DEPARTMENT OF ENERGY

MARY ANNE SULLIVAN, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY, VICE ROBERT RIGGS NORDHAUS, RESIGNED.

NATIONAL COUNCIL ON DISABILITY

ELA YAZZIE-KING, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1999. (REAPPOINTMENT)

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 12203:

To be brigadier general

COL. JAMES P. CZEKANSKI, 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be major general

BRIG. GEN. JOHN G. MEYER, JR., 0000.
BRIG. GEN. ROBERT L. NABORS, 0000.

EXTENSIONS OF REMARKS

R.J. REYNOLDS STILL TARGETS OUR YOUTH AND YOUNG ADULTS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. WAXMAN. Mr. Speaker, I rise today to share with the Members of this House an article that appeared in the May 28, 1997, edition of the Cleveland Free Times concerning R.J. Reynolds' new strategy to lure young people to smoke Camel cigarettes.

Given the retirement of Joe Camel, you may have thought that RJR was going to put an end to its promotional campaign aimed at our kids. But this Cleveland Free Times article discloses that R.J. Reynolds has developed a multimillion-dollar cigarette marketing campaign that targets bars and clubs frequented by youth and young adults. The goal of the program is to create an alternative marketing campaign and cigarette distribution network that operates under the radar. The campaign's targets include clubs—some of which are all-age concert clubs—and coffee houses. In exchange for cash, these bars and clubs give RJR exclusive rights to promote and sell Camel cigarettes in their establishment. As part of this promotion strategy, RJR-paid personnel mingle in the clubs to associate Camel cigarettes with what is cool.

This insightful Cleveland Free Times article gives us fair warning that the tobacco industry will continue to use its own particular marketing genius to target our kids. This must be foremost in our mind as we begin to consider tobacco legislation and how we can best achieve our goal of reducing the deadly toll exacted by tobacco on the people of our country.

Mr. Speaker, I ask that the full text of the article be printed in the RECORD so that my colleagues may have an opportunity to read about RJR's club marketing strategy.

CAMEL CLUBBING

(By Mark Naymik)

They do not wait in lines, show IDs, pay cover charges or purchase concert tickets to gain access to Cleveland's most popular bars and clubs. Once inside these venues, they are treated like low-budget celebrities, sometimes drawing a small crowd, several handshakes, and admiring nods from bar and club staff members.

They are Cleveland's Camel Club kids, a small group of twenty-something clubgoers, including Twig, Sheff, Ma-Ma, Frankie Boy and Don Vega, as they are known.

On most nights, these fashionable men and woman, each armed with a black canvas bag filled with Camel cigarettes, slip in and out of more than thirty area bars and clubs, from the Grog Shop, a small East side concert club, to the Phantasy, Lakewood's industrial-music dance club, to Ufia, Cleveland's largest gay club located on the West Side. Their job: blend in with the bar and club patrons, make friends with the bar staff and offer smokers free Camel cigarettes, R.J. Reynolds' premium brand.

These Camel Club kids should not be compared to those candy-striped cigarette girls or miniskirt-clad alcohol peddlers, who attract a lot of attention but can be more annoying than effective in enticing bar patrons to try their product. Camel Club kids look like they belong. They are R.J. Reynolds' ambassadors of cool. And they are the frontline workers in a relatively new, multimillion-dollar cigarette marketing campaign known as the Camel Club Program.

The goal of the Camel Club Program—beyond the obvious aim to increase sales of Camel cigarettes—is to create an altenative marketing campaign and cigarette distribution network, one that will not be affected by changing federal regulations or the scores of tobacco-related lawsuits clogging the courts. In other words, R.J. Reynolds wants to create a sales program that no longer relies on Joe Camel, obnoxious givaways and promotions, or even vending machines to move its smokes.

Cleveland is only one of about a dozen cities in which R.J. Reynolds has begun to market its cigarettes through bars and clubs frequented by the twentysomething smoking crowd.

A Free Times examination of the Camel Club Program in Cleveland reveals that R.J. Reynolds already has a near monopoly on the sale of cigarettes in most of Cleveland's bars and clubs that cater to young crowds. R.J. Reynolds created this monopoly by spending more than $120,000 on marketing agreements with club owners, who, in turn, give Camel Club kids exclusive access to their establishments. R.J. Reynolds also has targeted coffeehouses—havens for young smokers—and concert clubs that feature all-ages shows.

MONEY FOR NOTHING

Several months ago, representatives from R.J. Reynolds and KBA Marketing, the young and progressive Chicago-based marketing firm that manages the Camel Club Program, came to Cleveland in search of trendy bars, restaurants, coffeehouses and concert clubs. About forty area nightspots made the scouting team's hit list.

Next, KBA hired two Cleveland clubgoers with a knowledge of the city's nightlife scene and rented for them an office in the Bradley Building in Cleveland's Warehouse District. These clubgoers became KBA's Cleveland ''city managers.'' Their job was to contact club owners on the hit list and sign them to a one-year contract giving R.J. Reynolds exclusive rights to promote and sell Camel cigarettes in their establishments.

By mid-February, the city managers easily signed thirty bars and clubs to the program. Bar and club owners would have been foolish not to sign. First, R.J. Reynolds offered them cash, between $1,000 and $18,000, depending on the club's size and traffic flow. For instance, the Drip Stick, a sleepy coffeehouse in the Warehouse District, received $1,000, while the Odeon, a concert club that features local and national rock and alternative acts, received $17,800, according to club industry insiders. R.J. Reynolds puts no restrictions on how the money can be used.

On top of the cash, R.J. Reynolds agrees to supply the bar owners with Camel beverage napkins, ashtrays, personalized matchbooks and bar paraphernalia like neon lights, a marketing tactic similar to promotions traditionally done with beer and liquor products through local distributors. R.J. Reynolds also buys regular full-page advertisements in an entertainment publication in each city to collectively promote the clubs and helps in the printing of expensive glossy flyers featuring their concerts and special events.

After the city managers signed the Cleveland bar and club owners to a contract, they arranged a meeting with staff members of each venue to outline what they would get out of the program.

Every bar or club staff member who smokes receives free Camel cigarettes, usually a couple of packs, each time a Camel Club kid visits. The staff receives Camel promotional items like Zippo lighters, MagLite flashlights, T-shirts and hats. In return, R.J. Reynolds expects these bar staffers to promote Camel cigarettes by smoking Camel products while they work, and by displaying individual Camel cigarettes behind the bar. ''You notice more people asking to purchase cigarettes from you, increasing your tips.'' the city managers are supposed to tell the bar staff at their orientation meeting, according to KBA marketing materials.

DEATH OF VENDING MACHINES

Another goal of the Camel Club Program is the elimination of vending machines, which display competitors' cigarettes, such as Philip Morris' Marlboro brands. To do this, KBA's city managers encourage bar and club owners to discontinue selling cigarettes in vending machines, and instead, exclusively sell Camel cigarettes displayed in small lighted kiosks placed behind their bars. Nearly all of the bars and clubs in the program have placed Camel kiosks, which hold forty packs of cigarettes, behind their bars. Here, too, R.J. Reynolds' sales pitch was hard to refuse: Eliminate the cigarette and vending machine distributors—the middle men—and pocket more cash.

Using vending machines, bars and clubs earn roughly between 25 and fifty cents on a pack of cigarettes that retails in the machine for about $2.75. R.J. Reynolds charges the clubs $1.52 per pack. So clubs that sign on with R.J. Reynolds can earn 97.5 percent profit on a pack of cigarettes that retails for $3 behind the bar. That's $60 profit every time they empty a kiosk. R.J. Reynolds also offers better service than traditional vendors. The Camel Club kids are on call to service the kiosk at all hours. If, for example, the club runs out of cigarettes in the middle of a concert, the bar manager can call one of the club kids, who will deliver fresh packs immediately.

If a bar owner has a pre-existing contract with other cigarette companies and vending machine distributors, R.J. Reynolds expects the bar's owner to request from the vending machine operator that it ''convert the top 11 columns'' of the machine to Camel brands.

New FDA regulations that will take effect later this summer prohibit all bars, clubs and restaurants that serve patrons under 21 from selling cigarettes in vending machines. By getting club owners to agree now to sell Camel exclusively, R.J. Reynolds is effectively locking out other cigarette makers from entering the bar when the regulations take effect.

THE ''UNDER THE RADAR APPROACH''

KBA launched the Camel Club Program in late 1994 in Chicago, and quickly introduced

it into New York, Dallas and Los Angeles. The Camel Club Program's style has a lot to do with KBA and its founder, Kevin Berg, a former club owner.

Berg does not hire ''suit and tie'' corporate types; he hires men and women who have nightclub experience and who are on the cutting-edge of fashion and pop culture. People with such experience and style are easily accepted into the club scene and carry far more ''credibility'' than the often stiff corporate cigarette representative.

Twig, for instance, on a recent visit to the Odeon concert club, wore thick, black-rim, retro-styled glasses, a leather coat that hung below his waist, wide-leg blue jeans, and red shoes. His demeanor was relaxed, as he made little effort to distribute the cigarettes. He gave a few packs of Camel cigarettes to Odeon staff, laughing with them as if he were an old fraternity buddy. He then took a seat for the show. During a recent visit to the Brillo Pad, a dimly lighted lounge with a soothing beat, Camel Club kid Don Vega walked behind the bar and served himself an orange juice, passed a few packs of cigarettes to friends and the bartender, played a game of chess with the owner, and left.

Being associated with a ''cool'' scene is the image R.J. Reynolds wants to build. ''By operating in the nightlife scene, the objective is to directly reach trend influencers, the people that start and maintain trends. Our association with trend influencers * * * will have a lasting impact on clubgoers who will begin to associate Camel with what is 'cool' '' reads KBA's marketing material.

KBA believes by using the Camel Club kids and ''interacting with the club patrons using a low-key, under the radar approach, is our best way to establish that we understand and are a part of the scene.''

Once in the scene, Camel Club kids, who are paid hourly and typically work 4 to 6 hours a night, try to convert smokers to Camel by offering smokers fresh, full packs of Camels in exchange for their remaining non-Camel cigarettes. In return, the smokers are supposed to fill out an address card, known as the ''name generation'' card, which is passed back to R.J. Reynolds.

According to KBA's marketing plan. ''This personal approach to selling is designed to, if executed effectively, convert the smoker to Camel and show the adult smoker that Camel is 'cool' by the way we establish this subtle interchange.''

KBA declined to comment for this story and instead, asked R.J. Reynolds to respond to the *Free Times.* R.J. Reynolds did not contact the paper before deadline.

BIG HAIR AND BUBBLE GUM

If R.J. Reynolds' stated goal is to influence trendsetters and be associated with ''cool,'' one has to wonder why KBA city managers targeted and signed Club 1148, a discotheque in the Flats.

Club 1148 is anything but hip, the only trendsetters that hang out here are those left over from the '80s. On a recent Saturday night, for example, hairsprayed women in tight frosted jeans flounced around the dance floor as bare-chested men in vests watched form the sidelines. Many of the club's smokers chewed gum while they took long, rehearsed drags on Camel cigarettes.

So why is R.J. Reynolds paying Club 1148 $5,000 for the right to distribute its cigarettes? The answer may lie in the club's demographics. The club is open to 19-year-olds. And while KBA marketing materials state its goal is to ''convert adult smokers at least 21-years-old,'' R.J. Reynolds needs to influence existing young smokers because they are less brand loyal, and therefore, more willing to try and then possibly stay with Camel cigarettes.

Reaching young smokers is perhaps the same reason R.J. Reynolds is interested in coffeehouses, which attract young smokers. Coffeehouses are far more trendy than Club 1148.

The clubs that receive the most money from R.J. Reynolds are the concert clubs, including the Agora, Peabody's DownUnder, Grog Shop and the Odeon, which often feature all-ages shows. It also invests heavily in promoting bands on behalf of these venues. Club tie-ins and joint sponsorship of bands are the cornerstones of the Camel Club Program. This is R.J. Reynolds' way of reinforcing the message that it is supporting the ''scene.''

''Camel events are the single most important way that we leverage our relationship with [Camel Club Program] venues,'' says the KBA marketing plan.

Dan Kemer, senior director of advertising and marketing for Belkin Productions, the concert promotion company that owns the Odeon, says the Camel Club Program helps promote artists he wants to showcase. ''It's another good marketing tool . . . the biggest bonus to us is the program helps get the word out on the street,'' says Kemer about the additional advertising dollars and printed flyers he receives through the program.

Asked if he thought R.J. Reynolds could reach minors by promoting all age-shows, Kemer says he uses the program to tie into events that appeal to an older population, like the recent Me'shell Ndege'ocello concert.

''It's a great program for us,'' says Kathy Simkoff, who runs the Grog Shop on Coventry and received $7000 from R.J. Reynolds. She says the Camel Club Program's primary goal is to help clubs with promotion, not distribute cigarettes to patrons. Simkoff says the Camel Club kids have been ''very careful'' not to distribute cigarettes to minors attending concerts and she often does not know they are in the club.

''They don't get in your face like the Jagermeister girls,'' she says, referring to hired models who troll Cleveland bars, pushing the sweet alcoholic Jagermeister shooter.

Similarly, John Michalek of Peabody's DownUnder, an all-ages concert club in the Flats which reportedly received $9,000 from R.J. Reynolds, says the program helps him promote shows and he ''has not seen any problems'' with the distribution of cigarettes to minors.

But anti-smoking groups see the Camel Club Program as a campaign to attract underage smokers.

''R.J. Nabisco's Camel Club Program is just another strategy to seduce young people both over and under the age of 18 to use their deadly product, and is another indication as to why independent oversight of tobacco industry advertising and promotion is essential,'' says Lucinda Wykle-Rosenberg, research director for INFACT, a national corporate watchdog organization. INFACT is currently sponsoring a boycott of products made by R.J. Reynolds—which owns Nabisco foods—because of its cigarette marketing campaigns. Wykle-Rosenberg says the Camel Club Program is a campaign to get around anticipated regulations.

What has long upset this group and other dedicated anti-tobacco groups are the alarming death rates associated with smoking and the rate of addiction among teenagers. The Centers For Disease Control says 400,000 Americans die every year from tobacco-related diseases, and has reported that smoking rates for students in grades 9–12 increased from 27.5 percent in 1991 to 34.8 percent in 1995. A 1996 University of Michigan study released in 1996 showed smoking among high school seniors has increased to the highest level in 17 years. And it is the demographic group, anti-tobacco advocates worry, that is attracted to such campaigns as the Camel Club Program.

''It's the Camel blitz,'' says one local bartender and Camel Club Program participant, who does not smoke. ''The Camel kiosks are everywhere.''

Editors' note: In the spirit of full disclosure, we want to point out that the Free Times has run cigarette ads periodically. But as Mark Naymik's piece demonstrates, our business policy to accept such ads has had no impact on our editorial policy.

Area bars and clubs participating in the Camel Club program include: Agora, Euclid Tavern, Grog Shop, Peabody's DownUnder, U4iA, Odeon, Phantasy Complex, Club Visions, Whisky, Wilbert's, 6th Street Under, Galaxy Lounge, Brillo Pad, Club 1148, Edison's Pub, Lincoln Park Pub, Treehouse, Market Avenue Wine Bar, Red Star Cafe, Literary Cafe, Firehouse Brewery, Uptowne Grille, Hi & Dry, The Last Drop, La Cave du Vin, The Humidor, The Drip Stick, Rhythm Room.

SOCIAL SECURITY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. HAMILTON. Mr. Speaker, I am inserting my Washington Report for Wednesday, July 30, 1997 into the CONGRESSIONAL RECORD:

THE OUTLOOK FOR SOCIAL SECURITY

The aging of America is a significant factor in the growth of federal spending. Not only do we have more people in the population over 65, we also have a slowdown in the growth of the workforce. The proportion of the U.S. population that is elderly will increase dramatically in the second and third decades of the next century, as the baby boomers—those born between 1946 and 1964—retire. As these population shifts occur, the federal budget increases automatically because it is the principal source of income support and medical care for older people.

Federal programs that serve older people—Social Security, Medicare, and parts of Medicaid—have replaced national defense as the dominant category of federal spending, with the federal government now spending well over twice as much on older Americans as we spend on national defense. Social Security now constitutes the major source of income for most retirees. Covering more than 95% of the labor force, Social Security is an immensely popular program.

The Social Security program is currently in good financial shape, but the long-term changes in the workforce will place a major strain on its ability to pay full benefits for the baby boomers' retirement. So fundamental questions are being asked about whether the Social Security system should be sustained, reduced, or even replaced.

DIFFERENT APPROACHES

There are four broad approaches for bringing financial balance to the future of Social Security.

One approach is to have some combination of benefit cuts and tax increases that would restore long-run financial balance without changing the system in fundamental ways. Benefits can be cut by lowering the amounts paid each year or by raising the normal retirement age. For example, under current law the normal Social Security retirement age will be raised from 65 to 67 by the year 2027; some are suggesting that this transition

be accelerated while others suggest raising it to 70. Benefits can also be cut back by reducing the size of the automatic cost-of-living adjustments. Taxes can be increased by increasing the payroll tax, increasing the average covered wages, and broadening the tax base to include some currently tax-exempt benefits. Although benefit cuts or tax increases could help shore up the program, they are not politically popular, and passage would be difficult.

A second approach is to means test Social Security—reducing benefits to relatively well-to-do beneficiaries. For example, one proposal is to make wealthier retirees ineligible for Social Security cost-of-living adjustments. Proponents of means testing point out that currently some 1.5 million Social Security recipients have annual incomes over $100,000. This approach has some appeal, but it is subject to the criticism that it would discourage savings because those who saved during their working years would find income from those savings indirectly taxed through reduced Social Security benefits. It also raises difficult administrative problems, encouraging potential beneficiaries to conceal assets by moving them abroad, placing them in trusts, or shifting them to children.

The third approach is to privatize the existing Social Security system. The main proposal is that we move to a system of mandatory Individual Retirement Accounts, allowing workers to invest the savings directly in higher yielding assets than government securities. Most privatization proposals would not be pure—the system would still protect workers with low earnings and those who become disabled. The Individual Retirement Accounts would be combined with a low-level uniform benefit and disability insurance.

The privatization approach prompts some criticism. It requires a sizable Social Security payroll tax increase over a long transition period to function. These taxes are necessary because it would not be good policy or politically feasible to cut benefits sharply for current retirees or to change the rules for those about to retire. There are also concerns that a privatized program would not provide sufficient support for workers with low lifetime earnings and that less-skilled workers will have difficulty making informed investment decisions. Privatization approaches attract political support especially among high earners.

How Social Security invests its reserves also affects the program's outlook. Under current law, Social Security reserves are invested in special Treasury securities that yield a return of about 2–3% greater than inflation. Some propose investing part of the Social Security reserves in a broad index of private securities. Critics fear that Social Security benefits could be threatened if the stock market goes down and also worry that this approach would enable the federal government to exercise inordinate control over private companies as a dominant shareholder. It is possible that arrangements could be established to prevent such control of companies whose shares would be represented in the broad portfolio.

A fourth main approach to shoring up the Social Security system recognizes the need to go beyond specific program changes to consider the broader economic environment. Since Social Security depends on payroll tax revenues to support it, it is very sensitive to changes in the economy and workforce productivity. That means we need to continue to implement strong growth-oriented policies for the economy that include balancing the budget and keeping it balanced.

CONCLUSION

My view is that the existing Social Security system has many advantages. The system is progressive in offering larger benefits relative to lifetime earnings for lower earners than for higher earners. It protects virtually all of the retired population. Its administrative costs are low and its benefits are indexed for inflation. Most Americans now rely on it heavily, so we must be very cautious about any major changes. The projected costs of Social Security in the future are high, but if carefully planned and handled, these costs are manageable.

(Material taken from ''Setting National Priorities'' by the Brookings Institution)

LEGISLATION IN SUPPORT OF RELIABLE WATER SUPPLY

HON. RICK HILL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. HILL. Mr. Speaker, I rise today to introduce legislation that will ensure the AssinIboine and Sioux people of the Fort Peck Reservation and the surrounding communities in my home State of Montana a safe and reliable water supply. The Fort Peck Reservation, with a population of over 10,000, is one of the largest reservations in the United States. This reservation suffers from a 52-percent unemployment rate and many of its residents suffer from high incidents of heart disease, high blood pressure, and diabetes. A safe source of water is needed to improve the health status of the residents and encourage economic self-sufficiency.

This legislation delivers those needs for the residents of the reservation and the nearby communities. Building upon a consensus-based water compact, this legislation authorizes a municipal, rural, and industrial water system for the Fort Peck Reservation and the surrounding communities off the reservation. This project will benefit the entire region of northeast Montana and, accordingly, has the support of the residents of the Fort Peck Reservation and the Tribal Council of the Assiniborne and Sioux Tribes, and a member of the conservation districts surrounding the reservation.

The people in this region are plagued with major drinking water problems. In one community, the sulfate levels in the water are four times the standard for safe drinking water. In four of the communities the iron levels are five times the standard. In all of the communities throughout the reservation the groundwater exceeds the standards for total dissolved solids, iron, sulfates, nitrates. In some instances, minerals such as selenium, manganese, and fluorine are found in high concentrations.

Several local water systems have had occurrences of biological contamination. As a result, the Indian Health Service has issued several public health alerts. In most of the reservation communities, the residents are forced to buy bottled water at a cost of at least $75 a month. Those who cannot afford to buy bottled water must continue to use the existing water sources, at great risk to their health. This is true although an ideal source of safe water, the Missouri River, flows near their homes every day. In short, Mr. Speaker, the very health of the residents depends on construction of this project.

Besides the need for drinking water, a new source of water is needed to protect the livestock operations. A major constraint on the ranching industry at Fort Peck has been a lack of available watering sites for the cattle. This water system would provide the needed pasture taps for livestock watering which would boost the local economy. In addition, distributing livestock water to pasture taps at different locations throughout the range would be an effective measure for soil conservation and range management.

Finally, the future water needs of the region are expanding. Current census data show the reservation population as increasing over 30 percent in the next 20 years. The people of the reservation and surrounding communities are clearly in desperate need of a safe and good source of drinking water.

The solution to this need for an adequate and safer water supply is a water system that will deliver a safe and adequate source of water to the residents of the region by using a small amount of the water in the Missouri River to meet these needs. The same type of system has been successfully used throughout the Dakotas.

The people of the Fort Peck Indian Reservation and the region only ask for a necessity of life: good, clean, safe drinking water. Mr. Speaker, I am proud to say that this bill delivers those basic necessities and helps foster much needed economic benefits.

TRIBUTE TO GORDON HEIGHTS

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to Gordon Heights, Long Island as its residents mark the 70th anniversary of this community's creation this year. I ask all of my colleagues in the House of Representatives to join me in honoring my friends and neighbors in Gordon Heights, as they celebrate their community's historic anniversary on August 16, 1997.

A community of caring, friendly people, Gordon Heights is a place where neighbors help neighbors and all residents share in the pride of their hometown. So much of that pride is generated by the great work of the Greater Gordon Heights Civic Association, who through their kind and caring acts have come to truly personify the selfless attitude that is the hallmark of small town America. Students, working mothers, senior citizens, children, veterans and so many others in the Gordon Heights community have benefited from the civic association's charitable efforts and educational programs.

As the Greater Gordon Heights Civic Association has shown, a community's collective civic pride is manifested through the actions of its residents. This evidenced once again by the members of the Gordon Heights Volunteer Fire Department, who are celebrating the 50th anniversary of dedicated service to this Long Island community. Concerned only with saving the lives and property of their neighbors, and compensated only by the gratitude of those they protect, these volunteer firefighters answer the call for help in the dead of night, on brutally cold mornings and in the face of grave danger. The Bible teaches us that we can show no greater love than to lay down our life

for a brother. Clearly, the members of the Gordon Heights Volunteer Fire Department have demonstrated the greatest love for their neighbors and community.

One of the truest tests of a community's character is reflected in the way its children assume the responsibilities of adulthood. To gauge the depth of the character of this community, one need look no further than Gordon Heights resident Michelle Teachey, the first African-American student to earn the privilege of being the valedictorian of her graduating class at Longwood High School. A volunteer with the Greater Gordon Heights Civic Association, Michelle Teachey has achieved so much through the love and guidance of her family and friends. Realizing her responsibilities as a role model, Michelle returns that support by volunteering for critical community anti-drug programs that provide the children of Gordon Heights with meaningful alternatives to the ruination of substance abuse.

Mr. Speaker, every Gordon Heights resident, past and present, is part of the proud legacy of this Long Island treasure. That is why I ask my colleagues in the U.S. House of Representatives to join me in saluting the people of Gordon Heights as they mark this historic anniversary. Congratulations.

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 Thursday, July 31, 1997, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 1

9:30 a.m.

Rules and Administration

Business meeting, to consider the status of the investigation into the contested Senate election in Louisiana.

SR–301

Joint Economic

To hold hearings to examine the employment-unemployment situation for July.

1334 Longworth Building

2:00 p.m.

Judiciary

Administrative Oversight and the Courts Subcommittee

To hold hearings to examine the negative impact of bankruptcy on local education funding.

SD–226

SEPTEMBER 4

9:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine rural and agricultural credit issues.

SR–332

POSTPONEMENTS

AUGUST 1

10:00 a.m.

Judiciary

Administrative Oversight and the Courts Subcommittee

To hold hearings to review the operation of the FBI crime laboratory.

SD–226

Daily Digest

HIGHLIGHTS

Senate passed Transportation Appropriations, 1998.

House agreed to the Conference report on H.R. 2015, the Balanced Budget Act of FY 1998.

Committee of Conference filed the Conference report on H.R. 2014, the Taxpayer Relief Act of 1997 (H. Rept. 105–220).

House Committees ordered reported the following measures: H.R. 2261, Small Business Assistance Programs Reauthorization Amendments Act of 1997; and H.R. 2247, Amtrak Reform and Privatization Act of 1997.

Senate

Chamber Action

Routine Proceedings, pages S8287–S8384

Measures Introduced: Seven bills and two resolutions were introduced, as follows: S. 1087–1093, S. Res. 110, and S. Con. Res. 46. **Pages S8360–61**

Measures Reported: Reports were made as follows:

S. 910, to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1998 and 1999, with an amendment in the nature of a substitute. (S. Rept. No. 105–59)

H.R. 1198, to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon.

H.R. 1944, to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon.

S. 871, to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust.

S. 1082, to authorize appropriations to pay for United States contributions to certain international financial institutions.

S. Con. Res. 39, expressing the sense of the Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors.

S. Con. Res. 45, commending Dr. Hans Blix for his distinguished service as Director General of the International Atomic Energy Agency on the occasion of his retirement.

S. Con. Res. 46, expressing the sense of the Senate regarding the terrorist bombing in the Jerusalem market on July 30, 1997. **Pages S8367–68**

Measures Passed:

International Dolphin Conservation Program Act: By a unanimous vote of 99 yeas (Vote No. 207), Senate passed S. 39, to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **Pages S8294–S8311**

Snowe Amendment No. 1045, in the nature of a substitute. **Page S8303**

International Dolphin Conservation Program Act: Committee on Commerce, Science, and Transportation was discharged from further consideration of H.R. 408, to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and the bill was then passed, after striking all after the enacting clause and inserting in lieu thereof the text of S. 39, Senate companion measure, as passed by the Senate. **Page S8312**

Transportation Appropriations, 1998: By 98 yeas to 1 nay (Vote No. 208), Senate passed H.R. 2169, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, as amended. **Pages S8311–12**

Senate insisted on its amendment, requested a conference with the House thereon, and the chair appointed the following conferees: Senators Shelby, Domenici, Specter, Bond, Gorton, Bennett, Faircloth, Stevens, Lautenberg, Byrd, Mikulski, Reid, Kohl, and Murray. **Page S8312**

Subsequently, pursuant to the order of July 28, 1997, S. 1048, Senate companion measure, was placed on the Senate Calendar. **Page S8185**

Need-Based Educational Aid Antitrust Protection Act: Senate passed H.R. 1866, to continue favorable treatment for need-based educational aid under the antitrust laws, after agreeing to the following amendment proposed thereto: **Page S8383**

Santorum (for DeWine/Kohl) Amendment No. 1046, to limit the application of an exemption of antitrust laws relating to need-based educational aid and to extend the period of applicability of that exemption. **Page S8383**

Authorizing Use of Capitol Grounds: Senate agreed to H. Con. Res. 98, authorizing the use of the Capitol grounds for the SAFE KIDS Buckle Up Car Seat Safety Check. **Page S8383**

Budget Reconciliation Conference Report: Senate began consideration of the conference report on H.R. 2015, 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. **Pages S8314–55**

A unanimous-consent time-agreement was reached providing for further consideration of the conference report on Thursday, July 31, 1997, with a vote to occur thereon. **Page S8383**

Energy and Water/Transportation Appropriations—Additional Conferee: Senator Inouye was added as a conferee to H.R. 2203, making appropriations for energy and water development for the fiscal year ending September 30, 1998, and H.R. 2169, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998. **Page S8383**

Removal of Injunction of Secrecy: The injunction of secrecy was removed from the following treaties:

Extradition Treaty with Argentina (Treaty Doc. 105–18); and

Extradition Treaty with Organization of Eastern Caribbean States (Treaty Doc. 105–19).

The treaties were transmitted to the Senate today, considered as having been read for the first time, and referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed. **Pages S8382–83**

Nominations Received: Senate received the following nominations:

Susan Graber, of Oregon, to be United States Circuit Judge for the Ninth Circuit.

Peter L. Scher, of the District of Columbia, for the rank of Ambassador during his tenure of service as Special Trade Negotiator.

Mary Anne Sullivan, of the District of Columbia, to be General Counsel of the Department of Energy.

Ela Yazzie-King, of Arizona, to be a Member of the National Council on Disability for a term expiring September 17, 1999.

1 Air Force nomination in the rank of general.

2 Army nominations in the rank of general. **Page S8384**

Messages From the House: **Page S8357**

Measures Placed on Calendar: **Page S8357**

Communications: **Pages S8357–58**

Executive Reports of Committees: **Pages S8358–60**

Statements on Introduced Bills: **Pages S8361–67**

Additional Cosponsors: **Page S8367**

Amendments Submitted: **Pages S8368–73**

Authority for Committees: **Page S8373**

Additional Statements: **Pages S8373–82**

Record Votes: Two record votes were taken today. (Total—208) **Pages S8306, S8312**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 8:11 p.m., until 9:15 a.m., on Thursday, July 31, 1997. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S8383.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Agriculture, Nutrition, and Forestry: Committee ordered favorably reported the following business items:

An original bill to ensure that federally funded agricultural research, extension, and education address high-priority concerns with national or multistate significance, and to reform, extend, and eliminate certain agricultural research programs; and

The nominations of August Schumacher Jr., of Massachusetts, to be Under Secretary for Farm and Foreign Agricultural Services and a Member of the Board of Directors of the Commodity Credit Corporation, Catherine E. Woteki, of the District of Columbia, to be Under Secretary for Food Safety, I. Miley Gonzalez, of New Mexico, to be Under Secretary for Research, Education, and Economics, and Shirley Robinson Watkins, of Arkansas, to be Under

Secretary for Food, Nutrition, and Consumer Services and a Member of the Board of Directors of the Commodity Credit Corporation, all of the Department of Agriculture.

NOMINATIONS

Committee on Armed Services: Committee ordered favorably reported the nominations of Maj. Gen. Robert H. Foglesong, USAF, Maj. Gen. John M. Pickler, USA, and Maj. Gen. Michael J. Byron, USMC, each to be a Lieutenant General.

FINANCIAL INSTITUTION COMPUTER SYSTEMS

*Committee on Banking, Housing, and Urban Affairs:*Subcommittee on Financial Services and Technology resumed hearings to review computer systems and information processing challenges of the Year 2000 for certain financial institutions, receiving testimony from Edward W. Kelly, Jr., Member, Board of Governors of the Federal Reserve System; Eugene A. Ludwig, Comptroller of the Currency, and Nicolas P. Retsinas, Director, Office of Thrift Supervision, both of the Department of the Treasury; Arthur Levitt, Chairman, Securities and Exchange Commission; Norman E. D'Amours, Chairman, National Credit Union Administration; and Andrew C. Hove, Acting Chairman, Federal Deposit Insurance Corporation.

Hearings were recessed subject to call.

INTERNATIONAL SATELLITE REFORM

*Committee on Commerce, Science, and Transportation:*Subcommittee on Communications concluded hearings on the regulation of satellite-based telecommunications technology, focusing on the restructuring process of INTELSAT and Inmarsat satellite systems, after receiving testimony from Peter Cowhey, Chief, International Bureau, Federal Communications Commission; Jack Gleason, Acting Associate Administrator, Office of International Affairs, National Telecommunications and Information Administration, Department of Commerce; Steven W. Lett, Deputy United States Coordinator, International Communications and Information Policy, Department of State; Irving Goldstein, INTELSAT, Washington, D.C.; James W. Cuminale, PanAmSat Corporation, Greenwich, Connecticut; and Betty Alewine, COMSAT Corporation, Bethesda, Maryland.

BUSINESS MEETING

Committee on Energy and Natural Resources: Committee ordered favorably reported the following bills:

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;

S. 783, to increase the accessibility of the Boundary Waters Canoe Area Wilderness, with an amendment in the nature of a substitute;

S. 590, to provide for a land exchange involving certain land within the Routt National Forest in the State of Colorado;

H.R. 1198, to convey certain land to the City of Grants Pass, Oregon;

H.R. 1944, to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon;

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, with an amendment in the nature of a substitute;

S. 871, to establish the Oklahoma City National Memorial at the site of the bombing incident at the Alfred P. Murrah Federal Building, to designate the memorial a unit of the National Park System, and establish the Oklahoma City Memorial Trust to oversee the development and operation of the memorial;

H.R. 63, to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake";

S. 931, to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center; and

S. 965, to extend the authorization of appropriations in title II of the Hydrogen Future Act of 1996 (P.L. 104–271).

NATIONAL PARK CONCESSION MANAGEMENT

Committee on Energy and Natural Resources: Subcommittee on National Parks, Historic Preservation, and Recreation concluded oversight hearings to review the management and operations of concession programs within the National Park System, after receiving testimony from Maureen Finnerty, Associate Director of Operations, National Park Service, Department of the Interior; David L. Brown, America Outdoors, Knoxville, Tennessee; Philip H. Voorhees, National Parks and Conservation Association, Curtis E. Cornelssen, Landauer Associates, and Allan T. Howe, National Park Hospitality Association, all of Washington, D.C.; and Craig Mackey, Outward Bound USA, Golden, Colorado.

NATIONAL WILDLIFE REFUGE

Committee on Environment and Public Works: Committee concluded hearings on S. 1059, to improve the

management of the National Wildlife Refuge System, after receiving testimony from Bruce Babbitt, Secretary of the Interior; Gary J. Taylor, International Association of Fish and Wildlife Agencies, and James R. Waltman, Wilderness Society, both of Washington, D.C.; and James A. Mosher, Izaak Walton League of America, Gaithersburg, Maryland.

BUSINESS MEETING

Committee on Foreign Relations: Committee ordered favorably reported the following business items:

Agreement Between the Government of the United States of America and the Government of Hong Kong for the Surrender of Fugitive Offenders signed at Hong Kong on December 20, 1996 (Treaty Doc. 105–3), with two understandings, two declarations, an interpretation, and a proviso;

S. 1082, to authorize funds to pay for United States' contributions to certain international financial institutions;

S. Con. Res. 39, expressing the sense of the Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors;

S. Con. Res. 45, commending Dr. Hans Blix for his distinguished service as Director General of the International Atomic Energy Agency on the occasion of his retirement;

An original concurrent resolution (S. Con. Res. 46) expressing the sense of the Senate regarding the terrorist bombing in the Jerusalem market on July 30, 1997; and

The nominations of David Andrews, of California, to be Legal Adviser, Department of State, James Franklin Collins, of Illinois, to be Ambassador to the Russian Federation, Bonnie R. Cohen, of the District of Columbia, to be Under Secretary of State for Management, Edward William Gnehm, Jr., of Georgia, to be Director General of the Foreign Service, Department of State, Marc Grossman, of Virginia, to be Assistant Secretary of State for European and Canadian Affairs, Maura Harty, of Florida, to be Ambassador to the Republic of Paraguay, Richard Dale Kauzlarich, of Virginia, to be Ambassador to the Republic of Bosnia and Herzegovina, John Christian Kornblum, of Michigan, to be Ambassador to the Federal Republic of Germany, Philip Lader, of South Carolina, to be Ambassador to the United Kingdom of Great Britain and Northern Ireland, James F. Mack, of Virginia, to be Ambassador to the Cooperative Republic of Guyana, James W. Pardew, Jr., of Virginia, for the Rank of Ambassador during his tenure of service as U.S. Special Representative for Military Stabilization in the Balkans, Felix George Rohatyn, of New York, to be Ambassador to France, Stanley O. Roth, of Virginia, to be Assistant Secretary of State for East Asian and Pacific Affairs, James P. Rubin, of New York, to be Assistant Secretary of State for Public Affairs, Stephen R. Sestanovich, of the District of Columbia, as Ambassador at Large and Special Adviser to the Secretary of State for the New Independent States, Wendy Ruth Sherman, of Maryland, to be Counselor of the Department of State, and to have the rank of Ambassador during her tenure of service, Anne Marie Sigmund, of the District of Columbia, to be Ambassador to the Kyrgyz Republic, Keith C. Smith, of California, to be Ambassador to the Republic of Lithuania, and Daniel V. Speckhard, of Wisconsin, to be Ambassador to the Republic of Belarus.

CAMPAIGN FINANCING INVESTIGATION

Committee on Governmental Affairs: Committee continued hearings to examine certain matters with regard to the committee's special investigation on campaign financing, receiving testimony from Michael H. Cardozo, Presidential Legal Expense Trust, Washington, D.C.

Hearings continue tomorrow.

GLOBAL TOBACCO SETTLEMENT

Committee on the Judiciary: Committee resumed hearings to examine the terms and parameters of the proposed settlement between State Attorneys General and tobacco companies to mandate a total reformation and restructuring of how tobacco products are manufactured, marketed and distributed in America, focusing on its long-term impact on children and the public health, and its legal and constitutional ramifications, receiving testimony from Senator Lautenberg; Dianne Castano, *Castano* v. *American Tobacco Co.,* New Orleans, Louisiana; John R. Seffrin, American Cancer Society, Atlanta, Georgia; Robert A. Falise, Manville Personal Injury Settlement Trust, Fairfax, Virginia; David Schultz, MCA, Massillon, Ohio, on behalf of the Point-of-Purchase Advertising Institute and the Freedom to Advertise Coalition; Jeffrey E. Harris, Massachusetts Institute of Technology, Brookline, Massachusetts; Duncan Thomas, Q-Marts Inc., Richmond, Virginia, on behalf of the National Association of Convenience Stores; and Lonnie R. Bristow, San Pablo, California.

Hearings were recessed subject to call.

BUSINESS MEETING

Committee on Indian Affairs: Committee ordered favorably reported S. 569, to amend the Indian Child Welfare Act of 1978 to provide for retention by an Indian tribe of exclusive jurisdiction over child custody proceedings involving Indian children and other

related requirements, with an amendment in the nature of a substitute.

INDIAN TRUST FUND STRATEGIC PLAN

Committee on Indian Affairs: Committee held hearings to review the Special Trustee for American Indians' Strategic Plan for Indian trust fund accounting and asset management improvement, pursuant to the American Indian Trust Fund Management Reform Act (P.L. 103–412), receiving testimony from Linda M. Calbom, Director, Civil Audits, Accounting and Information Management Division, General Accounting Office; Donald R. Lasher, Chief Information Officer, and Paul M. Homan, Special Trustee for American Indians, both of the Department of the Interior; Pearl Capoeman-Baller, Quinault Indian Nation, Taholah, Washington; Ivan Makil, Salt River Pima-Maricopa Indian Community, Scottsdale, Arizona; Elouise C. Cobell, Blackfeet Reservation Development Fund, Inc., Browning, Montana; Mary A. Benedict, Intertribal Monitoring Association on Indian Trust Funds, Juneau, Alaska; and W. Ron Allen, Jamestown S'Klallam Tribe, Sequim, Washington, on behalf of the National Congress of American Indians.

Hearings were recessed subject to call.

INTELLIGENCE

Select Committee on Intelligence: Committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Committee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 23 public bills, H.R. 2292–2314; 1 private bill, H.R. 2315; and 6 resolutions, H.J. Res. 89, H. Con. Res. 133–135, and H. Res. 204–205, were introduced. **Pages H6405–06**

Reports Filed: Reports were filed today as follows:

H. Res. 202, waiving points of order against the conference report to accompany H.R. 2015, 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 (H. Rept. 105–218);

H. Res. 203, providing for consideration of a joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress (H. Rept. 105–219); and

Conference report on H.R. 2014, 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 (H. Rept. 105–220).

Page H6405

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Gibbons to act as Speaker pro tempore for today.

Page H6299

Allowing Same Day Consideration of Rule: By a yea and nay vote of 237 yeas to 187 nays, Roll No. 342, the House agreed to H. Res. 201, waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules. Earlier, agreed to order the previous question by a yea and nay vote of 226 yeas to 201 nays, Roll No. 341. **Pages H6303–12**

Balanced Budget Act of 1997: By a recorded vote of 346 ayes to 85 noes, Roll No. 345, the House agreed to the conference report on H.R. 2015, 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.

Pages H6320–42

Agreed to H. Res. 202, the rule waiving points of order against the conference report by a voice vote. Earlier, agreed to order the previous question by a yea and nay vote of 226 yeas to 197 nays, Roll No. 343. **Pages H6312–20**

Terrorist Bombing in Jerusalem: By a yea and nay vote of 427 yeas to 1 nay, Roll No. 348, the House agreed to H. Con. Res. 133, expressing the sense of the Congress regarding the terrorist bombing in the Jerusalem market on July 30, 1997.

Pages H6342–46, H6380

Foreign Operations Appropriations Act: The House completed debate and began considering amendments to H.R. 2159 making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998. Consideration of amendments will resume on Thursday, July 31. **Pages H6346–H6402**

Agreed To:

The Saxton amendment that suspends direct aid to the Palestinian Authority for ninety days;

Pages H6392–95

The McGovern amendment that expresses the sense of Congress that the President and Secretary of

State should express directly to the Government of Paraguay that the pending international adoption cases filed by U.S. families prior to the moratorium on international adoptions should be allowed to continue and complete the process in a fair, unbiased, and timely fashion; **Pages H6396–98**

The Menendez amendment that prohibits any funding provided to the International Atomic Energy Agency to be made available for programs and projects in Cuba; and **Pages H6398–99**

The Rohrabacher amendment that prohibits any direct aid to the government of Cambodia and prohibits any funding for the International Development Association, the International Monetary Fund, or the Asian Development Bank to be used for any loan to the government of Cambodia.

Pages H6399–H6400

Rejected:

The Royce amendment that sought to reduce funding for the Overseas Private Investment Corporation (OPIC) administrative expenses by $11.2 million (rejected by a recorded vote of 156 ayes to 272 noes, Roll No. 346); and

Pages H6362–70, H6378–79

The Paul amendment that sought to reduce the Title I Export and Investment Assistance funding of $704 million for the Export-Import Bank, Overseas Private Investment Corporation, and Trade and Development Agency to $0 (rejected by a recorded vote of 40 ayes to 387 noes, Roll No. 347).

Pages H6370–72, H6379

Pending Amendments:

Agreed by unanimous consent that the amendments numbered 1 and 2 in H. Rept. 105–184, as well as amendments printed in the Congressional Record and numbered 17, 18, and 19 by Representative Torres; and numbered 1 and 30 by Representative Kennedy of Massachusetts be in order at a later time during consideration of the bill notwithstanding that Title V may already have been read; and

Page H6381

The Bereuter amendment was offered that seeks to prohibit direct aid to the Government of Cambodia.

Pages H6389–92

Point of Order:

A point of order was sustained against language that prohibits funding to any unit of security forces of a foreign country if the Secretary of State has credible evidence to believe that the unit has committed gross violations of human rights.

Pages H6376–77

The bill is being considered pursuant to the order of the House of Thursday, July 24.

Bipartisan Task Force on Reform of the Ethics Process: Agreed by unanimous consent that the order of the House of May 7, 1997, as extended on July 15, 1997, be further extended through Wednesday, September 10, 1997. The order of the House concerning the ethics process made in order during the period beginning immediately and ending on September 10, 1997: (1) the Committee on Standards of Official Conduct may not receive, renew, initiate, or investigate a complaint against the official conduct of a member, officer, or employee of the House; (2) the Committee on Standards of Official Conduct may issue advisory opinions and perform other non-investigative functions; and (3) a resolution addressing the official conduct of a member, officer, or employee of the House that is proposed to be offered from the floor by a member other than the Majority Leader or the Minority Leader, or a Member designated from the floor by the Majority Leader or the Minority Leader at the time of notice pursuant to clause 2(A)(1) of Rule IX, as a question of the privileges of the House shall once noticed pursuant to clause 2(a)(1) of Rule IX, have precedence over all other questions except motions to adjourn only at a time or place designated by the Chair in the legislative schedule within two legislative days after September 10, 1997. **Page H6402**

Senate Messages: Messages received from the Senate today appear on pages H6299 and H6320.

Amendments: Amendments ordered printed pursuant to the rule appear on page H6407.

Quorum Calls—Votes: One quorum call (Roll No. 344), four yea-and-nay votes, and three recorded votes developed during the proceedings of the House today and appear on pages H6310–11, H6311–12, H6319–20, H6335, H6342, H6378–79, H6379–80, and H6380.

Adjournment: Met at 10:00 a.m. and adjourned at 11:10 p.m.

Committee Meetings

MONEY SERVICE BUSINESSES

Committee on Banking and Financial Services: Subcommittee on General Oversight and Investigations held a hearing to review the Department of the Treasury's Proposed Regulations for Money Service Businesses. Testimony was heard from Stanley Morris, Director, Financial Crimes Enforcement Network, Department of the Treasury; and public witnesses.

FINANCIAL SERVICES COMPETITIVENESS ACT

Committee on Commerce: Subcommittee on Finance and Hazardous Materials concluded hearings on H.R. 10, Financial Services Competitiveness Act of 1997. Testimony was heard from public witnesses.

CLEAN AIR ACT IMPLEMENTATION—MONTREAL PROTOCOL

Committee on Commerce: Subcommittee on Health and Environment held a hearing on Title VI of the Clean Air Act and the Ninth Meeting of the Parties to the Montreal Protocol. Testimony was heard from the following officials of the GAO: Lawrence Dyckman, Associate Director, Environmental Protection Issues, Resources, Community, and Economic Development Division; and Ralph Lowry, Senior Evaluator; Rafe Pomerance, Deputy Assistant Secretary, Environment and Development, Department of State; Paul Stolpman, Director, Office of Atmospheric Programs, EPA; Keith Pitts, Special Assistant for Pesticide Policy, Office of the Chief, Natural Resources and Conservation Service, USDA; and Murray Lumpkin, M.D., Deputy Director, Center for Drug Evaluation and Research, FDA, Department of Health and Human Services.

DAVIS-BACON ACT REVIEW

Committee on Education and the Workforce: Subcommittee on Workforce Protections and the Subcommittee on Oversight and Investigations held a joint hearing to review the Davis-Bacon Act. Testimony was heard from the following officials of the Department of Labor: Charles C. Masten, Inspector General; George S. Werking, Jr., Assistant Commissioner, Office of Establishment Surveys and Administrative Statistics, Bureau of Labor Statistics; and John R. Fraser, Administrator, Wage and Hour Division; and public witnesses.

EMERGING INFECTIOUS DISEASES—THREAT TO U.S.

Committee on International Relations: Held a hearing on the Threat to the United States from Emerging Infectious Diseases. Testimony was heard from Sally Shelton, Assistant Administrator, Bureau for Global Programs, Field Support and Research, AID, U.S. International Development Cooperation Agency; and David Heymann, Director, Division of Emerging and Other Communicable Diseases, World Health Organization.

KENYA'S ELECTION CRISIS

Committee on International Relations: Subcommittee on Africa held a hearing on Kenya's Election Crisis. Testimony was heard from Representative Payne; William H. Twaddell, Acting Assistant Secretary, African Affairs, Department of State; Carol Peasley, Acting Assistant Administrator, Africa, AID, U.S. International Development Cooperation Agency; and public witnesses.

OVERSIGHT—FBI

Committee on the Judiciary, Subcommittee on Crime continued oversight hearings on the activities of the FBI, focusing on the Olympic Park bombing and the investigation of Richard Jewell. Testimony was heard from the following officials of the Department of Justice: Michael Shaheen, Jr., Director, Office of Professional Responsibility; Robert Bryant, Assistant Director and Woody Johnson, Special Agent in Charge, Atlanta Regional Office, both with the FBI; Richard Jewell; and public witnesses.

SECURITY AND FREEDOM THROUGH ENCRYPTION ACT—IMPACT ON U.S. NATIONAL SECURITY

Committee on National Security: Held a hearing on H.R. 695, Security and Freedom Through Encryption Act, and its impact on U.S. national security. Testimony was heard from William P. Crowell, Deputy Director, National Security Agency, Department of Defense; William Reinsch, Under Secretary, Export Administration, Department of Commerce; and public witnesses.

HOOD BAY LAND EXCHANGE ACT

Committee on Resources: Held a hearing on H.R. 1948, Hood Bay Land Exchange Act of 1997. Testimony was heard from Janice H. McDougle, Associate Chief, National Forest System, Forest Service, USDA; and public witnesses.

CONFERENCE REPORT—BALANCED BUDGET ACT

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2015, Balanced Budget Act of 1997, and against its consideration and provides that the conference report shall be considered as read. The rule provides ninety minutes of debate equally divided and controlled between the chairman and ranking minority member of the Committee on the Budget. Testimony was heard from Chairman Kasich.

WAIVING CERTAIN ENROLLMENT REQUIREMENTS

Committee on Rules: Granted, by voice vote, a rule providing ten minutes of debate on a joint resolution waiving certain enrollment requirements with the time equally divided and controlled by the Majority and the Minority Leader or their designees. The rule also provides for one motion to commit.

IMPLEMENTING GOVERNMENT PERFORMANCE AND RESULTS ACT

Committee on Science: Held a hearing on Demanding Results: Implementing the Government Performance

and Results Act. Testimony was heard from Susan Kladiva, Acting Associate Director, Energy Resources and Science Issues, GAO; Alan Ladwig, Associate Administrator, Policy and Plans, NASA; Diana H. Josephson, Deputy Under Secretary, Oceans and Atmosphere, NOAA, Department of Commerce; Joe Bordogna, Acting Deputy Director, NSF; and Marc Chupka, Acting Assistant Secretary, Policy and International Affairs, Department of Energy.

SBA REAUTHORIZATION

Committee on Small Business: Ordered reported amended H.R. 2261, Small Business Assistance Programs Reauthorization Amendments Acts of 1997.

AMTRAK REFORM AND PRIVATIZATION ACT

Committee on Transportation and Infrastructure: Ordered reported amended H.R. 2247, Amtrak Reform and Privatization Act of 1997.

Joint Meetings

BUDGET RECONCILIATION

Conferees, on Tuesday, July 29, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 2015, 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.

FOREIGN AFFAIRS REFORM

Conferees, continued to resolve the differences between the Senate- and House-passed versions of H.R. 1757, to consolidate international affairs agencies and to authorize funds for fiscal years 1998 and 1999 for the Department of State and related agencies, but did not complete action thereon, and recessed subject to call.

COMMITTEE MEETINGS FOR THURSDAY, JULY 31, 1997

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry, to hold hearings to examine how trade opportunities and international agricultural research can stimulate economic growth in Africa, thereby enhancing African food security and increasing U.S. exports, 9 a.m., SR–332.

Committee on Banking, Housing, and Urban Affairs, business meeting, to mark up S. 1026, authorizing funds for the Export-Import Bank of the United States, 10 a.m., SD–538.

Committee on Commerce, Science, and Transportation, to hold hearings on S. 268, to regulate flights over national parks, 9:30 a.m., SR–253.

Committee on Energy and Natural Resources, to hold oversight hearings to examine the organizational structure, staffing, and budget of the Forest Service for the Alaska region, 9:30 a.m., SD–366.

Committee on Governmental Affairs, to continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing, 10 a.m., SH–216.

Committee on the Judiciary, business meeting, to mark up S. 53, to require the general application of the antitrust laws to major league baseball, and H.R. 1086, to codify without substantive change laws related to transportation and to improve the United States Code, 10 a.m., SD–226.

Subcommittee on Immigration, to hold hearings to review annual refugee admissions, 2 p.m., SD–226.

Committee on Rules and Administration, business meeting, to consider the status of the investigation into the contested Senate election in Louisiana, 9:30 a.m., SR–301.

Notice

For a listing of Senate committee meetings scheduled ahead, see page E1563 in today's Record.

House

Committee on Appropriations, to continue markup of the Treasury, Postal Service, and General Government appropriations for fiscal year 1998, 9 a.m., 2359 Rayburn.

Committee on Commerce, Subcommittee on Energy and Power, to markup H.R. 1270, Nuclear Waste Policy Act of 1997, 10 a.m., 2123 Rayburn.

Committee on Education and the Workforce, hearing on ''Literacy: A Review of Current Federal Programs'', 10:00 a.m., 2175 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Civil Service, hearing on ''Agency Mistakes in Federal Retirement: Who Pays the Price?'', 9:00 a.m., 2154 Rayburn.

Subcommittee on Human Resources, oversight hearing on ''FDA Oversight: Blood Safety and the Implications of Pool Sizes in the Manufacture of Plasma Derivatives'', 10 a.m., 2247 Rayburn.

Committee on the Judiciary, Subcommittee on Immigration and Claims, to consider a motion to request a report by the Immigration and Naturalization Service on a private bill, time to be announced, Rayburn Room, Capitol.

Committee on Resources, Subcommittee on Energy and Mineral Resources, oversight hearing on Royalty-In-Kind for Federal oil and gas production, 2:00 p.m., 1334 Longworth.

Subcommittee on Fisheries Conservation, Wildlife and Oceans hearing on H.R. 1787, the Asian Elephant Conservation Act of 1997; and to markup the following bills: H.R. 512, New Wildlife Refuge Authorization Act of 1997; H.R. 1856, Volunteers for Wildlife Act of 1997; and H.R. 2233, Coral Reef Conservation Act of 1997, 10:00 a.m., 1334 Longworth.

Subcommittee on Forests and Forest Health, oversight hearing on Forest Service Strategic Plan under the Government Performance and Results Act, 10:00 a.m., 1324 Longworth.

Subcommittee on National Parks and Public Lands, to markup the following bills: S. 430, to amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds; H.R. 1567, to provide for the designation of additional wilderness lands in the eastern United States; H.R. 136, to amend the National Parks and Recreation Act of 1978 to designate the Marjory Stoneman Douglas Wilderness and to amend the Everglades National Park Protection and Expansion Act of 1989 to designate the Ernest F. Coe Visitor Center; and H.R. 708 to require the Secretary of the Interior to conduct a study concerning grazing use of certain lands within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges, 2 p.m., 1324 Longworth.

Committee on Rules, to consider the Conference Report on H.R. 2014, Taxpayer Relief Act of 1997, 9:30 a.m., H–323 Capitol.

Committee on Science, Subcommittee on Energy and Environment, hearing on S. 417, to extend energy conservation programs under the Energy Policy and the Conservation Act through September 30, 2002, 10 a.m., 2318 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Aviation, hearing on Aviation Relations between the U.S. and France, 9:30 a.m., 2167 Rayburn.

Next Meeting of the SENATE

9:15 a.m., Thursday, July 31

Senate Chamber

Program for Thursday: Senate will resume consideration of the conference report on H.R. 2015, Balanced Budget Act of 1997, with a vote to occur thereon.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Thursday, July 31

House Chamber

Program for Thursday: Consideration of the Conference Report on H.R. 2014, the Taxpayer Relief Act of 1997 (subject to a rule);

Continued consideration of H.R. 2159, Foreign Operations Appropriations Act (open rule); and

Consideration of H.R. 2264, Labor, HHS, and Education Appropriations Act for FY 1998 (open rule, 1 hour general debate).

Extensions of Remarks, as inserted in this issue

HOUSE

Forbes, Michael P., N.Y., E1561
Hamilton, Lee H., Ind., E1560
Hill, Rick, Mont., E1561
Waxman, Henry A., Calif., E1559

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