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House of Representatives

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

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
October 24, 1995.

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

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

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

The Chair recognizes the gentlewoman from Connecticut [Ms. DELAURO] for 5 minutes.

BULK SALES OF SPEAKER GINGRICH'S BOOK

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

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

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

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

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

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

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

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

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

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

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

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

MEDICARE PRESERVATION ACT

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

Mr. FOLEY. Mr. Speaker, I have just concluded a number of town hall meetings in my district. I must say the response from my constituents was very favorable. My district is the sixth oldest district in America of Medicare recipients. Of the freshmen who came to the 104th Congress, I am No. 1 in seniors in my district.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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

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

The real issue is that the budget cannot be balanced without reducing the growth rate of entitlement programs or increasing taxes astronomically. If the budget is not balanced, interest payments on the debt will eventually consume all of the Federal budget and leave no room for anything else. What do the Democrats plan to do then?

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

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

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

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

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

Joseph Cerzosie from West Palm Beach, FL, strongly opposes our plan, but would like to consider an HMO. Under the current plan, he cannot select an HMO. Under our plan, you can.

Now, there has been a lot of talk about tax cuts. There has been a lot of talk about balancing Medicare in order to provide for the tax cuts. They are not related. The Post Times the other day did take on the President of the United States because, they said, he spent too much on the explanation of taxes, too little on principle. In one typically self-pitying moment, Bill Clinton demonstrated again last week why he is a President with many enemies and also few friends. He spent Tuesday night explaining that he had raised taxes too much.

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

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

But, ladies and gentlemen, make no bones about it; when I come from the sixth oldest district in America and I had over 700 people attend my town hall meetings saying to me, help save Medicare, nobody is screaming at me. Nobody yelling at me. One of two people threatened to throw me out of office, which is the risk of this business. Nobody is saying that this was the horrible plan. They want explanations.

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

GINGRICH BOOK DEAL

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

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

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

This is the second time in a matter of a week and a half where revelations have again appeared in the press suggesting that the Speaker's political action committee, GOPAC, was more deeply involved and involved earlier in Federal campaigns and campaigns for Members of Congress and trying to change the majority in Congress before it was authorized to do so.

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

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

What we need, what this House needs and what this House deserves and what the American people deserve is a full-blown independent investigation, not an investigation managed by Members of the Speaker's party who are indebted to the Speaker politically in this House or for their daily activities in the House or to their districts. What we need is an investigation, as the Speaker called for for the previous Speaker, and that is an independent counsel. As the Speaker said of the previous Speaker, if you have done nothing wrong, you have nothing to fear.

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

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

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

Apparently the ethics committee has arrived at this conclusion after a year of seeing that they could not properly handle this investigation. So now what they are trying to do is to manage the charter of the independent counsel, to suggest that he can only go down road A, but he cannot go down road B, he

can only go down so far on this path of evidence, but he cannot go down too far. He cannot stumble across things that may come up in the nature of that investigation.

If they had done that to the independent counsel in the Espy case, they would have never discovered Jim Lake and his scheme to provide illegal contributions to a Federal candidate.

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

□ 1245

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

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

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

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

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

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

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

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

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

In the recent hearing I held right here on Capitol Hill in our Economic Policy and Trade Subcommittee, Greg Farmer, Under Secretary of Commerce for Travel and Tourism, delivered some startling news.

He pointed out that the United States ranks 33d in the world among nations spending funds to promote tourism. That is even behind Malaysia and Tunisia. For the past 3 years, the U.S. market share in tourism has declined from 18 percent down to 15 percent. This means a lot of jobs and a lot of revenue right here in America, and the message is clear. The United States has invested less money in tourism, and now we are paying the price for that neglect. We are losing our share of the international tourist market.

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

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

Next week, as my colleagues know, on Monday and Tuesday a week from today and tomorrow, we are having our first ever White House Conference on Travel and Tourism. We are having some 1,700 people from every congressional district in America here on Capitol Hill, and from that conference we are going to take the recommendations and implement them into legislation. We can get in step with travel and tourism, the greatest economic engine that is propelling America into a stronger economy. By the year 2000, more than 661 million people will be traveling throughout the world, and, Mr. Speaker, I just want to add that travel and tourism will have more impact on our country and in our world economically than any other industry.

ACTIONS, NOT WORDS, ARE IMPORTANT

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

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

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

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

We also hear the big fight about, that was in the paper today, about the Speaker and his bulk sales in the newest, newest charge that has been piled up in front of the door of the Committee on Standards of Official Conduct, and what does the word ''bulk'' mean? The newspapers today are filled with

all sorts of articles on what does the word ''bulk'' mean. Were 200 books a bulk sale? Well, that was yesterday's news because today's news in the St. Petersburg Times says the 200 appears to be 400 books. Are 400 books to Capital Formation a bulk sale? How many books does it take to make a bulk, and how many books does it take to really get people's attention? There is also they will say, well, but when you look at ex-Speaker Wright's books, he sold a whole lot more. Yes, but he sold them at 5 bucks, you know. So, does the price count? Does how much comes back to the person count? I mean what is all of this nonsense?

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

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

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

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

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

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

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

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

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

H.R. —

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

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

Section 314(d)(2) of the National Parks and Recreation Act of 1978 (16 U.S.C. 45f(d)(2)) is amended—

(1) in subparagraph (B)—

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

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

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

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

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

(2) by adding at the end the following:

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

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

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

''(iii) expired on or before the date of the enactment of this subparagraph without being renewed or extended under subparagraph (B),

the Secretary shall grant a renewal or extension of such lease or permit to the heirs of the person in the same manner as leases and permits are renewed or extended under subparagraph (B) and under the same terms and conditions as those applicable to such leases or permits.''.

THE FOOD AND DIETARY SUPPLEMENT CONSUMER INFORMATION ACT OF 1995

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

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

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

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

□ 1300

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

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

There are three important issues raised by the American people and my

constituents that Congress, I think, must act decisively upon when we talk about this issue: First, the right to receive and hear truthful, nonmisleading information. The American public has been demanding to have access to all the scientific information available about food and dietary supplements, and Americans have realized the power and influence of our health that nutrition plays on our well-being. I think the public policy has to respect these objectives.

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

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

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

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

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

The legislation also acts to resolve what is now no longer needed, in my opinion. That is, the Presidential Commission on Dietary Supplement Labels. The Commission is unnecessary and would be a waste of taxpayers' money. I do not believe, and many of my colleagues would agree with me, that we really need another commission to spend the next 2 years and the FDA another 2 years thereafter to figure out how to inform the public.

As long as the communicated information is truthful and not misleading, as outlined by Supreme Court decisions, there should be no difficulty in arriving at a cohesive and sensible public policy on labeling.

Mr. Speaker I would urge consideration of this bill.

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

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

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

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

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

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

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

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

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

was out there that an adequate amount of folic acid had the potential to avert these birth defects. The risk to women of child bearing age who could have received this information was zero. The benefit potential was thousands of birth defects prevented.

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

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

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

I think the philosophy and public policy objective concerning claims should be guided by the sage words of Justice Stevens who recently wrote in Rubin versus Coors Brewing Co.

> Any ''interest'' in restricting the flow of accurate information because of the perceived danger of that knowledge is anathema to the First Amendment; more speech and a better-informed citizenry are among the central goals of the Free Speech Clause. Accordingly the Constitution is most skeptical of supposed state interests that seek to keep people in the dark for what the government believes to be for their own good.

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

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

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

Third, the American public has the right to make its own health choices.

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

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

The legislation also acts to resolve what is now a no longer needed result of Public Law 103–417, the establishment of a Presidential Commission on Dietary Supplement Labels. This Commission is unnecessary and would be a waste of taxpayer money. I don't believe, and many of my colleagues would agree with me, that we really need another Commission to spend the next 2 years and the FDA another 2 years thereafter to figure out how to inform the public. As long as the communication and information is truthful and not misleading as outlined by Supreme Court decisions, there should be no difficulty in arriving at cohesive and sensible public policy on labeling.

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

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

DECISION DAY FOR AMERICA'S FUTURE

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

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

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

By balancing the budget, we will lower car expenses. Car loan rates will be 2 percentage points lower than they otherwise would be. On a $15,000 5-year car loan, Mr. Speaker, at 9¾ percent interest, that is an extra $900 in the family budget.

By balancing the budget we will lower college costs. Student loan rates will be 2 percentage points lower than they otherwise would be. A college student who borrows $11,000 at 8 percent interest will pay $2,100 almost $2,200 less for schooling.

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

Balance the budgeting will mean more jobs. By lowering interest rates, a balanced budget will create 6.1 million new jobs in 10 years. That will provide greater opportunity and economic stability for high school graduates, for college graduates, and for those who

are looking for new opportunities. We must also, Mr. Speaker, reduce the tax burden for all Americans. By reducing taxes for single mothers with a $500 child tax credit, the single parent with 2 children will pay $7,000 less in taxes over 7 years. By reducing taxes for working families, with a $500 per child tax credit a 2-income family with 3 children will keep $10,500 more of their own hard-earned money.

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

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

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

CUTS IN MEDICARE AND MEDICAID AFFECT ALL AMERICAN FAMILIES

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

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

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

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

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

Yesterday, I was in my district, the 18th Congressional District in Houston, TX, and visited with a room full of seniors, about 800 to maybe 1,000 seniors at a luncheon program. I did not make a speech. I went table to table, hand to hand, face to face, and looked into the faces of those senior citizens, some worn, some wrinkled, to talk seriously about this issue called Medicare. I told them that I voted against, resoundingly, the Republican plan, but I was prepared to fix this system and to eliminate the waste, fraud, and abuse, and so I voted for a $90 billion reduction that in fact was responsible, but as well, accepted by the trustees as reasonable to deal with this question of reducing unnecessary Medicare costs acknowledging that unlike the scare tactics of the Republicans, Medicare is not going bankrupt. There is a 7-year life until the year 2002.

I do not know about you, and we do more talking rather than the necessary work to repair Medicare, but I think there could be a lot of fixing in 7 years. Those seniors told me the pain they would experience with increased premiums, not being able to see their own physician, the cuts in the hospital payments would severly hurt our small hospitals, and, as well, the heavy burden on the Harris County public hospital system, of which many of them are part.

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

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

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

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

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

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

PRESIDENTIAL ELECTIONS IN HAITI?

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

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

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

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

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

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

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

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

An unnamed international official quoted in the New York Times last week summed up well the frustration of working with a government that appears to be working dual agendas: ''The President is not playing straight with us and that means we are on a collision course * * * it is unacceptable for him to give aid and comfort to the international community behind closed doors and then say something completely different to his own people.'' With the overwhelmingly Lavalas National Assembly seated last weekend with the blessing of the Clinton administration—but not of the Haitian political parties—President Aristide and his supporters now have a Parliament to rubberstamp the creation of a new cabinet and what is apparently their real agenda—the consolidation of power for the left and leftist authoritarian rule.

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

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

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

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

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

RECESS

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

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

□ 1400

AFTER RECESS

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

PRAYER

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

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

THE JOURNAL

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

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

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

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

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

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

TOURISM

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

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

As my colleague, the gentleman from Ohio, PAUL GILLMOR, representing the Fourth District, who became our 300th member knows, if you want to have jobs in America, then you have to be in sync with travel and tourism. It is the second largest employer in America. Travel and tourism employs 11 million people That is why I am so delighted to point out today that the largest caucus in the Congress it the Travel and Tourism Caucus.

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

In my district alone, Mr. Speaker, we have some $700 million coming in from tourism. We have 302 members today. There is room for more. Please come and join.

OPPOSING THE DEVASTATING CUTS IN BUDGET RECONCILIATION BILL

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

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

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

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

ANOTHER WHITE HOUSE FLIP-FLOP

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

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

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

TIME TO LOOK AT THE UNITED NATIONS

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

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

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

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

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

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

The next day he said that he did not really mean what he had said the day before. Actually, he said, it was late in the day and he was a little bit sleepy.

My goodness. It is not exactly news that Mr. Clinton has occasionally tailored his remarks to suit whatever group he happens to be talking to at the moment, but this one is a real doozy.

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

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

RED RIBBON CELEBRATION

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

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

This week marks the eighth annual National Red Ribbon Celebration.

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

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

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

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

The article follows:

[From the Tribune, Citrus County, FL]

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

(By Gary Sprott)

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

The eighth annual National Red Ribbon Celebration, Oct. 23–31, will feature a variety of school and community events. The celebration is sponsored by The National Federation of Parents for Drug Free Youth.

About 14,000 ribbons, each symbolizing the wearer's commitment to a drug-free lifestyle, will be donated to the county's schools by Spring/United Telephone-Florida.

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

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

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

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

Among the planned community events:

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

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

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

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

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

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

BUDGET RECONCILIATION WILL LOWER TAXES

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

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

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

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

NEAR TRAGEDY PREVENTED AT DENVER AIRPORT DURING SNOWSTORM

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

Mrs. SCHROEDER. Mr. Speaker, Sunday night we had a terrible snowstorm in Denver. We really want to thank the crew of the United flight that prevented a terrible accident by aborting the landing that would have crashed into equipment that was, unfortunately, on the field. I am pleased to say that after notifying the FAA of my great concern about this, the FAA now has a team of experts on the ground at DIA. They have decertified the ground radar that did not work. Hopefully, we will get it fixed and that will never happen again.

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

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

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

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

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

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

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

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

The FAA has sent in a team of experts to DIA. They're on site, working hard to rectify this situation. They have decertified the ground radar, and are looking at the other systems as well.

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

NO INTENTION OF RAISING TAXES TOO MUCH

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

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

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

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

MESSAGE FROM THE SENATE

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

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

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

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

□ 1415

BUDGET RECONCILIATION ACT

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

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

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

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

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

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

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

THE ANTITAX REVOLUTION

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

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

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

Mr. Speaker, President Clinton is right. His taxes are too high, and we

Republicans this week are going to cut those taxes and let Americans keep more of the fruit of their labors.

ARE WE TAKING CARE OF OUR NATION'S CHILDREN?

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

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

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

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

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

THE ASSAULT ON CHILDREN

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

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

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

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

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

THE MEDICARE BILL WILL COST SENIORS MORE

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

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

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

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

THE AMERICAN PEOPLE WANT ACTION

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

Mr. WELLER. Mr. Speaker, last week, President Clinton was caught in the act of selling another huge whopper to the American people. This time Bill Clinton told an audience of fat cat Democrat contributors that he thinks his 1993 tax increases were a mistake.

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

Mr. Speaker, I have not forgotten my mother's advice. My mother told me to go to Washington and cut taxes, save Medicare, reform welfare, and balance the budget. My momma wouldn't care how tired I was or about the time of day. My mother and my constituents gave me a clear agenda that I will not back away from. No more excuses, no more inside-the-beltway gimmicks. The American people want action and they want Congress and the President to do the right thing for America's future—even if it means working late at night.

GO BRAVES

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

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

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

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

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

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

NEW MAJORITY WILL DELIVER TAX CUTS

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

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

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

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

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

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

WHERE IS THE BILL?

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

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

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

Mr. Speaker, we know from the past 10 months what the Republican plan

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

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

PRESIDENT RAISES TAXES TOO MUCH

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

Mr. EWING. Mr. Speaker, the President has finally confirmed what Republicans have been saying all along—that he raised taxes too much. While speaking in Houston at a fundraiser he stated that a lot of people think ''I raised their taxes too much. It might surprise you to know that I think I raised them too much too.''

Republicans promised tax cuts last year and this week we plan to vote on a budget package that will include a tax cut totaling $245 billion dollars.

We are offering a $500-per-child tax credit which will eliminate taxes for families making less than $25,000. We reduce capital gains taxes by 50 percent. We reduce the tax burden on our Nations seniors by repealing the 1993 Clinton tax increase over the next 7 years.

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

DEDICATED EDUCATORS

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

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

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

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

CORRECTIONS CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Corrections Calendar. Without objection, the first bill on the calendar will be called last.

There was no objection.

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

SENIOR CITIZENS HOUSING SAFETY AND ECONOMIC RELIEF ACT OF 1995

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

The Clerk read the bill, as follows:

H.R. 117

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

SECTION 1. SHORT TITLE.

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

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

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

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

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

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

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

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

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

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

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

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

''(ii) uses (or has a history of use of) drugs, that would interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants.''.

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

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

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

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

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

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

Section 7(c) of the United States Housing Act of 1937 is amended to read as follows:

''(c) STANDARDS REGARDING EVICTIONS.—

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

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

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

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

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

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

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

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

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

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

The Clerk read as follows:

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

SECTION 1. SHORT TITLE.

This Act may be cited as ''Senior Citizens Housing Safety and Economic Relief Act of 1995''.

SEC. 2. AUTHORITY FOR PUBLIC HOUSING AGENCIES TO PROHIBIT ADMISSION OF DRUG OR ALCOHOL ABUSES TO ASSISTED HOUSING.

Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended—

(1) in the section heading by striking ''INCOME''; and

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

''(e) AUTHORITY TO LIMIT ADMISSION OF DRUG OR ALCOHOL ABUSERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may establish standards for occupancy in public housing dwelling units and assistance under section 8, that prohibit admission to such units and assistance under such section by any individual—

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

''(B) whose history of illegal use of a controlled substance or use of alcohol, or current use of alcohol, provides reasonable cause for the agency to believe that the occupancy by such individual may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

''(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1), to deny admission or assistance to any elderly person based on a history of use of a controlled substance or alcohol, a public housing agency may consider whether such elderly person—

''(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable);

''(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable); or

''(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable).''.

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

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

''DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES

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

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

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

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

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

''(A) IN GENERAL.—Subject only to the provisions of subsection (b) and notwithstanding any other provision of law, a dwelling unit in a project (or portion of a project) that is designated under paragraph (1) for occupancy by only elderly families or by only elderly and disabled families shall not be occupied by any individual who is not an elderly person and—

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

''(ii) whose history of illegal use of a controlled substance or use of alcohol, or current use of alcohol, provides reasonable cause for the agency to believe that the occupancy by such individual may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants.

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

''(b) STANDARDS REGARDING EVICTIONS.—

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

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

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

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

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

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

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

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

''(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act; and

''(B) to meet the housing needs of the low-income population of the jurisdiction; and

''(2) includes a description of—

''(A) the project (or portion of a project) to be designated;

''(B) the types of tenants for which the project is to be designated;

''(C) any supportive services to be provided to tenants of the designated project (or portion);

''(D) how the agency will secure any additional resources or housing assistance that is necessary to provide assistance to nonelderly disabled families that would have been housed if occupancy in project were not restricted pursuant to this section; and

''(E) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the project accommodate the special environmental needs of the intended occupants.

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

''(e) REVIEW OF PLANS.—

''(1) REVIEW AND NOTIFICATION.—The Secretary shall conduct a limited review of each plan under subsection (d) that is submitted to the Secretary to ensure that the plan is complete and complies with the requirements of subsection (d). The Secretary shall notify each public housing agency submitting a plan whether the plan complies with such requirements not later than 60 days after receiving the plan. If the Secretary does not notify the public housing agency, as required under this paragraph or paragraph (2), the plan shall be considered, for purposes of this section, to comply with the requirements under subsection (d) and the Secretary shall be considered to have notified the agency of such compliance upon the expiration of such 60-day period.

''(2) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under subsection (d), the Secretary shall specify in the notice under paragraph (1) the reasons for the noncompliance and any modifications necessary for the plan to meet such requirements.

''(3) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan does not comply with the requirements under subsection (d) only if—

''(A) the plan is incomplete in significant matters required under such subsection; or

''(B) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan.

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

''(f) EFFECTIVENESS.—

''(1) 5-YEAR EFFECTIVENESS OF PLAN.—A plan under subsection (d) shall be in effect for purposes of this section only during the 5-year period that begins upon notification under subsection (e)(1) of the public housing agency that the plan complies with the requirements under subsection (d). An agency may extend the effectiveness of the designation and plan for an additional 2-year period beginning upon the expiration of such period (or the expiration of any previous extension period under this sentence) by submitting to the Secretary any information needed to update such plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There was no objection.

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

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

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

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

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

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

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

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

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

□ 1430

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

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

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

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

We cannot tolerate the harassment, intimidation, and even physical abuse that is heaped on older Americans by residents in their own building who are living at taxpayer expense. We cannot tolerate those who would prey on grandparents, our neighbors, or our children.

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

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

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

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

In closing, I would remind my colleagues of the strong showing of support we have received for this legislation. The American Association of Retired Persons, the National Association of Home Builders, the American Association of Homes and Services for the Aging, and the National Assisted Housing Management Association have all voiced strong support for this bill. But in the final analysis we are passing this bill today not for political reasons: We are passing it for the people these groups represent and for the millions of Americans who look to this Congress for help and support. The Senior Citizen Housing Safety and Economic Relief Act of 1995 is a good bill and I urge all of my colleagues to support it.

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

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

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

Unfortunately, over the past several years more and more younger people have been allowed to move into this supposedly elderly-only public housing project, many with substance abuse problems. While noboby who actively abuses drugs or alcohol is supposed to get into public housing, too often screening is inadequate, old habits return, or drug pushers ''game'' the system and gain admittance to public housing under the guise of being disabled in order to ply their trade. As we all know, drug addicts commit crimes, particularly violent crimes, and, as in Chelsea, the victims are often the elderly and the frail.

We have tried several times over the past several years in the Congress to make it possible for public housing authorities to set up elderly-only public housing, and to kick out trouble makers who are threatening the elderly for any reason. In fact, later this year I expect the committee to consider whether or not former drug or alcohol abusers should be considered disabled at all for the purposes of public housing.

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

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

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

It enables housing authorities to get rid of tenants in family or elderly projects who are threatening the health and safety of other tenants.

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

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

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

Just a few short weeks ago, the Republicans voted to raise rents on senior citizens living in public and assisted housing, and the Republicans defeated amendments offered by me and my colleague BARNEY FRANK to roll back these rent increases.

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

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

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

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

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

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

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

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

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

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

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

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

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

More recently the Committee on Banking and Financial Services heard emotional testimony from a senior citizen from Worcester, MA, Anneliesse Belculfino, who spoke about young men lined up outside as a prostitute tossed her keys out the window, and a drug abuser and resident running naked through the hallway harassing elderly tenants.

In addition, the committee heard testimony from Jack Mather of the Brockton, Massachusetts Housing Authority who said that the percentage of nonelderly disabled in senior housing has risen from 9 percent to 38 percent.

This bill will change this disastrous policy. I can think of nothing that is more important to correct in the Federal code than this policy. I urge this House to adopt this bill.

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

Mr. GONZALEZ. Mr. Speaker, I appreciate the very kind remarks of

Chairman KENNEDY, particularly coming from him, whom I greatly admire. In a grandfatherly way, I have watched him grow up, so it is something that I deeply appreciate.

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

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

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

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

□ 1445

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

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

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

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

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

I want to read to you the pleas of the citizens group in Waterloo that has been working on this issue. In part it says this: when a drug dealer lives in Federal housing, more specifically in section 8 housing, we find our battle is not only with the drug dealer, but also with the Federal Government.

They went on to say, as poor families sit on waiting lists, sometimes for years, to receive section 8 housing, drug dealers roll up their thick wad of twenties and continue to get their rent paid by the Federal Government. Federally funded housing should be the most crime-free housing in our Nation. Instead it has become synonymous with drugs and violence. Being poor should not mean you are forced to live among drug dealers and violent criminals.

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

We answer the pleas of Leon Moseley and Donna Jones and many others from Waterloo and across the country that have been pleading for help and action by the Federal Government so that they do not have to live in communities that are full of drugs and violence. I commend this entire Congress for working in an area where Housing and Urban Development would not.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 6 minutes to the gentleman from Virginia [Mr. MORAN] who came to see me on this issue going back almost 6 years ago. He has been working tirelessly to try to clean up elderly housing in his district. I commend him for his steadfast efforts in that regard.

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

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

I did not come to the conclusion in any easy way. In fact, when I got involved in public service, back many years ago, it was really over subsidized housing. By the time I was mayor of Alexandria across the river, one out of every seven homes in Alexandria were subsidized.

But increasingly they become characterized by drug dealing and crime and violence. It was not working. Elderly residents were scared for their lives to live in publicly assisted housing. Single mothers had to come to the conclusion really that their children were going to get involved in drug dealing before they became adults. It was almost inevitable. It came to a climax when I lost a very good friend who was a police officer in a highly publicized shootout over a drug transaction. I will not go into the specifics of that, but it became clear that we had to do something.

I went to Secretary Kemp and got a waiver to do exactly what this bill does today. In fact, this bill builds on the provisions that were in last year's Housing and Community Development Act that expanded the grounds for eviction for criminal activity to any activity that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents and by public housing employees.

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

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

Mr. Speaker, one outstanding concern is that the eviction and screening provisions should be extended to all government assisted privately owned housing. There are approximately 1.4 million public housing units, while there are more than 2.1 million section 8 publicly assisted housing units.

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

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

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

Mr. LAZIO of New York. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from New York.

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

I want to thank the gentleman from Virginia first of all for his tireless work in this area and for his very valuable input and his strong personal understanding of the issue in working with our staff and particularly with me.

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

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

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

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

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

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

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

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

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

I thank them very much for clarifying that, and the substance of this legislation is very important.

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

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

Mrs. ROUKEMA. Mr. Speaker, recovering alcoholics and drug abusers should never have been allowed to live in these housing projects that are clearly reserved for the elderly and the disabled. We have the opportunity today to close this shameful chapter for our senior citizens.

Our seniors have a right to live their lives in quiet and trouble-free environments rather than one filled with drug abusers, dealers, and alcoholics. It should never have happened.

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

At the time of that 1988 legislation, I opposed the change in the law. In 1992, we thought we had worked with the chairman of the committee and many others who rewrite the laws and protect against it. But we said at the time it would probably need more working. In 1994, we went through the same exercise, a good exercise. It was a good piece of legislation. Unfortunately, the Senate did not act on the legislation.

So I want to thank the chairman, thank the ranking member, and all those who are working here today to finally fix the problem and provide for clarity, not only in the law but also for the regulatory process so that there will be no more confusion and that we will give the safety to the senior citizens that they deserve and close this shameful chapter in the history of public housing and subsidized housing.

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

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

It is great work, and I am proud to be associated with it and to support it. It seems to me that what we have done here finally is we have injected some common sense into a process that was very short on it. We are saying very clearly and for the first time that there are certain things, certain standards that we can demand that people must adhere to in order to qualify for, in order to be able to take advantage of public assisted housing.

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

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

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

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

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

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

The Eckhardt apartment complex clearly illustrates that mixing elderly and nonelderly substance dependent residents does not work. Mr. Speaker, it is nothing less than tragic that our poor and innocent senior citizens should have to live in public housing facilities designated for the elderly and the elderly and disabled families with nonelderly tenants who are substance abusers. These drug and alcohol abusers are a threat to the health and safety to the seniors who live in these projects. For elderly citizens, who are most susceptible to physical attack, having to live in the same project with these substance abusers in an outrage.

This legislation toughens placement and eviction policies in order to protect residents of public and assisted housing programs from substance abusers. It gives public housing directors the authority to bar troublesome tenants from their buildings, and this reduce the threat to seniors.

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

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

□ 1500

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

Mr. KLINK. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. KENNEDY] for yielding this time to me.

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

As my colleagues know, back in 1988 housing provisions were enacted that resulted really in commingling of senior citizens and substance abusers in public housing complexes, and obviously the introduction, as my colleagues have heard from Members here today, Mr. Speaker, had led to conflicts, and it had led to crime. In response in 1992 Congress designated seniors-only, disabled-only, and mixed housing, but there has been some confusion by those people who run the public housing. I think that this bill today will clarify how these designations can be made. I think this will be a great help. The rules to implement these three categories have been difficult to enforce, If we talk to our housing directors. We have talked to them, in western Pennsylvania. They tell us that only 10 of 3,400 public housing authorities have had their plans approved so far. We hear all the time from people who say:

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

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

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

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

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

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

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

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

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

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

Mr. Speaker, the dreaded knock on the door is no longer just a famous metaphor representing the power of evil in foreign dictatorships.

Such sinister knocking is being heard increasingly by our Nation's elderly living in our public housing projects.

So who is doing the knocking here? The answer sometimes means life or death to the frail elderly person reaching for the door knob.

Is it a delivery person with essential food or medicine as ordered? Or is it a menacing neighbor disabled by drugs, alcohol, or mental illness? Often that is exactly whom it is.

Often, the vulnerable aged person finds robbery, rape, injury, and even death waiting when the door opens.

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

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

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

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

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

The legislation before us today, H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act of 1995, addresses this intensifying problem of our senior citizens.

I intend to vote for this bill, and I urge my colleagues to join me.

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

Testimony received by the committee is compelling.

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

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

Four out of five are women.

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

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

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

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

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

The test for the elderly and others should be whether ages are high enough, whether incomes are low enough to make them eligible and whether they are capable of independent living.

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

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

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

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

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

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

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

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

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

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

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

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

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

I urge my colleagues to vote for this bill.

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

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

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

She signed the letter:

> Please help us.

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

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

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

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

Mr. CASTLE. Mr. Speaker, Mr. Chairman, I would like to commend Chairman LAZIO and Congressman BLUTE, who have worked hard on this legislation and who have made a commitment to supporting and protecting older Americans. As a member of the Banking Subcommittee on Housing and Community Development and a cosponsor of this bill, I am pleased that we are voting on this legislation today.

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

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

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

Just last week, a female, a mentally disabled resident with a history of drug dependency who is not elderly, but is

living in the elderly-only Crestview Apartments in Wilmington, set fire to her 8th floor unit. The fire was set intentionally, and did considerable damage before being brought under control. Thankfully, no one was hurt. But, unfortunately our country's seniors endure incidences such as this every day.

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

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

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

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

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

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

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

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

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

The Community Development Act of 1992, included language to permit public housing authorities to designate certain projects for elderly-only, for disabled residents only, or mixed housing. However, we did not provide the tools necessary to implement these laws. To date, only 10 out of 3,400 local public housing authorities have had mixed housing plans approved by the Department of Housing and Urban Development.

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

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

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

□ 1515

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

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

Mr. Speaker, I wholeheartedly agree with Sylvan Nesbitt. This bill will assist in achieving that peace and security and community that our seniors deserve.

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

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

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

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

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

Mr. Speaker, let us keep this issue real simple. This bill rights a wrong, that wrong that jeopardizes the safety of my constituents, seniors living in senior housing. Today HUD bureaucrats say my seniors must live alongside recovering drug addicts and alcoholics, a situation that has forced many seniors to live in fear. In fact, according to testimony from seniors living in the Chicago housing authority and other public housing authorities in Joliet, Will, Grundy, Kankakee, and LaSalle counties, many seniors have been victims of rape, physical assault, and other violent crimes and are afraid. According to many of the news articles that many of us are sharing, and I will include this in the RECORD, they are afraid even to leave their apartments to go to the store, simple daytime activities.

H.R. 117 rights this wrong and lets local housing authorities keep senior housing for seniors. This is authority they have asked for. I urge an aye vote. Let us allow our senior highrises to be safe housing for seniors. Keep senior housing safe for seniors by putting this into law.

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

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

RAPE VICTIM SUES BHA—SAYS ATTACKER SHOULD HAVE BEEN EVICTED

(By Joseph Mallia)

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

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

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

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

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

BHA officials could not be reached for comment last night.

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

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

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

For a year before the rape, Davis ''had harassed various tenants; had threatened them; had demanded money and food from them; had made a practice of roaming the hallways causing various tenants to be afraid to walk the hallways unaccompanied,'' according to court documentation.

Davis also ''roamed the halls semi-naked; loudly expressed threats and desires to kill various people and to rape various people, including tenants and his own mother; he grabbed various tenants including the rape victims,'' the lawsuit claims.

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

The lawsuit accuses the BHA and its officials with ''deliberate indifference to a known danger . . . the dangerous activities and proclivities of Eric L. Davis.''

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

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

Mr. METCALF. Mr. Speaker, I commend the gentleman from Massachusetts [Mr. BLUTE] for his relentless commitment to senior citizens living in federally assisted housing. The reforms in H.R. 117 are long overdue. In title VI of the Housing and Community Development Act of 1992, Congress allows public housing authorities and federally assisted apartment owners to designate elderly only housing. However, problems still persist in mixed populations housing, especially in buildings where the level of nonelderly residents remain high or where drug- and alcohol-abusing much younger tenants continue to be admitted.

Our seniors deserve to live in a peaceful environment free from the threats of violence and inappropriate conduct from a small group of residents. As a senior myself, I can understand the problems which arise when different age groups live in close proximity to each other. H.R. 117 provides the tools to fix this problem.

This legislation will achieve the following:

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

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

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

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

Mr. Speaker, while I want to continue to be complimentary of the gentleman from New York [Mr. LAZIO] on this bill, and other Members on the other side of the aisle with regard to their concerns about elderly only housing, we cannot ignore the fact that while this has taken place on the House floor today, this Congress, over the course of the last few months, has absolutely decimated the public housing budget of this country. We have seen a quarter of the Nation's housing eliminated by the Republicans in a move, at the same time while they are providing a tremendous tax cut to the richest people in this country.

So while everybody is marching out to the House floor today indicating they are standing up for our Nation's senior citizens, let us recognize that there are millions and millions of Americans that are becoming senior citizens that will never get access to any housing because of the housing cuts that have taken place under the leadership of the Republicans that are now sanctimoniously standing up and looking as though they are protecting the seniors of the country. It is the height of hypocrisy to indicate that we are protecting seniors as we go about gutting the very programs and projects which they need.

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

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

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

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

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

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

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

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

Mr. LAZIO of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New Jersey [Mr. LOBIONDO], one of the outstanding class of 1994.

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

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

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

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

The truth of the matter is that the vast majority of the tax cuts that are being provided by the Republicans go to people with incomes above $100,000. There are some small provisions that trickle down to the working people,

and to people that fit certain categories, but the overwhelming majority of the benefits go to the richest people in the country, No. 1; No. 2, the Republicans are gutting the Medicare program, they are gutting the Medicaid program; No. 3, they are gutting the basic standards for all of the nursing home care in this country.

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

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

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

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

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

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

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

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

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

I think the gentleman from Massachusetts deserves an awful lot of credit for having the foresight to bring this bill to the House when he was first elected.

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

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

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

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

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

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

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

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

Fortunately, the bill we are considering today, H.R. 117, the Senior Citizens Housing Safety Act of 1995, would prohibit the placement of current or former drug and alcohol abusers in public housing that is specifically designated [section 202] for elderly, or elderly and disabled families. Mr. Speaker, I commend our colleague and friend, the gentleman from Massachusetts [Mr. BLUTE]. He has worked tirelessly, since 1992, on this issue. I wholeheartedly support the bill and urge its adoption by the House.

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

□ 1530

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

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

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

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

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

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

Mr. Speaker, this bill fixes precisely the type of senseless, really I should say dumb, regulation that the Corrections Day process was created to address. Placing violent drug abusers and alcoholics intentionally into taxpayers subsidized senior housing project defies common sense. More important, it puts at risk some of the most frail of our society, as we have heard numerous times here.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. CUNNINGHAM. Mr. Speaker, today I rise in support of H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act of 1995. Passage of this measure is vital to ensure that our Nation's seniors are kept safe within their homes. I do not want any elderly public housing resident within my district, or any other district throughout the United States, to continue living in fear because their neighbor is abusing drugs or alcohol.

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

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

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

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

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

That is why I became the first original cosponsor of my colleague from New York's renewal and expansion of the Home Equity Conversion Mortgage Program that has been incorporated into this bill.

Rhode Island has a special interest in the survival of this program. Three-hundred and sixty-three Rhode Islanders have benefited from the conversion program since its inception in 1989, giving us one of the top five participation rates in the country.

The typical conversion participant in Rhode island is 72 years old, with an annual income of $13,000.

The conversion program is ideally suited to the needs of Rhode Island's senior population.

Sixty-two percent of older Rhode Islanders own their own homes.

In 1989, the median income of households for persons over 65 was only $16,403.

This program targets those in need with help tailored to their particular circumstances.

This bill could not have come at a better time, because after what was approved last week and what stands to be enacted later this week, seniors are going to need to mortgage their homes more than ever.

More seniors will need to mortgage their homes to pay medical bills.

More seniors will need to mortgage their homes to pay heating bills.

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

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

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

It will provide little comfort to a senior whose Medicare premiums will double over the next 7 years.

It will provide little comfort to a senior whose public housing rent will go up at the same time the quality of that housing will decline.

It will provide little comfort to a senior who will have to say goodbye to the doctor who took care of them for years as they are hustled into managed care.

It will provide little comfort to a senior whose spouse is in a nursing home where restraints, inadequate staffing, drugging patients, and people sitting in their own waste are once again common practice.

But this bill will provide comfort to politicians looking for cover.

Those who today vote to protect seniors, are doing seniors no service if last week and this Thursday they vote to dismantle Medicare and Medicaid.

These are conflicts that cannot be reconciled.

The safety offered to seniors in this bill is real and laudable, but let's be honest: it pales in comparison to the safety seniors are losing in almost every other measure considered in this Congress.

Mr. VENTO. Mr. Speaker, I rise in support of this legislation. H.R. 117 reauthorizes the home equity conversion mortgage, an important option for seniors that want to stay in their own homes and need a financial fix to do so. H.R. 117 also clarifies the abilities that public housing authorities [PHA's] have to protect seniors in public housing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Speaker, I hope that my colleagues will support H.R. 117 today and also stand up for all other residents of public housing during later deliberations on funding for federally assisted housing.

Mr. REED. Mr. Speaker, I rise in strong support of H.R. 117, the Senior Citizens Housing Safety and Economic Relief Act of 1995.

All too often, I have spoken with residents of my State's senior housing complexes who are concerned about their safety and quality of life. For too many, expectations of a quiet, all-elderly environment have gone unfulfilled because of a few drug abusing neighbors who are so disruptive that seniors are afraid to leave their apartments. Instead of enjoying the golden years of life with their contemporaries, our older citizens have been unable to live in the type of peaceful environment that was promised to them.

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

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

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

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

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

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

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

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

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

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question are postponed until 5 p.m. this evening.

FAIR LABOR STANDARDS ACT REVISIONS REGARDING PAPER BALERS

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

The Clerk read the bill, as follows:

H.R. 1114

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

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

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

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

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

The Clerk read as follows:

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

Strike all after the enacting clause and insert the following:

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

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

(1) that are safe for 16 and 17 year old employees loading the scrap paper balers or paper box compactors, and

(2) that cannot operate while being loaded.

(b) DEFINITION.—For purposes of subsection (a), scrap paper balers and paper box compactors shall be considered safe for 16 or 17 year old employees to load only if—

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

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

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

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

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

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

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

SEC. 2. CONSTRUCTION.

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

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

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

There was no objection.

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

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

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

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

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

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

Subsequent to the committee's markup several additional protections were agreed to, and are included in the substitute which I am offering today. The substitute provides that 16 and 17 year olds would be permitted to load, but not to operate or unload, a paper baler or paper compactor, provided that all of the following are met:

First, the equipment meets the current ANSI standard;

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

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

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

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

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

□ 1545

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Labor Department, in my opinion, has misused their power by fining grocers huge amounts of money for a casual violation, when there is not a real safety concern. This is an example of what has become a hated symbol of excessive and needless government regulation. For example, I recently heard from a chain of stores which was requested by the Department to pay over $500,000 for H.O. 12 violations. To arrive at that figure, the Department tracked down isolated violations of H.O. 12 during their investigation of a small number of the chain's stores, asked some employees if they had ever thrown some items into a company paper baler, thereby a technical violation of H.O. 12, then multiplied that number by the number of stores the chain owned to come up with the fine. This chain did not have a single injury involving a paper baler in any of their stores.

Our legislation brings a commonsense approach to this regulation and I think it is extremely reasonable. We allow 16- and 17-year-olds to load machines meeting the modern safety features, but not to operate or unload any paper balers, even the modern ones.

We require that grocers wishing to allow teenagers to load balers always maintain the most modern machines and therefore provide an important incentive for grocers to get rid of the old, potentially dangerous machines that are out there. This is the best way to enhance the safety of all workers.

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

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

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

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

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

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

Mr. ANDREWS. Mr. Speaker, I thank the ranking member of the subcommittee for yielding me the time. I thank him and the staff for their outstanding cooperation throughout this process in trying to improve this bill.

Mr. Speaker, with all due respect to my friend, I rise in support of the bill. It has been a long-standing tradition in our country that very often someone's first job was in a grocery store or a supermarket. It is a way that they helped to pay their way through school or help their family meet its family obligations. That is a tradition that I think we should support and promote, and that is what we are doing by this legislation today.

I would not support this legislation if I thought it was going to take jobs away from full-time adult workers. I do not believe there is any evidence that says that it does. Nor would I support this legislation if I thought that it raised significant risks of safety hazards to younger workers. I believe it does not for the following reasons:

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

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

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

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

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

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

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

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

There was no objection.

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

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

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

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

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

An employer can be fined as much as $10,000 for a violation of this order. Some companies have even been fined as much as $250,000—clearly, an excessive burden to small businesses where there is no longer a safety threat. Since 1989, the Department of Labor, has assessed an estimated $6 million against employers.

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

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

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

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

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

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

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

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

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

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

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

Mr. ANDREWS, Mr. EWING, Mr. COMBEST, and Chairman GOODLING are all to be commended for their work on this legislation. Their efforts should set the standard by which we develop all future corrections day legislation.

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

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

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

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

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

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

Mr. BONILLA. Mr. Speaker, I rise in strong support of this legislation to repeal one of the dumbest rules we have on the books today.

Going back to the 1950's when this rule was written with good intent at the time, how could they have seen back then in the 1950's and foreseen that in the 1990's we would have good machines, good balers that worked very effectively and are perfectly safe? I speak from firsthand knowledge of having put my arms, put my head and shoulders in these machines to examine the safety precautions that are now part of these balers, and they are perfectly safe. I would allow my child to operate one of these balers, if properly employed at a supermarket, and would feel perfectly fine with them doing so.

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

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

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

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

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

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

This is not a dumb regulation. We are going to make some changes. We are not dealing with a dumb regulation. Lives were saved by this regulation, I assure you.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As I understand this new corrections day procedure it is meant to bring up noncontroversial bills which seek to eliminate frivolous and useless regulations that are contrary to basic common sense.

H.R. 1114 weakens a child labor law regulation that is neither frivolous or useless. Protecting the lives and limbs of the countless number of teenagers working in grocery stores or other retails outlets as part-time jobs, sounds like pretty good common sense to me. Hazardous Occupation Order 12, which prohibits minors under 18 years of age from loading paper balers limits the participation of young people in a fluid, mechanized process that has proven to be dangerous and life-threatening.

Even with HO 12 in place there have been serious injuries and fatalities when the law has been ignored. Between 1993 and 1995, there were six fatalities involving paper baling machines, including two cases where the victims fell into the compacting area of a machine while attempting to clear jams that occurred during the loading process.

A paper baler is not merely a trash or recycling bin. It is a large, dangerous machine, with a large power-driven steel plunger which crushes and compresses paper into a tight mass. These machines are almost always located in the basement or backroom of a retail outlet, away from supervision.

HO 12 is based on the same kind of common sense that parents use everyday in telling their children to not play with matches. When you play with matches you get burned.

And the more time minors spend around dangerous, complicated machinery the more apt they are to get hurt.

The flaw in this legislation is clear. It replaces a straightforward directive to businesses on how to keep its younger employees safe, with a standard that will be difficult to enforce and that is based on engineering design rather than health and safety standards.

H.R. 1114 as amended by the manager's amendment will allow 16- and 17-year-olds to load paper balers as long as the machine meets current American National Standards Institute [ANSI] standards, the machine has an on-off locking ignition system, and notices are posted regarding these regulations.

This so-called compromise bill attempts to make a bad bill better, but it falls far short of this goal.

Reliance on ANSI standards is a basic flaw that is unworkable and unenforceable.

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

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

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

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

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

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

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

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

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

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

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

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

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

In 1989, my subcommittee found that, although minors are prohibited by law from operating balers and compactors, serious injuries and deaths occur because the law is ignored by employers. According to the latest figures available from the Department of Labor, this tragedy continues. There were six fatalities involving paper baling machines between 1993 and 1995. In 1991, the most recent statistical year available, more than 50 accidents were reported involving minors and paper balers. Children have suffered amputated limbs and crushed bones. I do not want to imagine how many more of our children will suffer once these regulations are loosened.

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

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

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

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

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

A 16-year-old girl at an IGA Supermarket in Michigan was loading cardboard boxes into a paper baler and started the machine. When she reached down to pick up a loose piece of cardboard, her smock became entangled in the machine. The baler dragged her right arm in and tore muscle and tendon.

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

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

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

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

Mr. MARTINI. Mr. Speaker, I rise today in support of H.R. 1114. This bill is a bipartisan bill to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards.

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

We can no longer sit by the wayside and suffer the consequences that are inherent in out-of-date legislation. Too often technological reforms outpace legislative reforms; it is time for us to take a step and catch up. Clearly, we can no longer afford to be shackled to the past by antiquated laws that preclude technological innovations. H.R. 1114 is just one of the many bills that this Congress has proposed to level the playing field and increase productivity for this Nation. This legislation recognizes the safety enhancements that are now being incorporated into the design and manufacturing of balers and compactors, and adjusts the current law accordingly.

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

Mr. Speaker, small business provides the backbone of the U.S. economy as 97 percent of the Nation's employers. We cannot sit idly and allow outdated regulations to continue to slow the economic growth of this Nation. The time for change and reform is upon us.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEE REPRESENTATION IMPROVEMENT ACT OF 1995

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

The Clerk read the bill, as follows:

H.R. 782

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

SECTION 1. SHORT TITLE.

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

SEC. 2. REPRESENTATION BY FEDERAL OFFICERS AND EMPLOYEES.

(a) EXTENSION OF EXEMPTION TO PROHIBITION.—Subsection (d) of section 205 of title 18, United States Code, is amended to read as follows:

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

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

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

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

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

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

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

(b) APPLICATION TO LABOR-MANAGEMENT RELATIONS.—Section 205 of title 18, United States Code, is amended by adding at the end the following:

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

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

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

The clerk read as follows:

Committee amendment in the nature of a substitute:

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

SECTION 1. SHORT TITLE.

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

SEC. 2. REPRESENTATION BY FEDERAL OFFICERS AND EMPLOYEES.

(a) EXTENSION OF EXEMPTION TO PROHIBITION.—Subseciton (d) of section 205 of title 18, United States Code, is amended to read as follows:

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

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

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

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

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

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

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

(b) APPLICATION TO LABOR-MANAGEMENT RELATIONS.—Section 205 of title 18, United States Code, is amended by adding at the end the following:

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

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

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

There was no objection.

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

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

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

□ 1615

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

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

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

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

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

The Justice Department issued an opinion concluding that no general exception exists for employee organizations from the restrictions of section 205 of title 18. Under that opinion, any representation made by a Federal employee on behalf of an employee organization is a criminal conflict of interest under section 205. Included among these organizations are credit unions, child care centers, health and fitness organizations, recreational associations, and professional associations. This interpretation of the law has had a chilling effect on communications between Federal employees and management on exactly those issues where communications should be fostered, not discouraged.

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

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

Therefore, under the language of the substitute, a Federal employee may not represent an organization or group in a claim against the Government, in a judicial or administrative proceeding where the organization or group is a party, or where the organization or group is seeking money from the Government.

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

Mr. Speaker, I reserve balance of my time.

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

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

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

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

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

Mr. Speaker, I include the letter referred to for the RECORD.

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

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

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

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

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

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

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

Sincerely,

LEONARD P. HIRSCH,
President Board of Directors.

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

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

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

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

things like that. When the Department of Justice came down with their ruling, they were no longer able to do it. This will now permit them to do it.

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

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

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

Mr. Speaker, I rise in support of H.R. 782, the Federal Employee Representation Improvement Act. This legislation, which has bipartisan support, would allow Federal employee management and professional organizations to have Federal employees speak on their behalf without violating criminal law. This legislation is necessary because the Department of Justice [DOJ] issued a legal opinion on November 7, 1994, explaining Federal employee speaking on behalf of a nonunion association to their superiors could be guilty of violating 18 U.S.C. section 205, a criminal provision. It is apropos that H.R. 782 is being considered under the correction calendar process because we must correct the consequences of the DOJ legal opinion which has had negative repercussions throughout the entire Federal Government.

Federal employees who are members of employee organizations, like child care centers, health and fitness organizations, recreation associations, and professional associations, have traditionally been able to represent the views of the employee organization to the employing department or agency. I think all would agree that active employee participation in matters of employment should be encouraged.

Until now, Federal employees' ability to represent to their agencies the interests of their employee organization has peacefully coexisted with 18 U.S.C. section 205, which prohibits a Government employee, except in the performance of official duties, from acting as agent or attorney for anyone before any agency or court of the United States in connection with a covered matter. A covered matter is described at 18 U.S.C. sections 205(h) as including ''any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter.'' Until now, issues affecting employees as employees, such as pay and benefits issues, have not been viewed as covered matters.

DOJ legal opinions and guidelines state that managers or supervisors who are Federal employees and who represent the interests of their peers or associations before senior management officials are guilty of a violation of 18 U.S.C. sections 205 and could be prosecuted as felons and subject to imprisonment and fines. Technically, according to DOJ, an employee who asks to use office space on behalf of an employee organization may have violated the law and could be subject to criminal prosecution or a civil penalty of not more than $50,000 for each violation. This is chilling to employee participation and is the wrong policy to pursue. During this time of downsizing and cutbacks, we should be encouraging more employee participation instead of less.

18 U.S.C. section 205 was enacted in 1962 and there has not been a problem until DOJ issued its opinion. Now, if a Federal employee wishes to discuss child care on behalf of his or her employee organization, he or she is in violation of the law. This situation is outrageous and must be corrected. This legislation, which reverses the Department of Justice's interpretation of the law, allows a Federal employee to represent an employee association or the interests of its members to the executive branch or any agency of the Government.

For example, this legislation would allow a Federal employee member of the Conference of Administrative Law Judges to represent its views on changes in the Social Security adjudication process to or before a Federal department or agency. Under DOJ's interpretation of current law, administrative law judges who have experience in matters involving the administrative adjudicatory process, would not be able to share that knowhow with the agency. This is an absurd situation and H.R. 782 will change it.

This bill will protect the rights that Federal employees have enjoyed for years until the Department of Justice removed them through its interpretation of section 205. This legislation is a good-government measure, is good for Federal employees and maintains the integrity and purpose of section 205. I urge unanimous support for this legislation.

Mr. Speaker, I want to express my gratitude to Congressman CANADY, chairman of the Constitution Law Subcommittee and Congressman FRANK, the ranking member of the subcommittee, for quickly moving this legislation. I also appreciate the hard work of the staff of the Office of Government Ethics and the staffs of the Constitutional Law Subcommittee, all of whom worked with my staff to craft this bipartisan legislation.

Mr. Speaker, I ask unanimous consent to include a list of Federal employee groups who support H.R. 782.

WHO SUPPORTS H.R. 782?

American Federation of Federal Employees.
American Foreign Service Association.
Asian Pacific American Network in Agriculture.
Blacks in Government.
Classification and Compensation Society.
Coalition for Effective Change (29 Federal Employee Groups).
Customs National Hispanic Agents Association.
Federal Investigators' Association.
Federal Bar Association.
Federal Bureau of Investigation Agents Association
Federal Law Enforcement Officers Association.
Federal Managers Association.
Federal Physicians Association.
Federal Asian Pacific American Council.
Fraternal Order of Police, National Park Ranger Lodge.
International Personnel Management Association.
National Association of Assistant United States Attorneys.
National Association of Black Customs Enforcement Officers.
National Association of Federal Veterinarians.
National Association of Retired Federal Employees.
National Association of Treasury Agents.
Naval Civilian Managers Association.
NIST, Child Care Association.
Organization of Professional Employees of the USDA.
Professional Managers Association.
Senior Executives Association.
Senior Foreign Service Association.
Social Security Management Associations, Inc.

Mr. DAVIS. Mr. Speaker, I rise to voice my strong support for this important legislation and to thank my friend and neighbor, Mr. WOLF, for crafting this solution to what has become a stifling regulatory burden on the free speech rights of Federal employees. I would also like to thank Mr. CANADY, chairman of the Subcommittee on the Constitution, for sheparding this bill through the legislative process and bringing it to the floor today.

The Federal Employee Representation Improvement Act corrects a Department of Justice [DOJ] legal opinion that promulgated an overly broad interpretation of section 205 of the 1962 Government Ethics Statute, Public Law 87–849. This controversial legal opinion stated that Federal employees would be subject to prosecution if they communicated with the U.S. Government in any way on any matter currently before a Federal agency. Now, this might make sense in the context of Federal employees interfering in a rulemaking that affects the general public, but the Department of Justice legal opinion is so overbroad that it could be interpreted to forbid Federal employees from contacting their employing agency regarding personnel and administrative matters.

I have been contacted by numerous constituents who report that the DOJ legal opinion has had a chilling effect on what we all would agree are merely routine contacts between employees and management. Federal employees are currently afraid to communicate with management regarding administrative issues in Federal agencies, such as child care centers, health and fitness facilities, credit unions, and professional associations. The modern workplace is often the site of many activities that are not related to the official duties carried out by the office or agency. Employees should be encouraged to get involved in these activities and to speak out when necessary. H.R. 782 will correct the existing confusion and allow an open dialog on administrative issues within government agencies.

I believe it is especially appropriate that we advance this legislation via the new corrections day procedure which was designed by the Speaker to resolve poorly written or interpreted regulations and laws. H.R. 782 will correct an overbroad legal opinion that has stifled the open exchange of views in the Federal workplace on administrative and quality of life issues. I urge my colleagues to unanimously support this important legislation.

Mrs. MORELLA. Mr. Speaker, I rise in strong support of H.R. 782, a commonsense measure aimed at protecting the channels of communication between Federal employees and management.

One of the key factors that is driving the continuous improvement initiatives in government and the private sector is employee involvement. In fact, employee involvement and employee empowerment are cornerstones in the administration's national performance review and are essential to an agency's ability to explore new paths in solving problems.

For employees, who speak on behalf of employee associations, having an entree to management is vital in the process. For management, having this feedback system is essential in staying abreast of emerging workplace concerns and in developing solutions that reduce conflict and costly potential grievances.

And for years, no one questioned this beneficial relationship between employees and management. However, a Justice Department interpretation of title 18, section 205 prohibits employee representatives from expressing the views of an employee organization or association before a government agency. In fact the employee could be prosecuted if he/she does so.

Mr. Speaker, I ask you to imagine being prosecuted for offering suggestions to make a day care facility safer and more enjoyable for our children. I ask you to imagine being arrested because as a representative of blacks in government or the Professional Managers Association you raise concerns about new hiring initiatives in your agency, or as a representative of the Coalition for Effective Change you had the nerve to comment on suggestions to improve the efficiency of the organization.

The Justice Department was correct in its interpretation of the law, but in doing so, it compromised the spirit of the law and the spirit of cooperation between employees and management.

H.R. 782 restores the voice of these employees and the spirit of the law, without overextending the rights of employee associations or infringing on the responsibilities of executives. I urge my colleagues to support H.R. 782.

Mr. HOYER. Mr. Speaker, I hope that the House will approve this legislation that will revise rules for representational activities of Federal employees.

This is commonsense government and, as a cosponsor, I am pleased to see H.R. 782 included on today's agenda. The legislation authored by Congressman WOLF will resolve existing problems that make it illegal for Federal employees to express the view of an employee organization or association to a governmental agency.

This has been a troublesome issue for child care groups, credit unions, recreational associations, and other employee organizations. This bill will allow members of such groups to discuss all matters except judicial proceedings and grant requests.

In my view, the 1962 ethics provisions, as interpreted by the Department of Justice in 1994, were never intended to prohibit such communication. It does not make sense to stop the president of a credit union from discussing his needs or issues with representatives of the agency or Department. In fact, open discussion benefits both the organizations, the employees involved, and the employer.

I thank the Committee on the Judiciary for reporting the legislation and I urge its adoption.

Mr. HOKE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

APPOINTMENT OF ADDITIONAL CONFEREE ON H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

The SPEAKER pro tempore. Without objection, the gentleman from California [Mr. CUNNINGHAM] is appointed as a conferee on H.R. 4.

There was no objection.

The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferees.

COMMUNICATION FROM HONORABLE SAM M. GIBBONS, MEMBER OF CONGRESS

The Chair laid before the House the following communication from the Honorable SAM M. GIBBONS, Member of Congress:

SAM M. GIBBONS,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 18, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that a member of my staff has been served with a subpoena issued by the United States District Court for the Middle District of Florida.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

SAM M. GIBBONS,
U.S. Congressman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

FISHERIES ACT OF 1995

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 716) to amend the Fishermen's Protective Act.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fisheries Act of 1995''.

SEC. 2. TABLE OF CONTENTS.

The Table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—HIGH SEAS FISHING COMPLIANCE

Sec. 101. Short title.
Sec. 102. Purpose.
Sec. 103. Definitions.
Sec. 104. Permitting.
Sec. 105. Responsibilities of the Secretary.
Sec. 106. Unlawful activities.
Sec. 107. Enforcement provisions.
Sec. 108. Civil penalties and permit sanctions.
Sec. 109. Criminal offenses.
Sec. 110. Forfeitures.
Sec. 111. Effective date.

TITLE II—IMPLEMENTATION OF CONVENTION ON FUTURE MULTILATERAL COOPERATION IN THE NORTHWEST ATLANTIC FISHERIES

Sec. 201. Short title.
Sec. 202. Representation of United States under convention.
Sec. 203. Requests for scientific advice.
Sec. 204. Authorities of Secretary of State with respect to convention.
Sec. 205. Interagency cooperation.
Sec. 206. Rulemaking.
Sec. 207. Prohibited acts and penalties.
Sec. 208. Consultative committee.
Sec. 209. Administrative matters.
Sec. 210. Definitions.
Sec. 211. Authorization of appropriations.

TITLE III—ATLANTIC TUNAS CONVENTION ACT

Sec. 301. Short title.
Sec. 302. Research and monitoring activities.
Sec. 303. Definitions.
Sec. 304. Advisory committee procedures.
Sec. 305. Regulations and enforcement of Convention.
Sec. 306. Fines and permit sanctions.
Sec. 307. Authorization of appropriations.
Sec. 308. Report and savings clause.
Sec. 309. Management and Atlantic yellowfin tuna.
Sec. 310. Study of bluefin tuna regulations.
Sec. 311. Sense of the Congress with respect to ICCAT negotiations.

TITLE IV—FISHERMEN'S PROTECTIVE ACT

Sec. 401. Findings.
Sec. 402. Amendment to the Fishermen's Protective Act of 1967.
Sec. 403. Reauthorization.
Sec. 404. Technical corrections.

TITLE V—FISHERIES ENFORCEMENT IN CENTRAL SEA OF OKHOTSK

Sec. 501. Short title.
Sec. 502. Fishing prohibition.

TITLE VI—DRIFTNET MORATORIUM
Sec. 601. Short title.
Sec. 602. Findings.
Sec. 603. Prohibition.
Sec. 604. Negotiations.
Sec. 605. Certification.
Sec. 606. Enforcement.
TITLE VII—YUKON RIVER SALMON ACT
Sec. 701. Short title.
Sec. 702. Purposes.
Sec. 703. Definitions.
Sec. 704. Panel.
Sec. 705. Advisory committee.
Sec. 706. Exemption.
Sec. 707. Authority and responsibility.
Sec. 708. Continuation of agreement.
Sec. 709. Administrative matters.
Sec. 710. Authorization of appropriations.
TITLE VIII—MISCELLANEOUS
Sec. 801. South Pacific tuna amendment.
Sec. 802. Foreign fishing for Atlantic herring and Atlantic mackerel.

TITLE I—HIGH SEAS FISHING COMPLIANCE

SEC. 101. SHORT TITLE.

This title may be cited as the ''High Seas Fishing Compliance Act of 1995''.

SEC. 102. PURPOSE.

It is the purpose of this Act—

(1) to implement the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, adopted by the Conference of the Food and Agriculture Organization of the United Nations on November 24, 1993; and

(2) to establish a system of permitting, reporting, and regulation for vessels of the United States fishing on the high seas.

SEC. 103. DEFINITIONS.

As used in this Act—

(1) The term ''Agreement'' means the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, adopted by the Conference of the Food and Agriculture Organization of the United Nations on November 24, 1993.

(2) The term ''FAO'' means the Food and Agriculture Organization of the United Nations.

(3) The term ''high seas'' means the waters beyond the territorial sea or exclusive economic zone (or the equivalent) of any nation, to the extent that such territorial sea or exclusive economic zone (or the equivalent) is recognized by the United States.

(4) The term ''high seas fishing vessel'' means any vessel of the United States used or intended for use—

(A) on the high seas;

(B) for the purpose of the commercial exploitation of living marine resources; and

(C) as a harvesting vessel, as a mother ship, or as any other support vessel directly engaged in a fishing operation.

(5) The term ''international conservation and management measures'' means measures to conserve or manage one or more species of living marine resources that are adopted and applied in accordance with the relevant rules of international law, as reflected in the 1982 United Nations Convention on the Law of the Sea, and that are recognized by the United States. Such measures may be adopted by global, regional, or sub-regional fisheries organizations, subject to the rights and obligations of their members, or by treaties or other international agreements.

(6) The term ''length'' means—

(A) for any high seas fishing vessel built after July 18, 1982, 96 percent of the total length on a waterline at 85 percent of the least molded depth measured from the top of the keel, or the length from the foreside of the stem to the axis of the rudder stock on that waterline, if that is greater, except that in ships designed with a rake of keel the waterline on which this length is measured shall be parallel to the designed waterline; and

(B) for any high seas fishing vessel built before July 18, 1982, registered length as entered on the vessel's documentation.

(7) The term ''person'' means any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State), and any Federal, State, local, or foreign government or any entity of any such government.

(8) The term ''Secretary'' means the Secretary of Commerce.

(9) The term ''vessel of the United States'' means—

(A) a vessel documented under chapter 121 of title 46, United States Code, or numbered in accordance with chapter 123 of title 46, United States Code;

(B) a vessel owned in whole or part by—

(i) the United States or a territory, commonwealth, or possession of the United States;

(ii) a State or political subdivision thereof;

(iii) a citizen or national of the United States; or

(iv) a corporation created under the laws of the United States or any State, the District of Columbia, or any territory, commonwealth, or possession of the United States; unless the vessel has been granted the nationality of a foreign nation in accordance with article 92 of the 1982 United Nations Convention on the Law of the Sea and a claim of nationality or registry for the vessel is made by the master or individual in charge at the time of the enforcement action by an officer or employee of the United States authorized to enforce applicable provisions of the United States law; and

(C) a vessel that was once documented under the laws of the United States and, in violation of the laws of the United States, was either sold to a person not a citizen of the United States or placed under foreign registry or a foreign flag, whether or not the vessel has been granted the nationality of a foreign nation.

(10) The terms ''vessel subject to the jurisdiction of the United States'' and ''vessel without nationality'' have the same meaning as in section 3(c) of the Maritime Drug Law Enforcement Act (46 U.S.C. 1903(c)).

SEC. 104. PERMITTING.

(a) IN GENERAL.—No high seas fishing vessel shall engage in harvesting operations on the high seas unless the vessel has on board a valid permit issued under this section.

(b) ELIGIBILITY.—

(1) Any vessel of the United States is eligible to receive a permit under this section, unless the vessel was previously authorized to be used for fishing on the high seas by a foreign nation, and

(A) the foreign nation suspended such authorization because the vessel undermined the effectiveness of international conservation and management measures, and the suspension has not expired; or

(B) the foreign nation, within the last three years preceding application for a permit under this section, withdrew such authorization because the vessel undermined the effectiveness of international conservation and management measures.

(2) The restriction in paragraph (1) does not apply if ownership of the vessel has changed since the vessel undermined the effectiveness of international conservation and management measures, and the new owner has provided sufficient evidence to the Secretary demonstrating that the previous owner or operator has no further legal, beneficial or financial interest in, or control of, the vessel.

(3) The restriction in paragraph (1) does not apply if the Secretary makes a determination that issuing a permit would not subvert the purposes of the Agreement.

(4) The Secretary may not issue a permit to a vessel unless the Secretary is satisfied that the United States will be able to exercise effectively its responsibilities under the Agreement with respect to that vessel.

(c) APPLICATION.—

(1) The owner or operator of a high seas fishing vessel may apply for a permit under this section by completing an application form prescribed by the Secretary.

(2) The application form shall contain—

(A) the vessel's name, previous names (if known), official numbers, and port of record;

(B) the vessel's previous flags (if any);

(C) the vessel's International Radio Call Sign (if any);

(D) the names and addresses of the vessel's owners and operators;

(E) where and when the vessel was built;

(F) the type of vessel;

(G) the vessel's length; and

(H) any other information the Secretary requires for the purposes of implementing the Agreement.

(d) CONDITIONS.—The Secretary shall establish such conditions and restrictions on each permit issued under this section as are necessary and appropriate to carry out the obligations of the United States under the Agreement, including but not limited to the following:

(1) The vessel shall be marked in accordance with the FAO Standard Specifications for the Marking and Identification of Fishing Vessels, or with regulations issued under section 305 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1855); and

(2) The permit holder shall report such information as the Secretary by regulation requires, including area of fishing operations and catch statistics. The Secretary shall promulgate regulations concerning conditions under which information submitted under this paragraph may be released.

(e) FEES.—

(1) The Secretary shall by regulation establish the level of fees to be charged for permits issued under this section. The amount of any fee charged for a permit issued under this section shall not exceed the administrative costs incurred in issuing such permits. The permitting fee may be in addition to any fee required under any regional permitting regime applicable to high seas fishing vessels.

(2) The fees authorized by paragraph (1) shall be collected and credited to the Operations, Research and Facilities account of the National Oceanic and Atmospheric Administration. Fees collected under this subsection shall be available for the necessary expenses of the National Oceanic and Atmospheric Administration in implementing this Act, and shall remain available until expended.

(f) DURATION.—A permit issued under this section is valid for 5 years. A permit issued under this section is void in the event the vessel is no longer eligible for United States documentation, such documentation is revoked or denied, or the vessel is deleted from such documentation.

SEC. 105. RESPONSIBILITIES OF THE SECRETARY.

(a) RECORD.—The Secretary shall maintain an automated file or record of high seas fishing vessels issued permits under section 104, including all information submitted under section 104(c)(2).

(b) INFORMATION TO FAO.—The Secretary, in cooperation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, shall—

(1) make available to FAO information contained in the record maintained under subsection (a);

(2) promptly notify FAO of changes in such information;

(3) promptly notify FAO of additions to or deletions from the record, and the reason for any deletion;

(4) convey to FAO information relating to any permit granted under section 104(b)(3), including the vessel's identity, owner or operator, and

factors relevant to the Secretary's determination to issue the permit;

(5) report promptly to FAO all relevant information regarding any activities of high seas fishing vessels that undermine the effectiveness of international conservation and management measures, including the identity of the vessels and any sanctions imposed; and

(6) provide the FAO a summary of evidence regarding any activities of foreign vessels that undermine the effectiveness of international conservation and management measures.

(c) INFORMATION TO FLAG NATIONS.—If the Secretary, in cooperation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, has reasonable grounds to believe that a foreign vessel has engaged in activities undermining the effectiveness of international conservation and management measures, the Secretary shall—

(1) provide to the flag nation information, including appropriate evidentiary material, relating to those activities; and

(2) when such foreign vessel is voluntarily in a United States port, promptly notify the flag nation and, if requested by the flag nation, make arrangements to undertake such lawful investigatory measures as may be considered necessary to establish whether the vessel has been used contrary to the provisions of the Agreement.

(d) REGULATIONS.—The Secretary, after consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, may promulgate such regulations, in accordance with section 553 of title 5, United States Code, as may be necessary to carry out the purposes of the Agreement and this title. The Secretary shall coordinate such regulations with any other entities regulating high seas fishing vessels, in order to minimize duplication of permit application and reporting requirements. To the extent practicable, such regulations shall also be consistent with regulations implementing fishery management plans under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

(e) NOTICE OF INTERNATIONAL CONSERVATION AND MANAGEMENT MEASURES.—The Secretary, in consultation with the Secretary of State, shall publish in the Federal Register, from time to time, a notice listing international conservation and management measures recognized by the United States.

SEC. 106. UNLAWFUL ACTIVITIES.

It is unlawful for any person subject to the jurisdiction of the United States—

(1) to use a high seas fishing vessel on the high seas in contravention of international conservation and management measures described in section 105(e);

(2) to use a high seas fishing vessel on the high seas, unless the vessel has on board a valid permit issued under section 104;

(3) to use a high seas fishing vessel in violation of the conditions or restrictions of a permit issued under section 104;

(4) to falsify any information required to be reported, communicated, or recorded pursuant to this title or any regulation issued under this title, or to fail to submit in a timely fashion any required information, or to fail to report to the Secretary immediately any change in circumstances that has the effect of rendering any such information false, incomplete, or misleading;

(5) to refuse to permit an authorized officer to board a high seas fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of this title or any regulation issued under this title;

(6) to forcibly assault, resist, oppose, impede, intimidate, or interfere with an authorized officer in the conduct of any search or inspection described in paragraph (5);

(7) to resist a lawful arrest or detention for any act prohibited by this section;

(8) to interfere with, delay, or prevent, by any means, the apprehension, arrest, or detection of another person, knowing that such person has committed any act prohibited by this section;

(9) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any living marine resource taken or retained in violation of this title or any regulation or permit issued under this title; or

(10) to violate any provision of this title or any regulation or permit issued under this title.

SEC. 107. ENFORCEMENT PROVISIONS.

(a) DUTIES OF SECRETARIES.—This title shall be enforced by the Secretary of Commerce and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may by agreement utilize, on a reimbursable basis or otherwise, the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, or of any State agency, in the performance of such duties. Such Secretaries shall, and the head of any Federal or State agency that has entered into an agreement with either such Secretary under this section may (if the agreement so provides), authorize officers to enforce the provisions of this title or any regulation or permit issued under this title.

(b) DISTRICT COURT JURISDICTION.—The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under the provisions of this title. In the case of Guam, and any Commonwealth, territory, or possession of the United States in the Pacific Ocean, the appropriate court is the United States District Court for the District of Guam, except that in the case of American Samoa, the appropriate court is the United States District Court for the District of Hawaii.

(c) POWERS OF ENFORCEMENT OFFICERS.—

(1) Any officer who is authorized under subsection (a) to enforce the provisions of this title may—

(A) with or without a warrant or other process—

(i) arrest any person, if the officer has reasonable cause to believe that such person has committed an act prohibited by paragraph (6), (7), (8), or (9) of section 106;

(ii) board, and search or inspect, any high seas fishing vessel;

(iii) seize any high seas fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, the violation of any provision of this title or any regulation or permit issued under this title;

(iv) seize any living marine resource (wherever found) taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 106;

(v) seize any other evidence related to any violation of any provision of this title or any regulation or permit issued under this title;

(B) execute any warrant or other process issued by any court of competent jurisdiction; and

(C) exercise any other lawful authority.

(2) Subject to the direction of the Secretary, a person charged with law enforcement responsibilities by the Secretary who is performing a duty related to enforcement of a law regarding fisheries or other marine resources may make an arrest without a warrant for an offense against the United States committed in his presence, or for a felony cognizable under the laws of the United States, if he has reasonable grounds to believe that the person to be arrested has committed or is committing a felony.

(d) ISSUANCE OF CITATIONS.—If any authorized officer finds that a high seas fishing vessel is operating or has been operated in violation of any provision of this title, such officer may issue a citation to the owner or operator of such vessel in lieu of proceeding under subsection (c). If a permit has been issued pursuant to this title for such vessel, such officer shall note the issuance of any citation under this subsection, including the date thereof and the reason therefor, on the permit. The Secretary shall maintain a record of all citations issued pursuant to this subsection.

(e) LIABILITY FOR COSTS.—Any person assessed a civil penalty for, or convicted of, any violation of this Act shall be liable for the cost incurred in storage, care, and maintenance of any living marine resource or other property seized in connection with the violation.

SEC. 108. CIVIL PENALTIES AND PERMIT SANCTIONS.

(a) CIVIL PENALTIES.—

(1) Any person who is found by the Secretary, after notice and opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 106 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $100,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(2) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that is subject to imposition or that has been imposed under this section.

(b) PERMIT SANCTIONS.—

(1) In any case in which—

(A) a vessel of the United States has been used in the commission of an act prohibited under section 106;

(B) the owner or operator of a vessel or any other person who has been issued or has applied for a permit under section 104 has acted in violation of section 106; or

(C) any amount in settlement of a civil forfeiture imposed on a high seas fishing vessel or other property, or any civil penalty or criminal fine imposed on a high seas fishing vessel or on an owner or operator of such a vessel or on any other person who has been issued or has applied for a permit under any fishery resource statute enforced by the Secretary, has not been paid and is overdue, the Secretary may—

(i) revoke any permit issued to or applied for by such vessel or person under this title, with or without prejudice to the issuance of subsequent permits;

(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

(iii) deny such permit; or

(iv) impose additional conditions and restrictions on such permit.

(2) In imposing a sanction under this subsection, the Secretary shall take into account—

(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

(B) with respect to the violator, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(3) Transfer of ownership of a high seas fishing vessel, by sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be in effect or pending with respect to the vessel at the time of the transfer. The Secretary may waive or compromise a sanction in the case of a transfer pursuant to court order.

(4) In the case of any permit that is suspended under this subsection for nonpayment of a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

(5) No sanctions shall be imposed under this subsection unless there has been prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this section or otherwise.

(c) HEARING.—For the purposes of conducting any hearing under this section, the Secretary may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contempt or refusal to obey a subpoena served upon any person pursuant to this subsection, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Secretary or to appear and produce documents before the Secretary, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(d) JUDICIAL REVIEW.—Any person against whom a civil penalty is assessed under subsection (a) or against whose vessel a permit sanction is imposed under subsection (b) (other than a permit suspension for nonpayment of penalty or fine) may obtain review thereof in the United States district court for the appropriate district by filing a complaint against the Secretary in such court within 30 days from the date of such penalty or sanction. The Secretary shall promptly file in such court a certified copy of the record upon which such penalty or sanction was imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

(e) COLLECTION.—

(1) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the matter shall be referred to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(2) A high seas fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used in the commission of an act prohibited by section 106 shall be liable in rem for any civil penalty assessed for such violation under subsection (a) and may be proceeded against in any district court of the United States having jurisdiction thereof. Such penalty shall constitute a maritime lien on such vessel that may be recovered in an action in rem in the district court of the United States having jurisdiction over the vessel.

SEC. 109. CRIMINAL OFFENSES.

(a) OFFENSES.—A person is guilty of an offense if the person commits any act prohibited by paragraph (6), (7), (8), or (9) of section 106.

(b) PUNISHMENT.—Any offense described in subsection (a) is a class A misdemeanor punishable by a fine under title 18, United States Code, or imprisonment for not more than one year, or both; except that if in the commission of any offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any authorized officer, or places any such officer in fear of imminent bodily injury, the offense is a felony punishable by a fine under title 18, United States Code, or imprisonment for not more than 10 years, or both.

SEC. 110. FORFEITURES.

(a) IN GENERAL.—Any high seas fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any living marine resources (or the fair market value thereof) taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 106 (other than an act for which the issuance of a citation under section 107 is a sufficient sanction) shall be subject to forfeiture to the United States. All or part of such vessel may, and all such living marine resources (or the fair market value thereof) shall, be forfeited to the United States pursuant to a civil proceeding under this section.

(b) JURISDICTION OF DISTRICT COURTS.—Any district court of the United States shall have jurisdiction, upon application of the Attorney General on behalf of the United States, to order any forfeiture authorized under subsection (a) and any action provided for under subsection (d).

(c) JUDGMENT.—If a judgment is entered for the United States in a civil forfeiture proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this title or for which security has not previously been obtained. The provisions of the customs laws relating to—

(1) the seizure, forfeiture, and condemnation of property for violation of the customs law;

(2) the disposition of such property or the proceeds from the sale thereof; and

(3) the remission or mitigation of any such forfeiture;

shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this title, unless such provisions are inconsistent with the purposes, policy, and provisions of this title.

(d) PROCEDURE.—

(1) Any officer authorized to serve any process in rem that is issued by a court under section 107(b) shall—

(A) stay the execution of such process; or

(B) discharge any living marine resources seized pursuant to such process;

upon receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person delivering such property to the appropriate court upon order thereof, without any impairment of its value, or paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

(2) Any living marine resources seized pursuant to this title may be sold, subject to the approval of the appropriate court, for not less than the fair market value thereof. The proceeds of any such sale shall be deposited with such court pending the disposition of the matter involved.

(e) REBUTTABLE PRESUMPTION.—For purposes of this section, all living marine resources found on board a high seas fishing vessel and which are seized in connection with an act prohibited by section 106 are presumed to have been taken or retained in violation of this title, but the presumption can be rebutted by an appropriate showing of evidence to the contrary.

SEC. 111. EFFECTIVE DATE.

This title shall take effect 120 days after the date of enactment of this Act.

TITLE II—IMPLEMENTATION OF CONVENTION ON FUTURE MULTILATERAL COOPERATION IN THE NORTHWEST ATLANTIC FISHERIES

SEC. 201. SHORT TITLE.

This title may be cited as the ''Northwest Atlantic Fisheries Convention Act of 1995''.

SEC. 202. REPRESENTATION OF UNITED STATES UNDER CONVENTION.

(a) COMMISSIONERS.—

(1) APPOINTMENTS, GENERALLY.—The Secretary shall appoint not more than 3 individuals to serve as the representatives of the United States on the General Council and the Fisheries Commission, who shall each—

(A) be known as a ''United States Commissioner to the Northwest Atlantic Fisheries Organization''; and

(B) serve at the pleasure of the Secretary.

(2) REQUIREMENTS FOR APPOINTMENTS.—

(A) The Secretary shall ensure that of the individuals serving as Commissioners—

(i) at least 1 is appointed from among representatives of the commercial fishing industry;

(ii) 1 (but no more than 1) is an official of the Government; and

(iii) 1, other than the individual appointed under clause (ii), is a voting member of the New England Fishery Management Council.

(B) The Secretary may not appoint as a Commissioner an individual unless the individual is knowledgeable and experienced concerning the fishery resources to which the Convention applies.

(3) TERMS.—

(A) The term of an individual appointed as a Commissioner—

(i) shall be specified by the Secretary at the time of appointment; and

(ii) may not exceed 4 years.

(B) An individual who is not a Government official may not serve more than 2 consecutive terms as a Commissioner.

(b) ALTERNATE COMMISSIONERS.—

(1) APPOINTMENT.—The Secretary may, for any anticipated absence of a duly appointed Commissioner at a meeting of the General Council or the Fisheries Commission, designate an individual to serve as an Alternate Commissioner.

(2) FUNCTIONS.—An Alternate Commissioner may exercise all powers and perform all duties of the Commissioner for whom the Alternate Commissioner is designated, at any meeting of the General Council or the Fisheries Commission for which the Alternate Commissioner is designated.

(c) REPRESENTATIVES.—

(1) APPOINTMENT.—The Secretary shall appoint not more than 3 individuals to serve as the representatives of the United States on the Scientific Council, who shall each be known as a ''United States Representative to the Northwest Atlantic Fisheries Organization Scientific Council''.

(2) ELIGIBILITY FOR APPOINTMENT.—

(A) The Secretary may not appoint an individual as a Representative unless the individual is knowledgeable and experienced concerning the scientific issues dealt with by the Scientific Council.

(B) The Secretary shall appoint as a Representative at least 1 individual who is an official of the Government.

(3) TERM.—An individual appointed as a Representative—

(A) shall serve for a term of not to exceed 4 years, as specified by the Secretary at the time of appointment;

(B) may be reappointed; and

(C) shall serve at the pleasure of the Secretary.

(d) ALTERNATE REPRESENTATIVES.—

(1) APPOINTMENT.—The Secretary may, for any anticipated absence of a duly appointed Representative at a meeting of the Scientific Council, designate an individual to serve as an Alternate Representative.

(2) FUNCTIONS.—An Alternate Representative may exercise all powers and perform all duties of the Representative for whom the Alternate Representative is designated, at any meeting of the Scientific Council for which the Alternate Representative is designated.

(e) EXPERTS AND ADVISERS.—The Commissioners, Alternate Commissioners, Representatives, and Alternate Representatives may be accompanied at meetings of the Organization by experts and advisers.

(f) COORDINATION AND CONSULTATION.—

(1) IN GENERAL.—In carrying out their functions under the Convention, Commissioners, Alternate Commissioners, Representatives, and Alternate Representatives shall—

(A) coordinate with the appropriate Regional Fishery Management Councils established by section 302 of the Magnuson Act (16 U.S.C. 1852); and

(B) consult with the committee established under section 208.

(2) RELATIONSHIP TO OTHER LAW.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to coordination and consultations under this subsection.

SEC. 203. REQUESTS FOR SCIENTIFIC ADVICE.

(a) RESTRICTION.—The Representatives may not make a request or specification described in subsection (b) (1) or (2), respectively, unless the Representatives have first—

(1) consulted with the appropriate Regional Fishery Management Councils; and

(2) received the consent of the Commissioners for that action.

(b) REQUESTS AND TERMS OF REFERENCE DESCRIBED.—The requests and specifications referred to in subsection (a) are, respectively—

(1) any request, under Article VII(1) of the Convention, that the Scientific Council consider and report on a question pertaining to the scientific basis for the management and conservation of fishery resources in waters under the jurisdiction of the United States within the Convention Area; and

(2) any specification, under Article VIII(2) of the Convention, of the terms of reference for the consideration of a question referred to the Scientific Council pursuant to Article VII(1) of the Convention.

SEC. 204. AUTHORITIES OF SECRETARY OF STATE WITH RESPECT TO CONVENTION.

The Secretary of State may, on behalf of the Government of the United States—

(1) receive and transmit reports, requests, recommendations, proposals, and other communications of and to the Organization and its subsidiary organs;

(2) object, or withdraw an objection, to the proposal of the Fisheries Commission;

(3) give or withdraw notice of intent not to be bound by a measure of the Fisheries Commission;

(4) object or withdraw an objection to an amendment to the Convention; and

(5) act upon, or refer to any other appropriate authority, any other communication referred to in paragraph (1).

SEC. 205. INTERAGENCY COOPERATION.

(a) AUTHORITIES OF SECRETARY.—In carrying out the provisions of the Convention and this title, the Secretary may arrange for cooperation with other agencies of the United States, the States, the New England and the Mid-Atlantic Fishery Management Councils, and private institutions and organizations.

(b) OTHER AGENCIES.—The head of any Federal agency may—

(1) cooperate in the conduct of scientific and other programs, and furnish facilities and personnel, for the purposes of assisting the Organization in carrying out its duties under the Convention; and

(2) accept reimbursement from the Organization for providing such services, facilities, and personnel.

SEC. 206. RULEMAKING.

The Secretary shall promulgate regulations as may be necessary to carry out the purposes and objectives of the Convention and this title. Any such regulation may be made applicable, as necessary, to all persons and all vessels subject to the jurisdiction of the United States, wherever located.

SEC. 207. PROHIBITED ACTS AND PENALTIES.

(a) PROHIBITION.—It is unlawful for any person or vessel that is subject to the jurisdiction of the United States—

(1) to violate any regulation issued under this title or any measure that is legally binding on the United States under the Convention;

(2) to refuse to permit any authorized enforcement officer to board a fishing vessel that is subject to the person's control for purposes of conducting any search or inspection in connection with the enforcement of this title, any regulation issued under this title, or any measure that is legally binding on the United States under the Convention;

(3) forcibly to assault, resist, oppose, impede, intimidate, or interfere with any authorized enforcement officer in the conduct of any search or inspection described in paragraph (2);

(4) to resist a lawful arrest for any act prohibited by this section;

(5) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of this section; or

(6) to interfere with, delay, or prevent, by any means, the apprehension or arrest of another person, knowing that the other person has committed an act prohibited by this section.

(b) CIVIL PENALTY.—Any person who commits any act that is unlawful under subsection (a) shall be liable to the United States for a civil penalty, or may be subject to a permit sanction, under section 308 of the Magnuson Act (16 U.S.C. 1858).

(c) CRIMINAL PENALTY.—Any person who commits an act that is unlawful under paragraph (2), (3), (4), or (6) of subsection (a) shall be guilty of an offense punishable under section 309(b) of the Magnuson Act (16 U.S.C. 1859(b)).

(d) CIVIL FORFEITURES.—

(1) IN GENERAL.—Any vessel (including its gear, furniture, appurtenances, stores, and cargo) used in the commission of an act that is unlawful under subsection (a), and any fish (or the fair market value thereof) taken or retained, in any manner, in connection with or as a result of the commission of any act that is unlawful under subsection (a), shall be subject to seizure and forfeiture as provided in section 310 of the Magnuson Act (16 U.S.C. 1860).

(2) DISPOSAL OF FISH.—Any fish seized pursuant to this title may be disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed by regulations issued by the Secretary.

(e) ENFORCEMENT.—The Secretary and the Secretary of the department in which the Coast Guard is operating shall enforce the provisions of this title and shall have the authority specified in sections 311 (a), (b)(1), and (c) of the Magnuson Act (16 U.S.C. 1861 (a), (b)(1), and (c)) for that purpose.

(f) JURISDICTION OF COURTS.—The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under this section and may, at any time—

(1) enter restraining orders or prohibitions;

(2) issue warrants, process in rem, or other process;

(3) prescribe and accept satisfactory bonds or other security; and

(4) take such other actions as are in the interests of justice.

SEC. 208. CONSULTATIVE COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of State and the Secretary, shall jointly establish a consultative committee to advise the Secretaries on issues related to the Convention.

(b) MEMBERSHIP.—

(1) The membership of the Committee shall include representatives from the New England and Mid-Atlantic Fishery Management Councils, the States represented on those Councils, the Atlantic States Marine Fisheries Commission, the fishing industry, the seafood processing industry, and others knowledgeable and experienced in the conservation and management of fisheries in the Northwest Atlantic Ocean.

(2) TERMS AND REAPPOINTMENT.—Each member of the consultative committee shall serve for a term of two years and shall be eligible for reappointment.

(c) DUTIES OF THE COMMITTEE.—Members of the consultative committee may attend—

(1) all public meetings of the General Council or the Fisheries Commission;

(2) any other meetings to which they are invited by the General Council or the Fisheries Commission; and

(3) all nonexecutive meetings of the United States Commissioners.

(d) RELATIONSHIP TO OTHER LAW.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the consultative committee established under this section.

SEC. 209. ADMINISTRATIVE MATTERS.

(a) PROHIBITION ON COMPENSATION.—A person shall not receive any compensation from the Government by reason of any service of the person as—

(1) a Commissioner, Alternate Commissioner, Representative, or Alternative Representative;

(2) an expert or adviser authorized under section 202(e); or

(3) a member of the consultative committee established by section 208.

(b) TRAVEL AND EXPENSES.—The Secretary of State shall, subject to the availability of appropriations, pay all necessary travel and other expenses of persons described in subsection (a)(1) and of not more than six experts and advisers authorized under section 202(e) with respect to their actual performance of their official duties pursuant to this title, in accordance with the Federal Travel Regulations and sections 5701, 5702, 5704 through 5708, and 5731 of title 5, United States Code.

(c) STATUS AS FEDERAL EMPLOYEES.—A person shall not be considered to be a Federal employee by reason of any service of the person in a capacity described in subsection (a), except for purposes of injury compensation and tort claims liability under chapter 81 of title 5, United States Code, and chapter 17 of title 28, United States Code, respectively.

SEC. 210. DEFINITIONS.

In this title the following definitions apply:

(1) AUTHORIZED ENFORCEMENT OFFICER.—The term ''authorized enforcement officer'' means a person authorized to enforce this title, any regulation issued under this title, or any measure that is legally binding on the United States under the Convention.

(2) COMMISSIONER.—The term ''Commissioner'' means a United States Commissioner to the Northwest Atlantic Fisheries Organization appointed under section 202(a).

(3) CONVENTION.—The term ''Convention'' means the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries, done at Ottawa on October 24, 1978.

(4) FISHERIES COMMISSION.—The term ''Fisheries Commission'' means the Fisheries Commission provided for by Articles II, XI, XII, XIII, and XIV of the Convention.

(5) GENERAL COUNCIL.—The term ''General Council'' means the General Council provided for by Article II, III, IV, and V of the Convention.

(6) MAGNUSON ACT.—The term ''Magnuson Act'' means the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

(7) ORGANIZATION.—The term ''Organization'' means the Northwest Atlantic Fisheries Organization provided for by Article II of the Convention.

(8) PERSON.—The term ''person'' means any individual (whether or not a citizen or national of the United States), and any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State).

(9) REPRESENTATIVE.—The term ''Representative'' means a United States Representative to the Northwest Atlantic Fisheries Scientific Council appointed under section 202(c).

(10) SCIENTIFIC COUNCIL.—The term ''Scientific Council'' means the Scientific Council provided for by Articles II, VI, VII, VIII, IX, and X of the Convention.

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

SEC. 211. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title, including use for payment as the United States contribution to the Organization as provided in Article XVI of the Convention, $500,000 for each of the fiscal years 1995, 1996, 1997, and 1998.

TITLE III—ATLANTIC TUNAS CONVENTION ACT

SEC. 301. SHORT TITLE.

This title may be cited as the ''Atlantic Tunas Convention Authorization Act of 1995''.

SEC. 302. RESEARCH AND MONITORING ACTIVITIES.

(a) REPORT TO CONGRESS.—The Secretary of Commerce shall, within 90 days after the date of enactment of this Act, submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Resources of the House of Representatives—

(1) identifying current governmental and nongovernmental research and monitoring activities on Atlantic bluefin tuna and other highly migratory species;

(2) describing the personnel and budgetary resources allocated to such activities; and

(3) explaining how each activity contributes to the conservation and management of Atlantic bluefin tuna and other highly migratory species.

(b) RESEARCH AND MONITORING PROGRAM.—Section 3 of the Act of September 4, 1980 (16 U.S.C. 971i) is amended—

(1) by amending the section heading to read as follows:

''SEC. 3. RESEARCH ON ATLANTIC HIGHLY MIGRATORY SPECIES.'';

(2) by striking the last sentence;

(3) by inserting ''(a) BIENNIAL REPORT ON BLUEFIN TUNA.—'' before ''The Secretary of Commerce shall''; and

(4) by adding at the end the following:

''(b) HIGHLY MIGRATORY SPECIES RESEARCH AND MONITORING.—

''(1) Within 6 months after the date of enactment of the Atlantic Tunas Convention Authorization Act of 1995, the Secretary of Commerce, in cooperation with the advisory committee established under section 4 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971b) and in consultation with the United States Commissioners on the International Commission for the Conservation of Atlantic Tunas (referred to elsewhere in this section as the 'Commission') and the Secretary of State, shall develop and implement a comprehensive research and monitoring program to support the conservation and management of Atlantic bluefin tuna and other highly migratory species that shall—

''(A) identify and define the range of stocks of highly migratory species in the Atlantic Ocean, including Atlantic bluefin tuna; and

''(B) provide for appropriate participation by nations which are members of the Commission.

''(2) The program shall provide for, but not be limited to—

''(A) statistically designed cooperative tagging studies;

''(B) genetic and biochemical stock analyses;

''(C) population censuses carried out through aerial surveys of fishing grounds and known migration areas;

''(D) adequate observer coverage and port sampling of commercial and recreational fishing activity;

''(E) collection of comparable real-time data on commercial and recreational catches and landings through the use of permits, logbooks, landing reports for charter operations and fishing tournaments, and programs to provide reliable reporting of the catch by private anglers;

''(F) studies of the life history parameters of Atlantic bluefin tuna and other highly migratory species;

''(G) integration of data from all sources and the preparation of data bases to support management decisions; and

''(H) other research as necessary.

''(3) In developing a program under this section, the Secretary shall—

''(A) ensure that personnel and resources of each regional research center shall have substantial participation in the stock assessments and monitoring of highly migratory species that occur in the region;

''(B) provide for comparable monitoring of all United States fishermen to which the Atlantic Tunas Convention Act applies with respect to effort and species composition of catch and discards;

''(C) consult with relevant Federal and State agencies, scientific and technical experts, commercial and recreational fishermen, and other interested persons, public and private, and shall publish a proposed plan in the Federal Register for the purpose of receiving public comment on the plan; and

''(D) through the Secretary of State, encourage other member nations to adopt a similar program.''.

SEC. 303. DEFINITIONS.

Section 2 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971) is amended—

(1) by designating paragraphs (3) through (10) as (4) through (11), respectively, and inserting after paragraph (2) the following;

''(3) The term 'conservation recommendation' means any recommendation of the Commission made pursuant to article VIII of the Convention and acted upon favorably by the Secretary of State under section 5(a) of this Act.'';

(2) by striking paragraph (5), as redesignated, and inserting the following:

''(4) The term 'exclusive economic zone' means an exclusive economic zone as defined in section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802).''; and

(3) by striking ''fisheries zone'' wherever it appears in the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971 et seq.) and inserting ''exclusive economic zone''.

SEC. 304. ADVISORY COMMITTEE PROCEDURES.

Section 4 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971b) is amended—

(1) by inserting ''(a)'' before ''There''; and

(2) by adding at the end the following:

''(b)(1) A majority of the members of the advisory committee shall constitute a quorum, but one or more such members designated by the advisory committee may hold meetings to provide for public participation and to discuss measures relating to the United States implementation of Commission recommendations.

''(2) The advisory committee shall elect a Chairman for a 2-year term from among its members.

''(3) The advisory committee shall meet at appropriate times and places at least twice a year, at the call of the Chairman or upon the request of the majority of its voting members, the United States Commissioners, the Secretary, or the Secretary of State. Meetings of the advisory committee, except when in executive session, shall be open to the public, and prior notice of meetings shall be made public in a timely fashion.

''(4)(A) The Secretary shall provide to the advisory committee in a timely manner such administrative and technical support services as are necessary for the effective functioning of the committee.

''(B) The Secretary and the Secretary of State shall furnish the advisory committee with relevant information concerning fisheries and international fishery agreements.

''(5) The advisory committee shall determine its organization, and prescribe its practices and procedures for carrying out its functions under this Act, the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), and the Convention. The advisory committee shall publish and make available to the public a statement of its organization, practices, and procedures.

''(6) The advisory committee shall, to the maximum extent practicable, consist of an equitable balance among the various groups concerned with the fisheries covered by the Convention and shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).''.

SEC. 305. REGULATIONS AND ENFORCEMENT OF CONVENTION.

Section 6(c) of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971d(c)) is amended—

(1) by inserting ''AND OTHER MEASURES'' after ''REGULATIONS'' in the section caption;

(2) by inserting ''or fishing mortality level'' after ''quota of fish'' in the last sentence of paragraph (3); and

(3) by inserting the following after paragraph (5):

''(6) IDENTIFICATION AND NOTIFICATION.—

''(A) Not later than July 1, 1996, and annually thereafter, the Secretary, in consultation with the Secretary of State, the Commissioners, and the advisory committee, shall—

''(i) identify those nations whose fishing vessels are fishing, or have fished during the preceding calendar year, within the convention area in a manner or under circumstances that diminish the effectiveness of a conservation recommendation;

''(ii) notify the President and the nation so identified, including an explanation of the reasons therefor; and

''(iii) publish a list of those Nations identified under subparagraph (A).

In identifying those Nations, the Secretary shall consider, based on the best available information, whether those Nations have measures in place for reporting, monitoring, and enforcement, and whether those measures diminish the effectiveness of any conservation recommendation.

''(7) CONSULTATION.—Not later than 30 days after a Nation is notified under paragraph (6), the President may enter into consultations with the government of that Nation for the purpose of obtaining an agreement that will—

''(A) effect the immediate termination and prevent the resumption of any fishing operation by vessels of that Nation within the Convention area which is conducted in a manner or under circumstances that diminish the effectiveness of the conservation recommendation;

''(B) when practicable, require actions by that Nation, or vessels of that Nation, to mitigate the negative impacts of fishing operations on the effectiveness of the conservation recommendation involved, including but not limited to, the imposition of subsequent-year deductions for quota overages; and

''(C) result in the establishment, if necessary, by such nation of reporting, monitoring, and enforcement measures that are adequate to ensure the effectiveness of conservation recommendations.''.

SEC. 306. FINES AND PERMIT SANCTIONS.

Section 7(e) of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971(e)) is amended to read as follows:

''(e) The civil penalty and permit sanctions of section 308 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1858) are hereby made applicable to violations of this section as if they were violations of section 307 of that Act.''.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 10. There are authorized to be appropriated to carry out this Act, including use for payment of the United States share of the joint expenses of the Commission as provided in article X of the Convention, the following sums:

''(1) For fiscal year 1995, $4,103,000, of which $50,000 are authorized in the aggregate for the

advisory committee established under section 4 and the species working groups established under section 4A, and $2,890,000 are authorized for research activities under this Act and the Act of September 4, 1980 (16 U.S.C. 971i).

''(2) For fiscal year 1996, $5,453,000, of which $50,000 are authorized in the aggregate for such advisory committee and such working groups, and $4,240,000 are authorized for such research activities.

''(3) For fiscal year 1997, $5,465,000 of which $62,000 are authorized in the aggregate for such advisory committee and such working groups, and $4,240,000 are authorized for such research activities.

''(4) For fiscal year 1998, $5,465,000 of which $75,000 are authorized in the aggregate for such advisory committee and such working groups, and $4,240,000 are authorized for such research activities.''.

SEC. 308. REPORT AND SAVINGS CLAUSE.

The Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971 et seq.) is amended by adding at the end thereof the following:

''§ 11. Annual report

''Not later than April 1, 1996, and annually thereafter, the Secretary shall prepare and transmit to the Committee on Resources of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report, that—

''(1) details for the previous 10-year period the catches and exports to the United States of highly migratory species (including tunas, swordfish, marlin and sharks) from nations fishing on Atlantic stocks of such species that are subject to management by the Commission;

''(2) identifies those fishing nations whose harvests are inconsistent with conservation and management recommendations of the Commission;

''(3) describes reporting requirements established by the Secretary to ensure that imported fish products are in compliance with all international management measures, including minimum size requirements, established by the Commission and other international fishery organizations to which the United States is a party; and

''(4) describes actions taken by the Secretary under section 6.

''§ 12. Savings clause

''Nothing in this Act shall have the effect of diminishing the rights and obligations of any Nation under Article VIII(3) of the Convention.''.

SEC. 309. MANAGEMENT OF ATLANTIC YELLOWFIN TUNA.

(a) Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce in accordance with this section shall publish a preliminary determination of the level of the United States recreational and commercial catch of Atlantic yellowfin tuna on an annual basis since 1980. The Secretary shall publish a preliminary determination in the Federal Register for comment for a period not to exceed 60 days. The Secretary shall publish a final determination not later than 140 days from the date of the enactment of this section.

(b) Not later than July 1, 1996, the Secretary of Commerce shall implement the recommendations of International Commission for the Conservation of Atlantic Tunas regarding yellowfin tuna made pursuant to article VIII of the International Convention for the Conservation of Atlantic Tunas and acted upon favorably by the Secretary of State under section 5(a) of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971c(a)).

SEC. 310. STUDY OF BLUEFIN TUNA REGULATIONS.

Not later than 270 days after the date of enactment of this Act, the Secretary of Commerce shall submit to the Committee on Commerce, Science and Transportation of the Senate and to the Committee on Resources of the House of Representatives a report on the historic rationale, effectiveness, and biological and economic efficiency of existing bluefin tuna regulations for United States Atlantic fisheries. Specifically, the biological rationale for each regional and category allocation, including directed and incidental categories, should be described in light of the average size, age, and maturity of bluefin tuna caught in each fishery and the effect of this harvest on stock rebuilding and sustainable yield. The report should examine the history and evaluate the level of wasteful discarding, and evaluate the effectiveness of non-quota regulations at constraining harvests within regions. Further, comments should be provided on levels of participation in specific fisheries in terms of vessels and trips, enforcement implications, and the importance of monitoring information provided by these allocations on the precision of the stock assessment estimates.

SEC. 311. SENSE OF THE CONGRESS WITH RESPECT TO ICCAT NEGOTIATIONS.

(a) SHARING OF CONSERVATION BURDEN.—It is the sense of the Congress that in future negotiations of the International Commission for the Conservation of Atlantic Tunas (hereafter in this section referred to as ''ICCAT''), the Secretary of Commerce shall ensure that the conservation actions recommended by international commissions and implemented by the Secretary for United States commercial and recreational fishermen provide fair and equitable sharing of the conservation burden among all contracting harvesters in negotiations with those commissions.

(b) ENFORCEMENT PROVISIONS.—It is further the sense of the Congress that, during 1995 ICCAT negotiations on swordfish and other Highly Migratory Species managed by ICCAT, the Congress encourages the United States Commissioners to add enforcement provisions similar to those applicable to bluefin tuna.

(c) ENHANCED MONITORING.—It is further the sense of the Congress that the National Oceanic and Atmospheric Administration and the United States Customs Service should enhance monitoring activities to ascertain what specific stocks are being imported into the United States and the country of origin.

(d) MULTILATERAL ENFORCEMENT PROCESS.—It is further the sense of the Congress that the United States Commissioners should pursue as a priority the establishment and implementation prior to December 31, 1996, an effective multilateral process that will enable ICCAT nations to enforce the conservation recommendations of the Commission.

TITLE IV—FISHERMEN'S PROTECTIVE ACT

SEC. 401. FINDINGS.

The Congress finds that—

(1) customary international law and the United Nations Convention on the Law of the Sea guarantee the right of passage, including innocent passage, to vessels through the waters commonly referred to as the ''Inside Passage'' off the Pacific Coast of Canada;

(2) in 1994 Canada required all commercial fishing vessels of the United States to pay 1,500 Canadian dollars to obtain a ''license which authorizes transit'' through the Inside Passage;

(3) this action was inconsistent with international law, including the United Nations Convention on the Law of the Sea, and, in particular, Article 26 of that Convention, which specifically prohibits such fees, and threatened the safety of United States commercial fishermen who sought to avoid the fee by traveling in less protected waters;

(4) the Fishermen's Protective Act of 1967 provides for the reimbursement of vessel owners who are forced to pay a license fee to secure the release of a vessel which has been seized, but does not permit reimbursement of a fee paid by the owner in advance in order to prevent a seizure;

(5) Canada required that the license fee be paid in person in 2 ports on the Pacific Coast of Canada, or in advance by mail;

(6) significant expense and delay was incurred by commercial fishing vessels of the United States that had to travel from the point of seizure back to one of those ports in order to pay the license fee required by Canada, and the costs of that travel and delay cannot be reimbursed under the Fishermen's Protective Act;

(7) the Fishermen's Protective Act of 1967 should be amended to permit vessel owners to be reimbursed for fees required by a foreign government to be paid in advance in order to navigate in the waters of that foreign country if the United States considers that fee to be inconsistent with international law;

(8) the Secretary of State should seek to recover from Canada any amounts paid by the United States to reimburse vessel owners who paid the transit license fee;

(9) the United States should review its current policy with respect to anchorage by commercial fishing vessels of Canada in waters of the United States off Alaska, including waters in and near the Dixon Entrance, and should accord such vessels the same treatment that commercial fishing vessels of the United States are accorded for anchorage in the waters of Canada off British Columbia;

(10) the President should ensure that, consistent with international law, the United States Coast Guard has available adequate resources in the Pacific Northwest and Alaska to provide for the safety of United States citizens, the enforcement of United States law, and to protect the rights of the United States and keep the peace among vessels operating in disputed waters;

(11) the President should continue to review all agreements between the United States and Canada to identify other actions that may be taken to convince Canada that any reinstatement of the transit license fee would be against Canada's long-term interests, and should immediately implement any actions which the President deems appropriate if Canada reinstates the fee;

(12) the President should continue to convey to Canada in the strongest terms that the United States will not now, nor at any time in the future, tolerate any action by Canada which would impede or otherwise restrict the right of passage of vessels of the United States in a manner inconsistent with international law; and

(13) the United States should continue its efforts to seek expeditious agreement with Canada on appropriate fishery conservation and management measures that can be implemented through the Pacific Salmon Treaty to address issues of mutual concern.

SEC. 402. AMENDMENT TO THE FISHERMEN'S PROTECTIVE ACT OF 1967.

(a) The Fishermen's Protective Act of 1967 (22 U.S.C. 1971 et seq.) is amended by adding at the end the following new section:

''SEC. 11. (a) In any case on or after June 15, 1994, in which a vessel of the United States exercising its right of passage is charged a fee by the government of a foreign country to engage in transit passage between points in the United States (including a point in the exclusive economic zone or in an area over which jurisdiction is in dispute), and such fee is regarded by the United States as being inconsistent with international law, the Secretary of State shall, subject to the availability of appropriated funds, reimburse the vessel owner for the amount of any such fee paid under protest.

''(b) In seeking such reimbursement, the vessel owner shall provide, together with such other information as the Secretary of State may require—

''(1) a copy of the receipt for payment;

''(2) an affidavit attesting that the owner or the owner's agent paid the fee under protest; and

''(3) a copy of the vessel's certificate of documentation.

''(c) Requests for reimbursement shall be made to the Secretary of State within 120 days after the date of payment of the fee, or within 90 days after the date of enactment of this section, whichever is later.

''(d) Such funds as may be necessary to meet the requirements of this section may be made available from the unobligated balance of previously appropriated funds remaining in the Fishermen's Protective Fund established under section 9. To the extent that requests for reimbursement under this section exceed such funds, there are authorized to be appropriated such sums as may be needed for reimbursements authorized under subsection (a), which shall be deposited in the Fishermen's Protective Fund established under section 9.

''(e) The Secretary of State shall take such action as the Secretary deems appropriate to make and collect claims against the foreign country imposing such fee for any amounts reimbursed under this section.

''(f) For purposes of this section, the term 'owner' includes any charterer of a vessel of the United States.''.

(b) The Fishermen's Protective Act of 1967 (22 U.S.C. 1971 et seq.) is further amended by adding at the end the following:

''SEC. 12. (a) If the Secretary of State finds that the government of any nation imposes conditions on the operation or transit of United States fishing vessels which the United States regards as being inconsistent with international law or an international agreement, the Secretary of State shall certify that fact to the President.

''(b) Upon receipt of a certification under subsection (a), the President shall direct the heads of Federal agencies to impose similar conditions on the operation or transit of fishing vessels registered under the laws of the nation which has imposed conditions on United States fishing vessels.

''(c) For the purposes of this section, the term 'fishing vessel' has the meaning given that term in section 2101(11a) of title 46, United States Code.

''(d) It is the sense of the Congress that any action taken by any Federal agency under subsection (b) should be commensurate with any conditions certified by the Secretary of State under subsection (a).''.

(c) Notwithstanding any other provision of law, the Secretary of State shall reimburse the owner of any vessel of the United States for costs incurred due to the seizure of such vessel in 1994 by Canada on the basis of a claim to jurisdiction over sedentary species which was not recognized by the United States at the time of such seizure. Any such reimbursement shall cover, in addition to amounts reimbursable under section 3 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1973), legal fees and travel costs incurred by the owner of any such vessel that were necessary to secure the prompt release of the vessel and crew. Total reimbursements under this subsection may not exceed $25,000 and may be made available from the unobligated balances of previously appropriated funds remaining in the Fishermen's Protective Fund established under section 9 of the Fishermen's Protective Act (22 U.S.C. 1979).

SEC. 403. REAUTHORIZATION.

(a) Section 7(c) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(c)) is amended by striking the third sentence.

(b) Section 7(e) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977(e)) is amended by striking ''October 1, 1993'' and inserting ''October 1, 2000''.

SEC. 404. TECHNICAL CORRECTIONS.

(a)(1) Section 15(a) of Public Law 103–238 is amended by striking ''April 1, 1994,'' and inserting ''May 1, 1994.''.

(2) The amendment made by paragraph (1) shall be effective on and after April 30, 1994.

(b) Section 803(13)(C) of Public Law 102–567 (16 U.S.C. 5002(13)(C)) is amended to read as follows:

''(C) any vessel supporting a vessel described in subparagraph (A) or (B).''.

TITLE V—FISHERIES ENFORCEMENT IN CENTRAL SEA OF OKHOTSK

SEC. 501. SHORT TITLE.

This title may be cited as the ''Sea of Okhotsk Fisheries Enforcement Act of 1995''.

SEC. 502. FISHING PROHIBITION.

(a) ADDITION OF CENTRAL SEA OF OKHOTSK.—Section 302 of the Central Bering Sea Fisheries Enforcement Act of 1992 (16 U.S.C. 1823 note) is amended by inserting ''and the Central Sea of Okhotsk'' after ''Central Bering Sea''.

(b) DEFINITION.—Section 306 of such Act is amended—

(1) by redesignating paragraphs (2), (3), (4), (5), and (6) as paragraphs (3), (4), (5), (6), and (7), respectively; and

(2) by inserting after paragraph (1) the following:

''(2) CENTRAL SEA OF OKHOTSK.—The term 'Central Sea of Okhotsk' means the central Sea of Okhotsk area which is more than two hundred nautical miles seaward of the baseline from which the breadth of the territorial sea of the Russian Federation is measured.''.

TITLE VI—DRIFTNET MORATORIUM

SEC. 601. SHORT TITLE.

This title may be cited as the ''High Seas Driftnet Fishing Moratorium Protection Act''.

SEC. 602. FINDINGS.

The Congress finds that—

(1) Congress has enacted and the President has signed into law numerous Acts to control or prohibit large-scale driftnet fishing both within the jurisdiction of the United States and beyond the exclusive economic zone of any nation, including the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (title IV, P.L. 100–220), the Driftnet Act Amendments of 1990 (P.L. 101–627), and the High Seas Driftnet Fisheries Enforcement Act (title I, P.L. 102–582);

(2) the United States is a party to the Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific, also known as the Wellington Convention;

(3) the General Assembly of the United Nations has adopted three resolutions and three decisions which established and reaffirm a global moratorium on large-scale driftnet fishing on the high seas, beginning with Resolution 44/225 in 1989 and most recently in Decision 48/445 in 1993;

(4) the General Assembly of the United Nations adopted these resolutions and decisions at the request of the United States and other concerned nations;

(5) the best scientific information demonstrates the wastefulness and potentially destructive impacts of large-scale driftnet fishing on living marine resources and seabirds; and

(6) Resolution 46/215 of the United Nations General Assembly calls on all nations, both individually and collectively, to prevent large-scale driftnet fishing on the high seas.

SEC. 603. PROHIBITION.

The United States, or any agency or official acting on behalf of the United States, may not enter into any international agreement with respect to the conservation and management of living marine resources or the use of the high seas by fishing vessels that would prevent full implementation of the global moratorium on large-scale driftnet fishing on the high seas, as such moratorium is expressed in Resolution 46/215 of the United Nations General Assembly.

SEC. 604. NEGOTIATIONS.

The Secretary of State, on behalf of the United States, shall seek to enhance the implementation and effectiveness of the United Nations General Assembly resolutions and decisions regarding the moratorium on large-scale driftnet fishing on the high seas through appropriate international agreements and organizations.

SEC. 605. CERTIFICATION.

The Secretary of State shall determine in writing prior to the signing or provisional application by the United States of any international agreement with respect to the conservation and management of living marine resources or the use of the high seas by fishing vessels that the prohibition contained in section 603 will not be violated if such agreement is signed or provisionally applied.

SEC. 606. ENFORCEMENT.

The President shall utilize appropriate assets of the Department of Defense, the United States Coast Guard, and other Federal agencies to detect, monitor, and prevent violations of the United Nations moratorium on large-scale driftnet fishing on the high seas for all fisheries under the jurisdiction of the United States and, in the case of fisheries not under the jurisdiction of the United States, to the fullest extent permitted under international law.

TITLE VII—YUKON RIVER SALMON ACT

SEC. 701. SHORT TITLE.

This title may be cited as the ''Yukon River Salmon Act of 1995''.

SEC. 702. PURPOSES.

It is the purpose of this title—

(1) to implement the interim agreement for the conservation of salmon stocks originating from the Yukon River in Canada agreed to through an exchange of notes between the Government of the United States and the Government of Canada on February 3, 1995;

(2) to provide for representation by the United States on the Yukon River Panel established under such agreement; and

(3) to authorize to be appropriated sums necessary to carry out the responsibilities of the United States under such agreement.

SEC. 703. DEFINITIONS.

As used in this title—

(1) The term ''Agreement'' means the interim agreement for the conservation of salmon stocks originating from the Yukon River in Canada agreed to through an exchange of notes between the Government of the United States and the Government of Canada on February 3, 1995.

(2) The term ''Panel'' means the Yukon River Panel established by the Agreement.

(3) The term ''Yukon River Joint Technical Committee'' means the technical committee established by paragraph C.2 of the Memorandum of Understanding concerning the Pacific Salmon Treaty between the Government of the United States and the Government of Canada recorded January 28, 1985.

SEC. 704. PANEL.

(a) REPRESENTATION.—The United States shall be represented on the Panel by six individuals, of whom—

(1) one shall be an official of the United States Government with expertise in salmon conservation and management;

(2) one shall be an official of the State of Alaska with expertise in salmon conservation and management; and

(3) four shall be knowledgeable and experienced with regard to the salmon fisheries on the Yukon River.

(b) APPOINTMENTS.—Panel members shall be appointed as follows:

(1) The Panel member described in subsection (a)(1) shall be appointed by the Secretary of State.

(2) The Panel member described in subsection (a)(2) shall be appointed by the Governor of Alaska.

(3) The Panel members described in subsection (a)(3) shall be appointed by the Secretary of State from a list of at least 3 individuals nominated for each position by the Governor of Alaska. The Governor of Alaska may consider suggestions for nominations provided by organizations with expertise in Yukon River salmon fisheries. The Governor of Alaska may make appropriate nominations to allow for, and the Secretary of State shall appoint, at least one member under subsection (a)(3) who is qualified to represent the interests of Lower Yukon River

fishing districts, and at least one member who is qualified to represent the interests of Upper Yukon River fishing districts. At least one of the Panel members under subsection (a)(3) shall be an Alaska Native.

(c) ALTERNATES.—The Secretary of State may designate an alternate Panel member for each Panel member the Secretary appoints under subsections (b) (1) and (3), who meets the same qualifications, to serve in the absence of the Panel member. The Governor of the State of Alaska may designate an alternative Panel member for the Panel member appointed under subsection (b)(2), who meets the same qualifications, to serve in the absence of that Panel member.

(d) TERM LENGTH.—Panel members and alternate Panel members shall serve four-year terms. Any individual appointed to fill a vacancy occurring before the expiration of any term shall be appointed for the remainder of that term.

(e) REAPPOINTMENT.—Panel members and alternate Panel members shall be eligible for reappointment.

(f) DECISIONS.—Decisions by the United States section of the Panel shall be made by the consensus of the Panel members appointed under paragraphs (2) and (3) of subsection (a).

(g) CONSULTATION.—In carrying out their functions under the Agreement, Panel members may consult with such other interested parties as they consider appropriate.

SEC. 705. ADVISORY COMMITTEE.

(a) APPOINTMENTS.—The Governor of Alaska may appoint an Advisory Committee of not less than eight, but not more than twelve, individuals who are knowledgeable and experienced with regard to the salmon fisheries on the Yukon River. At least 2 of the Advisory Committee members shall be Alaska Natives. Members of the Advisory Committee may attend all meetings of the United States section of the Panel, and shall be given the opportunity to examine and be heard on any matter under consideration by the United States section of the Panel.

(b) COMPENSATION.—The members of such advisory committee shall receive no compensation for their services.

(c) TERM LENGTH.—Advisory Committee members shall serve two-year terms. Any individual appointed to fill a vacancy occurring before the expiration of any term shall be appointed for the remainder of that term.

(d) REAPPOINTMENT.—Advisory Committee members shall be eligible for reappointment.

SEC. 706. EXEMPTION.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Panel, the Yukon River Joint Technical Committee, or the Advisory Committee created under section 705 of this title.

SEC. 707. AUTHORITY AND RESPONSIBILITY.

(a) RESPONSIBLE MANAGEMENT ENTITY.—The State of Alaska Department of Fish and Game shall be the responsible management entity for the United States for the purposes of the Agreement.

(b) EFFECT OF DESIGNATION.—The designation under subsection (a) shall not be considered to expand, diminish, or change the management authority of the State of Alaska or the Federal government with respect to fishery resources.

(c) RECOMMENDATIONS OF PANEL.—In addition to recommendations made by the Panel to the responsible management entities in accordance with the Agreement, the Panel may make recommendations concerning the conservation and management of salmon originating in the Yukon River to the Department of the Interior, Department of Commerce, Department of State, North Pacific Fishery Management Council, and other Federal or State entities as appropriate. Recommendations by the Panel shall be advisory in nature.

SEC. 708. CONTINUATION OF AGREEMENT.

In the event that the Treaty between Canada and the United States of America concerning Pacific Salmon, signed at Ottawa, January 28, 1985, terminates prior to the termination of the Agreement, and the functions of the Panel are assumed by the ''Yukon River Salmon Commission'' referenced in the Agreement, the provisions of this title which apply to the Panel shall thereafter apply to the Yukon River Salmon Commission, and the other provisions of this title shall remain in effect.

SEC. 709. ADMINISTRATIVE MATTERS.

(a) Panel members and alternate Panel members who are not State or Federal employees shall receive compensation at the daily rate of GS–15 of the General Schedule when engaged in the actual performance of duties.

(b) Travel and other necessary expenses shall be paid for all Panel members, alternate Panel members, United States members of the Joint Technical Committee, and members of the Advisory Committee when engaged in the actual performance of duties.

(c) Except for officials of the United States Government, individuals described in subsection (b) shall not be considered to be Federal employees while engaged in the actual performance of duties, except for the purposes of injury compensation or tort claims liability as provided in chapter 81 of title 5, United States Code, and chapter 71 of title 28, United States Code.

SEC. 710. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $4,000,000 for each fiscal year for carrying out the purposes and provisions of the Agreement and this title including—

(1) necessary travel expenses of Panel members, alternate Panel members, United States members of the Joint Technical Committee, and members of the Advisory Committee in accordance with Federal Travel Regulations and sections 5701, 5702, 5704 through 5708, and 5731 of title 5, United States Code;

(2) the United States share of the joint expenses of the Panel and the Joint Technical Committee: Provided, That Panel members and alternate Panel members shall not, with respect to commitments concerning the United States share of the joint expenses, be subject to section 262(b) of title 22, United States Code, insofar as it limits the authority of United States representatives to international organizations with respect to such commitments;

(3) not more than $3,000,000 for each fiscal year to the Department of the Interior and to the Department of Commerce for survey, restoration, and enhancement activities related to Yukon River salmon; and

(4) $400,000 in each of fiscal years 1996, 1997, 1998, and 1999 to be contributed to the Yukon River Restoration and Enhancement Fund and used in accordance with the Agreement.

TITLE VIII—MISCELLANEOUS

SEC. 801. SOUTH PACIFIC TUNA AMENDMENT.

Section 9 of the South Pacific Tuna Act of 1988 (16 U.S.C. 973g) is amended by adding at the end thereof the following:

''(h) Notwithstanding the requirements of—

''(1) section 1 of the Act of August 26, 1983 (97 Stat. 587; 46 U.S.C. 12108);

''(2) the general permit issued on December 1, 1980, to the American Tunaboat Association under section 104(h)(1) of the Marine Mammal Protection Act (16 U.S.C. 1374(h)(1)); and

''(3) sections 104(h)(2) and 306(a) of the Marine Mammal Protection Act (16 U.S.C. 1374(h)(2) and 1416(a))—

any vessel documented under the laws of the United States as of the date of enactment of the Fisheries Act of 1995 for which a license has been issued under subsection (a) may fish for tuna in the Treaty Area, including those waters subject to the jurisdiction of the United States in accordance with international law, subject to the provisions of the treaty and this Act, provided that no such vessel fishing in the Treaty Area intentionally deploys a purse seine net to encircle any dolphin or other marine mammal in the course of fishing under the provisions of the Treaty or this Act.''.

SEC. 802. FOREIGN FISHING FOR ATLANTIC HERRING AND ATLANTIC MACKEREL.

Notwithstanding any other provision of law—

(1) no allocation may be made to any foreign nation or vessel under section 201 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) in any fishery for which there is not a fishery management plan implemented in accordance with that Act; and

(2) the Secretary of Commerce may not approve the portion of any permit application submitted under section 204(b) of the Act which proposes fishing by a foreign vessel for Atlantic mackerel or Atlantic herring unless—

(A) the appropriate regional fishery management council recommends under section 204(b)(5) of that Act that the Secretary approve such fishing, and

(B) the Secretary of Commerce includes in the permit any conditions or restrictions recommended by the appropriate regional fishery management council with respect to such fishing.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Alaska [Mr. YOUNG].

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a collection of bills that passed the House and the Senate. I am the sponsor of one of the bills; the distinguished gentleman from Massachusetts is another sponsor; the gentleman from New Jersey [Mr. SAXTON] is a sponsor of another bill; I am the sponsor of another two bills; and Senator STEVENS from Alaska is also a sponsor of the last remaining two bills.

Mr. Speaker, I am pleased to bring before the House H.R. 716, the Fishermen's Protective Act.

Mr. Speaker, during consideration of this legislation in the Senate, several other pending international fisheries bills were added to the original text of H.R. 716. This package of fisheries bills represents over 2 years of work on various bills dealing with the conservation and management of fisheries resources at the international level.

Included in this package are the Fishermen's Protective Act, which passed the House on April 3, 1995; the Northwest Atlantic Fisheries Convention Act, which passed the House on March 28, 1995; the Sea of Okhotsk Fisheries Enforcement Act, passed by the House on March 14, 1995; the Atlantic Tunas Convention Act, which has been reported to the House and is awaiting floor action; and several other noncontroversial provisions dealing with the United States' obligation to the protection and conservation of fish species that are important to many nations, including the United States.

I will now briefly summarize the provisions of H.R. 716, now titled the Fisheries Act of 1995, as amended by the Senate:

Title I of the bill establishes permitting, reporting, and other regulations for U.S. vessels fishing on the high seas in accordance with the United Nations Food and Agriculture Organization's Agreement To Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas adopted in 1993.

Title II implements the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries. While the Senate ratified this convention in 1983, it has taken until now to enact the implementing language for the U.S. participation in the Northwest Atlantic Fisheries Organization [NAFO]. This title allows the United States to participate in NAFO, an international organization which assesses and manages high seas fishery resources off the Atlantic coasts of Canada and New England, and provides the mechanisms for United States selection of commissioners and coordination with other domestic management provisions.

Title III reauthorizes the Atlantic Tunas Convention Act through fiscal year 1998. This act implements the International Convention on the Conservation of Atlantic Tunas [ICCAT], which is an international treaty signed by 22 countries for the conservation and management of highly migratory species such as bluefin tuna and swordfish. This title also establishes procedures for the U.S. Advisory Committee and takes important steps in urging international cooperation with the recommendations of ICCAT.

Title IV reauthorizes and amends the Fishermen's Protective Act of 1967 to protect U.S. fishermen whose vessels are seized by a foreign government under laws which are inconsistent with international law. This title also allows those United States fishermen who, last year, were forced to pay an illegal transit fee by the Canadian Government to recover those fees.

Title V prohibits United States fishermen from fishing in an international area known as the ''Peanut Hole'' in the Central Sea of Okhotsk unless the fishing operations are in accordance with fishery agreements signed by the United States and Russia. This measure protects the important fishery stocks which travel through the Peanut Hole and allows the United States to pursue agreements with other fishing nations whose vessels fish in this area.

Title VI prohibits the United States from entering into any international agreements which would be contrary to the United Nations global moratorium on large-scale driftnet fishing on the high seas.

Title VII implements the Yukon River Salmon Treaty between the United States and Canada to protect and manage Yukon river salmon stocks. This title establishes the mechanism for the United States to appoint representatives to the Yukon River Panel, establishes voting procedures for the U.S. representatives, and authorizes appropriations for the U.S. contributions required under the treaty.

Title VIII includes two miscellaneous provisions. The first corrects a problem encountered by U.S. vessels permitted under the South Pacific Tuna Treaty. The second establishes procedures under which the Secretary of Commerce may allow any foreign fishing for Atlantic herring and mackerel with the consent of the appropriate Fishery Management Council.

This package of fisheries bills represents a lot of bipartisan work by both the House and Senate to continue the leadership of the United States in rational management of the world's fishery resources. I urge this legislation to be forwarded to the President for his signature.

Mr. Speaker, I reserve the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. STUDDS asked and was given permission to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, I rise in strong support of H.R. 716, a legislative package that will strengthen multilateral fisheries management on the high seas.

Time and time again, I have come to the floor to speak about the decline of our fisheries, both in the United States and in oceans around the world. In the United States alone, more than 40 percent of our fisheries are being harvested at an unsustainable rate, costing tens of thousands of jobs in regions like New England and a loss of billions of dollars to the U.S. economy.

Last week, the House overwhelmingly supported the reauthorization of the Magnuson Act, the principal law governing fisheries management in the United States. I worked very hard with Chairmen YOUNG and SAXTON to ensure that we passed the strongest bill possible to begin the process of rebuilding our fisheries.

Yet, this will only address a part of the problem. Fish recognize no boundaries, and the conservation efforts we implement within our waters are also the responsibility of all coastal nations. We must continue to work with all nations who fish on the high seas and encourage participation in international agreements to ensure that conservation and management is a cooperative effort.

The bill we are passing today demonstrates the U.S. commitment to the continued development of multilateral conservation agreements. It ensures that U.S. fishermen will comply with international fishery management regimes in the Bering Sea, the Northwest Atlantic, and elsewhere where agreements recognized by the United States have been developed.

It also provides strong incentives for all nations to share in the conservation burden for Atlantic highly migratory fisheries. If our swordfishermen and bluefin tuna fishermen are going to play by the rules established by international agreement, there is no reason why fishermen from other countries should not share the conservation burden. There is also no reason that our Nation should encourage noncompliance by allowing the importation into this country of fish that are caught in violation of and diminish the effectiveness of those international agreements. This bill ensures that this will not continue.

In short, this bill is an important step toward continued multilateral efforts to conserve and rebuild our fisheries on the high seas and here at home, resulting in more jobs and greater benefits to the U.S. economy. It has broad support and I urge its passage.

□ 1630

Mr. YOUNG of Alaska. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I want to thank the gentleman for yielding me time and I want to say that I am pleased we are considering H.R. 716, which was developed on a bipartisan basis and contains a number of vital conservation and fishery provisions.

Let me pause at this point, Mr. Speaker, to just say that the gentleman from Alaska [Mr. YOUNG] and the gentleman from Massachusetts [Mr. STUDDS] have worked together for many years on a bipartisan basis and this is a product of a process which is a good example, I believe, of what this Congress should be about: How to arrive at solutions that are of benefit to the American people and others by Members of Congress without regard to party affiliation. That truly happened in this case and I, for one, appreciated it very much.

H.R. 716 was amended by the other body to include the text of S. 267, which contains eight titles to authorize various fishery laws. These include the High Seas Fishery Compliance Act, the Northwest Atlantic Fisheries Convention Act, the Fishermen's Protective Act, Fisheries Enforcement in the Sea of Okhotsk, and the enforcement of all appropriate laws prohibiting driftnet fishing.

Title III, the Atlantic Tunas Convention Act of 1995, which I have sponsored, is of particular importance to me.

The Atlantic Tunas Convention Act delineates the involvement of the United States in the International Convention on the Conservation of Atlantic Tunas [ICCAT]. It establishes guidelines and procedures for various activities, including the selection of U.S. delegates to the ICCAT Commission, the U.S. Advisory Committee, and the Species Working Groups.

One of the provisions in this title requires an annual report on noncomplying nations. The annual report will list those nations that are not in compliance with the International Convention on the Conservation of Atlantic

Tunas and recommend actions the President could take against such a nation.

This is a very important component of H.R. 716. U.S. fishermen have been doing an outstanding job when it comes to conserving the highly migratory species under the jurisdiction of the Convention. I believe every nation, which is a member of the Convention, should share in the burden of conservation and, if they choose not to, should be held accountable to the other member nations.

Mr. Speaker, I support H.R. 716 and urge my colleagues to vote aye on this important conservation bill, which makes a number of positive contributions to the health of various fish stocks around the world.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume to being note to what the gentleman from New Jersey has just said, this is truly a sound piece of conservation legislation. This makes sense. Unfortunately, many of the groups that support the conservation movements bring forth to this floor and talk about topics that are not true scientific conservation, and this is one. It is bipartisan supported and I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Alaska [Mr. YOUNG] that the House suspend the rules and concur in the Senate amendment to H.R. 716.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 716, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

JERUSALEM EMBASSY ACT OF 1995

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1322) to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Jerusalem Embassy Act of 1995''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Each sovereign nation, under international law and custom, may designate its own capital.

(2) Since 1950, the city of Jerusalem has been the capital of the State of Israel.

(3) The city of Jerusalem is the seat of Israel's President, Parliament, and Supreme Court, and the site of numerous government ministries and social and cultural institutions.

(4) The city of Jerusalem is the spiritual center of Judaism, and is also considered a holy city by the members of other religious faiths.

(5) From 1948–1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan.

(6) In 1967, the city of Jerusalem was reunited during the conflict known as the Six Day War.

(7) Since 1967, Jerusalem has been a united city administered by Israel, and persons of all religious faiths have been guaranteed full access to holy sites within the city.

(8) This year marks the 28th consecutive year that Jerusalem has been administered as a unified city in which the rights of all faiths have been respected and protected.

(9) In 1990, the Congress unanimously adopted Senate Concurrent Resolution 106, which declares that the Congress ''strongly believes that Jerusalem must remain an undivided city in which the rights of every ethnic and religious group are protected''.

(10) In 1992, the United States Senate and House of Representatives unanimously adopted Senate Concurrent Resolution 113 of the One Hundred Second Congress to commemorate the 25th anniversary of the reunification of Jerusalem, and reaffirming congressional sentiment that Jerusalem must remain an undivided city.

(11) The September 13, 1993, Declaration of Principles on Interim Self-Government Arrangements lays out a timetable for the resolution of ''final status'' issues, including Jerusalem.

(12) The Agreement on the Gaza Strip and the Jericho Area was signed May 4, 1994, beginning the five-year transitional period laid out in the Declaration of Principles.

(13) In March of 1995, 93 members of the United States Senate signed a letter to Secretary of State Warren Christopher encouraging ''planning to begin now'' for relocation of the United States Embassy to the city of Jerusalem.

(14) In June of 1993, 257 members of the United States House of Representatives signed a letter to the Secretary of State Warren Christopher stating that the relocation of the United States Embassy to Jerusalem ''should take place no later than . . . 1999''.

(15) The United States maintains its embassy in the functioning capital of every country except in the case of our democratic friend and strategic ally, the State of Israel.

(16) The United States conducts official meetings and other business in the city of Jerusalem in de facto recognition of its status as the capital of Israel.

(17) In 1996, the State of Israel will celebrate their 3,000th anniversary of the Jewish presence in Jerusalem since King David's entry.

SEC. 3. TIMETABLE.

(a) STATEMENT OF THE POLICY OF THE UNITED STATES.—

(1) Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected;

(2) Jerusalem should be recognized as the capital of the State of Israel; and

(3) the United States Embassy in Israel should be established in Jerusalem no later than May 31, 1999.

(b) OPENING DETERMINATION.—Not more than 50 percent of the funds appropriated to the Department of State for fiscal year 1999 for ''Acquisition and Maintenance of Buildings Abroad'' may be obligated until the Secretary of State determines and reports to Congress that the United States Embassy in Jerusalem has officially opened.

SEC. 4. FISCAL YEARS 1996 AND 1997 FUNDING.

(a) FISCAL YEAR 1996.—Of the funds authorized to be appropriated for ''Acquisition and Maintenance of Buildings Abroad'' for the Department of State in fiscal year 1996, not less than $25,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Israel in the capital of Jerusalem.

(b) FISCAL YEAR 1997.—Of the funds authorized to be appropriated for ''Acquisition and Maintenance of Buildings Abroad'' for the Department of State in fiscal year 1997, not less than $75,000,000 should be made available until expended only for construction and other costs associated with the establishment of the United States Embassy in Israel in the capital of Jerusalem.

SEC. 5. REPORT ON IMPLEMENTATION.

Not later than 30 days after the date of enactment of this Act, the Secretary of State shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate detailing the Department of State's plan to implement this Act. Such report shall include—

(1) estimated dates of completion for each phase of the establishment of the United States Embassy, including site identification, land acquisition, architectural, engineering and construction surveys, site preparation, and construction; and

(2) an estimate of the funding necessary to implement this Act, including all costs associated with establishing the United States Embassy in Israel in the capital of Jerusalem.

SEC. 6. SEMIANNUAL REPORTS.

At the time of the submission of the President's fiscal year 1997 budget request, and every six months thereafter, the Secretary of State shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the progress made toward opening the United States Embassy in Jerusalem.

SEC. 7. PRESIDENTIAL WAIVER.

(a) WAIVER AUTHORITY.—(1) Beginning on October 1, 1998, the President may suspend the limitation set forth in section 3(b) for a period of six months if he determines and reports to Congress in advance that such suspension is necessary to protect the national security interests of the United States.

(2) The President may suspend such limitation for an additional six month period at the end of any period during which the suspension is in effect under this subsection if the President determines and reports to Congress in advance of the additional suspension that the additional suspension is necessary to protect the national security interests of the United States.

(3) A report under paragraph (1) or (2) shall include—

(A) a statement of the interests affected by the limitation that the President seeks to suspend; and

(B) a discussion of the manner in which the limitation affects the interests.

(b) APPLICABILITY OF WAIVER TO AVAILABILITY OF FUNDS.—If the President exercises the authority set forth in subsection (a) in a fiscal year, the limitation set forth in section 3(b) shall apply to funds appropriated in the following fiscal year for the purpose set forth in such section 3(b) except to the extent that the limitation is suspended in such following

fiscal year by reason of the exercise of the authority in subsection (a).

SEC. 8. DEFINITION.

As used in this Act, the term ''United States Embassy'' means the offices of the United States diplomatic mission and the residence of the United States chief of mission.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York, [Mr. GILMAN] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HAMILTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation pending before us today, S. 1322 would move the United States Embassy in Israel from Tel Aviv to Jerusalem. This has been a priority of many in Congress for decades. Each time the issue was raised, successive administrations maintained that Congress was infringing on the Executive's power to conduct foreign policy, or that the hopes and dreams for peace in the Middle East rested on this one issue.

Under the Speaker's leadership, and that of Senate majority leader DOLE, legislation was introduced which is finally seeing the light of day, and which we fully expect will become law. Original sponsors of H.R. 1595, Speaker GINGRICH'S legislation, in addition to myself, Mr. HORN, Mr. LAZIO, Mr. ZIMMER, Mr. SMITH of New Jersey, Mr. WELLER, Mr. DELAY, Mr. PAXON, Mr. SOLOMON, Mr. MCINTOSH, Ms. MOLINARI, Mr. HASTERT, Mr. ARCHER, Mrs. MYRICK, Mr. NUSSLE, Mrs. VUCANOVICH, Mr. BARR, Mr. TORKILDSEN, and Mr. BURTON of Indiana.

This measure, the Jerusalem Embassy Act of 1995, makes a series of findings, concluding with stipulation that it is the policy of the United States that ''Jerusalem should remain an undivided city in which the rights of every ethnic and religious group are protected; Jerusalem should be recognized as the capital of the state of Israel; and the United States Embassy in Israel should be established in Jerusalem no later than May 31, 1999.''

In negotiations with the administration and other opponents on the original bill, this revised measure does contain a 6 month, renewal Presidential waiver based on national security interests. I question this inclusion, since the waiver authority does not end on a date certain, and the standard being employed is inappropriate.

Congress does not intend for the President to utilize this waiver indefinitely, nor should the employment of such a waiver, on national security grounds, be invoked lightly. Frankly, it is preposterous that a national security waiver is being employed. The national security interests of the United States are not threatened because our Embassy is located 40 miles from where Congress and the American people believe it ought to be. The legislation is clear that congressional intent is for our Embassy in Jerusalem to be established no later than May 31, 1999.

This bill is important because it rectifies an imbalance in our relationship with Israel—a nation that has shown itself to be, time and time again, the best friend that the United States has in the world, bar none.

When Saddam Hussein was raining Scud missiles throughout Israel, Israel did not retaliate, abiding by the United States request not to do so. To those cynics who may believe that Israel complied because of United States foreign assistance, I say—no moral nation, especially one that was born out of the ashes of the Holocaust as Israel was, will sacrifice its people for any sum of money.

But, a nation that has proven its friendship and reliability over the decades, as Israel has, often suppressing its own national interests in favor of ours, especially when the very lives of its own citizens is at stake, deserves our particular American brand of loyalty. There is nothing more basic than recognizing the capital of a country, which is why I strongly endorse this bill.

Since 1967, when Israel reunified Jerusalem, access for the three major religions, an American priority, became the norm. It is only under Israel that each religion has had free access to their holy places as well as control over them. In 1969, Secretary of State William Rogers modified United States policy further by stating that Jerusalem should remain a unified city, a point made repeatedly by subsequent administrations.

Administration officials maintain that the United States should not move our Embassy until negotiations have taken place on Jerusalem. This policy infers that such a move would demonstrate a preference for one of the parties, and that the U.S. role as honest broker would be compromised. But, United States policy on Jerusalem changed both before and after the onset of the peace talks in 1991.

In January 1989, the United States signed a 99-year lease with the Government of Israel at $1 per year for a 14-acre site in southwest Jerusalem. The Middle East peace process did not collapse when it was disclosed that the site had been chosen. That action, 6 years ago, did not prevent the Madrid peace talks from convening, did not prevent them from moving forward, and did not prevent the various agreements Israel signed with the PLO or its peace treaty with Jordan.

Another departure from previous U.S. policy took place in March 1994. In prior instances, the United States had supported U.N. resolutions claiming Jerusalem to be ''occupied territory''. That month the United States insisted on voting paragraph by paragraph on U.N. Resolution 904, considered in the aftermath of the Hebron massacre.

On language pertaining to Jerusalem, the United States abstained. United States Ambassador to the United Nations Madeleine Albright explained that Jerusalem was improperly included in the resolution as occupied territory and that the United States would continue to oppose including Jerusalem in this category.

It is not a major departure from existing U.S. policy to support moving the U.S. Embassy from Tel Aviv to Jerusalem by 1999, which is what the legislation being considered today proposes to do. The administration, Israel, Jordan, and the PLO have all stated that the peace process is irreversible.

This past spring, along with other Members of the House, I circulated a letter to Secretary of State Christopher, expressing support for Jerusalem as the undivided capital of Israel, noting that with negotiations on Jerusalem expected to begin in May 1996, discussion should begin in order to move the United States Embassy from Tel Aviv to Jerusalem by May 1999, when the negotiations are expected to end. Two Hundred fifty-seven Members of the House signed that letter, another resounding measure of support from Congress to move the embassy.

Unfortunately, no response was received from the Secretary of State, and no attempt at outreach to discuss the letter's contents was made by the administration.

Congress today has the opportunity of expressing its support through the adoption of this legislation that would relocate our embassy to Jerusalem no later than 1999. I urge my colleague's strong support for this legislation, despite the inclusion of the waiver language. Moving our embassy in Israel is something the United States should have done in 1948. We have an historic opportunity today to right a wrong, to rectify an imbalance against one of our staunchest allies. Accordingly, I urge strong support of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise to oppose S. 1322, the Jerusalem Embassy Act of 1995.

I do so reluctantly because I share the goal of the legislation—eventually moving our embassy in Israel from Tel Aviv to Jerusalem, which is and has been Israel's capital since the founding of the state in 1948.

I do so reluctantly also because the bill before us is a vast improvement over the bill introduced by the Speaker and the Senate majority leader a few months ago. It now contains a Presidential waiver, which allows the President to delay relocating the embassy if he decides it is in the national security interest of the United States to do so.

I. PROBLEMS WITH PROCESS

I am deeply disturbed about the manner in which the bill comes to the floor today.

The House cannot be proud of the process we are following: No hearings were held; no committee consideration occurred; the administration was not

given a chance to state its case before the Members; few Members will be allowed to speak today; no amendments are in order; the bill was placed on the suspension calendar without consulting the minority; and no opportunity has been given to assess the impact of this bill on the fragile peace process.

In the past, decisions about whether bills would be considered under suspension of the rules were a matter of comity. The majority's conference rules specifically require that the minority agree before bills are placed on the suspension calendar.

Those rules were violated here.

We demean the role of the House in the making of American foreign policy by the quick and cursory handling of this sensitive and difficult issue.

The politics of this bill. This bill is being rushed through the House today. We should understand why.

The President has not requested it. No emergency requires immediate legislative action. A decision about where to locate U.S. diplomatic missions is inherently an executive branch decision—it goes to the President's constitutional responsibilities for the conduct of diplomacy.

The Government of Israel has not requested it. There is no urgency about this issue for Israel, either. Jerusalem is and has been Israel's capital since the founding of the State, regardless of where the U.S. Embassy is located.

This bill is being rushed through the Congress today for reasons of domestic politics, not foreign policy. The chief sponsors of this bill simply want to present this bill to the Prime Minister of Israel and the Mayor of Jerusalem when they arrive for a ceremony in the Capitol rotunda tomorrow.

This bill is a classic congressional foreign policy maneuver. We pass this bill to win political and financial support.

Yet we in Congress are unwilling to act decisively. This bill sets a date for the transfer of the Embassy. Then, a few sentences later, it steps back and hands the problem to the President by giving him a waiver.

We have it both ways. We pretend that we are acting, but we are really tossing the problem into the President's lap with a waiver. We get the domestic political advantage, but the President must take the responsibility.

II. PROBLEMS WITH SUBSTANCE

The final status of Jerusalem is not an isolated problem. It is part of the entire web of issues in the Middle East conflict. Those issues must be resolved in the context of a just and lasting settlement of the conflict. It must be resolved by the parties themselves.

I quote from Secretary Christopher:

> There is no issue related to the Arab-Israeli negotiations that is more sensitive than Jerusalem. It is precisely for this reason that any effort by Congress to bring it to the forefront is ill-advised and potentially very damaging to the success of the peace process.

The issue of Jerusalem has been left for the final status negotiations, which start in May 1996. The Congress should not jeopardize negotiations on this key issue, which we may do by this bill. Jerusalem has been left until last: Because of the strong emotions it engenders; because of the controversy it promotes; and because of the necessity to build confidence among the parties in any proposed solution of the Jerusalem issue.

Unilateral efforts to predetermine a particular outcome for Jerusalem has the potential to damage the peace process. That is precisely the risk we run today.

A few examples are worth noting:

In 1978, the Camp David negotiations nearly came unglued when the parties—the United States, Israel, and Egypt—tried to hammer out a simple joint statement on Jerusalem;

In 1980, Israel proclaimed the Jerusalem law which made Jerusalem Israel's eternal and undivided capital. It was, from Israel's viewpoint, a natural and right step. But what happened? Thirteen of the fifteen embassies then in Jerusalem moved out;

In 1984, Congress considered several resolutions to relocate the U.S. Embassy to Jerusalem. According to the Israeli press, Prime Ministers Begin and Shamir, successively, asked key Senators involved to desist, lest the ensuing political storm work to Israel's detriment;

More recently, the Israeli Government attempted to confiscate land in the Jerusalem area. Once confronted with the damage this move did to the credibility of the peace process, the Israeli Government backtracked. The Israelis simply misjudged the Jordanian reaction and the fragility of the peace process when the issue of Jerusalem was pushed to center stage.

The point of reciting these examples is to show that unilateral and provocative actions on Jerusalem can hurt the peace process and Israel's interests.

At this critical juncture in the peace process, when progress is being made, all sides should seek to avoid provocative acts: The Government of Israel has now resolved to avoid confiscation of Arab land in Jerusalem for housing purposes; the Palestinian Authority, too, should avoid provocation involving, for example, trying to use buildings in Jerusalem for its own activities; and the United States should step back from this resolution and other acts which can disrupt the peace talks.

The peace process represents the best chance for a comprehensive peace in the Middle East. I want it to go forward. I do not want to put obstacles in the way, or to make the tasks of the negotiators more difficult.

I am sometimes frustrated by the slow pace of the peace process. But I believe, there is no substitute for the fragile—and so far successful—process we now are trying to promote.

The daily interaction of Jews and Arabs in Jerusalem—and the acknowledged religious rights of Jews, Muslims, and Christians in the heart of the city—require a solution based on mutual trust. Confidence between Israelis and Palestinians is building slowly. Let's not risk tearing it apart with ill-timed action on this bill.

Mr. Speaker, Jerusalem is the proper location for the U.S. Embassy. It is not a question of whether: it is a question of when. I share the goal of this resolution. But I also feel strongly that setting a rigid timetable for moving the Embassy ignores the realities of the peace process. Timetables are markers the parties set to try to move the peace process forward.

Furthermore, we should be careful about where we put an embassy. This bill is silent on this key point. There could well be serious repercussions throughout the Islamic world from building an embassy on land claimed as Islamic Trust, or Waqf land, considered sacred by Muslims. This issue will have to be addressed.

We should declare our intention, which has been the clear policy of eight successive Presidents, to move the embassy to Jerusalem as soon as its status as Israel's capital is confirmed by a peace agreement—and to reserve our right to recognize that status if the peace process collapses.

For now, our policy should remain unchanged. Our policy has made an extraordinary contribution to the peace process. The labors of many Presidents are now bearing fruit. Our policy should continue to be based on strong support for Israel's security, coupled with our role as a credible mediator.

Let's not make a difficult peace process even more difficult.

I urge a ''no'' vote on S. 1322.

□ 1645

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN] for yielding and for his lifetime commitment to the state of Israel and to peace in the Middle East.

Mr. Speaker, with due respect to the gentleman from Indiana [Mr. HAMILTON], who always presents the most persuasive arguments, I rise in strong support of relocating the U.S. Embassy in Israel to its ancient capital in Jerusalem.

Mr. Speaker, for 3,000 years, Jerusalem has been the cultural, religious, and spiritual capital of the Jewish people—and yet our 200-year-old Nation still does not afford it the proper dignity virtually every other nation enjoys. In fact, Israel is the only country in the world where the United States neither recognizes the designated capital of the host country nor has our embassy located in that city.

Let me remind my colleagues, no matter what happens as the peace process unfolds, Jerusalem will remain the capital of Israel.

We must bring an end to this 50-year debate about when is the right moment to move the embassy to Jerusalem.

Tomorrow, Prime Minister Yitzhak Rabin will participate in a congressional ceremony in the rotunda of the U.S. Capitol to celebrate the 3,000th anniversary of Jerusalem as the capital of Israel. What better time than now for Israel's strongest supporter to finally acknowledge that Jerusalem is the eternal, undivided capital of Israel and to begin the process of relocating our embassy there.

I call on my colleagues today to make a clear statement to one of our strongest allies—and support this resolution.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. FROST].

(Mr. FROST asked and was given permission to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I rise in support of S. 1322, the Jerusalem Embassy Relocation Implementation Act.

Israel is the only country in the world where the United States does not maintain its embassy in the host nation's declared capital. It is now time for the United States to accept Jerusalem as Israel's capital and to move the U.S. Embassy accordingly.

Israel has never wavered from its position that Jerusalem is its capital. Jerusalem is Israel's seat of government—the president, the prime minister, and the supreme court are located in the capital city of Jerusalem. The reunification of Jerusalem under Israeli sovereignty and its restoration as the capital of Israel is of utmost importance to the Jewish people in Israel—as well as to all friends of Israel around the world. As a matter of duty and principle, the United States must take a leadership role and support Jerusalem's permanent status as the capital of Israel and locate the U.S. Embassy there.

Furthermore, I reject that this bill will undermine the peace process. The Israeli Government has never committed itself to opening up to negotiation the issue of its sovereignty over unified Jerusalem. Israel has always asserted that Jerusalem is its capital, and it is unrealistic for anyone to believe that Israel will compromise on the issue. In fact, I believe that the reluctance of the United States to locate its embassy in Jerusalem is more likely to undermine the peace process. It implies that even Israel's closest allies might be open to the idea of redividing the city or challenging Israel's sovereignty there.

Again, as a world leader, the United States must act now and move the United States Embassy to Jerusalem—the capital of Israel.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. SCHUMER].

(Mr. SCHUMER asked and was given permission to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Indiana [Mr. HAMILTON], ranking member, my friend, and someone whom I admire, for this time, but I must disagree with the gentleman and rise in support of this important resolution.

Mr. Speaker, let us not forget something: For any of the time that Israel has had control of any portion of Jerusalem, it has been open. The world's holy places have been open. When the Arab nations had control of Jerusalem between 1948 and 1967, no Jew was allowed to visit any of those holy places, and many are important to the Jewish religion, as well as the Christian and Islamic religions.

Mr. Speaker, whenever I went to Israel and would have to meet with American officials and leave Jerusalem and go to Tel Aviv, it was embarrassing. It was humiliating. It was wrong.

As has been said before, it is a nation's sovereignty to choose its capital. Israel has chosen Jerusalem. It is about time the United States went along.

Mr. Speaker, I salute the gentleman from New York [Mr. GILMAN] for his resolution.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. FORBES].

(Mr. FORBES asked and was given permission to revise and extend his remarks.)

Mr. FORBES. Mr. Speaker, I believe that the time is right for the action of this Congress, both this House and the other body, moving forward to embrace the relocation of the United States Embassy to the Holy City of Jerusalem. It is the time to do it. I wholeheartedly embrace this legislation and think it is long overdue.

Mr. Speaker, we need to send a signal that this embassy, which is so critical in such a critical part of the world, should be located in the Holy City. I am very honored to rise in support of the action today and look for its swift and prompt passage, and urge the administration to embrace the tenets of this bill and support it as well.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, we should not be jeopardizing the prospects for peace for the sake of political posturing.

Mr. Speaker, I understand that the Presidential candidate that is pushing this legislation used to be opposed to this move. What compelling reason is there to depart from our policy on Jerusalem that has served both Republican and Democratic administrations for over 45 years?

Mr. Speaker, since President Truman, this Nation has stuck firmly to the policy that Jerusalem's final status could only be determined by negotiation. Now, we have a chance for lasting peace through United States-sponsored negotiations between Israel and the Palestinians. In these peace talks sometime next year the permanent status negotiations on Jerusalem will occur.

Mr. Speaker, both the Palestinians and the Israelis recognize that this issue must be deferred to the end of the peace process in order to make the progress that has been made to date. This is not the time, unilaterally, for the United States, contrary to the desire of Israel and the Palestinians, to begin the process of moving the capital to Jerusalem.

Mr. Speaker, I say to my colleagues, do not do this to Prime Minister Rabin and do not do it to the peace process.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I just want to emphasize that this bill will not damage the peace process. In fact, it complements the peace process in terms of when construction would actually begin on the embassy and when it would actually be completed.

Mr. Speaker, I think that we have to stress that an undivided Jerusalem needs to be recognized as the capital of Israel and that our embassy should be moved there. This move is long overdue. Particularly now, with Jerusalem's 3,000th anniversary as the capital of Israel, I think it is time to support it and support it on a bipartisan basis.

Mr. Speaker, I would stress that this is not a Republican bill; it is not a Democratic bill; it is a bipartisan bill and will, I think, complement the peace process and not take away from it in any way.

Mr. Speaker, I urge support for the legislation.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise today in strong support of this bill, which establishes a time-frame for the United States embassy in Israel to be relocated to Jerusalem.

I, along with many of my colleagues, have been fighting for this relocation for many years now. It is fitting that as we celebrate the 3,000th anniversary of King David's establishment of Jerusalem as the capital of Israel, we will finally pass this bill to move our embassy to Jerusalem.

Mr. Speaker, Jerusalem is the capital of Israel, and it shall always remain the capital of Israel. Yet Israel is the only country in which the United States embassy is not located in the capital. This is not right.

By having our embassy anywhere other than Jerusalem, we are sending mixed signals about the United States' position on Jerusalem as the capital of the Jewish homeland. This is not the type of message we should be sending. Our position should be unequivocal: the United States recognizes Jerusalem as the capital of Israel.

Mr. Speaker, I urge my colleagues to support this sensible bill that puts into law what we have been talking about for all of these years.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. LOBIONDO].

Mr. LOBIONDO. Mr. Speaker, I rise in strong support of S. 1322—the Jerusalem Embassy Relocation Improvement Act.

Mr. Speaker, Jerusalem has been a United City, administered by Israel since 1967. For 28 years, it has been a city in which the rights of all faiths have been respected and protected. It is not only the historic center of Judaism, but it is clearly the functioning capital of Israel.

Yet Jerusalem is the only functioning capital in which the United States does not maintain its embassy.

Mr. Speaker, Israel is a proven friend of the United States. It is a strategic ally and a democratic state. The United States should recognize Jerusalem as the capital of Israel and a such, should begin construction on, and open, its U.S. Embassy in the city of Jerusalem as soon as is practical. This bill accomplishes that goal and I urge all of my colleagues to support the bill.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California, [Ms. HARMAN].

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, I rise in strong support of this resolution.

Mr. Speaker, there are three things to commend it. First of all, it reflects a bipartisan compromise on the issue, and it is my view, absolutely, that the more bipartisanship we can have in this institution, the better.

Second of all, it recognizes something which was, is, and will be the fact, and that is that Jerusalem is the capital of the State of Israel. It is very important that everyone understand that Jerusalem was, is, and will be the capital of the State of Israel.

Mr. Speaker, third, it allows for flexibility in the timing and manner of the move of the U.S. Embassy from Tel Aviv to Jerusalem, consistent with progress on the peace talks. It is imperative that we allow the peace process to go forward and do nothing to undermine it.

For all of these reasons, Mr. Speaker, I strongly support the resolution and urge all our colleagues to support it as well.

Mr. Speaker, I rise today in strong support of H.R. 1595, the Jerusalem Embassy Relocation Implementation Act.

First, the bill reflects a bipartisan approach to the issue—something essential to effective policy.

Second, the bill officially acknowledges that Jerusalem is and should always be the capital of the State of Israel. I have always supported a unified Jerusalem under Israeli rule, and note that this year the world celebrates the 3000th anniversary of King David's establishment of Jerusalem as the capital of Israel. In this century, after suffering one of the greatest tragedies in history, the Jewish people have finally been able to return to Israel, and to call Jerusalem their own. By moving the U.S. Embassy to Jerusalem, America reaffirms the success of that struggle, and the incomparable friendship between our Nation and the State of Israel.

Third, the bill carefully permits the time and manner for moving our Embassy to take into account developments in the peace process now underway. The Clinton and Rabin administrations have made tremendous strides in recent days, and it would be counter to the interests of both nations to destabilize that process for the sake of a timetable to move an embassy.

I strongly support moving the U.S. Embassy to Jerusalem, and urge my colleagues to support this bipartisan resolution.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, in the Roman Empire the idea of Rome was more than it was simply a city. It was a symbol of its power and its majesty. The time when Britain rose to prominence, London was more than simply its largest collection of people. It was the seat of its merchant and industrial power.

So with Israel. Jerusalem is more simply than a place where its citizens live. Jerusalem is a symbol of the Jewish State; the capital of its faith, not only its nation.

The United States plays an important role in this great truth, this special role of Jerusalem to Israel and to the Jewish people, because America is not an equal among the families of nations. We set a standard. So, with 184 other nations, the presence of an American Ambassador, the flying of our flag, is an important recognition of the legitimacy of those governments and the place of its power.

Yet, today, Mr. Speaker, though the United States was the first Nation in the world to recognize the state of Israel, our Ambassador is absent from the seat of its capital.

□ 1700

This is more than a matter of prestige. It is also an important matter of political power. Unless and until an American Ambassador sits in Jerusalem, this matter will be misunderstood and misinterpreted by all those who still have hostile intent against the Jewish State. This resolution sets the matter right, that America will stand with Israel.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. RAHALL].

(Mr. RAHALL asked and was given permission to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, I thank the gentleman for yielding to me. I rise in vehement opposition to this legislation.

Mr. BONIOR. Mr. Speaker, it is not hard to understand the passions on both sides of this issue.

Jerusalem is sacred to Jews, Muslims, and Christians—and we should respect the rights of all religions to honor Jerusalem as a holy place.

But this bill today is the wrong move—at the wrong time.

Not only will it disrupt the peace process;

Not only could it lead to an explosion of passions on the West Bank and Gaza;

If we pass this bill today, we may very well put the lives of innocent Israelis, Palestinians, and Jordanians at risk;

That is what our negotiators in the Middle East tell us today—and I believe we should heed their warnings.

Mr. Speaker, we have made great strides toward peace in the Middle East the past few years.

As a nation, we have historically supported Israel. At the same time, America has been able to play a strong role in these negotiations because we've been seen as something of an honest broker.

If we vote to move our Embassy today—we would be siding more directly with one side on one of the major issues in the peace process. And I believe we could disrupt negotiations entirely.

Mr. Speaker, the question of Jerusalem must be resolved. But it can only be resolved through honest discussion and negotiation in the context of the peace process.

The fact is, every country but two is keeping its embassy in Tel Aviv—pending the outcome of negotiations.

Every President and every Secretary of State since the 1950s has said that the future of Jerusalem must be worked out in negotiations.

The Government of Israel itself says that this issue must be worked out in negotiations.

The leaders of Israel have shown tremendous courage and vision in embracing the peace process. Passing this bill will be a step backwards.

Mr. Speaker, we should not try to resolve 3,000 years of history with 40 minutes of debate under suspension of the House rules.

This bill weakens our hand—undercuts our effectiveness—and destroys the trust we have worked so hard to build in the peace process.

It is the wrong move—at the wrong time—and I urge my colleagues to reject it.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to join with my colleagues in support of the legislation which will recognize for the first time that Jerusalem is the appropriate place for our Embassy, the capital of Israel. In every other country across the world, the United States has its Embassy in the capital of the country; not so, of course, in Israel.

This will send a clear signal to everyone around the world that we regard Israel as one of the most important allies we have, a country that has stood the test of time in its restraint during recent conflicts, not that long ago in the Middle East, a country that is the only democracy in the Middle East, a country that has been America's best

friend. There is no better substantive or symbolic item that I think could come before this Congress today than to have us approve the legislation.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Missouri [Mr. GEPHARDT].

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Michigan.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I express myself in opposition to this legislation.

Mr. Speaker, with no hearings, no report, no adequate consideration of this legislation in committee the House is taking up legislation passed just today in the Senate.

This is no way to legislate.

It disregards the normal, correct, and proper practices of the House. It, like other recent actions in this body, raises questions of the propriety of the process here.

Adoption of this legislation at this time raises real fears as to the continued viability of the peace process in the Middle East.

I do not take the view as to where our Embassy in Israel should be located. Perhaps we should decide that it should be located in Jerusalem, but only if we are satisfied such action is fully consonent with our national interests, and in the interest of peace in the area.

The peace process is ongoing. This Nation is subsidizing the Israeli economy to the amount of more than $3 billion per year, and have been doing so for years. We are subsidizing other countries with billions more of our tax payers dollars.

A peace process, pedaled, pushed, and driven by our efforts goes on. What happens to that process if this legislation is passed.

Secretary Christopher warns of the peril of this legislation.

The U.S. Ambassador to Israel, Martin Ludyk warns, ''Any move now, (on the location of our Embassy) I believe strongly, would explode the peace process.''

The Foreward a major Jewish newspaper in New York says ''Efforts (by Presidential Candidate Dole and others) to emerge as the greater champion of Israel would be laughable, were it not so blatant a play for positioning in the coming primaries.''

The Israeli Minister of Communications said, ''If the Americans decide to do it immediately, they would be liable to cause tensions, which we don't need.''

Shimon Peres, Israeli Foreign Minister said, ''There is no need for our involvement at this point.''

And a spokesman for Yitzhak Rabin, the Israeli Prime Minister had this to say, ''The rightist Likud opposition is behind the effort in the hope of torpedoing the peace negotiations.''

Why then are we considering this legislation? The Israeli government does not want the legislation and it will be offensive to other parties to the negotiations. It will severely threaten the peace process, and it will hurt our efforts to bring peace to the Middle East.

The United States has major interest in returning a just peace to the Middle East. We are spending billions of dollars of American taxpayers money there to promote peace and restore stability as well as to sustain governments of Israel and other countries in the area.

This legislation can be passed enthusiastically when the time is right. I will happily support it then. Now is not the time for this action. It is not in the interest of our country. Nor is it in the interest of peace in the Middle East, or of the people there.

I urge a ''no'' vote.

Mr. GEPHARDT. Mr. Speaker, I rise today to urge my colleagues to support this bill—to move the American Embassy in Israel to Jerusalem, which is the real and proper capital of Israel.

Tomorrow, in this very building, many of us will join with prime Minister Rabin to celebrate the 3,000th anniversary of the founding of Jerusalem. I can't think of a better anniversary gift than to move past the rhetoric and the nonbinding resolutions, and finally acknowledge the city that the people of Israel chose as their own capital nearly five decades ago.

To me, Jerusalem embodies the very notions of liberty justice and freedom from persecution upon which Israel was founded. That is why we must follow the example of the other body, which passed this bill by an overwhelming, bipartisan margin this morning.

Of course, we must all be concerned about the delicate peace process in the Middle East, above all else. That is why this bill is designed to move the American Embassy to Jerusalem in 1999, when the peace process is expected to be completed.

But if, for some unforseen reason, moving the embassy at that time would damage the peace process, this bill gives the President the authority to delay the move. The Speaker and I, along with many other strong supporters of Israel, felt it was important to include that condition, because a lasting peace in the Middle East must take precedence over all other goals and concerns.

Barring that kind of unforeseen development, we can allow no further delay or excuses. It is only fitting that the holiest city in the world be acknowledged as the official center of the Jewish people, who have strived for so long to express their faith freely and openly.

Let's pass this bill, and affirm what the Jewish people have know for 3,000 years—that Jerusalem is their capital, not just spiritually, but politically as well.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would just like to say today that I rise in very strong support of the measure presented by the gentleman from New York. It was, after all, 45 years ago, 45 years ago that the state of Israel established Jerusalem as its capital. Since and during those 45 years, the Knesset and the prime minister's office have been in continuous operation in the city chosen by the people of the country to be their capital.

During that time, it goes, I think, without saying that every American, virtually every American that visits Israel visits the city of Jerusalem and considers it, because the people of Israel have chosen it, as their capital. And we consider it the same. Yet our embassy remains in Tel Aviv.

It seems to me that we all know what the right thing to do is. As a matter of fact, in the last presidential campaign, candidate Clinton, now of course the President of our country, said, and I will quote this as closely as I can remember it, he said a very few words to express his feelings on the matter. He said Jerusalem is the eternal and undivided capital of Israel.

So this bill essentially does two things: It moves toward the positive aspects of a decision which would move our embassy to Jerusalem. And it recognizes that there is a tenuous peace process which is currently under way. Therefore, it says to the President, if you need a temporary delay, we grant a waiver in order that you make take advantage of some time, some time sensitivities, if you believe they exist.

So I believe we should move forward today with this. I think it is a very important matter. I conclude by saying that I support it very, very strongly.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Speaker, I thank the distinguished gentleman from Indiana for yielding time to me.

Mr. Speaker, I rise in opposition to the pending measure that would relocate the U.S. Embassy now located in Tel Aviv, to Jerusalem.

Mr. Speaker, when this legislation was first introduced in May of this year, and word went out in the world about it, there were quite a few statements made about its negative impact upon the Middle East peace talks.

A spokesperson for Prime Minister Rabin said: ''the rightist Likud opposition is behind the effort in the hope of torpedoing the peace negotiations.''

Shimon Peres, Israeli Foreign Minister, said: ''There is no need for our involvement at this point.''

Shulamit Aloni, Israeli Minister of Communications, said: ''If the Americans decide to do it immediately, they would be liable to cause tensions, which we don't need.''

Martin Indyk, our new Ambassador to Israel, said: ''Any move now, I believe strongly, would explode the peace process.''

The Forward, a Jewish Newspaper based in New York, said:

> ''Efforts by individuals to emerge as the 'greater champion of Israel' would be laughable, were it not so blatant a play for positioning in the coming primaries.''

It is not lost on anyone that five Presidential candidates have come out in support of the legislation.

The bill, which will have the force of law, emphatically states that Jerusalem is, and has always been, the capital of Israel. Yet it is a matter of record that no nation—no country—since Israel's annexation of east Jerusalem in

1967—has recognized Jerusalem as Israel's capital. As a matter of fact, no country has moved an embassy to Jerusalem since 1967 except Costa Rica. The fact that the new embassy would be in west Jerusalem does not change a thing.

I understand that waivers have been placed in the Senate measure passed yesterday in that body, to allow the President to waive this move in the interest of our National Security, but that it does not necessarily mean that the President may consider a breakdown of ongoing peace talks in the Middle East, or a breakdown of relations between Israel and the PLO, as being ''in the national security interests.''

What kind of ''National Security Interest waiver authority'' is that?

No doubt, King Hussein of Jordan, Yasir Arafat of Palestine, King Hassan of Morocco—now feel they have been made unwitting collaborators in a plot to destroy the peace process.

Mr. Speaker, not since 1967 has a single country, including the United States, recognized Israel's annexation of east Jerusalem, nor that Jerusalem was the capital of Israel. Not one. How then is it that we have a bill on the floor today that states—unequivocally—that Jerusalem is, and always has been, the capitol of Israel and that being so, we should move our embassy there?

Jerusalem is a holy city, and it is called the City of Peace. It belongs to Judaism, to Christianity, and to Islam.

It is not only Israel that feels bound by its history and its religious beliefs and practices to Jerusalem. It is not only Israel's holiest of cities—it is the holy city of Christians and of Moslems too. It always was, and it always will be.

Passage of this bill flies in the face of the recent outstanding gains the United States has made in the Arab world as an honest, and objective, broker of peace in the Middle East.

The President has been advised, by the Department of State, to veto the bill, because of constitutional questions about its usurping the President's constitutional authority to conduct foreign affairs and set foreign policy.

I understand that, the President will sign the bill, based on these waivers, and that no veto can be expected.

Mr. Speaker, as our Amabassador to Israel, Martin Indyk, stated in May of this year, I believe strongly that any move now would explode the peace process.'' I also believe it will have an extremely adverse effect on Prime Minister Rabin's ability to continue as Prime Minister, playing dangerously into the hands of the hard-line Likud party. Certainly I believe it will place chairman Arafat in an untenable position with respect to his ability to keep the peace, comply with the accords, and particularly with respect to the first Palestinian elections scheduled to take place in January 1996.

I hope that the President will see the so-called waivers as actually binding his hands as an honest broker of Middle East Peace. That he will see such binding of his hands is a threat to our national security interests and that he will veto this legislation with a veto message stating that the upending of the Middle East Pace talks is, in his view, a matter of our National Security Interest, and further that he demand a bill that says so in no uncertain terms.

Mr. Speaker, I am opposed to passage of this legislation.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise today in support of H.R. 1595 of which I am a proud original cosponsor.

Jerusalem has been the spiritual capital of Israel since King David established it as the capital of the Jewish Kingdom 3,000 years ago. Since 1950, it has been the official capital of modern Israel. It is time the United States recognized it as such. All across the world we maintain our embassies in the functioning capitals of every country except Israel—we didn't build our embassy in Lyons instead of in Paris, or in Bath instead of London. It is time we extend the same diplomatic courtesy to Israel. To do otherwise is to ignore Israel's legitimate historic claim.

With the significant progress that has been made in the peace process, I firmly believe that the recognition of Jerusalem as the undivided capital of Israel and a city open to all ethnic and religious groups—is the next step to take.

This is the first time we will vote on legislation that is real. It is more than just a promise or a resolution; it is an action that demonstrates the seriousness of our intentions. It is my hope that we can accomplish this goal by the date we have set—May 31, 1999.

Congress has already adopted four resolutions on this matter. Now is the time for the rhetoric to cease. Now is the time to take action.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

(Mr. DEUTSCH asked and was given permission to revise and extend his remarks.)

Mr. DEUTSCH. Mr. Speaker, I rise today in support of H.R. 1595, which is a piece of legislation that will facilitate a long overdue movement of the United States Embassy in Israel from Tel Aviv to Jerusalem. This is the only Embassy in the world, American Embassy, that is not in the capital that is designated by the country that the Embassy is in.

It is unprecedented and almost bizarre that it exists at this point in time. It is an anachronism from a misguided policy of really 40 years ago that this country has continued. I really congratulate my colleagues in the leadership of this House for bringing this bill to the floor at this time.

It is a bill that really should not be necessary, but we are here today discussing it and hopefully we will pass it in a few minutes. It is setting the size of the sandbox. Why should this Congress be dictating to another country what their capital is? Obviously Jerusalem is the center of the world for most people on this planet. But still that remains the capital of the state of Israel.

To offer anything else but passage of this resolution today, I think, would be really sending a terrible signal to the world, a terrible signal. In fact, I would argue very strongly that failure to get the two-thirds vote on this bill today would be sending an exactly wrong message because it would be sending a message that there is not resolve in this Congress of support of the peace process and that there is an opening in terms of what could happen in terms of Jerusalem, that the United States Congress has weakened its supports for this peace process.

□ 1715

So I really urge my colleagues, hopefully as close to unanimous as we can be in support of this process, that we will continue an effort, and I hope we have a situation in the Middle East that we will have peace in that region for all time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, a reunited Jerusalem has been a dream for so many throughout the world. As for many of us right here in the Congress, our dream has been to see the day that our United States Embassy would be moved from Tel Aviv to Jerusalem. This legislation moves us that much closer to reality, the reality of a comprehensive peace in the Middle East and the reality of the United States Embassy property in Israel's capital, Jerusalem.

Accordingly, Mr. Speaker, I urge my colleagues to fully support this landmark legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Indiana [Mr. HAMILTON] is recognized for 1 minute.

Mr. HAMILTON. Mr. Speaker, let me just give a quote from Secretary Christopher, if I may, about the question of Jerusalem. This is the quote:

> There is no issue related to the Arab-Israeli negotiations that is more sensitive than Jerusalem. It is precisely for this reason that any effort by Congress to bring it to the forefront is ill-advised and potentially very damaging to the success of the peace process.

Mr. ENGEL. Mr. Speaker, for almost 45 years only one country has had the dubious distinction of having to send its government officials out of its capital to visit the United States Embassy. This insult was not reserved for Libya, North Korea, Cuba, or any of America's historic detractors. It was reserved for Israel—one of America's closest friends and our

most important ally in the turbulent Middle East.

Because the U.S. Embassy in Israel is based in Tel Aviv, not Jerusalem—Israel's declared capital—the United States has managed to reject a general principle of international practice: The placement of a state's embassy in the location of a foreign nation's capital. I, therefore, rise in strong support of S. 1322, the Jerusalem Embassy Relocation Act, which states that an undivided Jerusalem should be recognized as the capital of Israel and that our Embassy should be moved to that city. As the sponsor of the resolution declaring Jerusalem to be the united capital of Israel, which overwhelmingly passed the House in 1990, I strongly support this resolution and urge the House to pass it.

Some have raised concerns with the impact of S. 1322 on the ongoing peace process in the Middle East. According to those opposed to the bill, any decision to move the Embassy before the conclusion of final status talks on Jerusalem would damage the process and set back chances for peace in the Mid East. I would like to take this opportunity to allay those concerns. According to the Oslo agreement signed by Israel and the PLO in 1993, the issue of Jerusalem will be discussed during final status negotiations beginning of 1996. Moving the Embassy by 1999 is not only the principled thing to do, it is fully compatible with the time table of the peace process. Final status negotiations are to be complete by May 1999.

While I strongly support this bill, I would like to express my opposition to the procedure under which it has been brought to the floor. S. 1322 is authorizing legislation and should rightfully have been referred to the International Relations Committee, of which I am a member, for hearings and a markup. Similar to the procedure—or lack thereof—on the Middle East Peace Facilitation Act, the International Relations Committee has not seen fit to exercise its jurisdiction on this critical issue.

On this 3,000th anniversary of the establishment of Jerusalem, the city of David, however, I am proud to announce my support for this legislation. As Israel's closest ally, the United States must take the lead in supporting the unity of Jerusalem and its permanent status as capital of Israel by moving our Embassy to the holy city.

Mr. HEINEMAN. Mr. Speaker, I rise in strong support of S. 1322, the Jerusalem Embassy Relocation Implementation Act. The United States enjoys diplomatic relations with 184 countries. Israel is the only country in which our nation does not have it's Embassy located in the nation's capital. I believe that is wrong. I realize the historical and religious importance of Jerusalem to all sides involved in this matter and support the ongoing peace process taking place between Israel and the Palestinians.

I believe it is important for the United States' position on Jerusalem to be clear. S. 1322 declares that it is official United States policy to recognize Jerusalem as the capital of Israel. The actual moving of the U.S. Embassy from Tel Aviv to Jerusalem would not take place for several years. This would allow enough time for peace negotiations between Israel and the PLO to be completed. This is a bipartisan piece of legislation which should receive strong support from the Congress and the President of the United States. Now is the time for our Nation to show some leadership by supporting S. 1322.

Mr. LANTOS. Mr. Speaker, I rise today in strong support of the legislation we are considering, S. 1322—the Jerusalem Embassy Relocation Implementation Act of 1995.

Symbolically, this is an important and an appropriate gesture for the United States to make at this particular time. This week we commemorate the anniversary of the date 3,000 years ago when David, the King of Israel, captured the city of Jerusalem and made it his capital. Under David and his successors, Jerusalem became the religious and political and emotional center of Israel, and it remains so to this very day.

Mr. Speaker, almost 12 years ago—in November of 1983—I introduced legislation in the Congress that was identical in purpose to the legislation that we are considering here today. At that time, a majority of the Members of the House cosponsored this legislation, and a majority of the Members of the Senate cosponsored the identical bill which was introduced in the other body by the distinguished Senator from New York, Senator DANIEL PATRICK MOYNIHAN.

Then—as now—this legislation had broad bipartisan support. Our distinguished colleague, Congressman BENJAMIN A. GILMAN of New York, was the principal cosponsor of our bill in the House, and a broad bipartisan group of our Democratic and Republican colleagues joined us in cosponsoring the bill. I might add that there were fewer Republican cosponsors at that time, in part because there were fewer Republican Members of the House in those days. I might add that 12 years ago, the administration of Republican President Ronald Reagan and his Vice President, George Bush, opposed our legislation.

Mr. Speaker, we have witnessed important changes since 1983 and 1984—changes which now make the adoption of this legislation more timely and appropriate. The peace process has transformed the Middle East. The Government of Israel has taken bold steps in a courageous effort to resolve the conflict with the Palestinians. The end of the cold war has created the fundamental conditions that have permitted this peace process to move forward.

U.S. administrations have played a critical role in encouraging and facilitating this peace process—administrations of both parties with the bipartisan support of the Congress. The Bush administration played a major role in starting the process following the victory of U.S.-led forces in the gulf war. The Clinton administration continued actively to encourage, cajole, and support the process, culminating in the signing ceremony on the White House lawn in September 1993. With the support of the United States, a peace treaty between Israel and Jordan has been signed, and agreements have been signed regarding Palestinian administration of Palestinian-inhabited territories and arrangements for democratic Palestinian elections.

Although conditions in the region have changed that now permit us to move forward on this legislation, the arguments and reasons for adopting this legislation have not changed over the past 12 years.

Mr. Speaker, the United States maintains diplomatic relations with 184 countries. In virtually all of these countries where we have a resident Embassy, our Embassy is located in the capital city. When the Government of Brazil decided to move its capital from Rio de Janeiro to Brasilia, the United States moved its Embassy to the new capital. When the Government of Saudi Arabia, which until a few years ago indicated that it would like to have Embassies located in Riyadh, the United States Government followed traditional diplomatic practice and constructed an Embassy building in Riyadh. This is as it should be. An Embassy should be in the same city as the Government to which it is accredited.

In one case, however, our Embassy is not located in the capital city—despite the expressed desire of the house country that this be done. Although Jerusalem is the capital of Israel, our Embassy is located in Tel Aviv.

Jerusalem has been the capital of Israel since 1949. Presidents of the United States, Secretaries of State, United States Ambassadors, Members of Congress—all have done business with the Government of Israel at the seat of government in West Jerusalem. When Anwar Sadat of Egypt paid a historic visit to Israel and addressed the Israeli Knesset, he spoke at the Knesset building in West Jerusalem.

Moving the U.S. Embassy to West Jerusalem does not affect any of the issues surrounding the peaceful resolution of the Palestinian issue. West Jerusalem has been an integral part of Israel since 1949 and this has been recognized by all nations with whom Israel maintains diplomatic relations.

An analogy with the situation in East Germany prior to the unification of Germany just 4 years ago this month is particularly appropriate in this case. The Government of East Germany claimed that East Berlin was an integral part of its territory. The United States, however, did not recognize this claim and maintained that East Berlin and West Berlin had a unique status guaranteed by the four occupying powers—the Soviet Union, the United States, Britain and France. Nevertheless, when the United States established diplomatic relations with East Germany in 1971, we located our embassy in East Berlin. At that time the State Department affirmed:

> The United States Government proceeds on the basis that the locations and functions of an American Embassy in East Berlin, where it will be convenient to the government offices with which it will deal, will not affect the special legal status of the Berlin area.

We were broadminded enough to enunciate and observe this rational principle in dealing with a communist dictatorship which sought to undermine our own treaty obligation for all of Berlin. Why should we not follow the same rational principle in dealing with a democratic ally?

Mr. Speaker, I urge my colleagues to join in supporting the adoption of this legislation. The time has come to end inconvenience, inefficiency, and expense by moving our Embassy to Israel's capital city—Jerusalem.

Mr. DEUTSCH. Mr. Speaker. I rise today to speak in support of S. 1322, a piece of legislation that will facilitate a long overdue movement of the United States Embassy in Israel from Tel Aviv to Jerusalem. As an original cosponsor and strong advocate of relocating our embassy to Jerusalem, I congratulate the leadership in both the House and Senate for making this a priority and moving this legislation.

For 3,000 years Jerusalem has been the capital of the Jewish people, the very heart of its religious, spiritual, cultural, and national life. It is and will forever be the eternal, undivided capital of Israel. Yet for nearly five decades Israel's closest ally—the United States—has failed to acknowledged Jerusalem as the capital. In fact, Israel is the only country in the world that the United States does not recognize the designated capital of the host country.

When you think about it, out position is nothing short of bizarre, illogical, and offensive. For 47 years, the United States has shared an extraordinary friendship with Israel but for 47 years, the United States has been frozen in this state of inconsistency and insensitivity.

But instead of looking back at what may be our mistake let's look ahead at what may be our fortune. As the peace process moves forward, moving the United States embassy to Jerusalem will send a clear message to the world, to the Middle East and most importantly, to the Palestinians that America supports Israel's claim to Jerusalem. We must stand behind Prime Minister Rabin's words to the Knesset:

> United Jerusalem will not be open to negotiation. It has been and will forecer be the capital of the Jewish people, under Isreali sovereignty, a focus of the dreams and longings of every Jew.

For far too long, the United States has allowed this matter to linger in ambiguity throughout the peace talks. There is absolutely no reason to risk uncertainty about the U.S. Government's commitment to the status and the destiny of Jerusalem.

Tomorrow, Prime Minister Rabin will be here to celebrate the 3,000th anniversary of Jerusalem as the capital of Israel. What better way for the United States to celebrate this occasion with Israel than to begin the process of relocating our embassy to Jerusalem.

Mr. ACKERMAN. Thank you, Mr. Speaker. I rise in strong support of this extremely important resolution, and I want to commend the leadership for bringing this bill, a bill that is 47 years overdue, to the floor for consideration today.

Mr. Speaker, in the last half century, the United States has rightly shown its support and respect for our most loyal ally in the Middle East, and one of our best friends in the world, in just about every area—except for one. That, of course, is in the matter of proper diplomatic recognition. Yes, we obviously recognize the sovereignty of Israel, yet by not placing our Embassy in Israel's declared capital, we do a great disservice to her, as well as to us. Israel is the only nation, out of 184 with which we maintain diplomatic relations, in which we do not have our Embassy in its declared capital. I think it is highly inappropriate to continue this overt, and undiplomatic gesture on our part.

This issue as a whole is intrinsically emotional and complex. However, the bottom line is that Jerusalem has been and always will be, the capital of Israel. Undeniably speaking, the Middle East peace process is a fragile entity. It is a process that has been almost a century in the making. Just as Israel has greatly committed to the success of this venture, so too have many in the Arab world. However, the future of Jerusalem has never been in doubt to the Government of Israel, nor to the millions of Jews still living in the Diaspora. It has been clearly stated time and again that Jerusalem is the eternal capital of the State of Israel, and to a larger extent, the Jewish people.

This issue goes to the heart of relations between the United States and Israel. What we are accomplishing with this bill is something that should have been accomplished 47 years ago—when the United States became one of the first countries to recognize and support the State of Israel, after its declaration of independence in May 1948. What we are finally doing here today is setting right a wrong of the largest magnitude.

Mr. DORNAN. Mr. Speaker, today the House passed a historical piece of legislation, the Jerusalem Embassy Relocation Improvement Act. This legislation, H.R. 1595, declares that it is official United States policy that Jerusalem be recognized as the permanent and undivided capital of Israel. Pursuant to this recognition, the bill directs the State Department to begin the relocation of the United States Embassy in Israel from Tel Aviv to Jerusalem.

Jerusalem, a city of great historical and religious significance for Jews, Muslims, and Christians, has been the capital of Israel since 1950. But for millennia, Jerusalem has been the focal point of Jewish life and has held a unique place and exerted a special influence on the moral development of western civilization. The city was divided between Israel and Jordan from 1948 to 1967, during which Jordan prohibited access to its half of the city to Jews and other religious pilgrims. However, in 1967 Israel united the city during the Six Day War, the second of three wars it would fight against its primary adversaries of the time: Egypt, Syria, and Jordan. During the 28 years following the reunification of Jerusalem, Israel has allowed full access to all holy sites in the city for persons of all faiths. It is a unique and treasured city to persons around the world.

Although the United States recognizes Israel as an important friend and ally in the Middle East and conducts official meetings in Jerusalem, it does not maintain an embassy there, but rather in Tel Aviv. By moving our embassy from Tel Aviv to Jerusalem, a much more appropriate and productive location, the United States will demonstrate a firm commitment to the national sovereignty and unity of Israel.

As someone who has always had a warm place in my heart for Israel, I am pleased with this legislative accomplishment. I look forward to a deeper, closer, stronger working relationship between the United States and Israel.

Mr. LAZIO of New York. Mr. Speaker, I am proud to rise today in support of S. 1322, the Jerusalem Embassy Relocation Implementation Act of 1995. S. 1322 declares that it is official policy that Jerusalem be recognized as the capital of Israel. I am proud to be an original cosponsor of this bill and rise today to urge my colleagues to vote for S. 1322.

For centuries the City of Jerusalem has been a religious and cultural beacon for people of all faiths. Our Nation's embassy in Israel should be located in Jerusalem—the holiest of cities, which has always been the capital of Israel.

It is fitting that Congress pass this bill today on the eve of Israeli Prime Minister Yitzhak Rabin's visit to the U.S. Capitol to commemorate the 3,000th anniversary of the founding of Jerusalem.

It is time to recognize that Jerusalem is Israel's capital by moving our Embassy there. I am pleased to support this bill today and urge my colleagues to do the same.

Ms. PRYCE. Mr. Speaker, I rise today in support of this legislation to move the United States Embassy in Israel from Tel Aviv to Jerusalem. Israel is the only country in the world in which the American Embassy is located outside of the host nation's capital. It is time for the United States to show that it supports Jerusalem and its permanent status as the capital of Israel.

Much has been said about how this legislation could send the wrong signal at a time when both sides of the conflict in the Middle East are pursuing peace. However, the realities of what we have seen to date in the peace process do not support this argument. Significant progress in the peace process has occurred since the introduction of this legislation in the House and Senate. Just a few weeks ago, Israel and the Palestinians signed the second phase of the Oslo Accords. This agreement came after the Palestinians and the Arab world had time to consider this legislation. This is compelling evidence that the peace process is not impeded by this legislation.

Mr. Speaker, the location of our embassies abroad is not a subject in the ongoing peace negotiations. Next year marks the 3,000th anniversary of King David's establishment of Jerusalem as the capital of the Jewish kingdom. Now is the time to begin the process of transferring the U.S. Embassy to Jerusalem, just as our other 183 embassies are located in the capitals of their host nation. I urge support for S. 1322.

Mr. ALLARD. Mr. Speaker, I want to take a few minutes to show my support for H.R. 1595, the Jerusalem Embassy Relocation Improvement Act.

Jerusalem is a city of great historical significance for Jews, Christians, and Moslems. Since the 1950's, Jerusalem has been the capital city of Israel. However, the United States has never maintained its Embassy in Jerusalem. We have located it instead in Tel Aviv. This is inconsistent with every other U.S. Embassy which is located in the host country's capital city. Our policy is particularly inappropriate since Israel has been one of our strongest allies. I strongly believe it is time for the United States to fully recognize Jerusalem as the capital of Israel.

Some critics say that the moving of the Embassy to Jerusalem would upset the tense peace negotiations. I do not believe this to be the case. In fact, I believe this change shows that the United States strongly supports the peace process and wants to see a peace which includes a unified Jerusalem.

I believe this matter to be one of principle and priority for the Jewish people. Jerusalem is the seat of government. The President, Parliament, Prime Minister, the supreme court, and most of the government agencies are located there. As one of Israel's closest allies and friends, the United States should lead the

way in showing its support for the unity of Jerusalem and its permanent status as the capital of Israel.

H.R. 1595 is the most direct and strongest statement the United States can make concerning a unified Jerusalem. That is why I am proud to be a cosponsor and supporter of this legislation.

Mr. SKAGGS. Mr. Speaker, the United States has a crucial role to play as the honest broker—the convening authority—in the Middle East peace effort. To fulfill the responsibilities we've assumed, we must maintain a semblance of official evenhandedness regarding matters in controversy among the parties. It is of overarching importance, as we fashion Middle East policy, not to do anything that would undermine our own role and responsibility. That's why its long been official U.S. policy that the final status of Jerusalem be left to negotiations among the parties in interest.

I personally want to see Jerusalem as a unified city, with free access for people of all religion to its great holy sites. I also personally believe that Jerusalem is the legitimate capital of the State of Israel. Clearly, that's the view of most of us. But it is not appropriate to transpose our personal views into a mandate of U.S. policy at this sensitive time.

We should not pretend that the legislation will not be seen as compromising the U.S. role as honest broker in the peace process. By declaring that ''Jerusalem should be the recognized capital of the State of Israel,'' we will be sending a clear signal to the Palestinians and the Arab States that we have prejudged the solution on Jerusalem.

In dictating how the President must deal with a foreign policy matter of great delicacy and subtlety, this bill is also on extremely questionable constitutional grounds. It seeks to micromanage a function that falls squarely within the Executives's foreign policy authority under article II. It would set a precedent by legislating for the first time in history where an Embassy must be located. The escape clause, enabling the President to defer the requirements of the bill for 6 month intervals under a finding of national security necessity, may save it from unconstitutionality in law, but not in spirit.

We should recognize this measure for what it is—something driven by domestic Presidential politics—not an effort to make sound foreign policy. The Government of Israel itself has made it clear—though off the record—that a law like this would be counterproductive.

This legislation, however well intended, is unwise, and we should reject it.

Mr. BURTON of Indiana. Mr. Speaker, I rise in strong support of the Jerusalem Embassy Relocation Act. I am very proud to be an original cosponsor of this moral, long-overdue legislation.

It is nothing short of preposterous that we keep our Embassy in Tel Aviv rather than in Jerusalem. In every country in the world, the U.S. Embassy is located in the capital of that country. Why not in Israel? Every day that passes by without our Embassy in Jerusalem is 1 day too many.

Israel's claim to Jerusalem as its eternal capital is stronger than that of any other country in the world to its capital. That claim is rooted in a 3,000-year-old bond that is recorded in the Bible itself. ''By the waters of Babylon, there we sat and wept, as we remembered thee, O Zion!''

For 3,000 years, the Jewish people have kept their faith with Jerusalem. Every year, on Yom Kippur, and at Passover, Jews repeat the phrase: ''Next year in Jerusalem!'' Mr. Speaker, it is time for this Congress to tell the President, regarding the United States Embassy: ''Next year in Jerusalem!''

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the Senate bill, S. 1322.

The question was taken.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2002, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mrs. WALDHOLTZ, from the Committee on Rules, submitted a privileged report (Rept. No. 104–289) on the resolution (H. Res. 241) waiving points of order against the conference report to accompany the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NOTIFICATION OF INTENT TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGE

Ms. SLAUGHTER. Mr. Speaker, pursuant to rule IX, I hereby give notice of my intention to offer a resolution that raises a question of privilege of the House. The form of the resolution as a follows:

RESOLUTION

To direct the Speaker to provide an appropriate remedy in response to the use of a forged document at a subcommittee hearing.

Whereas, on September 28, 1995, the Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs of the Committee on Government Reform and Oversight held a hearing on political advocacy of Federal grantees;

Whereas, the president of the Alliance for Justice, a national association of public interest and civil rights organizations testified at that hearing;

Whereas, a document was placed upon the press table for distribution at the hearing which contained the letterhead, including the name, address, phone number, fax number, and E-mail address of the Alliance for Justice, and the names of certain member organizations and the dollar amounts of Federal grants they received;

Whereas, in her opening statement at the hearing, the president of the Alliance for Justice identified the document as being forged and contained errors and requested an explanation from the chairman of the subcommittee as to the source of the document;

Whereas, in response, the chairman acknowledged that the document was created by the subcommittee staff;

Whereas, House Information Resources, at the request of the subcommittee staff, prepared the forged document;

Whereas, the document was prepared using official funds;

Whereas, the chairman of the subcommittee acknowledged in a letter, dated September 28, 1995, to the president of the Alliance for Justice that ''the graphics, unfortunately, appeared to simulate the Alliance's letterhead'';

Whereas, the September 29, 1995, issue of the National Journal's Congress Daily reported that Representative McIntosh's communications director said that the ''the letterhead was taken from a faxed document, scanned into their computer system and altered''; and

Whereas, questions continue to arise regarding the responsibility for preparation of the forged document: the chairman of the subcommittee stated during the hearing that he had no prior knowledge of the document's preparation; the chairman later stated that the subcommittee staff prepared the document; and other published reports suggested that Chairman McIntosh's personal office prepared the document;

Whereas, on September 27, 1995, the Speaker expressed concern over the distribution of unattributed documents and announced a policy requiring that materials disseminated on the floor of the House must bear the name of the Member authorizing their distribution;

Whereas, Members and staff of the House have an obligation to ensure the proper use of documents and other materials and exhibits prepared for use at committee and subcommittee hearings and which are made available to Members, the public or the press, and to ensure that the source of such documents or other materials is not misrepresented;

Whereas, committees and subcommittees should not create documents for use in their proceedings that may give the impression that such documents were created by other persons or organizations, as occurred at the September 28, 1995, hearing of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs;

Whereas, the dissemination of a forged document distorts the public record and affects the ability of the House of Representatives, its committees, and Members to perform their legislative functions, and constitutes a violation of the integrity of committee proceedings which form a core of the legislative process: Now, therefore, be it

Resolved, that the Speaker shall take such action as may be necessary to provide an appropriate remedy to ensure that the integrity of the legislative process is protected, and shall report his actions and recommendations to the House.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Speaker in the legislative schedule within two legislative days its being properly noticed. The Chair will announce the Speaker's designation as tomorrow. In the meantime, the form of the resolution proffered by the gentlewoman from New York will appear in the RECORD at this point.

The Chair is not at this point making a determination as to whether the resolution constitutes a question of privilege. That determination will be made at the time designated by the Speaker for consideration of the resolution.

REMOVAL OF NAME OF MEMBER AS A COSPONSOR OF H.R. 500

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 500.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on S. 1322.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1058, SECURITIES LITIGATION REFORM ACT

Mr. BLILEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. DINGELL. Reserving the right to object, Mr. Speaker, is this the legislation which relates to securities reform? Is that correct?

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Virginia.

Mr. BLILEY. Yes, that is correct, Mr. Speaker.

Mr. DINGELL. This is legislation which the gentleman has talked to me about going to conference on?

Mr. BLILEY. Yes, Mr. Speaker, it is.

Mr. DINGELL. Mr. Speaker, we have no objection to the gentleman's unanimous-consent request, and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from VA?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on Commerce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. BLILEY, TAUZIN, FIELDS of Texas, COX of California, WHITE, DINGELL, MARKEY, BRYANT of Texas, and Ms. ESHOO.

As additional conferees from the Committee on the Judiciary, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. HYDE, MCCOLLUM, and CONYERS.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each question on which further proceedings were postponed earlier today in the order in which that question was entertained.

Votes will be taken in the following order:

Vote No. 1 will be approval of the Journal; No. 2, H.R. 117 by the yeas and nays; and, No. 3, S. 1322 by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal of the last day's proceeding.

The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HOBSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 48, answered ''present'' 1, not voting 20, as follows:

[Roll No. 732]

YEAS—363

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Ewing
Farr
Fattah
Fawell
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKinney
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanders
Sawyer
Saxton
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stupak
Talent
Tanner
Tate
Tauzin
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torres
Torricelli
Traficant
Upton
Waldholtz
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—48

Abercrombie
Becerra
Brown (CA)
Clay
Clyburn
Coburn
Conyers
Crane
DeFazio
Durbin
Ensign
Evans
Everett
Fazio
Filner
Gephardt
Gibbons
Gutknecht
Hastings (FL)
Hefley
Heineman
Jacobs
Johnson, E. B.
LaFalce
Levin
Lewis (GA)
Longley
McNulty
Neal
Ney
Orton
Pickett
Pombo
Sanford
Schroeder
Scott
Stockman
Stump
Taylor (MS)
Thompson
Thurman
Torkildsen
Towns
Vento
Visclosky
Waters
Wicker
Wolf

ANSWERED ''PRESENT''—1

Harman

NOT VOTING—20

Borski
Brown (OH)
Chapman
Engel
Fields (LA)
Martinez
McKeon
Moakley
Mollohan
Rangel
Rush
Scarborough
Serrano
Sisisky
Taylor (NC)
Tucker
Velazquez
Volkmer
Vucanovich
Weldon (PA)

☐ 1746

Mr. HILLEARY and Mr. SHADEGG changed their vote from ''nay'' to ''yea.''

So the journal was approved.

The result of the vote was announced as above recorded.

☐ 1745

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. (Mr. GUTKNECHT). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional question on which the Chair has postponed further proceedings.

SENIOR CITIZENS HOUSING SAFETY AND ECONOMIC RELIEF ACT OF 1995

The SPEAKER pro tempore. The pending business is the question of passage of the bill, H.R. 117.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the passage of the bill, H.R. 117, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device and there were—yeas 415, nays 0, not voting 17, as follows:

[Roll No. 733]

YEAS—415

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Vento
Visclosky
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—17

Borski
Brown (OH)
Bryant (TX)
Chapman
Fields (LA)
Martinez
Moakley
Rangel
Rush
Serrano
Sisisky
Taylor (NC)
Tucker
Velazquez
Volkmer
Vucanovich
Weldon (PA)

☐ 1757

So (three-fifths having voted in favor thereof) the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

JERUSALEM EMBASSY ACT OF 1995

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1322.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the Senate bill, S. 1322, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 374, nays 37, answered ''present'' 5, not voting 17, as follows:

[Roll No. 734]

YEAS—374

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bentsen
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brown (CA)
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal

DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klug
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Upton
Vento
Visclosky
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—37

Abercrombie
Becerra
Beilenson
Bereuter
Bonior
Boucher
Bryant (TX)
Clayton
Clinger
Collins (MI)
Conyers
Danner
Dellums
Dingell
Ganske
Goodling
Hamilton
Klink
Knollenberg
Lipinski
Miller (CA)
Minge
Mink
Moran
Murtha
Obey
Payne (NJ)
Petri
Rahall
Sanders
Sawyer
Skaggs
Studds
Taylor (MS)
Thompson
Traficant
Waters

ANSWERED ''PRESENT''—5

Bateman
Frank (MA)
Hoke
Schroeder
Watt (NC)

NOT VOTING—17

Borski
Brown (OH)
Chapman
Fields (LA)
Martinez
Moakley
Rangel
Rush
Serrano
Sisisky
Taylor (NC)
Tucker
Velazquez
Volkmer
Vucanovich
Weldon (PA)
Young (FL)

□ 1807

Mr. WATT of North Carolina changed his vote from ''nay'' to ''present.''

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore (Mr. GUTKNECHT). Is there objection to the request of the gentleman from New York?

Mr. DOGGETT. Mr. Speaker, reserving the right to object, subject to that reservation, I would ask the gentleman, this is as I understand it to permit 3 hours of general debate tomorrow on the reconciliation bill.

Mr. SOLOMON. If the gentleman will yield, the gentleman is exactly correct. I will be making a unanimous-consent request for that purpose in a few minutes.

Mr. DOGGETT. Fine.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from new York?

There was no objection.

HOUR OF MEETING ON THURSDAY OCTOBER 26, 1995

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, Wednesday, October 25, 1995, it adjourn to meet at 9 a.m. on Thursday, October 26, 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. DOGGETT. Mr. Speaker, reserving the right to object, let me just be sure I am clear about this.

Under the series of unanimous-consent requests, there will be 3 hours of general debate tomorrow, and then in addition to that, as the rule provides, there will be 3 hours of general debate on Thursday, plus an hour on the substitute.

Mr. SOLOMON. If the gentleman will yield, I would just say to the gentleman, we have not held the hearing nor have we issued the rule, but we intend to follow through with the gentleman's assumptions.

Mr. DOGGETT. Is it also your understanding, we have in addition to what will amount to 6 hours of debate, then, on reconciliation; that by coming in early at 9 a.m. on Thursday, following more or less the timetable we had last week, that we would also at 9 a.m. Thursday have fifteen 1-minutes per side?

Mr. SOLOMON. That is what we intend to do with one slight exception. We do intend by agreement with the minority to allow for 3 hours of debate to start tomorrow night. However, should the gentleman not use all of that time, should it only be 2 hours and 10 minutes, you would not be carrying that time over. We would then still live up to our end of the bargain on the rule the following day.

Mr. DOGGETT. That is our understanding.

Mr. Speaker, with that understanding, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. BLUTE). Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2491, SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that it be in order at any time for the Speaker, pursuant to clause 1(b) of rule XXIII, to declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 2491) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996; that the first reading of the bill be dispensed with; that all points of order against consideration of the bill be waived; that general debate be confined to the bill and the text of H.R. 2517; that general debate be limited to 3 hours equally divided and controlled by the chairman of the Committee on Budget and Representative GEPHARDT, or his designee; that after general debate the Committee of the Whole rise without motion; and that no further consideration of the bill be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TOMORROW, WEDNESDAY, OCTOBER 25, 1995, DURING THE 5-MINUTE RULE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit tomorrow while the House is meeting in the Committee of the Whole House under the 5-minute rule: Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce, Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on House Oversight; Committee on International Relations; Committee on the Judiciary; Committee on Resources; Committee on Science; Committee on Small Business; and Committee on Veterans' Affairs.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1617, CAREERS ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

The Chair hears none and, without objection, appoints the following conferees: Messrs. GOODLING, GUNDERSON, CUNNINGHAM, MCKEON, RIGGS, GRAHAM, SOUDER, CLAY, WILLIAMS, KILDEE, SAWYER, and GENE GREEN of Texas.

There was no objection.

ANNOUNCEMENT OF INTENT TO OFFER ON TOMORROW, WEDNESDAY, OCTOBER 25, 1995, MOTION TO INSTRUCT CONFEREES ON S. 4, THE SEPARATE ENROLLMENT AND LINE-ITEM VETO ACT OF 1995

Mr. DEUTSCH. Mr. Speaker, pursuant to rule XXVIII, I hereby announce my intention to offer a motion to instruct conferees on S. 4 tomorrow.

The form of the motion is as follows:

Mr. DEUTSCH moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendments to the bill S. 4 be instructed, within the scope of the conference, to insist upon the inclusion of provisions to require that the bill apply to the targeted tax benefit provisions of any revenue or reconciliation bill enacted into law during or after fiscal year 1995.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 24, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Monday, October 23, 1995 at 10:55 a.m. and said to contain a message from the President whereby he transmits notification that he has declared a national emergency regarding foreign narcotics traffickers centered in Columbia.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

DECLARATION OF NATIONAL EMERGENCY REGARDING FOREIGN NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–129)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that I have exercised my statutory authority to declare a national emergency in response to the unusual and extraordinary threat posed to the national security, foreign policy, and economy of the United States by the actions of significant foreign narcotics traffickers centered in Colombia and to issue an Executive order that:

—blocks all property and interests in property in the United States or within the possession or control of United States persons of significant foreign narcotics traffickers centered in Colombia designated in the Executive order or other persons designated pursuant thereto; and

—prohibits any transaction or dealing by United States persons or within the United States in property of the persons designated in the Executive order or other persons designated pursuant thereto.

In the Executive order (copy attached) I have designated four significant foreign narcotics traffickers who are principals in the so-called Cali cartel in Colombia. I have also authorized the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to designate additional foreign persons who play a significant role in international narcotics trafficking centered in Colombia or who materially support such trafficking, and other persons determined to be owned or controlled by or to act for or on behalf of designated persons, whose property or transactions or dealings in property in the United States or with United States persons shall be subject to the prohibitions contained in the order.

I have authorized these measures in response to the relentless threat posed by significant foreign narcotics traffickers centered in Colombia to the national security, foreign policy, and economy of the United States.

Narcotics production has grown substantially in recent years. Potential cocaine production—a majority of which is bound for the United States—is approximately 850 metric tons per year. Narcotics traffickers centered in Colombia have exercised control over more than 80 percent of the cocaine entering the United States.

Narcotics trafficking centered in Colombia undermines dramatically the health and well-being of United States citizens as well as the domestic economy. Such trafficking also harms trade and commercial relations between our countries. The penetration of legitimate sectors of the Colombian economy by the so-called Cali cartel has frequently permitted it to corrupt various institutions of Colombian government and society and to disrupt Colombian commerce and economic development.

The economic impact and corrupting financial influence of such narcotics trafficking is not limited to Colombia but affects commerce and finance in the United States and beyond. United States law enforcement authorities estimate that the traffickers are responsible for the repatriation of $4.7 to $7 billion in illicit drug profits from the United States to Colombia annually, some of which is invested in ostensibly legitimate businesses. Financial resources of that magnitude, which have been illicitly generated and injected into the legitimate channels of international commerce, threaten the integrity of the domestic and international financial systems on which the economies of many nations now rely.

For all of these reasons, I have determined that the actions of significant narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause in the United States and abroad, constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I have, accordingly, declared a national emergency in response to this threat.

The measures I am taking are designed to deny these traffickers the benefit of any assets subject to the jurisdiction of the United States and to

prevent United States persons from engaging in any commercial dealings with them, their front companies, and their agents. These measures demonstrate firmly and decisively the commitment of the United States to end the scourge that such traffickers have wrought upon society in the United States and beyond. The magnitude and dimension of the current problem warrant utilizing all available tools to wrest the destructive hold that these traffickers have on society and governments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 21, 1995.*

□ 1815

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 390

Mr. ABERCROMBIE. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 390.

The SPEAKER pro tempore (Mr. BLUTE). Is there objection to the request of the gentleman from Hawaii?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

THE BUDGET DEBATE: REMEMBER THE ELDERLY, POOR, AND DISABLED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Mrs. THURMAN] is recognized for 5 minutes.

Mrs. THURMAN. Mr. Speaker, I rise today to express my outrage at the Republican tactics in this so-called budget debate. This week we will vote on the Republican proposal to cut Medicaid funds by $182 billion and block grant the Program.

The elderly, the disabled, and the poor children of America have had no voice in this debate. They have been lost in the rhetoric of the majority party.

The Republicans talk about choice and freedom for the States. However, the only choice the States will have is either to raise State taxes to remedy the cuts or kick people off Medicaid.

The Republicans do not want to talk about the people who need Medicaid.

They do not want to talk about the grandmother in a nursing home, or the disabled child in your neighborhood, or the pregnant woman in need of prenatal care.

The Republicans do not want you to know that they are removing Federal standards for nursing homes or that they are not requiring States to cover Medicare premiums for the poorest seniors.

The truth is, when we move from a shared system based on individual needs to a capped system that shifts the problem to the States, States will have to deny maternity services, early childhood care, assisted living benefits, and long-term care to some of our most vulnerable citizens. More than 2½ million people in Florida depend on Medicaid for basic health care, and because our population is growing so quickly, this number is increasing every day. In Florida, over 110,000 seniors rely on the Medicaid payments for their Medicare premiums repealed by the Republican plan. Almost 400,000 children depend on Medicaid coverage for check-ups, immunizations, and emergencies. By the year 2000, Florida is expected to provide long-term care to as many as 380,000 seniors.

Yet one-half of the total Medicaid cut of $182 billion will come from my State of Florida and seven other States.

Under the Republican capped block grant, the reality is that Florida will have to either kick people off Medicaid, or make up the shortfall with State tax money.

Basing the 1996 Medicaid funding formula on 1994 statistics ignores the growth in Florida during the last year. It puts us in a huge financial hole from the start by simply ignoring our $2 billion in new expenses this year. As a result, Florida will lose more than $10.5 billion in Medicaid funds over the next 7 years, a 26-percent reduction. Quite frankly, it is not fair.

The inequality of the funding formula is blatantly apparent. If you abused the system in the past, you get rewarded under the Republican formula. The more money a State was able to pilfer from the system under the current rules, the higher the baseline for its block grant. How can you possibly call that reform?

Of course, there are penalties in the plan. The penalties are for playing fair, working hard to contain costs, and obeying the rules. The poor, the elderly, and the disabled will be the ones paying these penalties.

We have tried to reason with our colleagues on the other side of the aisle, especially those from Florida who know our situation. We have tried to appeal to their sense of compassion and encouraged them to consider what will happen to Florida under this formula.

In 2 days, when I come to this House to vote against these cuts, I will remember the faces of those elderly, poor, and disabled in my district who will be denied health services and long-term care under this plan. Since my Republican colleagues are so anxious to secure tax cuts for the wealthy, I wonder whom they will be thinking of.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

[Mr. SCARBOROUGH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

[Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

A SALUTE TO GREECE: OXI DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 5 minutes.

Mr. BILIRAKIS. Mr. Speaker, October 28, 1995, marks the 55th anniversary of a very historic day in Greek history, and for that matter world history.

On October 28, 1940, the Italian Minister in Athens presented an ultimatum to the Prime Minister of Greece, demanding the unconditional surrender of Greece. His answer: ''Oxi,'' which means ''no'' in Greek.

Military success for the Italians would have sealed off the Balkans from the south and helped Hitler's plan to invade Russia. Indeed, with an army that was fully equipped, well supplied, and backed by superior air and naval power, the Italians were expected to overrun Greece within a short time.

However, despite their lack of equipment, the Greek Army proved to be well trained and resourceful. Within a week after the Italians first attacked, it was clear that their forces had suffered a serious setback in spite of having control of the air and fielding armored vehicles.

On November 14th, the Greek Army launched a counteroffensive and quickly drove Italian forces back well into Albania. On December 6th, the Greeks captured Porto Edda and continued their advance along the seacoast toward Valona. By February 1, 1941, the Italians had launched strong counterattacks, however the determination of the Greek Army coupled with the severity of the winter weather, nullified the Italians' efforts.

The Italians, in an effort to bring the war to a close before they would need the help of German intervention, launched another offensive on March 12, 1941. However, after 6 days of fighting, the Italians made only insignificant gains and it became clear that German intervention was necessary.

On March 26th, Hitler shouted ''I will make a clean sweep of the Balkans.'' It took him 5 weeks, until the end of April, to subdue Greece. It turned out to be an important 5 weeks for the world. As a result of this campaign, Hitler's plan to invade Russia had to be delayed. Instead of launching the Russia invasion on May 15, 1941, as planned, Hitler had to set a new date of June 22, 1941.

This delay proved catastrophic for the Germans and contributed to the failure of their Russian campaign.

The victory of the Greek Army against the Italians and the repudiation of Mussolini astonished the world. Greece was attacked after the

fall of France and at a time when the Axis powers were seemingly unbeatable.

The heroic stance by the Greeks against insurmountable odds, was the first glimmer of hope for the Allies, and today we can take great pride in those who risked their lives to defend their country. They sought to defend their own land, but they helped to save Europe.

THE ENDLESS GROWTH OF OUR NATIONAL TRADE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I am here today because I think it is absolutely imperative that a proper amount of attention be given to the disturbing facts about the seemingly endless growth of the U.S. international trade deficit, and the impact of that growth on the American economy and American jobs.

In the first two quarters of 1995, the U.S. international trade deficit was over $64 billion, compared to $50 billion last year for the same period, and the second quarter's deficit of $33.8 billion was the largest since 1987.

What these numbers signify is a growing assault on American jobs as foreign goods and services pour into the United States at a pace that far exceeds the exit of American exports. When one stops to consider these facts, Mr. Speaker, it becomes quite clear that the incessant push to enter into free trade agreements without first stopping to insure they include fair trade safeguards is, pure and simple, reckless.

Perhaps there is no better example to illustrate this point than the recently broken-down negotiations between Congress and the Administration over the reauthorization of fast-track trading authority, and the relation of those negotiations to the runaway momentum in both the Congress and the executive branch to expand NAFTA.

The debate over fast-track's reauthorization has centered on the Administration's position that U.S. trade negotiators should continue to be allowed to address labor and environmental concerns and the Republicans' drive to revoke that authority. In my opinion this difference represents a flawed point on which to base negotiations as it begs the very fundamental question of whether fast-track should be reauthorized at all.

While the Administration's position is imminently better than the Republicans', it is not a good alternative. It is, rather, the lesser of two evils. For even under a fast-track program that safeguards the right of U.S. trade negotiators to address both labor and environmental concerns, Congress would still have to agree in advance of seeing a trade agreement.

Mr. Speaker, I think it is tragically wrong for Congress to agree to stifle itself and surrender its constitutionally granted authority when considering trade pacts that will have far reaching effects on American jobs. Those pacts should, on the contrary, be scrutinized from top to bottom in order to prevent the type of disaster that is currently going on as a result of the NAFTA pact.

Indeed, those who would see fast-track reauthorized and subsequently support the use of that tool to expand NAFTA must be living under rocks. As the last 20 months have shown, the impact of NAFTA on the American economy has been anything but what its proponents promised. To push for expanding that ill-conceived trade pact represents nothing short of a callous disrespect for the notion of protecting American jobs.

Consider, for instance, the claim made often by NAFTA's strongest supporters before the NAFTA agreement was approved by Congress that the trade pact would create 200,000 jobs by 1995. That claim was made by using the calculation that every billion dollars of net exports creates 20,000 jobs. It is with no pleasure, and I assure you with no pleasure on my part, that I point out that in the first 6 months of 1995 the United States recorded an $8.3 billion trade deficit with Mexico, whereas last year during the same period the U.S. had recorded a surplus of $1.1 billion.

In order to reach the goal of 200,000 new NAFTA jobs, the United States would have to run a yearly trade surplus with Mexico exceeding $8.6 billion. Thus what is clear is that the reality of the situation is drastically different from what NAFTA's champions promised the American people; with a projected $15 billion 1995 trade deficit with Mexico, and the situation with Canada not being much better, by the year's end, instead of creating 200,000 new employment opportunities, NAFTA probably will have eliminated some 800,000 American jobs.

What is, moreover, as equally disturbing is the Labor Department's recent report that as of September 30 it had certified 42,221 citizens as eligible for NAFTA-related trade adjustment assistance.

In light of these facts, the push to expand NAFTA is not just bad policy, it is shockingly bad policy. Congress need to get its priorities in order. Before we worry about expanding a trade agreement that has done nothing yet but consume American jobs, I would suggest that we first attempt to both offer better help to those Americans who have already lost their jobs and stop further hemorrhaging.

For the immediate future this means ensuring that fast track will indeed, as reports now indicate, be kept out of the reconciliation bill, killing the Caribbean Basin Initiative, which proposes to grant one-way NAFTA privileges to 23 Latin American countries without any reciprocal benefits for the U.S., and opposing the inclusion of Chile in NAFTA. For the long term this means working to implement policies that have the effect of actually creating jobs in a fair and equitable manner.

□ 1830

Mr. Speaker, I feel very strongly about this. I think that NAFTA has hurt the United States, hurt our economy, and I do not want to see it expanded.

KEEP UNITED STATES TROOPS OUT OF BOSNIA

The SPEAKER pro tempore (Mr. BLUTE). Under a previous order of the House, the gentleman from Colorado [Mr. MCINNIS] is recognized for 5 minutes.

Mr. MCINNIS. Mr. Speaker, under the cover of a peace agreement in a country that has never known peace, Bill Clinton is about to commit 25,000 of our sons and daughters into Bosnia. Now, that is not just 25,000 troops into Bosnia. That really equates to a number much larger than that, because you have to have the support troops to support those 20,000 or 25,000 troops that we are going to put on the ground in Bosnia.

Take a look very carefully at the situation in Bosnia. We have an absolute responsibility to question Bill Clinton about his intent to put these young people into that country. We need to assess the situation. Is the situation in Bosnia a security threat to this country? That answer is easy; no. Is it a security threat to any of our allies? The answer is easy; no. Is it an economic threat to the United States of America? The answer is no. Is it an economic threat to any of our allies? The answer is no. If we do not go into Bosnia, will it mean the collapse of NORAD? No, it will not.

How can this President justify it? Because he has made a commitment to this? Take a look at what the cost of Bosnia will be. We know that there is a very high likelihood of loss of life, and it could be my son. I have a son who is 18 years old. It could be your daughter or your son.

Think about it before we put these troops into Bosnia, before we let Bill Clinton put us into a situation that has no exit strategy. We need to ask Bill Clinton some pretty tough questions: One, what are the rules of engagement, Mr. Clinton? Number two, for what purposes and what reasons and where will our troops be assigned? Three, how do we get out of there? Four, how long are we going to be in there? Have you made any kind of strategy as to how we are going to get out or how long we are going to be there?

I would venture to say that we are woefully short of the kind of answers we need before we even consider supporting this President sending American ground troops into the country of Bosnia. I think that it is imperative and incumbent upon us to demand from this President that he be forthright

with the people of the United States of American and explain what that situation is. Right now he has got the cover of Medicare, he has got the cover of budget. While all this is going on, the Pentagon is buzzing away down there preparing to send these troops over to a country that is not a threat to this country.

I think the test, the ultimate test that each and every one of us in these chambers should employ, is the test that came across to me when I sat at a graduation speech this last spring. An 18 year old young man just got his degree and walked by. The person next to me leaned over and said, ''We are very proud. That young man is going into the United States Marines.''

At that very instant I thought to myself, could I look at his parents if we lose this young man in Bosnia? Could I look at his parents eye-to-eye and tell them that the loss of their son was necessary for the national security of the United States of America? Could I look them in the eye and tell them that it was necessary to send their son over to Bosnia? Were we able to look them in the eye when we were over in Lebanon or Somalia? I venture to say before we give our support to this President to send those troops into Bosnia, we ought to consider what our response is going to be to those parents.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MCINNIS. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, let me begin by saying I just returned from that part of the world this weekend. I had a chance to meet with all of our top NATO officials and to go to observation posts on the Serbian border.

I am not going to disagree with anything the gentleman said. What I would say as a member of the minority party talking to a member of the majority party is I would ask that the gentleman ask the Speaker of the House that we be allowed to vote on this. It is our constitutional duty.

Everything the gentleman said I agree with. Congress ought to vote on it. The gentleman and I and the other 400 Members ought to decide this issue, not the President of the United States.

Mr. MCINNIS. Mr. Speaker, reclaiming my time, I absolutely agree with the gentleman. This should not be the decision of the President of the United States. The President of the United States should come to the U.S. Congress and ask us for our permission. Frankly, I am going to be leading the charge against it, because while I have not been to Bosnia, I have an 18-year-old son.

THE NEED FOR AN INDEPENDENT, CONSOLIDATED STATISTICAL AGENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, today on behalf of myself, Mr. CLINGER, Mr. PETRI, Mrs. JOHNSON, Mr. CHRYSLER, Mr. DAVIS, Mr. EHLERS, Mr. FALEOMAVAEGA, Mr. HOBSON, Mr. KNOLLENBERG, Mr. LEACH, and Mr. ROGERS, I introduced the Statistical Consolidation Act of 1995. It would create a Federal Statistical Service which would combine the functions of the Bureaus of the Census and Labor Statistics, one in Commerce, one in Labor, and the Bureau of Economic Analysis.

A core principle of the Republican majority is that government is too big and costs too much, and that we should seek economies wherever we might. The new Federal Statistical Service would streamline and improve the quality and efficiency of key data production, which affects not only the apportionment of Congress, the State legislatures, the boards of supervisors and city councils, but also business, the allocation of Federal and State programs, and many industry functions across the country.

Duplication of effort hampers the collection of statistical data. Both the Bureau of Labor Statistics and the Bureau of the Census collect data on the Nation's small businesses. The results are not only a wasted effort, but inconsistent and even contradictory findings. Public and private sector planning relies heavily on the accuracy of these statistics, which are collected through an assortment of sources.

The Nation needs better coordination and planning among its statistical agencies, to make Federal programs more responsive to the needs of our citizens. Lack of coordination has limited the usefulness of the data.

Senator Abraham Ribicoff, Democrat of Connecticut, a number of years ago saw the same need for change. He introduced the Statistical Policy Act of 1980. This Statistical Consolidation Act of 1995 takes many provisions from Senator Ribicoff's very far-reaching legislation. It is designed to remove duplication, harness information and technology, and streamline the collection and utilization of statistical data.

Some of you may ask, why not consolidate all statistical agencies, as Canada did with its Statistics Canada. After all, if Canada can do it, so can the United States. Canada, however, is not an example of complete consolidation. In fact, many of Canada's statistics come from sources other than Statistics Canada. In addition, the United States has nine times as many people and more complex statistical tasks than does the Government of Canada.

The new Federal Statistical Service would be headed by an Administrator nominated by the President and confirmed by the Senate. Other officials to be nominated by the President with the advice and consent of the Senate are the Deputy Administrator, general counsel, and inspector general.

Also established is a Federal Council on Statistical Policy to advise the Administrator and the President. On the Council would be statistics and survey professional experts from outside the Government, who would make policy recommendations to both the President and the Administrator.

The bill, when enacted, would trigger several events. Not later than 12 months after enactment, the new Federal Council would report to Congress on the consolidation of Census and Bureau of Labor Statistics field offices and on the savings possible from the merger. At the same time, the Council would provide a report on the feasibility of separating the decennial census mission from the rest of the Census Bureau. That action is in the bill to help Congress and the Nation grasp the cost of the decennial census.

Finally, within 18 months after enactment, the Council would recommend to Congress any changes in the procedure for releasing major social and economic indicators.

A well-informed electorate with access to knowledge of the state of the society is the cornerstone of a proper working democracy. Decisions based on the output of the Federal statistical system affects every citizen. That system is called upon to serve the voters of today and tomorrow. It is on their intelligent choices that the success of our democracy ultimately depends.

There must be better coordination and planning among these statistical agencies so that programs are more responsive to the needs of the Federal Government. It is my hope this bill will be passed as a bipartisan effort. The passage of this measure will not only mean better coordination, but it will also ensure independence from partisan influences, which are more probable when these functions are located in a Cabinet department.

Mr. Speaker, I urge my colleagues to carefully consider this proposal and hopefully adopt it during this session.

MAKE NEEDED CHANGES IN MEDICARE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DEUTSCH] is recognized for 5 minutes.

Mr. DEUTSCH. Mr. Speaker, I am going to speak tonight on something we did last week and we are probably going to do again on Thursday, and that is to pass a bill that basically eliminates Medicare in this country. We will pass it again as part of the reconciliation bill on Thursday, and it will go over to the Senate.

The reason I am speaking about it is with the faint hope that my colleagues on the majority side will try to make some changes. I just doubt that will happen between now and Thursday, but the good news is it is a bicameral legislature, and the Senate will have the possibility to deal with this, and ultimately this is a piece of legislation that will go in front of the President. The President has issued a statement he will veto this legislation. I urge him

and I think all Americans need to urge him to follow through on that veto.

I think it is worth it to really focus on the facts on this issue. I am going to talk about three facts and just go through them very clearly, very specifically, because this is a case that the more that the American people know about what the Republican majority is doing to Medicare, the more disturbing, the more distressing that it is.

It is truly as bad as people's worst nightmare in this country. The first thing is this whole debate has started because my Republican colleagues say Medicare is going bankrupt in 7 years. We have to do something to save Medicare. It is going bankrupt in 7 years.

Well, one of the things that this chart points out, and this I think really says it in black and white, is if you look at the 30 years that Medicare has existed, 12 of those 30 years Medicare had an actuarial life less than what it has today. In fact, in several years it had only a 2-year actuarial life. What Congress has done is made adjustments to the Medicare system like any health care insurance program, which is what Medicare is, and has made adjustments to correct those actuarial deficiencies.

So the first big flat out lie that my Republican colleagues have made in this legislation is this is unprecedented. That is just not the case.

The second flat out lie that they have made is that it requires $270 billion to correct. Where did the $270 billion number come from? There are actuarial, nonpolitical, technical people whom evaluate the solvency of the Medicare program. No one has come up with any numbers anywhere near $270 billion. Where did that number come from?

Where it came from, it was a derived number from the budget process. The Republicans, as they were drawing up their budget, came up with a hole of $270 billion. And the only place that they went to, they could have gone to Social Security, but they were a little bit more fearful of that, they went to Medicare for a $270 billion gap to fill the hole.

What is in that hole? Well, there is a variety of things in that hole, including a military budget above what the President has requested and what the Joint Chiefs of Staff and divisions of different branches of the military has requested. But they are also including tax breaks of the worst kind that are outrageous from this government's and from the people of this country's perspective.

Special interests at the worst level; it is a list that gets longer and longer. Who did what for who? College football coaches, convenience stores, certain specific companies get tax breaks in this legislation, on the backs of 36 million Medicare recipients, who worked hard and played by the rules, and yet if this legislation passes and is not vetoed, would in fact occur.

So that is the second big lie, which is a $270 billion number. And the third and final big lie that I will mention is this whole idea of choice. My Republican colleagues consistently say that the Medicare proposal that they pass, and they will pass again this week, provides choice. They continuously say it provides choice for Medicare recipients.

What it provides is a false choice. It provides a false choice, because what will inevitably happen, and this legislation is set up to make this happen, is that for anyone who remains in traditional Medicare, the out-of-pocket costs will be astronomical, 4, 5, 6, 7, 8,000 a year for seniors. To put it in perspective, 75 percent of the seniors in this country, their income is less than $25,000 a year, so we are talking about $4,000 out-of-pocket for someone in that category. It just does not work.

□ 1845

So what will end up inevitably happening is that 90-plus percent of seniors will be forced into substandard HMO's. I urge everyone to both write their Senators and urge the President to veto this legislation.

AN INCREASE TO MINIMUM WAGE WILL LIST WORKERS OUT OF POVERTY AND OFF WELFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. GENE GREEN, is recognized for 5 minutes.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise tonight in support of the minimum wage increase, and later this evening the gentleman from New York, MAJOR OWENS, has organized a special order in support of the minimum wage. I join my colleagues from the Committee on Economic and Educational Opportunities in my support for an increase in the minimum wage. Fifty seven years ago today the Congress first approved a minimum wage of 25 cents.

This anniversary finds us with mixed emotions. On the one hand, we are thankful that the Congress recognized the need to guarantee a livable wage. On the other hand, we recognize that millions of people earn at or below the minimum wage and that the last increase in the minimum wage occurred on April 1, 1991. As if this was not enough, the real value of the minimum wage has been on a fairly steady decline for the past 15 years. Today, the minimum wage has fallen 45 cents in real value since its 1991 increase. I am afraid that if the majority party has its way, we may never see an increase in the minimum wage.

Many people, writing or speaking on either side of this issue, quote from 57 years of studies on how the increase of the minimum wage affects employment, wages and the economy. There are studies on both sides.

My contention is we should base the argument on the facts and not theory. Based on my experience, real life is never constant nor completely equal.

First, the idea that an increase in the minimum wage could lead to increased numbers of welfare recipients is simply not correct. In fact, the opposite is true. Today, a full-time minimum wage worker is paid $8,800 a year.

The U.S. Census reports that the average family in my Houston district is 3.2 people. According to the census guidelines published in the Federal Register [February 9, 1995], the 1995 Federal poverty level for a family of three is $12,590. Using these facts, the math is simple. A full-time minimum wage worker supporting a family of three will make almost $4,000 less than the Federal poverty level.

However, with an increase in the minimum wage to $5.15, and figuring in their maximum earned income tax credit, which was passed by the Democratic Congress, this same family would be $1,500 above the poverty rate and off welfare. Let me repeat that. Off welfare.

It is also argued that the minimum wage is a wage for lower- to middle-class teenagers and is, therefore, an entry level wage. While this may have been so in years past, the Federal Bureau of Labor Statistics estimates that more than 4 million Americans earn at or below the minimum wage. According to the Bureau of Labor Statistics, current minimum-wage earners are two-thirds adult, with over 50 percent being 26 or older, while 62 percent are women. The minimum wage is no longer just for teenagers.

Finally, the argument is made that raising the minimum wage would lead many employers to use more efficient machines, to relocate their factories, or to use part-time and temporary workers. Statistics show that minimum-wage earners, due to their lack of skills, work harder and longer hours to compensate for that shortcoming. I am not advocating the position that employers are unfeeling, but we must all face the fact that most employers, with some exceptions, are driven by the bottom line and not the betterment of society.

One recent study between New Jersey, which raised their minimum wage, and Pennsylvania, which did not, showed no job loss and only a very slight increase in the cost of a fast food meal. I find it very confusing when the majority argues the minimum wage increase will cause job loss by increasing or continuing farm subsidies is never given to the same rhetoric. Both the farm subsidies and the minimum wage provide a level at which the producer, either farm produce or labor, can earn a profit.

Americans need an increase in the minimum wage, because it will lift them out of poverty, it will give them a living wage, but more importantly, it will get them off of welfare. Instead of concentrating all of their efforts on tax-cuts for the wealthy. the majority should act to provide a minimum wage that will lift workers out of poverty and off the welfare rolls.

IMPACT OF REPUBLICAN BUDGET CUTS ON RURAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. BISHOP] is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, we are here today to focus on rural communities and the impact of the proposed Republican budget cuts on rural America. Current common wisdom is that two elements are essential for sustainable rural development: first, long-range strategic planning, and second, local leadership. We must support the efforts of State and Federal officials, and more importantly, the motivation and leadership shown by local community leaders who have been successful in making educational advances, and rural economic development a reality in their own communities. But we must look forward to more.

We have all heard the statistics describing the decline of agriculture as the main rural economic base. And we know that rural areas differ greatly by region in terms of publication, income levels, and the relative importance of agriculture to the local economy. We also know that the shift in the national economy toward world markets requires rural areas—which are hampered by geographic isolation, inadequate infrastructure, and a shortage of capital—to compete in an unfamiliar global arena. But I believe that the citizens of Georgia, and particularly in the second district, have some of the most enterprising, efficient, and effective rural communities in the Nation.

But the budget cuts proposed by the Republican Leadership work against the common wisdom of how we can best support the vitality of our rural communities and citizens. First of all, let me speak about the Republican budget proposal which cuts over $13 billion from our farm commodity programs. These cuts will come out of the pockets of farmers who live in my district. According to a recent letter sent to the Speaker from 15 members of the Speaker's own party, the current Freedom to Farm proposal will cause the U.S. taxpayer to actually spend even more on subsidies under the Freedom to Farm proposal than under the proposal put forth by the Democrats, or even the farm proposal put forward by the Republicans in the other body.

Other cuts proposed by the Republicans will put a dagger in rural America. From health care to agriculture to education, the Republican budget targets rural America, where we can least afford to lessen our efforts. The Republican budget raises taxes on over 229 thousand working families in rural Georgia by an average of $368 by the 2002. In addition, the Republican cuts to the earned income tax credit will add an $84.5 million tax increase on working families and their children in rural Georgia.

Republican education cuts will deny 113,000 children basic and advanced skills instruction in rural America in 1996 alone. Title 1 funds for reading instruction in rural areas will be cut by $113 million, denying crucial assistance at a time when many small-town and rural school systems are already having trouble making ends meet.

The Republican budget will cut rural housing funding in our small communities. Cuts to public housing capital assistance in rural areas will total $460 million next year, which will severely hinder efforts by rural housing agencies to provide security and anticrime programs. The Republicans will also cut $108 million in funding for assistance to the homeless in rural America. This will mean 4.9 million fewer nights of shelter for America's rural homeless.

Republicans propose to cut Medicare by $270 billion in this body—three times larger than the largest cuts in history—just to pay for a tax cut for the wealthy. Their budget will cut Medicare spending in rural communities by $58 billion over 7 years, a 20-percent cut in the year 2002. The Republican cuts will force 9.6 million older and disabled Americans in rural America to pay higher premiums and higher deductibles. In Georgia, it will cut $2.7 billion for our rural areas from Medicare.

The Republican Medicaid cuts will eliminate coverage for children, nursing home residents, and people who need long-term care throughout rural America. Two million, two hundred thousand rural Americans—including over 1 million children—will be denied medicaid coverage. The budget will cut Medicaid in rural areas by as much as $45 billion, forcing poor children, people with disabilities, and older Americans to lose coverage.

We should be focusing on four key principles that will help our rural communities:

First: Providing economic opportunity that will create jobs within the community and region, and training for jobs that offer upward mobility;

Second: Offering assistance for sustainable community development to further the creation of vibrant community institutions;

Third: Encouraging community-based partnerships that involve all segments of the community, including our centers of learning and community institutions; and

Fourth: Helping to provide a strategic vision for change that builds on the assets of the community—coordinating a response to community needs in a comprehensive fashion.

We must look forward to the survival of small and rural communities; we should not be looking for opportunities to twist the dagger into the heart of rural America, the dagger that is offered by the Republican budget proposals.

MEDICARE AND MEDICAID PROPOSALS WILL DEVASTATE SENIORS, POOR WOMEN, AND CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. BROWN] is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, the House of Representatives is the People's House. We were sent here to Congress with a mission: to serve the people. As Members of Congress, we should be listening to our constituents and voting against proposals that will devastate our seniors, poor women, and children.

First, the Republicans went after Medicare, saying they were going to save it by cutting $270 billion out of it. And this time, the Republicans are going after Medicaid, the program that serves the poorest, the sickest—people most in need.

They said they were saving Medicare. Now they say they are saving Medicaid by cutting $182 billion from the program. Well, I come from Florida where I served for 10 years in the Florida House. In Florida we have a saying for that kind of thing, ''That dog won't hunt.''

Thousands of my constituents have told me that they are outraged at the Republicans' reverse Robin Hood tactics, stealing from the working people and the poor and giving tax breaks to the wealthy.

Mr. Speaker, we can fool some of the people some of the time, but we cannot fool all the people all of the time.

I am most concerned about how the Republican Medicaid plan will hurt Florida. Basically, it is a big slap in the face to the thousands of Floridians on a fixed income, just managing to get by.

According to our Governor, the Medicaid plan will cost our State $8.4 billion over the next 7 years. But forget about these huge dollar figures for a moment. Let's look at this in real terms: people!

Under the Republican Medicaid plan formula, hundreds of thousands of Florida residents would be cut from the program. Let me ask you: What do the Republicans think the Floridians cut off from Medicaid are going to do for health care? Do they have a plan for that? I don't think so.

The biggest problem with the Republican Medicaid plan is that the Republican formula for distributing funds to the States does not take into account Florida's population explosion. Florida's growth should not be overlooked. My State will be capped at a 6 percent growth rate from 1998 to 2002, while Florida can expect that the growth in Florida is expected to go from 12 to 14 percent.

□ 1900

That, my friends, is a cut. The Republicans are putting up smoke and mirrors when they say that these are not cuts.

Let us look at the facts. Holding Florida to the measure of other States' growth rate is completely unfair. The numbers just do not add up. I do not care how you slice it, a cut is a cut is a cut.

The Florida delegation should be working together in a bipartisan fashion to protect Florida. If these Medicaid cuts pass, we may well be declaring Florida a permanent disaster area.

Not only are the Republicans cutting away at funds for these programs, they are cutting away Federal Medicaid protection for our Nation's seniors. Over 60 percent of our nursing home residents get help from Medicaid. In 1994, over 100,000 Florida seniors lived in our State's 649 nursing homes. Right now, these nursing home residents have rights. They are protected by the Federal guidelines. The Republican Medicaid plans cut out quality care standards which are currently in place.

Take out these provisions, and I can see the newspaper headlines now: ''Abuse in Nursing Homes Increase.'' ''Doesn't Anyone Care About Nursing Home Residents?'' ''Where Have All the Nursing Home Watchdogs Gone?'' This is outrageous, and the Republicans should be ashamed of themselves.

So, although I share the goals of balancing the budget, I cannot, in good faith, balance the budget on the backs of the poor, women, children, elderly, and the disabled.

Last week in Florida, I spoke to the National Council of Senior Citizens; and, as I close, I want to close with one saying: Wake up, America. In particular, wake up Florida.

EFFECTS OF BUDGET CUTS ON AMERICA'S CHILDREN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 60 minutes as the designee of the minority leader.

Ms. DELAURO. Mr. Speaker, let me begin tonight with a quote from Hubert Humphrey, and this is something that Hubert Humphrey said in 1977, and I quote:

> It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped.

When this Congress is put to those tests, it fails miserably on all of these counts. Last week, the GOP budget ax came down on seniors; and, this week, it comes down on kids.

Now, my Republican colleagues will argue that they are making tough decisions to balance that budget, that this budget represents a shared sacrifice for a noble purpose; but, folks, the sacrifice is not shared, and the purpose is not noble.

There is nothing noble in asking the poor to sacrifice for the rich. There is nothing noble in asking the sick to sacrifice for the healthy. There is nothing noble in asking the weak to sacrifice for the strong.

Winners in this budget are the corporations that will now be allowed to legally dodge paying taxes and the other special interest whose loopholes have been left wide open.

The sacrifices in this budget come from our most vulnerable citizens: the poor, the sick, the disabled, the elderly and, yes, our children.

Yesterday, the White House released a report on the impact of the Republican budget on America's children. In its analysis, the White House, in conjunction with the Department of Health and Human Services and the Urban Institute, looked at nine areas where kids will be asked to bear the brunt of GOP budget cuts.

According to the study, the health of our children will be put in jeopardy by a combination of Medicaid cuts, the repeal—I repeat, the repeal of the vaccines for children program, and cuts in child nutrition.

Consider the number of children who benefit from these programs and the number of children who stand to lose under the GOP budget. Medicaid pays for immunizations, regular checkups, and intensive care in case of emergencies for about 18 million children in America. In fact, one half of Medicaid beneficiaries are children.

The Republican budget would eliminate this health care coverage for as many as 4.4 million children nationwide. Let me repeat that. Mr. Speaker, 4.4 million children nationwide would have their health care coverage eliminated.

Among the children who could be denied coverage, many are disabled. This budget would deny as many as 755,000 disabled children cash benefits in the year 2002. For disabled children, Medicaid helps to pay for wheelchairs, for communication devices for therapy, for respite care for families, and for home modifications. Without this help, patients may be forced to seek institutional placement for their disabled children.

The Republican budget repeals the vaccines for children program. Now, that means it cuts $1.5 billion that would otherwise provide vaccinations, immunizations for our children.

As the White House was releasing its findings yesterday, I was visiting with administrators and the staff in New Haven, CT at the Children's Hospital, Yale University's Children's Hospital. I was there to brief them on the budget process and to better understand how Medicaid cuts would impact their young patients. The health care professionals that I visited with told me that they do not know how they are going to provide the same level of care for our children if Medicaid is cut back by 20 to 30 percent, as the Republican budget proposes.

Let me talk a little bit about Connecticut. Connecticut health care providers have every single right to be concerned about children in our State, because 14 percent of them, of our children, rely on Medicaid for their basic health needs. And according to the study that was released yesterday, the Republican budget cuts will hit Connecticut children hard.

Let me repeat some of those cuts for Connecticut children, the cuts that I talked to the Yale Children's Hospital about yesterday.

Medicaid pays for basic health services for 166,000 children in the State of Connecticut. The budget would eliminate Medicaid coverage for as many as 57,983 children in the State of Connecticut. It will deny as many as 4,000 disabled children in Connecticut cash benefits in the year 2002.

Mr. Speaker, the dean of the Yale School of Medicine, Dr. Joseph Warshaw, was at this meeting yesterday; and I would like to quote Dr. Warshaw. And the quote is, ''If we abandon this safety net, the kids are really going to suffer.'' I am not making that up. You can see that quote in the New Haven Register today.

The vice president for administration spoke up and talked about how the hospital would certainly accept all those children who were faced with a health care problem and would not want to deny them any health care, but they were going to be faced with how they were going to try to have to deal with the level of services they may have to and how they would probably have to cut back on services.

Kids are really going to suffer. That is a pretty strong statement. And let me be very honest with you. That statement does not come from a Democratic Member of the House of Representatives, and I am a Democratic Member of the House of Representatives. It does not come from someone with any kind of a partisan interest in this debate. It comes from a health care provider who understands what these cuts in Medicaid will mean in real terms to the children that he sees every single day at this hospital.

Our debate on the magnitude of these Medicaid cuts is about more than ideology. It is about more than a political philosophy. It is more than an intellectual or an academic exercise. That is not what this is all about. It is about reality and real people. It is about the reality that these deep Medicaid cuts are going to hit kids, kids in this country, kids in the State of Connecticut, very, very hard. And that is why tonight some of us are here as we stand with these photographs of American families that rely on Medicaid for their basic health care needs.

I would like to just introduce you to one family and tell you their story in their own words. A mother from Illinois tells us how Medicaid has helped her to earn her nursing degree without putting her children's health at risk. This is a quote.

> In December of 1996, I will graduate with an associate degree in nursing and a lot of

pride knowing that I am fully capable of supporting my family. I would not be in this position today if public aid was not there to bridge the gap of no medical coverage.

That was signed by Kathy Davis, and these are Kathy Davis' children. Kathy Davis does not want a handout. She wants a helping hand. Here is a woman who is doing all the right things trying to provide for her family, build a better future for these two youngsters in this photograph.

The Government should not be in the business of punishing people who are working hard, and working hard to improve their own standard of living. We should be in the business of helping them to raise that standard of living. That is what our job is all about here. That is what the mission of government is.

Mr. Speaker, Medicaid is a safety net for millions of American families just like Kathy Davis and her family and her two young children here. This budget cuts that safety net away, and it is our Nation's children who are going to take the fall.

I urge my colleagues to look at these faces. I urge them to think about these kids on Thursday, this week, when the budget comes to the floor for a vote; and I ask my colleagues to ask yourself, is it worth it? Is it worth it?

Balancing the budget is a tremendously important goal, but if we balance the budget on the backs of sick children, disabled children, of just children in general, it will be a truly shameful day in the history of this great Nation of ours; and it will be a sad day in the history of this institution, which is charged with creating good public policy, sound public policy, responsible public policy that will allow the people in this country, in fact, to have a better standard of living for themselves and for their families, especially when they are working as hard as they are and playing by the rules and trying to help themselves and their families.

Thank you, Mr. Speaker.

Mr. Speaker, I would like now to ask the gentleman from New Jersey [Mr. PALLONE], who has joined with me and with several of us almost on a nightly basis, to talk about some of these issues: Medicare, Medicaid and the budget and its impact. I would like to ask my colleague from New Jersey to let us know about his sentiments on this issue.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman from Connecticut [Ms. DELAURO] for allowing me some time to talk about some of the same subjects, particularly with regard to children.

Mr. Speaker, I wanted to start by pointing out that last week when the House passed the Medicare bill it passed the largest tax increase on senior citizens in the history of this Congress through Speaker GINGRICH's Medicare plan, while reducing the quality of health care that seniors can expect to receive.

Many of us, including the gentlewoman from Connecticut and myself, have continued to talk the last few weeks about how this Medicare plan forces seniors to pay more and essentially get less. But this week Congress will be voting on what we call the budget reconciliation, which will include once again this Medicare package.

Mr. Speaker, I hope that New Jersey can count again on most of its Members, as they did last week on the Medicare bill, to stay firm and vote again to oppose this terrible Medicare legislation. The majority of New Jersey Members in the House of Representatives, both Democrat and Republican, ended up voting against the Medicare bill.

In addition to incorporating Medicare into this budget package, there are other cuts like the Medicare cuts in Medicaid, which is the health insurance program for poorer people, as well as cuts in nutrition assistance and the school lunch programs.

□ 1915

So in a sense what we are seeing is both senior citizens with Medicare and now also children, with Medicaid, nutrition, and school lunches are being cut. Their programs are being cut or raided in order to provide tax cuts for the wealthy, for the wealthiest Americans.

Just to give you some statistics, according to the U.S. Treasury, Office of Tax Analysis, and this is with regard to the Senate version of budget reconciliation, income earners who make up to $30,000 per year can expect a $19 to $88 tax increase. In other words, not a tax cut but a tax increase if your income is up to $30,000 a year.

Meanwhile the average American who earns over $200,000 a year will receive a $3,416 tax cut. I would ask you, is that fair, particularly when we see who is impacted? Again, mostly senior citizens and children.

Now, while many of the Republicans are claiming to be balancing the budget for the future of our children and suggest that somehow this budget plan is actually going to benefit children, their plans actually hurt children. It is just the opposite of what they say.

I am sympathetic to this, Mr. Speaker. Right now I have two young children, one is about 8 months old and another is a little over 2 years old. And when I look at them and I think about how difficult it would be for someone earning a lot less than myself to be able to provide for them, particularly with regard to health care, it really makes me wonder where we are going in this Congress with this terrible budget bill.

I just wanted to quote from a recent New York Times article that was in the New York Times, Monday October 23. It says, and I quote,

The specific spending cuts in the Republican plans would fall very heavily on poor and lower middle income children today, leaving them less able to hold jobs in the years ahead.

I think what the New York Times is pointing out is that if we cut these programs for children, then in the long run we are not going to have adults who can really compete and do a good job as Americans in the marketplace. And ultimately we are essentially making it more difficult for these children when they become adults to contribute to society. So it really makes no sense.

Mr. Speaker, I think it is totally inappropriate to balance the budget and provide tax cuts for the wealthy on the backs of children. I just wanted to give an example, if I could. To my left here are two kids who really could be my own, in fact in some way they remind me of my own. This is used basically to illustrate the terrible impact of the cuts in Medicaid, which is the health income program for low-income Americans, which provides health care coverage now for one in four American children.

It is a statement basically from their mom whose name is Leslie. She is a 26-year-old mother of the two children, ages 6 and 2. And she says she is recently divorced and caring for her children as an at-home mother. Her income is substantially below the poverty line but with careful planning she manages to feed, clothe, and provide shelter for her children. And she says that her finances must be stretched out obviously to cover the budget, which is very strained. Without Medicaid, which again is the health insurance program for poorer children, even the best laid financial plans would surely collapse. The dilemma she would face without Medicaid in place would be basically to decide whether or not to feed her children or to provide shelter for her children. And she just goes on to point out how difficult it would be without Medicaid, again, the health care program for low-income Americans.

Childrens hospitals, as we know, receive about 40 to 70 percent of their revenue from Medicaid. So it is not only a question of when you cut Medicaid you hurt low-income children. But you also hurt all children in a way because, for example, the hospitals where oftentimes we go in order to deal with the problems that affect children would be significantly cut back in terms of the type of services that they could provide. Medicaid, as I said, provides health care to about 36 million low-income Americans. But two-thirds of the funding is utilized by the blind, disabled, and the elderly for acute and long-term care. What we are trying to point out here is that a lot of people, disabled people, elderly people, as well as children, are impacted by these cuts in Medicare.

And what I would like to ask, and I know the gentlewoman from Connecticut is here, it is incredible to me that we can cut $182 billion out of Medicaid when we spend more for defense in this budget bill. It actually is more money that goes for defense while we are making these cuts in Medicaid.

Why are the Republicans cutting funding for school nutrition programs? School nutrition programs we know work. In my districts there are a lot of children that are able to take advantage of them. We are also cutting or reducing child abuse protections by nearly 20 percent in this bill.

And to me it just boggles the mind. The Speaker, Speaker GINGRICH, and the Republican leadership, I believe, are destroying the next generation and whacking seniors, who have already made this country great, through Medicaid, Medicare, nutrition program, and other program cuts. All of this just in order to pay for tax cuts for the rich. I think there are other ways to balance the budget. I voted in the past to support balanced budgets, but this budget plan is terrible. I really would urge my colleagues to vote against it.

I want to thank the gentlewoman from Connecticut, once again, for organizing this, because I think it is very important to point out that just as these Republican plans last week in Medicare were hurting the elderly, now with this budget reconciliation, we are really hurting severely children.

Ms. DELAURO. I thank my colleague for his comments and say it really is rather incredible. I take a look at some of the other cuts in Connecticut, and you have similar numbers and probably larger numbers in New Jersey. But we are going to see that about 1,374 children in Connecticut will be denied Head Start, about 180,000 children nationwide; 9,200 Connecticut children will be denied basic and advanced skills, and that happens through the cuts in the title I program of our education budget. It is a 17-percent cut in 1996.

We are going to cut safe- and drug-free schools, which 170 out of 175 school districts in Connecticut use to keep crime and violence and drugs away from children.

We are jeopardizing the nutrition programs for about 300,000 kids in the State of Connecticut; 130,000 children in Connecticut live in working families that are going to have their taxes raised an average of about $300 under this Republican budget.

And yet, we are going to see a tax break for the richest people in this country. It is just so out of sync. It is out of whack.

Mr. PALLONE. Mr. Speaker, I know we have other speakers, but the gentlewoman mentioned certain things that are really so important. Head Start, which I did not even mention, we have waiting lists, long waiting lists in New Jersey in most of my towns for Head Start. It is a prudent program that was supported by President Bush and President Reagan before him. It was never a partisan issue. All of a sudden now we are talking about cutting back on Head Start.

The earned income tax credit, which again I did not get into, basically goes against the whole philosophy which says that you want to encourage people to work. The main reason why that was put in place, again, not just by Democrats but also by Republican Presidents beforehand, the way I understood it, was to get people off welfare and let them have a little extra money through a tax break so that they could use it and be discouraged to go back on welfare. Now we are talking about eliminating that earned income tax credit.

Third, you talk about nutrition programs. I spent some time, I guess it was a couple months ago now, going into some of the schools in my district and actually partaking of school lunch with the kids.

Ms. DELAURO. So did I.

Mr. PALLONE. It is amazing. There are some school districts that I represent where overwhelming majorities of the kids take advantage of the school lunch program. Sometimes they get it free or sometimes they have to pay something. But without that school lunch program a lot of them just would not eat. So, again, I yield back, but it is just incredible to think how this impacts children.

Ms. DELAURO. I want to make one more comment and then yield to my colleague from Texas.

There was an article in yesterday's New York Times by Bob Herbert. It is entitled ''Kiss and Cut, Empty Promises About Children.'' I think that there are two pieces that are particularly important in the discussion and the debate that we are going to have over the next few days here, because we are going to hear a lot of talk on this floor.

This is Dr. Irwin Redlener who was president of the Children's Health Fund. Their mission is to deliver services to youngsters in rural and urban communities. He says here, the fact that there are proposals on the table now that will further undermine health care, the health care safety net for children is really incredible. It suggests the possibility of some terrible consequences for society in the future because what it really means is that there will be children who will suffer from disabilities, physical and mental, that will haunt them for the rest of their lives. It is incredibly stupid and shortsighted to take down Medicaid in this way.

Then he concludes the article, because again what we are to hear on this floor in the next couple days is that what we are doing in this budget is saving this country for our children, that all of this, all of these cuts in nutrition and in health care and in education, and just go down the line, all of these cuts are going to be there for our children's future.

There is a particularly, I think, poignant finish to this article. It says, when the budget cutters smile in your face and tell you how much they love your children, ask to see that ugly and arcane region known as the fine print. You will need a guide and a strong stomach. What they do to children there is not to be believed.

I encourage everyone to look, to listen, to watch in the next couple of days about what is in that fine print and what, in fact, is being proposed for the children of this country.

Mr. PALLONE. Mr. Speaker, I just have to, if I can, interrupt. I had previously quoted from this New York Times story of the same day, yesterday. It is interesting, it is not the same one but a different one from what the gentlewoman has. They bring up how the Republican leaders are basically over the next few days going to emphasize this $500-a-child tax credit.

What this article says, and I would just quote from it briefly, it says the tax credit would do little to help children in low-income households, and families that have no Federal income tax liability other than exemptions, after other exemptions and deductions, would not be eligible for refunds.

For example, a family of four with both parents working and both children in child care programs would not qualify for the credit if it earned less than $24,000 a year. It says the Center on Budget and Policy Priorities, a Washington research group with a reputation for accurate statistics, has calculated that 23.7 million children, or 34 percent of the Nation's children, live in families too poor to qualify for the credit. Another 7.1 million children, or 10 percent, would qualify only for a partial credit. The real winners from the Republican tax and budget plans are likely to be affluent children who receive relatively little direct Federal spending.

So again there is going to be all the emphasis on this $500-a-child tax credit. It is not a bad idea. But the bottom line is the way they put this together ultimately means that it is primarily affluent children who benefit, and many of the children who really need it are getting nothing.

Ms. DELAURO. Mr. Speaker, I ask unanimous consent to yield the balance of my time to my colleague, the gentlewoman from Texas [Ms. JACKSON-LEE], who truly spends so much time here on behalf of the people of this Nation and really fighting for their causes.

The SPEAKER pro tempore (Mr. BLUTE). Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 30 minutes.

MORE ON MEDICAID

Ms. JACKSON-LEE. I thank the gentlewoman from Connecticut for her wisdom and also her tenacity in not giving up.

I was on the House floor this morning, and I began to sense maybe even a glimmer of frustration in my own voice because I drew those who were lessening attention that we in this body sometimes tend to view incidences, votes, and occurrences like yesterday's news. We tend to think that it was last

Thursday's vote. It is over with and we go on to something else.

It is particularly important that we continue to address these issues because I believe that the American people will want us to do the right thing and then themselves will rise up and demand this body, this collective body of the U.S. Senate and of course the U.S. House of Representatives to do the right thing.

□ 1930

Might I say, Mr. Speaker, something that really caught my attention, and it might be the frustration of some of my colleagues in the other body, but one Member was quoted to say when they were being approached about matters dealing with working out resolutions to avoid having such severe cuts in Medicaid and whether or not they would be willing to compromise and bring those cuts substantially down and maybe out of frustration, this person was heard to say, ''I'm willing to swallow a lot to get to that,'' and I would simply say that the children of this country cannot swallow a lot, they are little, small tykes, and we have an obligation not to be frustrated, not to be overwhelmed, not to worry about the next vote, or the next headline, or the next news byline, but simply to fight, fight, fight, if we have to, for these abominable cuts that are going to devastate our children and those senior citizens, of course, with Medicare, but those in long-term care, by this $187 billion in Medicaid cuts as well as this budget reconciliation process.

I draw you attention, Mr. Speaker, to these children who are standing here with me by way of a photograph, and this really speaks to the issue of what Medicare is all about. Medicare is not about the so-called deadbeat that we have always been hearing about, the one who gets accused of being on the dole. This is about children like this and a mother from Rhode Island, Jacqueline, who says,

> I have three children. My two girls are asthmatic, and they have to be on medication at all times. This medicine costs an average of $110 each month. My third child is a diabetic, and he needs two types of medication. If it was not for Medicaid, I would not be able to keep my children and myself alive.

Mr. Speaker, I think the bottom line here is alive, not even healthy, but alive, a diabetic and asthmatic children, and so, Mr. Speaker, I rise this evening realizing that it has to be a continued opposition to what has to be an extreme response to the alleged interests in balancing the budget. I am a person that believes a balanced budget can occur, and, I think, can occur over a deliberative process, recognizing that health care in this country is an important aspect of the quality of life, and I want this country to live up to its traditions, its aspirations, and the image that it has around this world, and so I rise tonight particularly to attack the mean-spirited effort that is going on against the Nation's children, and I refer, of course, to the Republican budget cuts.

Mr. Speaker, the Republican plan to balance the budget would, among other things, eliminate Medicaid coverage for as many as 4.4 million children by 2002. It would deny Social Security benefits to some 755,000 disabled children, and eliminates summer job opportunities for 4 million young people, cut nutrition assistance to 14 million children, reduce child abuse protection by nearly 20 percent, and deny assistance to more than 16,000 homeless children.

Mr. Speaker, when I served as a member of the Houston City Council with citizens comprising of 1.4 million individuals, we faced the real burden and the real concern of seeing every day faces of homeless families, individuals who but for some undesirable occurrence in their life living not in cars, but under bridges with no protection whatsoever. It was certainly the extension of this Government, the McKinney Act, in fact, in provisions thereunder, that recognized that homeless children and families needed opportunities, too.

What do we do in 1995? We discard all of the progress that has been made in helping those families bridge themselves from homelessness to independence by this major budget reconciliation process that then cuts, and cuts, and cuts, and destroys, and destroys, and destroys. There is no doubt that many children will suffer if this effort is successful. That is why it is important that people who are on this side of the Mississippi River and beyond understand the very crux and crisis that we are facing.

My Republican colleagues argue that their progress would benefit children in the long run. Cutting the debt today they argue will save children from paying unbearable taxes in the future. Let me frankly say to you, Mr. Speaker, I wonder whether these children will even have an opportunity to be adults and certainly taxpaying adults for we diminish their opportunity with poor health care, Head Start being eliminated and simply not providing an opportunity for them to be educated and to bridge themselves out of poverty. These are innocent children, simply innocent victims, who will look to this country not for a handout, but for a hand up and a helping hand. Republican tax cuts would fall heavily on poor and lower-middle-income children.

Just this morning I heard a constituent citizen of the Nation calling up saying that he is tired of taxes, but he makes $28,000 a year, and he takes care of at least five persons. Well, you know what? The tax cut that Republicans are proposing would not help this gentleman. The took away his very bridge, the earned income tax credit. He will not get that anymore. He is hard-working. He is not on the dole. He goes to work every day, and he supports his family and his children, but yet when this Government could do something for him, give him an extra measure of opportunity, not giving him the opportunity to buy a television set or maybe some used 15-year-old car, but possibly providing the extra incentive that he needs, the extra light bill that he has to pay. Maybe it has gotten too cold that year or too hot that year and utilities have gone up. This is the opportunity we provide hard-working Americans under Democrats.

What we provide now with the Republican leadership and the Budget Reconciliation Act is a cut totally of the earned income tax provision. This smacks in the light and the direction of which we would want this country to go, and that is to applaud those who are working and seeking to be independent and supporting their children. These cuts will now provide us with hungry, malnourished children who cannot be expected to concentrate and do well in school. These children will prove less able to compete for good jobs with children from more affluent families.

Mr. Speaker, all children ought to be loved and appreciated, and so this is not a fight between affluent children and poor children. This is a question of our priorities. This is the question of the moral fabric of this Nation.

The Republicans plan cuts' effect on the one-quarter of the Nation's children who live in poverty would be substantial. The White House has calculated the poorest fifth of American families with children would lose an average of $1,521 a year in income and $1,662 a year in health benefits under Republicans. The simple question is: Where do they go from here? What is their alternative? What are we simply saying to them? You cannot pay your rent, so go out into the street? We cannot provide you with health care, so be part of the epidemics of measles and various other childhood diseases that will plague this Nation? There are families with average incomes of $13,325.

Furthermore, the Republicans' proposed $500 child tax credit would do little to help children in low-income households, and this becomes a real dilemma. Is anyone accusing or castigating those families who have been able to work and do well, provide for their children and not indicate that the $500 which the underlying current in that effort is to suggest that children are precious—of course we believe that children are precious, but I would simply ask, and I do not know if we have had a reconciliation on this issue, do we give it to families making $500,000 a year? $200,000 a year? Some of the suggestions have been to cap it at $75,000 a year. The real issue is the families making $30,000 a year need it as well, and the earned income tax credit is now being eliminated, so that means that we are making less precious the children of those making less money.

Mr. Speaker, I would not want to live in a nation that promotes those kinds of ideals. All children are precious. All

of them should be embraced. All of them should be given the opportunity to fulfill the highest achievement they can possibly achieve, and our physically challenged youngsters should particularly be encouraged for great things they can do, and they can do these great things as we of the Nation provide the underpinnings and the support for them as well. Families that have no Federal income tax liability after other exemptions and deductions would not be eligible for refunds. That is the earned income tax credit which helps so many of the working poor.

We talk and talk in this Congress about children and our family values, but, despite all the lip service given to children, proposed Republican budget cuts are antifamily and antichildren. For the past few months I have been fighting to prevent cuts in health care which would remove the health safety net for many Americans. These cuts were cooked up behind closed doors without discussion and an appreciation of the devastating consequences the proposed cuts would have on the very old and the very young in our society. Even in the Medicare debate simple assets such as mammograms for our senior citizens, denied and rejected. Simple opportunities to provide physicians in underserved areas, denied and rejected. What an attitude, but other kinds of cooked-up deals that smell very smelly to me, they were put into the bill, and they are moving along quite well. It really is a shame that those aspects of the bill that provide the most devastating occurrences were provided and allowed in the Medicare bill that was just passed last week, but, oh well, just as I have said, another headline, another day in the United States Congress.

But I simply say, no, these are devastating consequences proposed by the Republican majority that would have devastating impact on the very old and the very young.

Just this past weekend, as I said this morning, I had the opportunity to visit with seniors at a large luncheon provided, of course, by the city of Houston and provided under Federal funds, sometimes the only meal that these seniors would have, and off to the side an older women pulled me and said, looking sad, ''Can you help me with my utility bill?'' This is not the senior citizen that we tend to think is going to be able to survive without Medicare or Medicaid. This is someone truly on the edge, possibly on the edge of living in decent home conditions or living out on the street. It seems, however, that the debate of the past few weeks has fallen on deaf ears.

Mr. Speaker, in my district of Houston, TX, too many children are in poverty too many times. As someone who has been an advocate for the homeless on city council and those children who need well care, health care, I find that we are not listening, and I find that we allow too many of our citizens to live in poverty for we say, if it is not in front of us, then it is not before us. I would simply say it is a play on words, just as I have done. It is before us, and it is in front of us, and we are going off the edge of a cliff. I find it hard to believe that this Congress would further cut the safety net for these children.

As one doctor of low-income children has said, I see kids literally every day with asthma that has not been treated, asthma so bad that they cannot function. Do you imagine, or can you imagine, what that is like, to see a child hardly able to breathe and getting no relief, to see a child unable to attend school, the same child that you cajole and encourage their parents to get a job, but yet you are creating a situation where this child will either not live to full adulthood or live a very short life. I see kids with ear infections that have led to hearing losses, the doctor says, to the extent they are not functioning in school. We can solve these problems, but we are not doing it.

In short, Mr. Speaker, these cuts are appalling. I am tired of Members of this body giving lip service to children's needs while voting against measures which will protect children's well-being and strengthen families. As it is now when we talk particularly about the city of Houston, I can tell you how hurting this will be for us. The Harris County Hospital District, again for a lack of a better term, will simply be devastated. Already they will be suffering under the Medicare plan which diminishes their opportunity for physicians to treat these citizens as well, but this program, as we look at it during the budget reconciliation effort this week, will find that Medicare coverage will be cut for as many as 206,641 children in Texas and 4.4 million children nationwide. Currently 20 percent of our children in Texas rely on Medicaid for their basic health needs. Medicaid pays for immunization, regular checkups, and intensive care in case of emergencies for about 1,407,000 children in Texas.

That is a particular concern of mine. I worked for many, many years in the city of Houston working with our city health department to move up the well-care checkups for our children, and all the time, as a city, we constantly face the problem no money, no money, no money.

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Obviously, an ounce of cure is worth a pound of prevention. I would simply say, we are being foolhardy, pound-foolish, pennywise, however it goes; we are being foolhardy. I believe that we have to be sensible and understand that our children are our future. The Republican budget cuts Federal Medicaid funding to Texas by $7 billion over 7 years and by 20 percent in 2002 alone. The sad part about it is that it gets a wide net of our children. It denies as many as 44,070 disabled children in Texas SSI cash benefits by the year 2002. The least of our little ones are left to the wind.

So I think it is time to give some substance to lip service, and as I stand here today, I fear for the future. What we do today will determine how bright or dismal the future will be for millions of children in this country. I urge my colleagues to ask themselves, what is the legacy that the 104th Congress will leave? Will it be one our grandchildren can be proud of, or will it be one of undereducated, underemployed, malnourished, nonimmunized young people?

There comes a time when we need to be able to stand up for things that are right. Over the past couple of weeks, we have simply seen a lockstep attitude. That frightens me, and it frightens me because it leaves little opportunity for any of us to engage in real debate.

Just this past week we saw a headline in the newspaper that talked about the punitive measures that were being brought against Republicans who voted against the Republican Medicare plan. My hat is off to them. They voted for their constituents, not for their political aggrandizement. They were not worried about the last campaign or the last headline.

My call today, as we begin this process of budget reconciliation, is who will you stand for? I am going to stand for the children, working families, senior citizens, Americans. I am going to stand for those who can do better if we help them to do better. I am going to stand for these very children who are here and who would want to be saved and to be contributing Americans.

I pray, humbly so, that I can call upon my Republican colleagues, more of them, that will join the dignity, the respect, the strength, that was offered by their colleagues last week when they voted absolutely no on the Medicare, so-called, Preservation Act. Stand up again this week and join those of us who believe in our country and our children, and make sure that as you do that, you stand up and vote for our children and for our children's children, and all of Americans who are simply trying to grab hold onto the quality of life that we would pretend to have in this Nation.

Mr. Speaker, it gives me great pleasure that, as I close to yield to the gentleman from Maine [Mr. BALDACCI] who has been a great leader on many issues dealing with our children and dealing with hunger, and for his constituents in the State of Maine.

Mr. BALDACCI. Mr. Speaker, I thank the gentlewoman from Texas for yielding to me. I appreciate her very eloquent statements here today. It gives us food for thought.

Mr. Speaker, I am here today to add my voice to those of my colleagues in recognition of Domestic Violence Awareness Month. Every year domestic violence tops the chart as the leading cause of death among women. Every year more women are at risk of being

killed by their current or former male partners than by any other kind of assailant. And every year more and more children find themselves living in violent homes, often the victims of violence themselves. Mr. Speaker, we cannot allow these staggering statistics to continue.

I will be holding a domestic violence public forum in my district in the coming weeks to explore how to reduce this growing problem. At this forum I will be speaking with professionals from domestic violence and family crisis agencies who last year served over 10,000 individuals in the State of Maine. They provided 10,626 hours of crisis intervention through their hotline; 15,829 bed nights of shelter; and 14,252 hours of community education about the horrors of domestic violence. While we are fortunate that such facilities exist to help us cope with the massive numbers in need of assistance, it is unfortunate that such facilities are needed at all.

We need to continue funding such legislation as the Violence Against Women Act. We need to continue supporting law enforcement and family crisis agencies in their efforts to create community based responses to coping with domestic violence. We need to continue to train health care professionals to recognize and respond to domestic violence. And we need to continue to educate men and women alike about the evils of domestic violence, reminding them that no one asks to be the victim of domestic violence, no one deserves to be beaten while in the supposed safety of one's own home.

Working together, we can create a society where there is no longer a need for shelters, for hotlines, or for domestic violence counselors. Until that time, however, we must continue to work to break the silence surrounding this issue, and to address the critical needs of battered women and their children.

In closing, Mr. Speaker, again I want to thank the gentlewoman from Texas [Ms. JACKSON-LEE] for yielding the time to give these remarks in regard to domestic violence and Domestic Violence Awareness Month, and applaud her efforts in bringing more attention to the overall budget reconciliation and what is going to be happening this week in the House. I want to thank the gentlewoman.

Ms. JACKSON-LEE. I thank the gentleman from Maine for his very important statement, Mr. Speaker. He is joining in with many of us in adding to some of the problems with the Budget Reconciliation Act. Mr. Speaker, let me applaud him for that, and add, as well, my comments on domestic violence. It is a crisis, and for any diminishing of the domestic violence funding, we are again doing something extremely tragic to this Nation. I will add my comments on this issue for the RECORD and expand on such.

THE RECONCILIATION BILL

The SPEAKER pro tempore (Mr. BLUTE). Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, I am delighted to be here tonight with my colleague, the gentleman from the Keystone State of Pennsylvania [Mr. JON FOX], to talk a little bit about this reconciliation bill that we are going to vote on here in the next couple of days. The debate will begin tomorrow. It really is a historic time in American history.

I note that some of my colleagues from the other side of the aisle have had pictures of children with them tonight to show. When we were sworn in as new Members of this body, we were given essentially two things. One is this nice little card case that included our voting card, and which some have said is the most expensive credit card in the world, because on this credit card our predecessors have run up something like $4.9 trillion worth of debt on our children and grandchildren.

I put into my little card case three of the most important people in my life, and they are my three kids. They are all teenagers, and some people would say that teenagers are difficult, and all the things about teenagers you have heard. Some of it is true, but in truth, they are really the inspiration to me about what this is about and what our real responsibilities are.

I carry those picture of my kids with me, because I think when we talk about reconciliation, we talk about the budget, we talk about balancing the budget, we really are talking about what are we going to do for future generations of Americans, what are we going to do on behalf of our kids.

I would like to, before we really get into this, and I want to yield to my colleague, the gentleman from Pennsylvania, remind my colleagues and some of the folks who may be watching this special order on C–SPAN of a quote, and we have heard a lot about children, but one of my favorite quotes is from one of our colleagues over in the Senate, representative PHIL GRAMM from the great State of Texas. He has said many times that we will hear, especially in the next several days, that this is a debate about children. It is a debate about how much we are going to spend on education and how much we are going to spend on nutrition, how much we are going to spend on medical care.

The truth of the matter, Mr. Speaker, this is not a debate about how much we are going to spend on children or how much we are going to spend on education or how much we are going to spend on health care. This is a debate about who is going to do the spending. We know government bureaucracies and we know families. Some of us on this side of the aisle, at least, know the difference. So the debate is about who is going to do the spending.

We are talking about balancing the budget for the first time in 25 years, and really, it is about future generations, because historically, and I do not know, you probably do not represent as many farmers as I do, I would say to the gentleman from Pennsylvania [Mr. FOX]——

Mr. FOX of Pennsylvania. We have our share.

Mr. GUTKNECHT. Back in my district, it is fairly heavily agricultural, and those who do not actually live on farms are not far removed from living on the farm, and they understand this, that historically what Americans wanted to do was to pay off the mortgage and leave their kids the farm. But what we have been doing as a society and what we have been doing as a government, what this Congress has been doing for the last 40 years, is we have been selling the farm and leaving our kids the mortgage.

I think we all know, deep down in our bones, that there is something fundamentally immoral about that. For the first time in 25 years, as we approach this reconciliation, we are going to do something about that. I think it is a very historic moment. Frankly, the people who should be the most enthusiastic about this are young people, because it is their future that has been mortgaged. I think it is important, that step we are going to take.

Mr. Speaker, I yield to the gentleman from the great State of Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding. He has been at the forefront in our freshman class in this 104th Congress in identifying those issues that are most important to Americans, and one of them is to make sure we achieve a balanced budget, without forgetting that we have human concerns to be addressed; that what we want to see is elimination of waste in the Federal Government, but using the moneys we have in the Government to make sure we take care of children, that we take care of working families, that we take care of seniors. We can do that. By having a balanced budget, I believe what we are on the threshold to achieve is to make sure we lower housing costs and in fact balance the budget.

We have heard from the National Association of Realtors that the average 30-year mortgage will drop almost 3 percentage points; that if we balance the budget, we will be lowering car expenses about 2 percentage points lower than they otherwise would be. We will be lowering the cost of college for students. Student loan rates will be 2 percentage points lower because we have balanced the budget. A college student who borrows, for instance, $11,000 at 8 percent will pay almost $2,200 less in schooling costs.

Mr. GUTKNECHT. That's $2,200 less if we balance the budget?

Mr. FOX of Pennsylvania. Finally, after 22 years.

Mr. GUTKNECHT. These are college students. We are talking about changing the rules slightly, so some may have to pay $7 more, but over a net basis they could be spending over the life of the loan over $2,200 less, just because we balance the budget?

Mr. FOX of Pennsylvania. Absolutely. And another thing that is important to senior citizens, what we are going to do under this legislation is be able to roll back the unfair taxes applied in 1993 for Social Security recipients. We will also be able, for the first time under this legislation, Mr. Speaker, be able to in fact allow seniors who are under 70 who want to continue earning money through a job, they are now capped at $11,200. Under our legislation they can make up to $30,000 a year without deductions from Social Security.

Under Medicare plus, not only will they have the options of having traditional fee-for-service, but you will also have the managed care option, the Medisave accounts, and be eliminating the fraud, abuse, and waste, which is $30 million, Mr. Speaker, we will be able to make sure that those funds go back in the Medicare lockbox for improvements in the health care system, so our senior citizens will have the health care dollars that they want.

Mr. GUTKNECHT. So with the lockbox, we are not using any funds for the Medicare savings and reform, we are not using that for the tax cut?

Mr. FOX of Pennsylvania. Not for any tax cut, not for any government program. It must go back for senior citizens, for their health care.

Mr. GUTKNECHT. Into the trust fund?

Mr. FOX of Pennsylvania. Absolutely.

Mr. GUTKNECHT. You understand that, I understand that, and I think everybody on the other side of the aisle understands that, yet there has been an awful lot of disinformation and misinformation spread in the last several months.

Mr. FOX of Pennsylvania. The fact of the matter is Medicare is very important. It was the President's trustees just in April, Mr. Speaker, that came out and said if in fact we do nothing by the year 2002 Medicare will be out of business, so to do nothing would be irresponsible, whether you are Republican, Democrat, whether you are in the House and Senate, or you are the President. Everyone agrees we must do something to improve the system.

I think by reducing the paperwork costs, which have been 12 percent, by eliminating $30 billion a year in fraud and abuse in the system by the providers, and by making sure that we have a streamlined system that offers options to seniors, so they can have managed care if they want to have things like prescriptions filled and eyeglasses included, they can design their own health care program. I think that is what the objective here is, to make sure seniors have the independence. People are living longer, and we want them to live better.

Mr. GUTKNECHT. In fact, what we are really trying to do is convert the seniors from being consumers of medical care into being buyers of medical care. We are trying to use market forces, give them more choices, do some of the things that are working in terms of the private sector right now.

We know on a national basis right now health care inflation in the private sector is running about 1.1 percent. That is what it is running in the State of Minnesota, about 1.1 percent in the private sector, but then on the government-run side of the health care expenditures, it is running 10.4 percent. You do not have to be an MBA from Wharton in the State of Pennsylvania to understand that if we can take some of those ideas and use market forces, give people more choices, offer the option of managed care, medical savings accounts, preferred provider networks and some of the things that are working so well in the private sector, if we give them those choices, we can dramatically reduce the overall cost of health care, give people more options, give people more choices, and I think in the long run give them more services than they currently get, and control the cost so we eliminate some of the waste, fraud, and abuse that is currently in the system and everybody wins except some of those providers that have been gouging the system.

Mr. FOX of Pennsylvania. I thank the gentleman for the recognition.

And the ones who have been gouging the system, under the legislation which we have cosponsored, not only do those providers who have been violating the law face a 10-year jail sentence, but they will not be able to participate in the system any longer, because they will have violated the Medicare law which says you can no longer participate if you have in fact violated the fraud and abuse statutes that are in the bill.

Mr. GUTKNECHT. In fact, and I think we need to be honest, because under our plan, the total cost to the average senior citizen may go up by as much as $7 more than under the President's proposal. That is $7 a year. When I have had a chance, and I do not know if you have had a chance to talk to some of the seniors in your district, when I explain what they are going to get for their $7, with all the options, with all the choices, with better managed care and hopefully better services available to them, when I explain that to them, and that the real benefit is we not only save the system, we do not just patch it up to get through the next election, we are trying to save it to get to the next generation. This is really about generational equity.

When I explain that to my senior citizens and they hear all the facts, they say ''What are these people grousing about? This is a great deal. This is what you should be doing. We are delighted you have the courage to finally step up to the plate and do what needs to be done with Medicare.''

Mr. FOX of Pennsylvania. Prior Congresses have said ''We know Medicare is in trouble, but we will get around to it sometime.'' But frankly, there is not anyone who wants to make sure that we want to take care of the system for our seniors more than the people who are here. We were sent here, and many of the senior citizens in our district have said ''Save Medicare, make it work.'' Believe me, what I like about the bill now that was not in the original bill, I would say to the gentleman from Minnesota [Mr. GUTKNECHT], is the lockbox feature, making sure all the savings go back to Medicare, and the fraud and abuse statutes, which will finally, for the first time, go after those who have violated the law and stop them from participating in the system.

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You only have to read the Reader's Digest September issue to see the litany of cases where people have violated the law, have in fact gotten away with it, because we do not have a government system now that will enforce existing laws, or have sufficient penalties to discourage the waste and abuse in Medicare. $30 billion a year. It is a remarkable, unbelievable item.

Frankly, if we had run this system of Medicare in a private industry setting, we would have made the changes we are now doing 10 years ago so the system would have worked. Although now, I should think seniors need to know that the restrictions that are being placed on the system are to providers and not to seniors.

We are saying to the providers, you must give quality health care at a fair price to the Government. We are not going to change one iota in the quality of care for our seniors. That must be held to the highest standard possible, or else they will not participate in the system any longer.

Mr. GUTKNECHT. Well, the whole key of service networks, provider service networks, PPO's, HMO's and the other forms of managed care has been to put some kind of a manager in place to help control these costs so that we do not have the waste, fraud and abuse, and frankly, we do not have the unneeded tests and services that are out there. Right now we have a system, and I think most people who participate in the system, including many senior citizens, understand that there is an awful lot of waste, an awful lot of fraud and abuse.

We have had 33 town meetings on the subject, and again, I am surprised sometimes that our colleagues on the other side of the aisle say, we have not had enough meetings. We have literally had thousands of meetings with all kinds of people. We have talked to providers and insurance companies; we have had meetings with seniors.

Most of us have had anywhere from 10 to 40 town meetings. I have had 33,

and at one, the whole issue of waste, fraud and abuse comes up. However, the problem has been with the old system and the way it exists today, it was like it was nobody's money, and if a senior complains and says, wait a minute, I did not get this particular treatment or service or whatever, the attitude was, what are you complaining about? It is not your money.

It has sort of been that attitude that I think has become almost a cancer on the entire Medicare system. If we can begin to change those attitudes and if we can make people more responsible, if we can put managers in place to help control costs, we can save the system, we can reduce costs dramatically.

As a matter of fact, if anything, I think we are being entirely too timid in the total budget targets that we are looking at for the next 7 years. Even assuming that only 25 percent of the seniors get involved in various forms of managed care, and that is what the CBO estimates, we can save the system, not just for the next 7 years, in my opinion, but we can save it for long into the 21st century.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentleman would yield, I think it is important to make sure that the Medicare bills and anything dealing with the Government is in plain English.

Many of my seniors come to me and say, I would like to help you out and eliminate the fraud, abuse and waste, but if it was in plain English it would help, so that I know the data service and what was supposedly given to me. Because I have had the same kind of stories that the gentleman from Minnesota [Mr. GUTKNECHT] has had, where seniors have told me, well, I got charged for a service, but I did not receive it, or I got charged for it twice.

Mr. Speaker, what is good about this legislation is that those seniors that report fraudulent or over-charged items over $100, they will be able to participate in the savings, so hopefully there will be an economic incentive to make sure the system works.

Mr. GUTKNECHT. Mr. Speaker, we do want to give them an incentive to say, wait a second. We had a lady who said she had been billed $232 for a tooth brush. Those are the kinds of things that are just outrageous.

Mr. FOX of Pennsylvania. In Minnesota, you have to bring those prices down.

Mr. GUTKNECHT. We cannot afford that, we cannot afford to pay for cataract surgeries which were not performed. Those are the kinds of things we have to stop, and if we can do that, we can save the system.

Mr. Speaker, let us talk a little bit about the bigger budget as well, because Medicare is certainly a part of it. One of the things that I have been proud of, and the gentleman from Pennsylvania [Mr. FOX] and I came together as freshmen as part of this historic 104th Congress. The great thing, it seems to me, about this Congress is we have not dodged the bullet, we have not ignored the big problems, we have stepped right up to the plate and started on day one, when we changed the way Congress does business, when we downsized the committee process.

The very first bill that we voted on in this Congress was H.R. 1, the Shays Act, which says, Congress is going to abide by the same rules that we impose on everybody else. Mr. Speaker, on every step we have stepped up to the plate.

Many times our critics have said, well, you did that, but you will not do this. Well, then it came to the budget and Medicare and changing the way that Congress does business, we have stepped up to the plate, and frankly, I think we as freshmen have to take at least some of the credit for that, because we forced our own leadership, and I feel good.

We look at this budget reconciliation and I think if we take it item-by-item, because it is a big package, and it includes, frankly, several things in it that I do not particularly like and I wish I did not have to vote on. However, when you look at the big picture, if you wait until all the lights are on green, you are never going to leave the House.

Mr. Speaker, for too long the Congress has basically taken an attitude that well, yes, we would balance the budget, but it would mean that we might have to cut back a little bit on military spending. It might mean that a military base in my district might have to close. I would really like to balance the budget, but I do not want to make any restrictions here. I really want to balance the budget, but I do not want to tackle Medicare head-on. I really want to balance the budget, but I do not want to deal with this problem of Medicaid. I really want to balance the budget, but.

We have had all of these ''yes, buts'' for the last 30 years. The good news about this Congress is we are moving ahead despite some of our personal concerns about particular items that are in this budget. So we are stepping up to the plate, we are not allowing the perfect to become the enemy of the good.

The bill that we are going to vote on here in the next couple of days, in my opinion, I have to say is not perfect. There are several things in this bill that I wish were not in the bill, but on the other hand, if we wait until all of the lights are on green, we are never going to leave the House, we are never going to get started down the part to a real balanced budget.

Mr. Speaker, as the gentleman said earlier, the real benefactor of a balanced budget are not the rich, it is actually middle class and lower middle class people. It is children, it is families.

Mr. Speaker, earlier, one of our colleagues, the gentlewoman from Texas [Ms. JACKSON-LEE] said something about a family at $30,000 was not going to get this benefit. Well, I am sorry, but I think that is absolutely wrong. If they have three children, they earn $30,000 a year, they are going to get a $1,500 a year tax credit.

Now, obviously you are rich, $1,500 may not seem like much. If you earn $30,000 a year, $1,500 is a lot money, and they are going to get that under our tax plan.

Mr. Speaker, I want to yield to the gentleman from Pennsylvania in a minute, but I want to talk about that average family that earns $30,000 a year, because there are a heck of a lot of them, not only in my district but all across America.

In 1950, that family was paying about 4 percent of their gross income to the Federal Government. This year, they will pay about 24 percent of their gross income; and I do not think anybody in this Congress or anybody in the United States can argue that that family is really better off because they are giving six times as much as they were giving in 1950 to the Federal Government.

That is part of what this debate about reforming and downsizing the Federal Government and reducing a family's taxes is about.

So when people talk about giving these big tax cuts to the rich, the truth is they are not being very honest with the American people. Because the broad base of this tax cut will go to families, in fact, 74 percent will go to families earning less than $75,000. This is not about a tax cut for the rich. This is about a tax cut for the middle class. It is about helping families. I think it is time we stand up for families here in the United States Congress.

Mr. FOX of Pennsylvania. Mr. Speaker, I would have to agree with the gentleman, if he will further yield.

Mr. Speaker, the gentleman has been working overtime, I would have to say, in trying to help us fashion here for the 104th Congress and the reform-minded Members, and I have been pleased to work with you on just these issues.

Balancing the budget, as we said earlier, will not only help working families provide opportunities for jobs, opportunities for decreased costs of purchasing a car, of paying for a mortgage, but the tax reform issues that are before the Congress this week will, besides the way we talked about helping seniors by lowering taxes for working seniors and providing more seniors with long-term care coverage, our bill provides incentives for employers to offer to their employees and for individuals to purchase long-term care health insurance.

Children who are adopted into families, there is a $5,000 tax credit to help defray adoption expenses.

We also have in the legislation what I think will help increase savings and increase the opportunity for businesses to grow, produce and hire, decreasing the capital gains tax. This is for small businesses.

Mr. GUTKNECHT. Could I talk just a little bit about the capital gains taxes.

Mr. FOX of Pennsylvania. There is a lot of misinformation about that, I believe.

Mr. GUTKNECHT. Absolutely. When they talk about the tax cut for the rich, many times they are talking about the capital gains tax. But the truth of the matter is, and they know this, this is according to the House Budget Office, 44 percent of the people who get stuck paying a capital gains tax in the United States are rich for 1 day, the day they sell their farm, the day they sell their business or the day they sell some other investment that they have, in many cases, been paying taxes on for many years. So, in many cases, this is ridiculous.

And I think every economist that I have read in the last several months agrees that the United States has among the highest taxes on capital and on investment of any industrialized country in the world. If we are going to compete in the world marketplace, we have got to reduce our cost to capital.

You can argue, that, yes, the rich will benefit because they pay lower capital gains tax; but the real benefactors are those people out there looking for jobs. Because we hope, as people invest more, we are going to create more capital, more business, more production, more jobs.

So the real issue is, how do you create more jobs, a world-class economy as we go into the 21st century? I think lowering the cost of capital gains is a very important tax cut.

We are now joined by our colleague from the great State of Georgia, Mr. KINGSTON, and I would be happy to yield to him a few minutes.

Mr. KINGSTON. Mr. Speaker, I certainly appreciate that.

I wanted to follow the train of thought of the gentleman from Minnesota [Mr. GUTKNECHT] on this capital gains tax. I represent an area that is a big growth area and, actually, a lot of waterfront property. I represent the entire coast of Georgia. One of the things that I found is that you have a lot of people who moved out toward the coast 30 years ago to escape the city or just to kind of get closer to the marshes and the ocean and so forth. And now they are empty-nesters, in many cases widows living in those houses now that maybe in the 1950s they paid $25,000 for, probably a lot less than that, actually. Now they are worth $500,000. But that widow who is out there on a fixed income cannot sell it, because she would be taxed as if she was making $500,000 a year.

So when we talk about the capital gains tax cut and reduction, who is it going to help? It is going to help a whole lot of people like that widow on the fixed income. And, certainly, in terms of job creation, the numbers are incredible in terms of people investing money and turning around.

I do not know what it is about this administration that they seem to have a class war fetish: If you are rich, if you are successful, if you have done something, if you live the American dream, you are horrible as far as the crowd on Pennsylvania Avenue goes. I wish I had that Ted Turner, Steve Jobs, Colonel Sanders entrepreneurial genius. I love it. The fact is, we all do not have it.

However, think about all of the people who have gotten jobs because those entrepreneurs put the dream, put the money, put the material, put the product together and made a heck of a lot of people happy through the use of those products. Yet the administration cannot get enough of rich bashing and class warfare.

Mr. FOX of Pennsylvania. Mr. Speaker, if I could just add on to what Congressman KINGSTON just said, and I appreciate his joining us for this discussion on the issues of the day.

Frankly, by having the capital gains tax reduction, which is even greater for individuals than it is just for businesses, 19 percent for individuals and 25 percent for businesses, by creating those jobs, which are private sector jobs, as you were pointing out. If we do not give entrepreneurs and those great creators of new ideas the chance to build those new businesses here and provide jobs for our constituents, then those people can go overseas to countries that would gladly, with open arms, take them.

Let us make sure we do what you were talking about, Congressman KINGSTON, get those capital gains tax incentives there for businesses to grow, produce and hire. Therefore, we do not have the dependency on more jobs in the Government-sponsored positions, which do not necessarily help the economy and do not necessarily provide the kinds of improvements to our society and the new impetus to expansion that really is the vitality of America.

Mr. KINGSTON. That is right. There is so much in this reconciliation package that will bring us towards business prosperity and the creation of new jobs.

This is the first time I believe in 25 years that we have had a balanced budget to vote on on the floor of the House; and it is something that President Clinton, June 4th, 1992, pledged to the American people on Larry King Live that he would have a balanced budget, a 5-year plan, when he was president. So we clearly have bipartisan support on it. Now, I understand that the President has somewhat backed off of that promise, and he is not the first member of either party to do so.

Now is the time for everybody to come to the table and say, if you are interested in a balanced budget, if you are interested in turning this thing around, now, probably the month of November, is maybe one of the most critical months in terms of legislative history in our country in the last 100 years.

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Mr. GUTKNECHT. The people who care about this, I think it is important in the next week or two that they contact their Members of Congress, and tell them, ''We've heard one excuse after the other. The time has come, we've got to stand up and say, enough is enough, it's time to balance the budget, let's keep your promises.''

If it means you have to limit the growth in entitlements, then so be it. If it means you have to put a flexible freeze on defense spending, then so be it. If it means that you have to make some changes in the way Congress has done business over the years, then so be it. But you cannot use all of these, ''Well, I would balance the budget except.'' The yes, buts. I think that has to change. I think that is what the American people want, that is what they tell us. Frankly I hope they will call, I hope they will write and let their Members know that the time has come to bite the bullet. We have met the enemy, the enemy is us, let us balance the budget and let us do it now.

Mr. KINGSTON. That is right. This is a debate that is an American debate. Everybody needs to be involved in this. It might be a little more exciting right now to be watching that baseball game that is being played in Cleveland, but this is something that is going to keep everything afloat. I wanted to switch gears a minute to welfare, because so much of H.R. 4 is still in this budget, and it is the welfare reform plan. As you know, we have 4 basic goals with welfare reform—discouraging teenage pregnancy, a work requirement so that those who have the ability are required to work, State flexibility, because we may do it different than you guys do it in Minnesota and in California and in Pennsylvania, Georgia may want to do something a little bit differently; and then the fourth and final component of welfare reform is no benefits to illegal aliens. The gentleman from California I see is on the floor. He knows there were 37,000 babies born in Los Angeles County, CA last year whose mothers were not American citizens but as soon as they were born, they had dual citizenship and were entitled to $620 a month in California welfare benefits. We want to help the folks who are here, the needy, but if you are not an American, what we want to do is give you immediate medical attention, then get you home, because we do not want somebody who is just coming here for the benefits.

I have a welfare case that actually I became familiar with yesterday that I am watching closely. This is a typical case of the things that are out there.

I am not going to say which city this is in, I am not going to say the name of the family, but this is a real situation, two girls living with a surrogate father. The father is actually the common-law husband of their biological mother. The biological mother is addicted to crack and not living at home anymore. She only comes by occasionally to steal things. One occasion, when the common-law lover did not give her money, she threw potash in

his eyes and blinded him, so he is not on disability.

The two girls are on disability, or SSI because their biological father was killed when they were toddlers. They also have a brother who is in jail right now, he is 20 years old, sentenced for 7 years on a number of charges. He is from the same biological mother but has a different biological father, but that father was killed when the boy was 1 year old.

One of the girls is 18. She is in 10th grade. The other girl is 15. She is in 8th grade. The 18-year-old 10th grader, which is the year she should be graduating from high school, as you know, has a 2-month-old baby.

Why do we need flexibility in welfare? Because the case that I have just given you is absolutely true, not embellished a bit. If you got confused, it took me a long time to realize it, but that welfare caseworker is trying to help these folks become independent, give them hope for tomorrow. He may need a little more flexibility than people in Washington, DC, are saying that he can have. We want to give them that flexibility.

More importantly, the bureaucrat in Washington who is telling the caseworker in Georgia what to do is commanding a salary and not a small salary but a large salary. I want the bureaucrat in Washington to lose his job and give that money back here so that we can get these folks in the socioeconomic mainstream. They are going to need a lot of help, some psychological help, some medical attention, some extra tutoring in school. This is a bigger problem than these kids and this family can get out of by themselves.

We need to have the compassion to help them. Yet, most importantly, that caseworker has to have the flexibility to do what works to get these folks independent

Mr. GUTKNECHT. But what we do not need is a bureaucratically centralized system that is centered here in Washington, DC. We need to get it out to the local communities where they understand the problems and they can help.

But I think also an important point when you talked about welfare reform and you talked about the goals, we have got to emphasize work, we have got to emphasize families, and we have got to emphasize personal responsibility. Because the system that we have today tends to consume the participants. You do not have to go very far from this building to see the results of spending over $5 trillion over the last 30 years on the war on poverty. We know right here in Washington, DC, for example, with the federally run housing projects.

I learned this just last week. I am on the Washington, DC, Oversight Subcommittee. Eighty percent of violent crime in the city of Washington, DC, is committed within two blocks of a Federal housing project. You can see it every day. You can see it in the hopelessness, the despair, the dependency that we have created with the Federal programs; and we have got to decentralize it, not just because it saves money. This is not just an exercise. This is not about saving money as it is about changing the system to help save people. The system we have today is wrong, it is destroying the participants, and it needs to be changed. If we really care about those people, then we will have the courage to reform the system we have now.

Mr. KINGSTON. I want to make one point, also.

I am on the Washington, DC, oversight on the appropriations side. The gentleman from Virginia [Mr. WOLF] and the gentleman from Virginia [Mr. DAVIS], the chairman, have offered kind of a cleanup Laurelwood, the Laurelwood Prison, which I understand that when people go to Laurelwood Prison that most of them have already been there. Absolutely no one comes out rehabilitated. What is seems to do is be a criminal think tank rather than any sort of positive rehabilitation facility.

While we are looking at things in Washington, DC, that is one more example of things that we have just got to change to make this Congress make a difference.

Mr. GUTKNECHT. And it is going to take some courage, because some of our friends on the other side are going to argue if you change welfare you are going to hurt people. I think some of us should argue unless we change welfare we are going to destroy even more human beings.

I want to yield to our colleague, the gentleman from California [Mr. RIGGS]. I am delighted to have him join us tonight for this special order.

We are talking a little bit about reconciliation, balancing the budget, some of the things that it is going to take, some of the tough votes it is going to take in the next several days if we are really serious about balancing the budget.

I yield to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. I thank the gentleman for yielding. I especially thank him for organizing this very important special order, and I thank the gentleman from Georgia for his participation and leadership, because I have had the opportunity to witness him down on this floor after hours participating in special orders over the last several weeks. He has been a very important member of what we call our theme team as we endeavor to get our message out to the American people and expose the scare tactics and this whole smoke screen of fear and deception that has been thrown up by the minority party.

I had to hustle over here, and it is unfortunate because I did not get here in time to catch the gentlewoman from Houston, TX, who had earlier tonight the audacity to stand over there on the other side of the aisle and say that we were going to completely eliminate the earned income tax credit.

As I said on the floor a few weeks ago, no matter how long I serve here, I do not believe I will ever be cynical enough to keep up with official Washington and this notion that you can literally say or do anything in this body and in the realm of Washington politics and not be accountable for what you say or do.

Really, I ask my colleagues, what is more mean-spirited or more extreme, the majority party that wants to responsibly govern and in the process give us the first balanced budget in 25 years, reform a failed welfare system that traps too many of our people in poverty and leaves too many of our young people far behind their peers, a majority party, as we proved last week, that is absolutely committed to saving and protecting Medicare for future generations and making that fund, both Medicare part A and Medicare part B, solvent well into the next century and a party that wants to cut taxes, that wants to undo the tax increase that was imposed upon American families and American businesses by the last Congress, the Clinton Democratic tax increase?

In fact, if you look at how much the Democratic party, which was the majority party in the last Congress, increased taxes, you will know pretty much how we arrived at the figure that we want to use for providing tax relief. The two figures are roughly similar.

So what is more extreme or mean-spirited? Our approach to responsibly governing as the new majority in the Congress for 9 months or those people on the other side of the aisle who apparently are unable to accept their status as the minority party, unable to make a constructive contribution in that capacity, report to these constant scare tactics and this whole fearmongering campaign that panders really to the worst instincts in the American people, actually encourage the American people to be cynical and suspicious of their elected representatives?

I want to set the record straight, because this is a terribly important issue. It is been demagogued all over this town in recent weeks. I want to talk just for a moment about the earned income tax credit.

Mr. KINGSTON. I want the gentleman to do one thing, define earned income tax credit, because I know there are a lot of people like myself unfamiliar with this.

Mr. RIGGS. I thank the gentleman for asking that question, and I thank the gentleman for continuing to yield.

I want to point out that when we take up budget reconciliation on this floor in a couple of days, it will be Thursday of this week, that several of us intend to enter into a colloguy with the gentleman from Ohio [Mr. KASICH], chairman of the House Committee on the Budget, and the gentleman from Texas [Mr. ARCHER], chairman of the

House Committee on Ways and Means, who will be managing that very important bill out here on the floor.

The purpose of the colloquy is going to be to ensure that we get language in the CONGRESSIONAL RECORD that will protect every American family. That is to say, we have worked long and hard and both chairmen, I believe, have agreed to engage in a colloquy that will assure the American people that no family will be worse off as a result of our efforts to reconcile and balance the Federal budget and almost all American families will be far better off as a result of our reducing taxes on American families through the $500 per child tax credit.

Remember, this is a tax credit that comes right off your bottom line in terms of your tax liability on your Federal tax return. For a family of four, the tax credit works out to a $1,000 per year tax break.

In fact, a couple of months ago, I was doing an editorial board back in my district, meeting with the editors of one of the daily newspapers in my district and this rather liberal assistant editor asked me, ''Well, what's in it for me, this $500 per child Republican tax credit?'' I said, ''Do you have any small children?'' And he said, ''Well, as a matter of fact I have two very young children.'' I said, ''I'll tell you what's in it for you, a $1,000 tax break for those two children each and every year until they reach the age of 18.''

Mr. GUTKNECHT. It is $1,000 to them. It is not a $1,000 deduction. This is a credit.

Mr. RIGGS. That is right. It is more of their hard-earned money that they keep, that they decide how to spend.

Mr. KINGSTON. Did you tell him he did not have to take the $1,000 and buy more food and clothing? He could send it to the ACLU, the American Civil Liberties Union.

Mr. RIGGS. I did not, but I could see his eyes widen as he realized what we were talking about. I daresay that gentleman would probably object to being described or depicted as a wealthy or rich individual.

The fact of the matter, and I want to get to the earned income tax credit in just a minute, but I want to explain that most of our tax cuts or tax relief go to middle- and lower-income families. If anyone on this side of the aisle takes issue with that, I defy them, come over now and we will debate this particular issue. Because the facts bear us up.

Let me stress again that the $500 per child tax credit will eliminate Federal income taxes for those families making less than $25,000 per year in adjusted gross income. You might call those families working poor or very low-income families, and the $500 per child tax credit will completely eliminate the Federal tax liability for those families, which are roughly estimated at 4.7 million American families.

So we talk about being heartless. We are accused of being heartless on this side of the aisle. Is anyone on that side of the aisle so heartless that they will come over here now and tell the American people and tell those 4.7 million working poor, very low-income American families, that they are not entitled to the $500 per child tax credit for their dependent children? I do not think that will be the case.

Furthermore, our $500 per child tax credit means those making between $25,000 a year and $30,000 a year in adjusted gross income will have their Federal taxes cut in half. So the majority of our tax cuts go to families that, by anyone's definition, even I daresay the objective, honest definition of those on the other side of the aisle who desperately want to demagog this issue, desperately demagoguing Democrats I guess you would have to call them, they would have to acknowledge this: The great majority of our tax breaks go to low- and middle-income families.

The gentleman asked an important and pertinent question about the earned income tax credit.

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Let me just point out to him that spending on the earned income tax credit has increased 1,000 percent. You heard me right: 1,000 percent over the last 10 years, making it the single fastest-growing entitlement in the Federal Government.

When Ronald Reagan described the earned income tax credit as ''the best antipoverty program ever devised,'' it cost $2 billion a year and gave a modest tax rebate to low-income working families with children. Sounds very much like our $500-per-child tax credit, does it not? Except, again, ours is a tax credit. You can actually keep that money. You do not have to wait for a rebate from the Federal Government.

Mr. KINGSTON. Let me speak to that for a second. Is the gentleman aware on the earned income tax credit you can prefile before you have actually earned the money?

Mr. RIGGS. Yes. That is my understanding.

Mr. KINGSTON. In January you can get the tax credit on work you have not done. Then if you do not do the work, as I understand it, there is no mechanism for collecting that money.

Mr. RIGGS. That is exactly right.

The point I wanted to make, this program has actually exploded in cost and growth. I mentioned it has grown a thousand percent over the last 10 years in real dollars. That means it has grown from $2 billion a year in spending to offset the earned income tax credit to $20 billion a year. It gives a large cash rebate to people who do not even have kids.

So we want to target our tax relief to families. We want to strengthen the American family. The question is not about, you know, it is not the good old class warfare politics, the politics of envy. It is not about where we establish that income threshold, although that is, you know, as to where to cap the $500-per-child tax credit, even though that is a matter of ongoing discussions between the House and the Senate. The real issue is kids and families, and that is where we want to emphasize our efforts at tax relief, and as the gentleman from Georgia points out, the earned income tax credit is a program which today is riddled with fraud and has error rates that far outstrip those benefits.

Mr. KINGSTON. I wanted to say one other thing about this. You know, we have this frank privilege, the franking privilege, which is a fancy way of saying Members of Congress get free postage by signing their name where the stamp would be. Not long ago I saw a flier that was a franked mailing of one of our colleagues, and it looked like a lottery. It looked like Readers' Digest sweepstakes. It said in bold print, ''The government has some of your money. Call us. Come get your check now.''

I looked it over. I mean it really looked like a Readers' Digest sweepstake. What the Member of Congress, with taxpayers' dollars, was sending out was a franked piece saying, ''Come get your earned income tax credit. Come get it right now. It is free money''. And it was franked to every single person in his district.

Mr. RIGGS. If the gentleman would yield again, I happened to see that. I believe actually that was a recommended ploy in the last Congress, let us be honest about it.

Mr. KINGSTON. So why would you want to give away that? You know, hey, you see me; you are giving out money. I mean, of course, it would not be my money, and it certainly would not be money of a Member of Congress. They way this was, is, ''I am going to get you your money.'' And you talk about appealing to the basest instincts of people. It was just a horrifying flier. But to think that that was sent out at taxpayers' money just is disgusting.

Mr. RIGGS. The gentleman makes a crucial point because I will be happy to point out, as I will be happy to debate with our colleagues on the other side of the aisle, we actually propose to increase spending in its 7-year House-Senate balanced budget plan, what is now going to be incorporated into the budget reconciliation plan. We propose to increase spending on Medicare, Medicaid, welfare, the earned income tax credit. But we are reducing the size of those programs because at the same time we are trying to help people who have traditionally been dependent, in many cases, for several families, going back several generations. We are trying to help people make the transition from government dependency to independence and self-sufficiency, and, yes, we are looking long and hard at all Federal taxpayers, which subsidize dependency, but the fact of the matter is we are increasing spending. I want to make sure the American people, seeing us tonight, understand clearly that in the last Congress when the Democratic

Party controlled both Houses of the Congress, and obviously we had a Democratic President and a Democratic administration, they raised taxes by $258 billion, the largest tax increase in history.

Actually, the President tried to raise taxes even more. He originally proposed $359 billion in new taxes. So it is not quite true that he had to actually increase the amount of new taxes because of the ability to get any Republican votes on this side of the aisle. The reality is he proposed a much higher figure in new taxes, $359 billion, as I say, then came back down to $258 billion in new taxes.

Our tax relief package, as it is currently crafted right now, is $245 billion in tax relief. And why? Because none of us, in fact, probably no one on that side of the aisle has ever had a constituent come up to them at a town hall meeting or, for that matter, any other public appearance, and say, ''You know, Congressman, I'd really like to pay more taxes. I really believe we are an undertaxed society.'' That is obviously not the case. We have 42 percent of our $6 trillion gross domestic product going to taxing authorities of one kind or another, local, State, Federal. We are trying to provide a little tax relief, again especially targeted to families.

Mr. KINGSTON. Last week, the President said he went too high, and he is now on record saying he raised taxes too much. So, you know, hopefully we have got an ally.

Mr. GUTKNECHT. I think I have that quote. That was a week ago tonight down in Texas. He said, ''I think I raised your taxes too much,'' and, you know, that said it all. We agree. There are two questions we talk about taxes that I think are so critically important that do not get asked very much in this town. The first question is: Whose money is it in the first place? The second question, more importantly: Who can spend it more efficiently? I think the average American family knows the greatest health and welfare system ever created is the American family, and what we are really trying to do is strengthen families, improve the economy, create more jobs, so more people can be self-reliant. The real answer is not more welfare checks. The real answer is more payroll checks. That is what we want.

I am delighted to have the gentleman from Arizona [Mr. SHADEGG], a fellow freshman of mine, to join us, and I yield to the gentleman. We are talking about budget reconciliation, balancing the budget and related matters.

Mr. SHADEGG. I am thrilled to be with you tonight. I appreciate this opportunity.

First let me commend you and your colleagues here on the floor for carrying on this debate, talking out in front of the American people about this issue, particularly about the issue of tax cuts.

I have got to tell you I am here tonight to discuss that issue. I am here because I think it is a critical part of reconciliation. It is a hot debate before the American people.

I want to begin by imploring our colleagues to just stop in their tracks for a minute and consider a few of the facts that are before us, and then I want to urge them to do what I did, which is to quit accepting kind of the public view that they have in their own mind without checking it out and go out and ask people.

Let me explain what I mean by that. First of all, I heard here on the floor of this House and in the halls of Congress over and over again this rhetoric, ''Well, we have to focus on deficit reduction. We should not be cutting taxes right now.'' You hear it clearly from the other side. You hear it occasionally from our side, Members genuinely concerned about should we be cutting taxes right now.

I have had a theory about that. I went home recently and went to an event in my district, an evening event. After the event was over, two different people came up to me, one a woman in probably her late seventies, the other a man in is sixties, and both of them came up to me and implored me not to cut taxes. They said, ''You should not be cutting taxes. What you ought to be doing is focusing on deficit reduction.''

I looked them right in the eye. I said, ''You know what, I really appreciate that. I appreciate that because what you are saying is what you honestly believe. But let me tell you, you are dead, absolutely, 100 percent wrong.''

When you say that to constituents, you get a little shocked reaction. They said, ''Well, why?'' I said, ''Well, let me tell you why you are saying that and where we are in America. Let us start with the fact we have all heard 100 times,'' and I said probably a thousand times in my campaign, I was born in 1949. The year after I was born, in 1950, the average American family with children paid $1 to the Federal Government in taxes out of every 50 it earned. You earn a hundred-dollar bill, you send $2 to the Federal Government.

You know and I know, but I wonder how many people out there know and how many of our colleagues even think about the fact that in 1993, the figure is not 1 out of 50, it is 1 out of 4. Earn $4 and send 1 of those 4 to the Federal Government in taxes. We are not talking State Government. We are not talking local government. We are not talking fees to get into a park. We are talking taxes to the Federal Government. 1 out of 4; 1 out of 50 in 1950, 1 out of 4 in 1993. I tell audiences, ''Have you gotten that much more out of the Federal Government for this mega tax increase we have had over the years?'' And they are suddenly stunned, as these two constituents were.

Then I have this theory, and I have been telling it to our colleagues around here time and time again, and they kind of do not buy it. So I decided to prove it. My theory was we are hearing from people who come to our town halls, and we are hearing from people at Kiwanis Clubs and Rotary Clubs, where we go give speeches. Let me tell you, I love this Nation, and I admire the people that come to my town halls, and I respect the people who join a Kiwanis Club and care to go and make their part of making America better by being a member of a Kiwanis Club. But real America does not have time to come to my town hall. They do not. Real America does not even have time or the money to join a Kiwanis Club or a Rotary Club. It is a financial burden.

It costs my friends who are Kiwanis Club members $20 or $30 a week to go be part of that club, pay for lunch, take time out of work and support charitable things that club does. That is not America.

Mr. RIGGS. And be fined.

Mr. SHADEGG. And be fined. They get fined for whatever they do because that supports the club and they are helping society and they are helping charities in their community. You know what, that is not America.

Real America struggles to get their kids out of bed in the morning and get them dressed and get some Cheerios in them and get them off to school. Then they rush out the door to get to work. They struggle through their 8 hours of work or maybe 9 or 10 and maybe a second part-time job, then back home, pick up the kids from school or day care. You know what they have got to do, get the kids back home, take care of Little League, a couple different things. They have got to do their homework, get them back to bed and do it again.

They are not at JOHN SHADEGG's town halls. They are not at the townhalls of the gentleman from Minnesota [Mr. GUTKNECHT]. They are struggling to get by. Those people are not saying, ''I am undertaxed.'' You said it right.

But you know what, we do not hear from them. We all go out and say, ''Well, my constituents say, 'Don't cut my taxes, take care of the deficit. I am a big charitable person.'''' They are right, we do have to take care of the deficit. That is for our children and our grandchildren.

But you know what we have to do today, we have to cut taxes because the burden is oppressive. I have been saying that whole thing about the people at town halls and Kiwanis Clubs are not real America around here for 3 months or maybe more. I finally said, you know what, with my colleagues saying, ''You are wrong, SHADEGG. They are real people.'' I said I am going to test this. You know where I was at 2 o'clock yesterday afternoon? I grabbed one of my staffers. I said, ''We are going out.'' I called last Friday, told my scheduler to put time on my calendar. We went last Friday. We went to an ABCO, a grocery store in my district, we went to a Walgreen's, a drug store in my district on the east side of my district. The east side of my district is a pretty good side of the district. They have some money. They are

comfortable with life. They are doing all right. I started asking, ''We have got this debate going on.'' I stood in one corner and he stood on the other and in front of a different store. We talked to them. We stopped everybody who would talk to us. We asked, ''We have got this debate going on in Washington. Do you think we should be focused just on deficit reduction, this huge deficit we have that does bear on our children and grandchildren, or do you think we ought to also be doing tax cuts?'' Well, on the east side of my district, kind of an even split, although somewhat favoring tax cuts. Interesting, these people said, ''I need tax relief.''

As a matter of act, I did some verbatims from them. We took down notes on what they said. One lady said, ''Tax cuts are always good for people.'' Another one said, ''The average person is paying too much in taxes, but I don't think we will ever see a tax cut.''

So you know what we did after the first half-hour or 45 minutes at that location? We drove across to the west side of my district. Now you are in a more working-class society. You are in America. You are where people are struggling to get out of bed and pay their bills, and the numbers were dramatic. In front of the store where I stood, 11-to-1 was ratio; for 12 people I talked to, 11 said, ''I need tax relief.''

□ 2045

You talk about our friends on the other side of the aisle talking about tax cuts for the rich. This is not a tax cut for the rich. This is a tax cut for Mr. and Mrs. America who just got slapped with a tax increase by Bill Clinton. You know what he said? He looked the American people in the eye, just like I am looking you in the eye, JACK, and he said ''We need a middle class tax cut.'' And you know what? He broke his word. And you know who is paying for it? Those people I was talking to on the working class side of my district, where they are struggling to get their kids out of bed in the morning, get them fed, get them to school, get them home and get their homework done, and get back to work again tomorrow. 11 to 1 they said we need a tax cut.

My staffer across the aisle, in front of a MegaFoods, as a matter of fact, that is a kind of get-groceries-cheap, those people are hurting, 17 to 1 was the ratio in front of that store.

Overall, we talked to 55 different individual people. Of that 55, 8 said they ought to be looking just at, said you and I and our colleagues watching tonight, ought to be looking at deficit reduction. 32 of the 55 said they wanted deficit reduction and tax cuts. 13 of the 55 said ''I need a tax cut. I do not know about the deficit. I know I am going under.''

Let me read you one of those quotes. ''I pay taxes on everything. I just barely scrape by as it is. I need a tax break.''

The bottom line, the number was out of 55 respondents, 45, or 82 percent, said they needed a tax cut, either as part of deficit reduction or as a part of just lowering the burden on them. Why? Because they cannot bear the burden any longer. They are not undertaxed.

You said, FRANK, not many of them come up to us and say ''I am undertaxed.'' You know, the truth is, a great philosopher once said America is great only because America is good. If America ever ceased to be good, it will cease to be great.

America is good, and the average taxpayer does not want to walk up to you and say ''I need a tax cut,'' because he cares about the other people in society who are not doing quite as well as he is. But you know what? For him bucking up and not coming to us and saying ''I need a tax cut,'' in his heart of hearts he is struggling to get through, and we are making him pay bills for all kinds of things for which there is no justification.

I cannot tell you how many people in that conversation came up to me and said ''Well, I pay my taxes, and I am not too worried about it, but, boy, I hate the way you guys spend it.''

They hate the way we spend it. They do not have faith any longer. We have said as a party, and I am going to get partisan, for a long time we have said that the Federal Government is too big and it taxes too much and it spends too much. Before we do tax cuts, we have been doing something about cutting spending. And that is part of what we believe in.

But you know what? We told them for 40 years we also believed they were overtaxed. Now it is time to prove it. And that side of the aisle that said these are tax cuts for the rich, they are dead wrong. They are tax cuts for middle Americans who need it, but who cares so much about their brothers and sisters, they ain't raising it.

Mr. KINGSTON. If the gentleman will yield, let me say this: After the Reagan tax cuts in 1982, the revenues were $500 billion. At the end of 10 years, they were over $1 trillion, with 18 million new jobs.

Mr. SHADEGG. Revenues will grow.

Mr. KINGSTON. Give money to the people, they buy more; when they do, goods and services, demand goes up, small businesses have to expand, jobs are created, more revenue goes in. So, frankly, if I was a dictator and did not care about the people, I would have a low tax rate just to keep the economy going.

Mr. SHADEGG. Mr. Speaker, I implore my colleagues, if you are in doubt about this vote two days from now, do what I did: Call a staffer back in your district, if you cannot get home, and do what I did. Go stand in front of a grocery store, go stand in front of a K-mart, or have a staffer do it, and ask them. And they will tell you, if you let them open up to you, they are overtaxed and they need a break. This is the right thing to do for America and for the American people and the American taxpayer.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for organizing this special order and look forward to joining him again on the floor over the next couple days. I would just point out, our budget reconciliation balanced budget plan clearly shows we are going to keep our promise to the American people to balance the Federal budget for the first time in 25 years, without touching Social Security and while providing the American people with much needed tax relief.

Mr. GUTKNECHT. I would just close with a quote from Governors Weld, Engler, Thompson and Christine Todd Wittman, a letter they sent to Speaker GINGRICH on March 31 of this year. ''As governor, we have all cut taxes. At the same time we have balanced our budget. We have not accepted the false dichotomy that claims governments at the State or Federal level can only balance their budgets or cut taxes but not both. There is no reason Washington cannot walk and chew gum at the same time, too.''

We can balance the budget, if we are willing to limit the growth in entitlements, if we are willing cut discretionary domestic spending, as we have, by $44 billion this year. We eliminate over 300 departments and programs. And if we are willing to have a flexible freeze in the Defense Department, we can give tax relief to families and we can balance the budget, and the real winners will not be the rich. The real winners will be those blue collar folks out there, who get up every day, who do the work, who pay the bills. They are the glue, they are the mortar that hold the bricks of this society together. And they are going to be the big winners, because there will be more jobs, more income, lower interest rates and less debt only to them and their kids.

I think we can all be winners. I do agree, I hope more Members on the other side will join us in this historic vote for the first time where Congress is going to balance its budget and we are going to give tax relief to families and make it easier for businesses to grow and invest and create more jobs.

I want to thank you all for joining me tonight. This has been a great special order. I think this is going to be a very historic week for the American people.

ANNIVERSARY OF THE MINIMUM WAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr.OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, I would like to begin on a note of agreement tonight. The previous speakers have talked about the great need for the

American middle class, and I will include the working class, to have a tax cut. They are 100 percent right. We need a tax cut for families and individuals. The way to get the tax cut for families and individuals, and at the same time not increase the deficit and balance the budget, all in one, is to take a look at this chart, the discrepancies here, why the taxes have greatly increased on individuals since 1943 and greatly decreased on corporations.

The red is the corporation, the blue is families and individuals. In 1943, corporations were paying 39.8 percent of the total tax burden, 39.8 percent, while individuals and families were paying 27.1 percent. Now, in 1995, individuals and families are paying 43.7 percent, and corporation are paying 11.2 percent. At one point it went haywire and it was even a worse ratio. Individuals and families were paying 48.1 percent in 1983 under Ronald Reagan and corporations went down as low as 6.2 percent.

I would like to begin on a note of agreement, that the gentlemen who were here before exclaiming that we need a tax cut, I agree, we need a tax cut for families and for individuals. You can have that tax cut and still balance the budget if you will deal with this inequity. The corporations should be paying a greater percentage of the overall tax burden. We should get rid of corporate welfare. The loopholes, a recent study shows that if the cuts you made on individuals and poor people, the percentage cut that was made in the Republican budget, if that same percentage cut was applied to corporations, corporations would be losing $124 billion over a 7-year period, if it were just equal in the application of the cuts and you cut corporate welfare as much as you cut low income programs.

I hope we will bear in mind that Democrats and Republicans should agree that families and individuals are due for a tax cut. They should have it, and they can have it, and you can have it without increasing the deficit and you can have it even with a balanced budget. We do not have to rush the balanced budget in 7 years; we can do it in 10 years and not make devastating draconian cuts. Just balance the tax burden and you can balanced the budget and do it without a deficit.

I agree with my colleagues, every American family ought to be angry at this kind of ratio, where the swindle has taken place, corporations have gone down, down, down in their portion of the tax burden, while individuals have gone up.

It is appropriate that we begin this discussion, I think, on the day where we are, I hope, celebrating, a will use the word celebrating, the anniversary of the institution of the first minimum wage law. Today, 57 years ago, the first minimum wage law was passed. Twenty-five cents per hour was set as the minimum wage, the first passed in this Nation. Today we have gone from 25 cents an hour to $4.25 an hour, and according to leading economists, including Nobel Prize winning economists, we are in worse shape in terms of the relative value, the purchasing power of that $4.25 an hour. It is down almost as low as it was, or lower, than it was in 1955. The purchasing power is at an all-time low. It is time to increase the minimum wage.

If you want to help working class families, then one of the first things we should do is increase the minimum wage, because even under the minimum wage, a family wage earner, working full-time, a 40-hour week, will earn less than $9,000. A family of four needs about $14,000 in this Nation not to plunge into poverty. But if you earn every working day of the year, earn the minimum wage, you will be way below that $14,000. So there are a number of problems that would be solved if we were just to move forward with an increase in the minimum wage.

There are reasons why that is not a bipartisan policy anymore, and we are going to talk about that.

I will be joined today by a number of my colleagues. We are going to talk about the anniversary of the minimum wage and the implications of it, where does it fit into the whole scheme of the budget reconciliation, into the whole insistence we must have a tax cut at the same time. Are we going to make draconian cuts in Medicare and Medicaid and cut school lunches? Where does it all fit in here? Where does it fit with welfare reform where they say people should go to work?

One Governor was recently quoted and saying people do not need job training, they need alarm clocks. Get them up and there is work out there. There is very little work out there in some places. An article in the New York Times today on the front page talks about the great Michigan experiment where the Governor of Michigan proclaimed he solved the welfare problem and put people to work. What they found is people have been put to work and remained on welfare because they are going to work making minimum wage and not making enough to live on. They still need help from the government. So you are going to replace a long cycle of people being on welfare who were not working with a new kind of person who is working and also on welfare, because the minimum wage is not high enough to allow them to take care of a family and meet basic needs.

Joining me immediately is my colleague on the Committee on Economic and Educational Opportunities. She knows quite a bit about all this. She has been on welfare and knows all about the minimum wage, and I am proud to have here join me today, the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend here remarks.)

Ms. WOOLSEY. Mr. Speaker, I would like to compliment my colleague from New York for having this special order tonight on the anniversary of the minimum wage.

Mr. Speaker, 28 years ago I was a single, working mother with three small children receiving no child support and earning minimum wage. Even though I was working, I was earning so little, I was forced to go on welfare to provide my children with the child care; health care; and food they needed. Even though I was educated and had good job skills, I still wasn't making enough to fully support my kids.

My story bears repeating tonight, because too many families today are in the same predicament I was in 28 years ago. If this Congress is truly serious about reducing dependence on welfare, then let's increase the minimum wage and pay working parents enough to support their families and take care of their kids.

The minimum wage has not kept up with increases in the cost-of-living. Workers these days can put in a full day of work, 40 hours a week, at minimum wage and still live below the poverty line. The new majority in Congress wants to cut the earned income tax credit; kick single moms and their children off welfare; and reduce health benefits for low-income families, but they won't even hold a hearing on increasing the minimum wage.

If we want to reduce reliance on public assistance, doesn't it make sense to make work pay? Shouldn't entry level jobs pay more than public subsidies? Doesn't that make sense?

In addition to making good sense, a minimum wage increase is also a matter of basic fairness for millions of working Americans. In 1960, the average pay for CEO's of the largest U.S. corporations was 12 times greater than the average wage of a factory worker. Today, those CEO's receive salaries and compensation worth more than 135 times those, wages and benefits, of the average employee at the same corporation. That's not fair.

And it's not fair that 80 percent of minimum wage employees are women. It's not fair that from 1973 to 1993, real income for working men with high school diplomas dropped by 30 percent.

It's not as if businesses aren't doing well. Private business productivity has been increasing and profits are up. But wages are stagnant—there's something unfair and wrong with this picture.

Isn't it time to let American workers share the fruits of their labor?

Speaker GINGRICH and his allies say they support traditional American values. Well, let's return to the traditional American value of paying an honest wage for an honest day's work. Let's raise the minimum wage.

□ 2100

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from California [Mrs. WOOLSEY], and reclaiming my time, I would like to note at this point that another of my colleagues intended to be here but could not make it. The gentleman from Puerto Rico CARLOS ROMERO-BARCELÓ, another Member of the

Committee on Economic and Educational Opportunities, also would like to submit his statement for the RECORD.

Mr. Speaker, I think we should understand the difficulty with the minimum wage and the ability to achieve a bipartisan consensus on taking this very simple step that has been proposed. We are proposing we increase the minimum wage by a mere 90 cents over a 2-year period in a two-step operation. We want to increase it by 45 cents one year and 45 cents another year. A mere 90 cents increase. We will still be behind the inflation curve but that very meager effort is being opposed by the Republican majority in this House.

A statement has been made by the Republican majority that they will not entertain even 1 cent, even a 1 cent increase in the minimum wage. The Committee on Economic and Educational Opportunities, as pointed out before by my colleague from California, will not hold hearings to even discuss the matter of raising the minimum wage.

Mr. Speaker, what is the problem? Let us go back to the chart. These simple bars tell a great story about what is happening in America. These simple bars here tell a greater story about how power is being used to shape the American economy and to keep a large percentage of Americans in poverty and another large group of Americans in a state of perpetual insecurity. This is a story of greed and power. A story of greed and power.

The power resides in the corporations. Corporations are able to manipulate economy. Corporations are able to manipulate contributions to Congressmen and all other levels of political officials. Corporations are able to lobby endlessly and get a swindle situation like the one we see here, where in 1943 corporations were paying 39.8 percent of the taxes, and in 1983 it went down as low as 6.2 percent under Ronald Reagan's regime, and in 1995 we still have a situation where they are only paying 11.2 percent while individuals and families are paying 43.7 percent.

The power of the corporation is such that the corporations have sent down an edict as powerful as any totalitarian dictator that we do not want the minimum wage increased. Corporate power has said that, and the servants of corporate power, the Republican majority in this House, have said we will not entertain an increase in the minimum wage by even 1 cent.

Mr. Speaker, they want to have the lowest possible wage rates. They want to have a class of people that are paid the lowest amount of moneys in order to be competitive with the global marketplace. They want to have our workers slowly be pushed down to the level of the poorest people in Bangladesh or down to the level of the prisoners in China. Prisoners in China are forced to work for almost nothing. At least Bangladesh people get some kind of wages. They want that kind of condition.

They want the Mexican phenomenon to begin to operate here, where we begin to measure our wage rates against the wage rates across the board order in Mexico. And right away, every time we talk about wage increases, they say, well, we are getting further and further away from being able to be competitive with the Mexican labor market.

Today is the 57th anniversary of the date the minimum wage first took effect in this country. On October 24, 1938. I was only 2 years old. American employees were first guaranteed a minimum wage of 25 cents an hour to protect them from exploitation and ensure that their work would be fairly compensated.

Six years ago President Bush signed into law the last increase in the minimum wage. That increase was 90 cents over 2 years and enjoyed a broad bipartisan support in the Congress. The vote in this House of Representatives was 382 to 37. Only 37 Members of the House of Representatives voted against that increase in the minimum wage which took place under the Bush administration just 6 years ago. I was here. I remember that very well.

This year the real value of the minimum wage is at its lowest level since the early 1950's. While an increase in the minimum wage is clearly long overdue, and although we have a proposal from President Clinton to increase the minimum wage to $5.15 per hour over a 2-year period, there is no sign of that bipartisan effort that characterized the last increase.

The proposal has languished here in Congress while the leadership has refused to even schedule hearings. In fact, even the Committee on Economic and Educational Opportunities, which has jurisdiction over the bill, will not hold a hearing on the issue. How times have changed. How times have changed from the date when only 37 Members of the House of Representatives voted against an increase in the minimum wage to a time now where only a little more than half the Democrats in the House of Representatives are cosponsors of the minimum wage increase bill.

There is a bill, Mr. Speaker, and the primary sponsor is the Minority Leader, Mr. GEPHARDT. The President has endorsed the bill, yet only a little more than half the Democrats in the House of Representatives have signed onto that bill as cosponsors. Is it any wonder that the Republicans who are in the majority treat the effort with contempt if we cannot get most of the Democrats in the House to get on board.

If ever there was a clear issue which defined the differences between the two parties it ought to be an increase in the minimum wage. What is wrong with the Democrats who propose to represent the working people? Why can we not unite and fight for an increase in the minimum wage?

A chief argument against raising the minimum wage among both economists and some politicians, Democrats as well as Republicans, is the fear of job losses. The threat is that employers will dismiss thousands of workers on the grounds they lack the skills to be worth more than the minimum wage. Nearly all of these estimates of job losses have shrunk as the research has taken place.

Every time we have increased the minimum wage this argument has been made that we are going to decrease the number of jobs available because the employers will choose to employ fewer people. Every time that argument is made there have been studies done, and studies on top of studies, and they all conclude that it does not happen. There is a need for workers out there and they do not get thrown aside or laid off as a result of increases in the minimum wage.

Mr. Speaker, earlier this month 101 eminent economists effectively challenged this theory. These are economists whose lives it is to study the economy, all aspects of it, including minimum wage. They issued a strong and unprecedented call for an increase in the Federal minimum wage to help raise the living standards of families who rely on incomes of low-wage workers. These diverse and respected economists, including three recipients of the Nobel Prize in economics, and seven past presidents of the American Economics Association, endorsed President Clinton's proposed two-step 90-cent increase in the minimum wage.

Mr. Speaker, these economists noted that recent studies found that the last several increases in the minimum wage had ''Negligible or small'' effects on employment. A Nobel Prize laureate Robert Solow has said, ''The fact that the evidence on job loss is weak suggests that the impact on jobs is small.''

However, for some reason the leadership in this Congress seems obsessed with gutting the wages of hard working Americans. American citizens should ask their Congressmen, ask their Congressmen why he disagrees with 100 of the leading economists in the country. Why he disagrees with Nobel Prize winning economists that we need a minimum wage increase in this country. They should ask their Congressman. He may be a Democrat. Ask him, too.

Mr. Speaker, we have seen the Republican leadership attempt to destroy wages in other ways. In the construction industry they are seeking to repeal the Davis-Bacon Act. The Davis-Bacon Act requires that all jobs that are federally funded construction jobs must have a situation where the prevailing wages in that area are paid. I have looked very closely at what that means and I find in many States the prevailing wage level is quite low, and yet there is this tremendous drive to destroy the Davis-Bacon Act and not allow it to pay the prevailing wages in a given area.

There have been some efforts now to compromise that. People who wanted to destroy Davis-Bacon are willing to reconsider. After all, Davis-Bacon was primarily a Republican conceived act, both Davis and Bacon were Republicans. This is an act which very much helps middle class people. The people who are in those jobs in construction are middle class people. When they can find the jobs and are paid, they end up being a part of our basic middle class. So we have begun to get some kind of compromise on the Davis-Bacon Act.

The same people are insisting that the companion act, the Service Contract Act, which says that in situations where the Federal Government is involved, janitors and other service employees of that kind, also must be paid prevailing wages. Efforts are still underway to destroy the wages that are undergirded and supported by the Service Contract Act. Janitors and other service employees of that kind are involved here. Janitors at Federal facilities, who are working full time, are often paid wages which are below the poverty level. Working for Federal facilities they are paid wages below the poverty level. Yet the Republican leadership in this Congress believes that janitors are making too much money as a result of the Service Contract Act.

Who cares about working people? Who cares about families? They talk about $500 per child tax credit. Are they really sincere if they will not provide a decent wage for the average working person out there and allow them to earn enough money to be able to qualify for that tax credit? Most of them will file taxes but will not be able to get a tax credit because they are making such small amounts of money on minimum wage, less than $9,000 for a family of four. They will not have to pay any taxes. They will not be able to take advantage of a tax credit.

Mr. Speaker, let us bring all the people up as far as possible through the long-term, time honored device of paying a decent wage.

□ 2115

Let us make work pay. We have just destroyed much of the welfare program. We have just taken away the entitlement for young children. Poor children, since the beginning of the New Deal, have been guaranteed that if their family qualifies, if they are really poor, if they are means tested and found to be really poor, they qualify for Aid to Families with Dependent Children.

That is an entitlement. It is a right. Everybody who meets it is supposed to get it. They get it at different levels in different States, but the States do it and the Federal Government stands behind them. No matter how much money is needed in a given year, the Federal Government will make certain that the money is available, because it is an entitlement.

That entitlement for poor children has been taken away. There is still an entitlement, by the way. Social Security provides an entitlement for the children of deceased members of Social Security. People who were enrolled in Social Security, their children are eligible if they should die, and they are eligible at much higher rates.

Fortunately, the Social Security Act does provide a more humane face and it provides it even without a means test. Let us not let them destroy the Social Security provision which takes care of orphans; yet, it is gone for those who are not fortunate enough to be covered by Social Security.

In another demonstration of their utter disdain for working people, the Republican reconciliation bill proposes to obliterate, greatly reduce, the earned income tax credit. The earned income tax credit provides much-needed tax relief for working families, those working poor.

Here is where some of the people earning those minimum wages are given some benefits and some incentives by their government to keep working. If you are earning minimum wage, and you have a family of four, or even a family of three, under present qualifications even no children under some circumstances, you are able to collect additional money as a result of your having earned money. The earned income tax credit rewards those who are working.

It is a small amount of money, but it is important and it adds up to quite a bit proportionately when you are poor. But now the Republicans will not stand for that. Do not reward the working poor. Do not be consistent.

They say they want to help families. We have heard long speeches tonight about helping families by providing a $500 tax credit. Why are they providing a $500 tax credit for those who are earning enough money to be able to qualify for a tax credit, while they refuse to provide help for those who are much poorer, but also working and in a lower bracket, needing some help through the earned income tax credit? Why are they getting rid of the earned income tax credit and providing a tax credit for people at a higher level?

I am not against a tax credit for people with children at a higher level. That is one of those tax cuts that ought to be given. When we get at much higher levels and we are dealing with capital gains being treated as if capital gains were some kind of privilege, versus wages, we have a higher rate of taxes on wages, people's sweat that go to work every day. The amount of money they earn through wages is very low and we tax those at a higher rate than capital gains, where nobody sweats. They are gains made on investments.

Why should capital gains be in a different category? And when you put capital gains on the table, we are rewarding the richest people. Who owns the property? Five percent of the people in America own 90 percent of the wealth in this country. So capital gains rewards that 5 percent, or the top 20 percent.

The tax decrease that is being proposed by the Republican majority is a tax decrease for the rich. We need a tax decrease. Families and individuals, rich or poor, deserve a better break than they have been getting under this construct here where corporations have been allowed to get off the hook, not bear their share of the burden, in order to pay for the fact that they are paying so little.

This was done under the Democrats. We cannot blame the Republicans solely for this. Ronald Reagan, with his trickle-down economics, accelerated it. It got to the worst point under Ronald Reagan in 1983, when corporations went as low as 6.2 percent of the tax burden.

And notice, as the corporations dropped low, individuals have to make up the difference. Always the individual taxes rise when the corporations' taxes drop. The highest points of individual and family taxes was 48.1 percent in 1983, at the same time that the corporations reached their lowest point of 6.2 percent.

This is where the deficit started too. A combination of the 6.2 percent and the 48.1 percent was not great enough to pay for the Government's expenses, so we were borrowing more money. Here is where the deficit started under Ronald Reagan where the deficit leaped geometrically in terms of its increase, and the problem we are trying to correct with the deficit-reduction policies now took off with a vengeance following this kind of situation where corporations were allowed to swindle the American people.

This swindle should not be allowed to go on. Here is the atmosphere that dictates that there shall be no increase in the minimum wage. These corporations in 1995 are making higher profits than ever before. They are booming. Technology, science, the peace of the world that all of us helped to make. The peace of the world that young men went off and died for in Vietnam and Korea, on the Normandy beaches. Everybody contributed to what is happening in the world today.

The technology and the science that American taxpayers paid for, a large base of it was paid for in Government research and military research, radar, computerization, a number of things that are really driving this economy and allowing corporations to make great amounts of money.

All of that is being taken advantage of by the corporate sector and they are not sharing it. The taxes are still too high for individuals and families. At the same time, these corporations are laying off people and not only will they refuse to pay an increase in the minimum wage, those who have jobs are less and less secure.

I grew up in a family which was very poor. My father, I think he was a genius but he only had a sixth grade education. I think he was a genius, because with his sixth grade education,

any problem that I took home in my math book, those word problems that most kids could not work in school, my father never failed to solve those problems.

He did that until I reached algebra, where the X's and the Y's confused him. He could not deal with that. The basic intelligence was there. My father was very intelligent. My father was hard-working. He was a heavy drinker of Coca-Colas and RC Colas and Dr. Peppers. That is all he drank; nothing stronger.

My father always had a garden, no matter where we lived. Memphis was a big city, a big city in the South, there are always places where we could have a garden and he always grew things. But my father never made anything more than the minimum wage. There was never a time when he was working that he made more than the minimum wage.

The minimum wage was quite low at that time, but we were happy with the minimum wage as long as he had a job. Our fear was always that he was going to get laid off. We were struggling to make do on the minimum wage. My mother, who was smarter than my father, my mother knew the price of pinto beans in those little packages, and the northern beans, neck bones and spaghetti on Sundays. She could take a budget, a minimum wage budget, and feed us effectively.

I never went hungry when my father had a job. But there were oftentimes that he was laid off at the factory. Oftentimes. And there were times when they were on strike, and those were times we feared. The minimum wage, as low as it was, was a Godsend. We had security as long as he had the job. We could survive on the minimum wage.

But so many Americans right now who are earning above the minimum wage, as a result of this corporate greed atmosphere, the corporate greed era that we are in now, they are insecure about how long they are going to keep their jobs. Many of them were making much higher hourly wages and have been forced to take less. Many of them are changing jobs and are forced to start a whole new career as a result of the kinds of dislocations taking place in this era where the corporations are driving the economy, and they are doing it in a spirit of greed. Far more extreme measures are being taken than need to be taken.

The case for increasing the minimum wage is abundantly clear within this situation. It is a tiny step. It is a microactivity that would help individuals and families a great deal, but there will be no great dislocation in the economy. The case for increasing the minimum wage is abundantly clear and the overwhelming majority of Americans agree.

This is not something that the economists, the Nobel prize winners only understand. It is a general, common sense understanding. The minimum wage that was increased 6 years ago, as inflation as moved on and costs have increased, is obsolete and the purchasing power is far less than it was in 1955.

We need an increase. Eighty percent of the American people support an increase in the minimum wage. It is said that politicians are always responsive to their constituencies. Well, here is where the corporate dictators have said, ''No, we do not want an increase,'' and the Republicans in the majority here, and a large number of Democrats also, are saying, ''We will listen to the corporate dictators. We will not listen to the American people, our constituency.''

Eighty percent of the people support an increase in the minimum wage. That is a sizable portion of the people in every congressional district who support an increase in the minimum wage. We heard a lot of talk on the House floor about surveys that have been done about taxes. Why not ask the American people and the people in your district what they think of the minimum wage. Should we increase it by a mere 45 cents this year and 45 cents a year later? Ninety cents? Why not ask the question of your constituents and hear what they have to say, Members of Congress and Members of the Senate. Ask the question and listen to the American people.

Opinion polls tell us that 80 percent of the people want an increase in the minimum wage. The people recognize that there is something wrong when a full-time worker making the minimum wage earns $8,500, far below the poverty level for a family of four, which as I said before is $14,754.

Consider these facts: The average minimum wage earner brings in at least half of the family's income. One-third of minimum wage earners are the sole breadwinners in their families. Over 4 million American workers are paid the minimum wage at this point. There is some notion of: Who works for the minimum wage anymore? That is too low. Over 4 million American workers are still working for the minimum wage, as low as it is.

No union goes out to bargain for the minimum wage, of course. They are far above minimum wage. But the minimum wage is a bargaining tool for all levels of workers. Because when you have that as a floor, it allows the bargaining process to move upwards. As long as the minimum wage is stagnant, all other wages are going to be stagnant too, and they are.

Two-thirds of the minimum wage earners are adults. There is this notion that only kids are earning minimum wage, and who cares whether kids earn 90 cents an hour more or not? What difference does it make? They are kids. They are in a family where somebody else is the breadwinner or head of the household. Let us not pay kids minimum wage.

Two out of three minimum wage earners are adults. Almost three-fifths of the minimum wage earners are women, including many women who are the heads of their households, single parents.

The minimum wage was originally enacted to help provide workers with a fair day's pay for a fair day's work. In today's economy, $8,500 a year falls way short of the mark of providing a fair day's work for a fair day's pay, or a fair year's work for a fair year's pay.

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We have proposed an increase from $4.25 to $5.15. Like the adjustment to the minimum wage enacted 6 years ago, this 90-cent increase is phased in over a 2-year period.

Contrary to claims of opponents, most economists agree that a modest increase such as this will have no significant effect on job creation. This is an issue of simple fairness. Workers deserve to be compensated for their efforts. Everybody deserves to be compensated for their effort at a reasonable level. Why can we not pay workers a mere $5.15 an hour?

In this corporate era, the corporations dictate what happens in the economy. They dictate who wins and who loses. The corporations create a situation where taxpayers are footing a disproportionate share of the tax burden. Corporations decide the policies in this Congress. They write the bills for the Republican majority.

Corporations are going along with a balanced budget scenario, but they are not going to make any sacrifices. If corporations were cut as much as the social programs, they would be contributing $124 billion over a 7-year period, would be the cuts in corporate welfare and corporate loopholes, et cetera, but that is not the case.

These same corporations have chief executive officers who make enormous salaries, some above $20 million a year, salaries and other compensation reach more than $20 million a year for the corporate chief executive officers of many corporations. So many earn more than $1 million a year that bills have been proposed.

Even the President supported at one time a bill which would limit the deduction in terms of business expenses. The salary of a chief executive would be limited in that business deduction situation when the corporate taxes are filed to no more than $1 million a year. After $1 million a year, the corporation would not be able to take the compensation for the chief executive officer off the taxes. That has, of course, not passed.

But when you compare the chief executive officers in America, in our economy, with the chief executive officers in Japan, which is a high-technology, booming economy like ours, or in Germany, another high-technology, booming economy, or most of the other industrialized nations, the compensation for chief executives is far below the compensation for chief executives in the United States.

Japanese tycoons at the head of huge corporations make as little as $300,000

a year—$300,000 to $500,000 a year is close to an average for some of the largest corporations in Japan. Even when you add in other parts of the compensation package, I assure you that they do not have anything like the compensation of the chief executive officers of American corporations.

In this economy of greed, where the corporations dictate the policies, they cannot allow a simple 90-cent increase in the minimum wage while the chief executives walk off with millions.

There is growing income inequality in this country that has been documented. Recent studies have shown that we have shifted place with Great Britain. Where the differences between the very rich and the very poor where once the greatest in Britain, now it is greatest in the United States. It if far worse in the United States than in any other place. The rich are far richer than the poor in this country for the first time in history. There is a growing income inequality.

In this atmosphere of corporate greed, after-tax profits are the highest that they have been in 25 years. But corporate America is not sharing the bounty with the average workers who help to produce it. The after-tax rate of return to capital investment in 1994 was 7.5 percent. By comparison, it averaged just 3.8 percent between 1952 and 1979. These higher profits have not been reinvested in the economy.

They claim that higher profits always lead to reinvestment. They have not been reinvested in the economy. Investment as a share of output, investment as a share of profit, has declined, instead of increased.

Nor have these higher profits been returned to workers. Since 1989, average real wages for most of the work force have either remained stagnant or declined. The hourly wage of the median male worker has declined 1 percent per year since 1989.

The gap between the wealthiest and poorest Americans is the widest it has been since the Census Bureau began collecting income statistics in 1947: 44.6 percent of U.S. income is controlled by the top 20 percent of the wealthiest American families. The bottom 20 percent earn just 4.4 percent of national income.

According to the Census Bureau, since 1980 the income of the top 20 percent of families has risen 16 percent over inflation. The income of the bottom 20 percent has fallen 7 percent below inflation in this period.

In this era where the corporations are dictating the policies here in Congress, the corporations have perpetuated a great swindle and refused to let up. They will continue to swindle. In the reconciliation bill that will be on the floor starting tomorrow, you will find nothing done to correct this great injustice.

Corporations have been cut, I understand, by about $6 billion in corporate welfare. But, in other ways, they have put back money which equals that $6 billion. So corporations will end up with a zero cut in corporate welfare after the reconciliation bill is passed in this House.

Corporations benefit greatly by all of the activities in the overall American economy. They do not just go off and make the money by themselves. There is a whole complex economy that supports them. There are the American consumers that support them. There is the Federal deposit insurance of the banks that helps to hold up the economy.

At a time when corporate leaders and banking leaders nearly wrecked the economy with the savings and loan swindle, it was the American taxpayer who had to step in to the tune of more than $300 billion to bail out the failing banks in order to keep the whole financial scheme of the economy from collapsing.

So we are all in this together when it comes to making America work. But when it comes to sharing the results of the benefits of our overall society, corporations want it all for themselves. They will not even allow a 90-cent increase in the minimum wage.

The ratio of average hourly pay of men in the top 10 percent of wage earners to those at the bottom 10 percent is 5.6 in the United States. In other words, the top 10 percent of people in our economy make 5.6 more than the bottom 10 percent. That means for every $10 that you make, the top people make almost 6 times that amount. In Germany, the ratio is only 2.7. In France the ratio is 3.2, in Japan the ratio is 2.8, in Britain the ratio is 3.4. But here in the United States the ratio of the earners at the top is 5.6, almost 6 times the earnings of the people at the bottom. Some of the highest paid chief executive officers in America are also the Nation's biggest job killers. The CEO of IBM earned $4.6 million last year. He has laid off 122,000 workers since 1992. The CEO of AT&T earned $3.5 million last year. He has laid off 83,000 workers since 1992. The CEO of General Motors earned $3.4 million last year. He has laid off 74,000 workers since 1992.

Some $122.5 billion of the Republican tax cut will go to Americans who are earning $100,000 or more. They will not help the people who need the minimum wage increase. Nearly all the Republican spending cuts are directed at the people who need the minimum wage increase. The Republican spending cuts are directed at low- and middle-income Americans, denying them access to quality health care, affordable housing and the opportunity to pursue the American dream through education.

Here is the photo, the snapshot of America, the kind of America that is now being dominated and dictated to by corporate greed.

Three Nobel Prize winners who are backing the minimum wage increase are Kenneth J. Arrow of Stanford University, Lawrence R. Klein of the University of Pennsylvania, and James Tobin of Yale. Many other former presidents of the American Economics Association also back the increase in the minimum wage.

They put out a simple statement. I will not read the entire statement. I will enter into the RECORD the statement of support for a minimum wage increase by the 100 top American economists. Along with the statement, of course, will go the actual names of those 100 economists who are responsible for this statement of support for minimum wage increase.

Mr. Speaker, the document is as follows:

STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

As economists who are concerned about the erosion in the living standards of households dependent on the earnings of low-wage workers, we believe that the federal minimum wage should be increased. The reasons underlying this conclusion include:

After adjusting for inflation, the value of the minimum wage is at its second lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s.

Since the early 1970s, the benefits of economic growth have been unevenly distributed among workers. Raising the minimum wage would help ameliorate this trend. The positive effects of the minimum wage are not felt solely by low-income households, but minimum wage workers are overrepresented in poor and moderate-income households.

In setting the value of the minimum wage, it is of course appropriate to assess potential adverse effects. On balance, however, the evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s—as well as updates of the traditional time-series studies—suggests that the employment effects were negligible or small. Economic studies of the effects of the minimum wage on inflation suggest that a higher minimum wage would affect prices negligibly.

Most policies to boost the incomes of low-wage workers have both positive and negative features. And excessive reliance on any one policy is likely to create distortions. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives and is administratively simple. For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.

We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

SIGNATORIES TO ECONOMISTS STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

Aaron, Henry—Brookings Institution.

Abramovitz, Moses—Stanford University.

Allen, Steven G.—North Carolina State University.

Altonji, Joseph G.—Northwestern University.

Applebaum, Eileen—Economic Policy Institute.

Arrow, Kenneth J.—Stanford University.
Bartik, Timothy J.—Upjohn Intitute.
Bator, Francis M.—Harvard University.
Bergmann, Barbara—American University.
Blanchard, Olivier—Massachusetts Institute of Technology.
Blanchflower, David—Dartmouth College.
Blank, Rebecca—Northwestern University.
Bluestone, Barry—University of Massachusetts Boston.
Bosworth, Barry—Brookings Institution.
Briggs, Vernon M.—Cornell University.
Brown, Clair—University of California at Berkeley.
Browne, Robert S.—Howard University.
Burtless, Gary—Brookings Institution.
Burton, John—Rutgers University.
Chimerine, Lawrence—Economic Strategy Institute.
Danziger, Sheldon—University of Michigan.
Darity, William Jr.—University of North Carolina.
DeFreitas, Gregory—Hofstra University.
Diamond, Peter A.—Massachusetts Institute of Technology.
Duncan, Greg J.—Northwestern University.
Ehrenberg, Ronald A.—Cornell University.
Eisner, Robert—Northwestern University.
Ferguson, Ronald F.—Harvard University.
Faux, Jeff—Economic Policy Institute.
Galbraith, James K.—University of Texas at Austin.
Galbraith, John Kenneth—Harvard University.
Garfinkel, Irv—Columbia University.
Gibbons, Robert—Stanford University.
Glickman, Norman—Rutgers University.
Gordon, David M.—New School for Social Research.
Gordon, Robert J.—Northwestern University.
Gramlich, Edward—University of Michigan.
Gray, Wayne—Clark University.
Harrison, Bennett—Harvard University.
Hartmann, Heidi—Institute for Women's Policy Research.
Haveman, Robert H.—University of Wisconsin.
Heibroner, Robert—New School for Social Research.
Hirsch, Barry T.—Florida State University.
Hirschman, Albert O.—Princeton University.
Hollister, Robinson G.—Swarthmore College.
Holzer, Harry J.—Michigan State University.
Howell, David R.—New School for Social Research.
Hurley, John—Jackson State University.
Jacoby, Sanford M.—University of California at Los Angeles.
Kahn, Alfred E.—Cornell University.
Kamerman, Sheila B.—Columbia University.
Katz, Harry C.—Cornell University.
Katz, Lawrence—Harvard University.
Klein, Lawrence R.—University of Pennsylvania.
Kleiner, Morris M.—University of Minnesota.
Kochan, Thomas A.—Massachusetts Institute of Technology.
Lang, Kevin—Boston University.
Lester, Richard A.—Princeton University.
Levy, Frank—Massachusetts Institute of Technology.
Lindbloom, Charles E.—Yale University.
Madden, Janice F.—University of Pennsylvania.
Mangum, Garth—University of Utah.
Margo, Robert—Vanderbilt University.
Markusen, Ann—Rutgers University.
Marshall, Ray—University of Texas at Austin.
Medoff, James L.—Harvard University.
Meyer, Bruce—Northwestern University.
Minsky, Hyman P.—Bard College.
Mishel, Lawrence—Economic Policy Institute.
Montgomery, Edward B.—University of Maryland.
Murnane, Richard J.—Harvard University.
Musgrave, Peggy B.—University of California at Santa Cruz.
Musgrave Richard A.—University of California at Santa Cruz.
Nichols, Donald—University of Wisconsin.
Ooms, Van Doorn—Committee for Economic Development.
Osterman, Paul—Massachusetts Institute of Technology.
Packer, Arnold—Johns Hopkins University.
Papadimitriou, Dimitri B.—Jerome Levy Economics Institute.
Perry, George L.—Brookings Institution.
Peterson, Wallace C.—University of Nebraska at Lincoln.
Pfeifer, Karen—Smith College.
Piore, Michael—Massachusetts Institute of Technology.
Polenske, Karen—Massachusetts Institute of Technology.
Quinn, Joseph—Boston College.
Reich, Michael—University of California at Berkeley.
Reynolds, Lloyd G.—Yale University.
Scherer, F.M.—Harvard University.
Schor, Juliet B.—Harvard University.
Shaikh, Anwar—Jerome Levy Economics Institute.
Smeeding, Tim—Center for Advanced Study in the Behavioral Sciences.
Smolensky, Eugene—University of California at Berkeley.
Stromsdorfer, Ernst W.—Washington State University.
Summers, Anita A.—University of Pennsylvania.
Summers, Robert—University of Pennsylvania.
Tobin, James—Yale University.
Vickrey, William—Columbia University.
Voos, Paula B.—University of Wisconsin.
Vroman, Wayne—Urban Institute.
Watts, Harold—Columbia University.
Whalen, Charles J.—Jerome Levy Economics Institute.
Wolff, Edward—New York University.

Mr. OWENS. They end by saying, ''We believe that the Federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low and moderate income households. Specifically, the proposed increase in the minimum wage of 90 cents over a 2-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.''

This is a conclusion of the 100 top economists in the United states.

To bring a special perspective to this discussion, the gentlewoman from North Carolina would like to speak on the question of rural poverty and minimum wage is the way of life in most rural areas. People struggle to even make the minimum wage, so I am sure that whatever applies to rural situations and rural poverty is certainly involved in this whole discussion of the minimum wage.

I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. I thank the gentleman from New York for bringing the subject to our attention, to the attention of the American people and thank him for sharing the time for me to speak on the subject and others as it relates to rural America.

It is true indeed that the minimum wage affects rural areas severely. Why? Because basically we earn about one-third of what everyone else in America earns. So already we are earning one-third as much as those in urban and other parts of this country are earning. The minimum wage in my State certainly is one that needs to be increased. There is a relationship between what everyone else earns in my area with the minimum wage. So as we celebrate this 57th anniversary of the minimum wage, those who are not making the minimum wage, are making considerably more, must recognize that as that minimum wage is remaining at the bottom so are other wages stagnant in rural America.

Also, I would share with the gentleman from New York that in addition to the minimum wage issue, you are right that this Congress is bent on affecting the poor and rural America. They are also more active in the divide between rural and urban. They are also interested in the divide between the rich and the poor. So we see great divisions and the emphasis being focused on those who have a lot of money.

I would also share that as a Nation how we spend our resources says a lot about who we are and who is important, which region of our Nation we favor, which region of our Nation we will ignore. To the extent that the budget reconciliation act that we are going to vote on this week ignores the plight of working families, ignores the plight of rural areas, it indeed will be very harmful. This budget will cause pain to many Americans, in inner cities as well, but it will cause particular pain to rural America.

Rural North Carolina, including my congressional district, where we have a poverty rate about 25 percent, if you combine that with the low minimum wage and the poverty rate and understand what the budget reconciliation act will do, you begin to understand the devastation that will happen to rural America. The very basic essentials like shelter, clothing, housing provisions as well as food, as well as health care will greatly suffer in terms of that. Most rural hospitals and other rural facilities will suffer as a result of us not having an opportunity.

I know that the gentleman has shared his time. I am going to ask to enter the remainder of my remarks into the RECORD, as follows:

Mr. Speaker, how a nation spends its resources says volumes about who is important, who is not, which regions of our Nation are favored and which are ignored.

When we vote on budget reconciliation this week, this Nation will know the winners and losers.

This budget will cause pain to many in America, but we will cause substantial harm to most in rural America.

Rural North Carolina, including my congressional district, like most of rural America, is struggling to provide a minimum quality of life for its citizens.

These communities, however, lack high paying jobs and often lack the infrastructure necessary for economic expansion.

The lack of basic resources and opportunities, such as employment, housing, education, and utility services, especially water and sewer, is compounded by limited access to quality health care and a shortage of health professional, especially primary and family physicians. Most of the rural hospitals in my congressional district, for example, depend on Medicare and Medicaid by as much as 65 percent of their budgets.

As Congress goes through its cost cutting, deficit reducing, budget balancing exercise, there is a message that needs to be emphasized among our colleagues—farmers and rural communities have been important to this Nation's past, and farmers and rural communities are essential to this Nation's future—most notably, the small, family farmers.

Ironically, this extreme and harmful budget cutting proposal comes at a time when my State is experiencing progress due to many of the very programs this Congress now seeks to restructure or eliminate, particularly those that encourage export activity and foreign trade.

After years of feeding the State and feeding the Nation, North Carolina agribusiness is now postured to expand its exports and feed the new customers offered by the world's foreign markets.

In short, as one recent magazine article noted, ''Exports are up down on the North Carolina farms.''

North Carolina agriculture exports amounted to $2.3 billion last year. We exported $534.5 million in tobacco, $199.5 million poultry and poultry products, $90.5 million in soybeans, $61.5 million in cotton, $40.3 million in meat and meat products, $33 million in wheat, $19.4 milion in peanuts, $14.4 million in fruits, $12.1 million in vegetables, and $38.6 million in all other products.

Those exports translate into jobs. Jobs translate into revenue for the State. And, revenue for the State translates into programs and services for our citizens.

In order to expand exports, create jobs, generate revenue and, thereby, provide programs and services to our citizens, agribusiness must have the support of our Government, and that support must be reliable, timely and, most of all, useful.

For the past several weekends, I have been meeting with groups of farmers in my congressional district.

One thing said to me, by them, has stayed with me. ''Farming is a gamble,'' they said, ''And, if you don't like to gamble, you should not be in farming.''

That statement struck me because, while we can not control if it rains early, rains late, or if it rains at all, Government can have great influence over the resources that we make available to the farmer.

We can remove some of the uncertainty, some of the doubt, some of the gamble, by insuring that when farmers make judgments about what to produce and what markets to target, they do so knowing that, when needed, government will be there to support them—in lean times.

Unfortunately, however, despite the recent gains that have been made, because their important role has not been recognized, many rural communities in the United States are crumbling and decaying.

It is important to recognize that the long-term economic health of rural America depends on a broad and diverse economic base which requires investment—not disinvestment—in rural America—investment in business, education, infrastructure, agribusiness, housing stock and community facilities.

The major factors that inhibit rural economic development stem from the very characteristics that singularly define our rural areas—isolation from metropolitan services, low population density, small economics of scale, dependence upon a single industry and limited municipal capacity. These factors leave many rural areas without the necessary resources not only to plan, but also to develop basic services that attract competitive and profitable industries.

Those of us who are decisionmakers from rural areas are strongly committed to stimulating rural economic development by any and every means possible.

But, our task is made nearly impossible by a Congress intent on cutting agriculture and nutrition programs, determined to cut education, bent on cutting medicare and medicaid and focused on unfair tax cuts for some and increases for others.

And, so, Mr. Speaker, I must ask, when we vote on budget reconciliation this week, will we say to the small, family farmers, who literally work their fingers to the bone so that this Nation might be fed, that commodity and rural development programs must go because we are required to balance the budget—because we are giving the money to those with money? That will be the result if Congress continues on its current glide path and approves the Majority's budget resolution plan.

This evening I want to discuss several of the areas affected by the Republican budget reconciliation legislation, and I will begin with agriculture programs.

Mr. OWENS. I thank the gentlewoman from North Carolina for joining me. I will conclude now with a reading from the article that I have read sections from for the last 3 weeks.

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That is the article that appeared in the New York Times on September 3, the Sunday before Labor Day, by Lester Thurow. Lester Thurow is a professor of economics at the Massachusetts Institute of Technology, and his opening paragraph still applies as we go toward this budget reconciliation, this budget reconciliation which will corporatize the power of the corporations of America. The budget reconciliation will freeze us into situations where corporations are going to be paying even less of the percentage of the total tax burden than they pay already.

The budget reconciliation is going to freeze us into a situation where nothing is being done or said about the more than $300 billion that we have already spent as taxpayers to bail out the savings and loans swindle. Nothing is said about trying to force the financial community to somehow repay some of those funds through some kind of tax policy, maybe a surcharge on banks and on accountants and lawyers, all of the people who were involved in that big swindle of the American taxpayers. Nothing is being said. The things that are not said are very important.

Nothing is ever said on this floor about this great tax swindle, how over a period from 1943 to 1995, the tax burden of corporations dropped so dramatically in proportion to the tax burden borne by the families and the individuals out there.

I agree with the Republicans. We need to tax cut. The tax cuts should come for individuals and families. At the same time, we need to get rid of the deficit and balance the budget by raising the taxes that are paid by corporations.

That all takes place within an atmosphere that is described best by this paragraph from Lester Thurow's article in the New York Times. Again I quote:

> No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distributions of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have the majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

I think that is a very profound statement. It very powerfully describes the situation that corporate America has generated in America.

We can take some tiny steps toward correcting our economy, toward making our society more workable, by agreeing to increase the minimum wage by 90 cents from $4.25 per hour to $5.15 an hour. That is what is being proposed, and that is the bill before us sponsored by minority leader GEPHARDT. I am a cosponsor of that bill. The President has endorsed that bill.

That simple step, I urge all Democrats to get on board and take that step. We only have a little more than half the Democrats who are now sponsoring that increase in the minimum wage.

Is it any wonder that the Republicans are treating the increase in the minimum wage with great contempt? And they have stated that they will not allow a single, 1-cent increase, in the minimum wage. Justice demands that on this anniversary, 57th anniversary of the minimum wage law, that we go forward and understand that this is just a tiny step that every lawmaker, every decision maker in Washington can take, not only for working people but for our overall economy.

Let us increase the minimum wage. Let us support the increase in the minimum wage bill now.

Mr. ROMERO-BARCELÓ. Mr. Speaker, today as we celebrate the 57th anniversary of the minimum wage, it is increasingly obvious that we must take action to raise the minimum

wage. Such action will benefit millions of American workers throughout the Nation.

Earlier this year, I was pleased to join in sponsoring the legislation embodying the President's proposal for a moderate 90 cent increase in the minimum wage over 2 years. This is necessary because minimum wage workers have actually seen their real incomes decrease in the last decade. The minimum wage has not been raised since 1989, and its purchasing power has simply not kept pace with the rising cost of living.

At a time when the majority in this Congress is drastically revamping our welfare system and slashing the social safety net, we must maintain the incentives that reward hard work. The minimum wage is one such incentive.

When I was mayor of San Juan and later Governor of Puerto Rico, I took the innovative and unprecedented step of asking the Federal Government to extend the minimum wage laws to Puerto Rico where at the time they did not apply. Special interests and many corporations complained and objected to this move. They lobbied hard against it, predicting both economic havoc and job displacement.

Such bleak scenarios did not materialize. In fact, the minimum wage has been a blessing for the 3.7 million American citizens of Puerto Rico. It raised the standard of living of thousands of working families and brought added dignity to their daily endeavors at their job sites.

Let this experience serve as an illustration of the benefits of our making a commitment to improve the standard of living of ordinary, hard-working Americans by ensuring them a decent, living wage. Both sides of the aisle should be doing everything possible to promote and secure a decent standard of living for all Americans.

Increasing the minimum wage is the right thing to do. It is a wise move and one which is based on both common sense and solid economic policy. Millions of hard-working Americans who deserve better economic opportunities will appreciate our leadership.

Mr. STARK. Mr. Speaker, today, a minimum wage worker who work full-time, year round, does not earn enough money to keep a family of two out of poverty. For decades prior to the late 1980s, that was not the case. Actually, until the early 1980s, the minimum wage was high enough to keep the average three-person family out of poverty.

The staff of the Joint Economic Committee has taken a close look at the effects of raising the minimum wage. Their report convinces me that raising the minimum wage is the right thing to do, and will help low-wage workers. Those most likely to be helped are women, because disproportionate shares of women are harmed by the low value of the minimum wage. I think that is important to note, given the majority's attacks on Medicaid, the earned income tax credit, and food stamps—all programs that help working-poor women.

There is general agreement that there would be no job loss for adults who make up the majority of all minimum wage workers. The only debate is whether and how many teenagers would lose jobs if the minimum wage is hidden. During the Joint Economic Committee's two hearings on the minimum wage, witnesses confronted members with reports showing both negative and positive effects of increasing the minimum wage.

The Employment Policies Institute Foundation supported most of the witnesses claiming a negative effect from raising the minimum wage. During the hearings, we uncovered the fact that, from the beginning, the institute has been headed by Richard Berman, who continued to serve as a registered lobbyist for the restaurant and fast-food industry until recently. The same man was a supporter of the Speaker's so-called college course only after winning apparent assurance of having an influence on the course's content favorable to low-wage jobs.

However, I had a substantive problem with the witnesses from the Employment Policies Institute Foundation. No one argued that, when we increase the minimum wage, all those low wage teenagers making less than the new minimum wage would be thrown out of work. Instead, the debate was over whether a 10-percent increase in the minimum wage caused a 1 or 2 percent reduction in employment for teenagers.

An economist invited by the Republicans, and who had done work for the Employment Policies Institute Foundation, wrote in a recent paper for an academic journal, that there were no significant net employment effects of increasing the minimum wage. So, the worse we were told was that 98 or 99 percent of teenage low-wage workers would not lose their jobs when they got a 10-percent pay increase.

Why is that bad? Further, how is that possible? If those workers were not worth a 10-percent raise, why do only 1 percent of them lose their jobs? Could it be that their lower wage was unfair?

The report of the Joint Economic Committee staff suggests that the low wage of minimum wage workers is much more the result of where they work, than the quality of their work. The study uses a set of jobs whose wages change with the minimum wage, more than with changes in other wages in the economy. Workers in those jobs are said to be on the minimum wage contour. The harm in holding down the value of the minimum wage is that the wages of those workers also are held down.

By asking a different question than, ''Can we count job losses or job gains after the minimum wage is increased?'' the staff sought to answer the basic question of what would be a fair wage. By answering that question, they could show that workers on the minimum wage contour are not so low skilled that they could not hold other jobs.

Unless we take as a matter of faith that the world always works just like the diagrams in an elementary economics textbook, the question of how changes in the minimum wage affect employment and earnings among low income workers is an empirical one. This study's major finding—that workers whose skills and other characteristics seem similar to those in minimum wage contour jobs, but who have non-minimum wage jobs, make around 30 percent more—calls into question simple textbook analyses of low-wage labor markets.

Why is that important? Because it means that there is some reason, not related to the ability to produce, that explains the lower wages of minimum wage contour workers. A reason could be that minimum wage workers have fewer options to give them bargaining power with their employers. Because the ranks of the minimum wage work force are disproportionately female, in an economy slanted by gender discrimination, seeing why these workers may have less bargaining power than workers in other jobs is easy. So when we raise the minimum wage, we are restoring some balance to the equation. The net effect would be to increase economic efficiency and make low-wage workers better off.

We have heard those in the majority scoff at such a notion. They snicker that if raising the minimum wage helps the economy, why not set it at a really high level. However, that is not what this research suggests. It shows that the gap in the wages of minimum wage and other similar workers is larger than the proposed increase in the minimum wage. So a modest rise in the minimum wage can be helpful.

The JEC staff study shows that when we increased the minimum wage from $3.35 in 1989 to $4.25 in 1991, the wage gap between minimum wage contour and nonminimum wage workers shrank. Also, the gap between the wages of women and men shrank.

Further, the study showed that many young workers with a high school education, or less, suffered a substantial loss in relative wages between 1986 and 1991 because some of their earnings' history was in a minimum contour job.

Most Americans agree on one way to approach falling wages. More than three-fourths of Americans in recent polls favor the raise in the minimum wage proposed by President Clinton. I might add that 64 percent of those who said they voted for Republican Members of Congress support the President on this. If we are going to listen to the voters, we must listen to the voters on this issue.

Why do they favor raising the minimum wage? Because, most minimum wage workers are adults. Because, minimum wage workers provide an average of over half their family's weekly earnings. Because there is a direct relation between the minimum wage and keeping families out of poverty.

In 1979, when the minimum wage was worth almost $6 an hour in today's terms, almost 1.4 million Americans were working full time, year round living below poverty. Today, during an economic recovery, with the minimum wage at $4.25, the number of full time, year round workers living below poverty is more than 2 million. Americans know that having an increase in the number of people working full-time year round living below poverty is not right. Americans know that having almost 20 million workers being paid less today, in real terms than we legally allowed in 1979, is not right.

Prof. Daniel Hamermesh was one of two economists the Republicans called as a witness who had not done research sponsored by the Employment Policies Institute Foundation. When I asked him whether we should raise the minimum wage, his answer was yes. Earlier this month, we learned that a large number of other economists agree with him.

I thank the gentleman for yielding me this time. We should listen to voters. But we should also study proposals to best serve the public's needs. I think the JEC staff study helps us know that raising the minimum wage would be the right thing to do. So I am happy to support your efforts in getting this bill to the floor.

VIOLENCE AWARENESS MONTH

The SPEAKER pro tempore (Mr. BLUTE). Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 60 minutes.

Mrs. MORELLA. Mr. Speaker, I am pleased to be involved in this special order to commemorate Domestic Violence Awareness Month. It really should be Domestic Eradication Month, year, decade, into the millennium and beyond that.

I would like to compliment the gentlewoman from California [Ms. ROYBAL-ALLARD], because she chairs the violence task force for the congressional Caucus for Women's Issues, and she is the one who compiled the list of people to participate in this special order. A number of them are not here because of the late hour, but they are submitting testimony for the CONGRESSIONAL RECORD.

It gives me great pleasure to yield to the gentlewoman from California [Ms. ROYBAL-ALLARD], who, as I say, chairs that violence task force and does it so well.

I thank the gentlewoman very much for arranging for this.

Ms. ROYBAL-ALLARD. Mr. Speaker, October is Domestic Violence Awareness Month. A time when we focus on the tragedy of violence that exists in many homes and families throughout our country.

As chair of the Violence Against Women Task Force, I sincerely thank Representative CONNIE MORELLA and Representative NITA LOWEY for their assistance in this special order. I also thank my colleagues, male and female, from both sides of the aisle, who have joined me to bring attention to a crime that destroys lives and undermines the foundation of our country—the family.

This is especially meaningful because domestic violence is not bound by geographic, racial, economic, or partisan lines. Domestic violence is a tragedy which affects people in all communities, both rich and poor, rural and urban, racially diverse or homogeneous.

Although acts of domestic violence are overwhelmingly committed against women, this is not just a women's issue.

The devastation of domestic violence extends well beyond the tragedy in the lives of these women. Domestic violence injures children, is a root cause of juvenile delinquency, a leading cause of homelessness and costs billions of dollars to this country in employee absenteeism and medical costs.

Domestic violence affects all of us directly or indirectly and whether we know it or not. Although we have raised the level of awareness about domestic violence, we are failing to prevent or reduce it. Current statistics reveal domestic violence is at epidemic proportions.

Today, a woman is battered every 13 seconds, compared to 15 seconds a few years ago and is still the single greatest cause of injury to women in the United States.

Today, over half the marriages in our country involve at least one incident of battering.

In 1993, 1 out of every 5 women in emergency rooms was there as a result of domestic violence—today that figure has risen to 1 in every 4 women.

In my own county of Los Angeles, over 50 percent of the 911 calls are a result of domestic violence. Even more tragically, these calls are often made, not by the victim, but by the children of the victim.

As an underreported crime, the actual number of women who experience such violence each year is unknown. Of the women who do report this violence, however, we know the battery is so severe that at least 4 million women a year require medical or police intervention. We also know the abuse ends in death for nearly 6,000 women a year.

As part of the Remember My Name Project started by the National Coalition Against Domestic Violence, this poster memorializes the thousands of women who have died at the hands of their batterers. These women were our mothers, daughters, sisters, friends, and neighbors.

These women did not have to die. Nor did Angelita Avita, a young woman from the L.A. area.

Jose Salavarria, Angelita's common-law husband, was first arrested for battery in November 1994. He spent 20 days in jail and was required to attend 1 year of counseling.

Angelita did everything possible to prevent the abuse. She left Jose and moved to a location unknown to him. When Jose repeatedly violated his parole and attempted to contact her, she notified the police.

On one occasion, Jose even threatened her with a gun, which happened to be unloaded. For this offense, Jose was given more jail time and 2 years parole.

On September 15, Jose again violated his parole and tracked Angelita down. He waited outside her house. This time his gun was loaded. When Angelita left for work Jose shot her. When she fell to the ground, he shot her three more times before turning the gun on himself.

Angelita was killed at the young age of 35 by her common-law husband of more than 18 years, leaving behind their two teenage children.

Tragically Angelita's story is all too common. But it is a story that does not have to be repeated. Domestic violence is preventable.

We must therefore all work together to stop this devastating crime by making it a national priority, supporting violence prevention and treatment programs, and expanding and strengthening the legal rights of victims.

We can break the cycle of family violence in this country.

We cannot afford to fail the families of America. If we do we will all be losers in the end.

Mrs. MORELLA. Mr. Speaker, I thank the gentlewoman for that very true and eloquent statement about domestic violence and the fact that we do have controls to prevent it.

Mr. Speaker, the trial of O.J. Simpson unleashed a national conversation about domestic violence and a national awareness of the problems that have not ended despite the verdict rendered in Los Angeles earlier this month.

The verdict did nothing to alter the fact that domestic violence is an epidemic in the United States, nor did it alter the fact that Mr. Simpson was a batterer whose abusive behavior was ignored by the police, the courts, and society because of his celebrity status.

Every day, women of all ages, income, and education levels are beaten or killed by their husbands and boyfriends, no matter where they live or work.

Statistics from the Justice Department are grim. The National Crime Victimization Survey found that women experience ten times the amount of violence at the hands of intimate partners than men.

According to the Uniform Crime Statistics, in 1977, 54 percent of female murder victims were killed by husbands or boyfriends; by 1992, the percentage had soared to 77 percent. And we must not forget the millions of children who witness violence in their homes and who often grow up to become abusers or victims.

On October 2, at a White House ceremony honoring survivors of domestic violence, President Clinton proclaimed October as National Domestic Violence Month and spoke about the ''vital partnerships [that] have formed between Federal agencies and private sector organizations to expand prevention services in urban, rural, and underserved areas across the country. * * *''

The landmark Violence Against Women Act, which I proudly sponsored in this House and which must be fully funded by this Congress, provides funding for these important programs and services targeting domestic violence: A national domestic violence hotline; training programs for police and judges; shelters, counseling programs, and other victims services.

When the Congress passed the crime bill last year, it pledged to substantially increase Federal efforts against domestic violence. We have come a long way in assisting our local governments and victim service groups by helping them fund programs that are tailored to their particular needs and circumstances. They are counting on us.

All across the United States, in communities large and small, in cities and towns and in rural areas, these professionals and volunteers quietly do their work in shelters, in counseling programs, in courts and police stations, and in our classrooms. I salute their devotion, their dedication, and their commitment.

Since 1980, the Maryland Network Against Domestic Violence has led the effort in my State to pass legislation

to help battered women and their children, to train law enforcement personnel and judges, and to raise public awareness about domestic violence and its impact on our society.

Last year, the network's 23 domestic violence programs served 12,308 women and 3,295 children and helped 77,467 people who telephoned hotlines and shelters for help. What would have happened to these families, if the network had not been there?

The network, under the indefatigable leadership of executive director Susan C. Mize, has fought for increased shelter funding, for stiff spouse abuse and child custody laws, for warrantless and mandatory arrest laws, for stalking laws, and for fair trials for battered women in criminal cases.

This year, the network's staff will train judges about changes in Maryland family law and about domestic violence. They will teach police departments across the State how to collect evidence in domestic violence cases, and they will train prosecutors on how to use that evidence in court.

The network is also helping the State's Office of Aging develop a program targeting elder abuse. The AARP tells us that 58 percent of the abused elderly are abused by a spouse; by contrast 27 percent are abused by an adult child.

In Montgomery County, which I am honored to represent in the U.S. Congress, domestic violence rose more than 330 percent between 1984 and 1994. My district, one of the most affluent and highly educated districts in the Nation, is no exception when it comes to domestic violence.

Last year alone in Montgomery County, there were 2,101 reported cases of domestic violence. This year, with the help of the county's Task Force Against Domestic Violence, County Executive Doug Duncan introduced a Coordinated Program Against Domestic Violence, which combines our legal and judicial departments, our medical and social work professionals, and our public and private schools into one integrated system on behalf of battered women and their families. And because of the county's rich ethnic, racial, and language mix, the county has especially tailored its counseling programs to reflect its diverse populations.

I am proud of the work being done in my State and all across the country to combat the terrible scourge of domestic violence. With funds form the Violence Against Women Act, we can do so much more.

I look forward to the day when hotlines will no longer ring, when shelters will no longer be needed, and when children will no longer cower, terrorized in their homes by domestic violence.

□ 2200

Mr. Speaker, it now gives me pleasure to yield time to a very special Member of Congress, the gentlewoman from New York, Mrs. NITA LOWEY, who is the cochair with me of the Congressional Caucus for Women's Issues.

Mrs. LOWEY. Mr. Speaker, I want to thank the gentlewoman from Maryland [Mrs. MORELLA], who is not only my cochair of the Congressional Caucus on Women's Issues, but has truly been a leader and a fighter for domestic violence issues. Let us hope we can together reach that day when all this work will not be necessary. I am particularly pleased to be here with the gentlewoman from California, Ms. LUCILLE ROYBAL-ALLARD, who has been the chair of the Domestic Violence Tax Force. I thank the gentlewoman for leading us in this special order this evening.

Mr. Speaker, 1995 has been a landmark year in raising this Nation's consciousness about domestic violence.

Together, we listened in horror to the 911 tapes on which Nicole Brown Simpson pleaded for her life with a radio dispatcher while her husband raged in the background.

We were shocked to discover that a judge in Maryland sentenced a man to only 18 months after he had been convicted of murdering his wife, explaining the sentence by stating that murder was a reasonable response to finding one's wife in bed with another man.

We watched as the first criminal was convicted under the Violence Against Women Act, a man who beat his wife senseless, put her in the trunk of his car and drove around for 6 days before taking her to a hospital.

And for the first time we have a President who is dedicated to eradicating domestic violence from this Nation, a President who was raised in a home violated by abuse, a President who remembers seeing his own mother struck by her husband.

At this moment in the Nation's history, one would expect that Congress would be leading the fight to combat domestic violence. And yet, at the very time that we should be attacking violence against women, the programs that protect women are under attack.

This summer, the House leadership attempted to gut the funding for the Violence Against Women Act programs. The Violence Against Women Act was passed just last year by a bipartisan, unanimous vote. And yet, the House leadership tried to cut over $169 million of funding to the programs authorized under the act.

Fortunately, a bipartisan group of women Members stood up for these programs. Together, we ensured that Congress would not break its promise to the American people to protect victims of domestic violence. Working together, we restored $90 million of funding for these programs.

Currently, the Senate proposes to fully fund these vitally important programs. I can think of no better recognition of domestic violence awareness month than an agreement by the House to fully fund the Violence Against Women Act programs.

Domestic violence is an epidemic that is sweeping this Nation. The Violence Against Women Act programs are necessary to roll back this tide of violence. Just listen to these statistics:

The FBI estimates that a woman is battered every 5 to 15 seconds in America;

28 percent of women who were murdered in 1992 were killed by husbands or boyfriends;

Domestic violence will occur in at least 50 percent of all marriages;

Estimates show that one in six women in this country is, or has been, a victim of domestic violence;

The cost of domestic violence to U.S. health care is estimated between $5 to $10 billion a year;

The American Medical Association estimates that anywhere from 22 to 35 percent of women seeking emergency medical care are there due to injuries incurred by domestic violence.

These statistics are horrifying. The Violence Against Women Act was the Congress' way of signaling that this epidemic of violence must end. The failure to fully fund the programs makes the Violence Against Women Act meaningless. And it signals to the American people that this House is turning its back on America's families by cutting funding that protect its mothers, sisters, and children.

What will it take for the House leadership to realize the importance of funding these programs? How many women must be terrorized in their own homes? How many women must die?

as Domestic Violence Awareness Month comes to a close, I urge all of my colleagues to remember that focusing on this issues just once a year is not enough. In the months that come, we must all work together to ensure that women are safe from domestic violence. We must come together to demand that the Violence Against Women Act programs are fully funded. It is literally a matter of life and death.

Mr. Speaker, I again thank my colleagues, the gentlewoman from California [Ms. ROYBAL-ALLARD], the chair of this task force, and the gentlewoman from Maryland [Mrs. MORELLA], with whom I have worked very closely in fighting for the full funding of these programs. I thank the gentlewoman very much for this special order this evening.

Mrs. MORELLA. Mr. Speaker, I want to commend the gentlewoman publicly and for the RECORD for the very hard work that went into being able to obtain significant funding for the Violence Against Women Act. All America thanks her for doing that.

Mr. Speaker, I would like to now yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. MORELLA]. I also want to thank my colleagues who have been so active in this effort for a long time and have made great strides and great accomplishments, the gentlewoman from New York [Mrs. LOWEY] and the

gentlewoman from Maryland [Mrs. MORELLA], who have cochaired the Women's Caucus issues. They have been at the forefront of the fight, along with the gentlewoman from California [Ms. ROYBAL-ALLARD], who has chaired the Violence Task Force and has done so much to accomplish in several Congresses the important legislation at the forefront that has been requested by law enforcement officials and others who know that much has to be done.

We just have to look to the facts, that we have not completed this important battle. When you look at 1967 to 1973, battering men have killed 17,500 women and children in the United States. Women have suffered 5 million victimizations between 1992 and 1993. That is an unbelievable figure. Most of the violence against women cases have involved a husband, an ex-husband, a boyfriend, and an ex-boyfriend. Almost 70 percent of the men who batter their wife or girlfriend also abuse a child. So this is a problem that has been systemic. But thanks to the efforts of the three Members who I have mentioned, we have passed in this Congress two important bills, the Family Violence Prevention and Services Act, which provides awareness, prevention and assistance grants, and the Violence Against Women Act, which addresses the judicial side of sexual assault and domestic violence, including increased penalties.

We have other legislation which is important that is coming up for a vote, which I hope that those of our colleagues listening tonight who have not yet become involved as much as Representatives MORELLA, ROYBAL-ALLARD, and LOWEY have, will get involved with this legislation to make sure it is passed to help their communities and their districts, and they include the Domestic Violence Victims Insurance Protection Act, which is designed to protect the victims of domestic violence from being denied health insurance.

While women are encouraged to seek out help and report domestic violence abuses to local law enforcement authorities and family physicians, some women have found that doing the right things for themselves and their families may have a price, the loss of or inaccessibility to health insurance. Victims who come forward from domestic violence should not be denied insurance. In this legislation it would be prohibited.

A second bill, the Domestic Violence Identification Referral Act of 1995 will supply incentives for medical schools to provide comprehensive training, Mr. Speaker, in domestic violence identification, treatment, and referral. There is no better opportunity to receive permanent assistance for victims of domestic violence than in the privacy of their physician's office, but they will not receive that help unless all doctors are trained to identify and treat the victims of domestic abuse. By encouraging medical schools to incorporate training on domestic violence into their curricula, this bill will help ensure that America's health care providers of the future recognize and treat victims of domestic violence, and we will save the lives of women, children, and seniors who are most at risk of being victims of domestic violence.

Finally, I would advocate that my colleagues work with these Members to adopt the Domestic Violence Community Response Team Act, which is a bill designed to fortify America's fight against spousal abuse and domestic violence.

We find that, just looking to my district, Montgomery County, PA, like your Montgomery County, MD, we have important organizations, like the Montgomery County Victim's Services Center, Laurel House, the Montgomery County Women's Center, and the Montgomery County Commission on Women and Families. They are on the frontlines of this fight.

If we have a coordinated effort by working with our police departments, this legislation will increase the availability of communities to pool their resources in the fight against violence. I believe that we only have to look to the physical abuse suffered by Nicole Brown Simpson in Los Angeles, which has riveted the whole Nation, in making sure that we work with each of you, with the gentlewoman from California [Ms. ROYBAL-ALLARD], with the gentlewoman from New York [Mrs. LOWEY] and the gentlewoman from Maryland [Mrs. MORELLA] as the cochair. I look forward to working with these Members in a bipartisan fashion, both here in the House and with our Senators, to make sure that the legislation that you have introduced and worked with your colleagues will in fact become law, and we will all be better for it. I thank the gentlewoman for this opportunity to join in her special order.

Mr. MORAN. I thank the gentleman from Pennsylvania [Mr. FOX]. It indicates the fact that we have by art partisan support to eradicate domestic violence and come up with such programs, and we support from menace well as the women in the Congress and throughout the Nation.

You mentioned two other bills that I think are critically important. The one is to make sure that no insurance policy is going to prevent those people who are victims of domestic violence from getting the insurance. In some instances, and this is becoming rarer, but I think we do need to get the legislation in effect to fully prevent it, in some instances they have considered it a preexisting condition. This is a situation where the victim is victimized also by not being able to have that very thing that she needs so vitally, and that is the health insurance.

The other bill that the gentleman mentioned is one that would require that medical schools include within their medical training information abut domestic violence, how to recognize it, and protocols for treating it. We did pass in the last Congress a measure that required the Centers for Disease Control to come up with a demonstration program to be used in some hospitals where protocols would be established for domestic violence to be able to treat it.

So, again, I thank the gentleman very much from one Montgomery County to another for participating in this special order.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentlewoman will yield further, I just wanted to say as a former prosecutor and assistant district attorney in my hometown, I know how important it is to have a coordinated effort. What the gentlewoman has done in her home area as well as in Congress, it is very important to bring people together, because some issues may be cyclical and only happen once and they are done.

When it comes to domestic violence, I found by working with community groups, we had a Protection From Abuse Act in Pennsylvania, but we had to school police officers in that bill. But by doing so, and working with law enforcement and with clergy, with social service networks, and with individuals who are involved with positive parenting, together we can as lawmakers work with those who are out in the field and really make a difference long term.

□ 2215

Mrs. MORELLA. Mr. Speaker, in recognizing the fact that O.J. Simpson was, in fact, a batterer, we know that case really was sort of a wake-up call in a way. It told women throughout our country that such a thing as domestic violence is prevalent and that it is time for them to no longer put up with it, but to turn for help to the courts, to law enforcement, to the medical community, to their neighbors and organizations.

I am very pleased now to be able to yield time to our distinguished friend, the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Maryland, and I congratulate her on this very important special order.

Mr. Speaker, as the chairman of the House subcommittee committee on select education and civil rights, and I served in that capacity for 6 years, I was proud to introduce the Domestic Violence and Family Services Act in both 1988 and 1992. We reauthorized this Domestic Violence and Family Services Act. This act funds a variety of prevention programs which are designed to promote the swift identification of domestic violence. It also provides critical operating support needed to sustain a national network of temporary shelters for the victims of domestic violence.

Mr. Speaker, these programs need greater Federal support. Family violence shelters must turn away three out of every four women who seek assistance due to insufficient space. The

House has voted to free funding. I guess we should be grateful that they are not cutting the funding of these programs, but they voted to freeze funding for domestic violence programs at last year's levels, ignoring the enormous need for greater Federal assistance.

We do not have any great Federal bureaucracy in this area, but the Federal Government's participation is very important. Federal Government sets the tone, it sets the pace, it provides leadership in this critical area, and I think that leadership is needed more than ever. Temporary shelters are just that. They are temporary. We need a more enduring, a more effective response to the crisis of family violence in order to do that.

We have to invest in programs and enact policies which will enhance the economic well-being of women. No woman should be forced to remain with an abusive partner in order to feed her kids or because she needs a roof over her head. No woman should be forced to put her physical survival in jeopardy for the sake of assuring her economic survival.

Mr. Speaker, this Congress has taken a buzzsaw to Federal programs which support the economic well-being of women and children. Job services, training services are being cut by 20 percent. Low-income housing is being slashed by $3 billion. The safety net guarantee of AFDC payments for women with children, who are unable to find work, has been stripped away. A woman who flees an abusive husband will no longer be able to count on temporary income support while she tries to get back on her feet.

Minimum wage is important for women. Congress must also invest in women's economic well-being by increasing the minimum wage. Sixty-six percent of minimum wage workers are women. In all of these areas the Federal Government's leadership is very much needed. The pace is set by the Federal Government, the tone is set by the Federal Government. We must not neglect our duties in this area.

Mr. Speaker, I thank the gentlewoman and congratulate her for her leadership in this critical area.

Mrs. MORELLA. Mr. Speaker, I thank Congressman OWENS for the work that he has done in all kinds of human needs.

I am reminded in Beijing when Mrs. Clinton said women's rights are human rights, human rights are women's rights. And the other issues he mentioned too in the work force do affect women also.

And Mr. Speaker, I would just remind this body that there is no excuse for domestic violence. It is a crime and it should be treated as such, and I yield back the balance of my time.

Ms. WATERS. Mr. Speaker, it is time to break the silence. Four million American women were beaten by their husbands or boyfriends last year. At least 600 of them were killed.

Domestic violence is a crime. It is the single greatest cause of injury to American women—more than burglaries, muggings, or other physical crimes combined. Forty-two percent of murdered women are killed by their husbands or boyfriends. This must stop.

This crime crosses racial, social, and economic lines. It affects poor, rich, and minority women alike. Last year alone, Los Angeles County Law Enforcement received close to 73,000 domestic violence calls for assistance.

We must recognize that this problem plagues our society, often in secret. Many women—struggling to come to grips with the horror they are living—blame themselves for their abuse. Society and law enforcement officials can also make them feel at fault by not believing them or supporting them at the scene of the crime, by not prosecuting their abusers, or by blaming them for their life choices.

Battered women need help to escape a violent husband or boyfriend. Some women may be too afraid, or too ashamed to seek assistance. Battered mothers may not be able to support their children on their own. They may not know where to turn.

Even those who do manage to leave abusive relationships are not guaranteed safety. While separated and divorced women represent 7 percent of the U.S. population, they account for 75 percent of all battered women, and report being battered 14 times as often as women still living with their parents.

In Los Angeles County, where my district is located, there are 18 shelter facilities for battered women and their children. These places offer a temporary safe shelter for abused women and their families. In my county, 65 percent of the shelters' residents are the children of battered women. Even so, four out of every five families requesting shelter have to be turned away due to lack of resources.

Violence which begins in the home breeds violence elsewhere. Children who grow up in a violent household are at high risk for alcohol and drug use, depression, low self-esteem, poor impulse control, and sexual acting out. We must work to prevent this cycle of violence. Let us open our eyes in our families and communities, and take action to combat this heinous crime.

Ms. JACKSON-LEE. Mr. Speaker, I rise tonight to speak about the epidemic of violence facing the women of this Nation. The FBI estimates that every 15 seconds a woman is beaten by her husband or boyfriend. In 1992, 5,373 women in the United States were murdered. Six out of every ten of these women were killed by someone they knew. Of those who knew their assailant, about half were killed by their husband, boyfriend, ex-husband or ex-boyfriend. Although most assaults on women do not result in death, they do result in physical injury and severe emotional distress. Physical injuries are the most tangible manifestations of domestic violence, yet they are frequently not reported by women and go unrecognized by the professionals who are mandated to intervene. More than one million seek medical assistance for injuries caused by battering each year. Injuries from domestic violence account for 30 percent of visits by women to emergency rooms and require 1.4 million doctor visits annually.

In addition to the visible physical injuries that women suffer from violence, they also face emotional, physical, and social consequences. Survivors of domestic violence and rape are more likely than women who have not been abused to suffer from psychological problems, including suicide attempts, major depression, posttraumatic stress disorder, dissociative disorders, alcohol and other drug abuse, and sleep and eating disorders.

Too many Americans, including some in the criminal justice system domestic violence is dismissed as a ''private or family matter'', rather than a criminal offense. In some cases women who go to court are asked what they did to deserve the beating or why they just don't get up and leave. Too often in cases of family violence police do not make arrests, prosecutors do not press charges, judges do not impose tough sentences and women and children at risk go unprotected.

The impact of family violence on children is often underestimated. Thirty to seventy percent of children who live in violent homes become victims of child abuse and neglect. Infants and very young children, as innocent bystanders, may receive severe blows not meant for them but which also result in injuries. Older children also get hurt in trying to intervene and protect their mother. Even when they are not physically harmed, children who witness domestic violence experience short-term and long-term effects on their physical and mental health. They may suffer from chronic health problems, behavioral disorders and mental illness. Some may engage in antisocial behavior and repeat the cycle of violence in their own interpersonal relationships. In addition, battered women are often unable to care adequately for their children. They may use more physical discipline and may be more likely to physically abuse their children.

The 1994 Violence Against Women Act—which combines strong law enforcement provisions with Federal funding for States and communities to assist victims of domestic abuse and sexual assaults—was an important first step but there is more that must be done. We must work to identify effective measures for reducing the threat that women and children face of being physically abused or sexually assaulted by partners, acquaintances, and strangers. We must find a way to prevent abusive behavior and injuries before they occur.

Too often, wife-beating continues to be regarded as a private, not police matter. Until 1874, it was legal for husbands to physically chastise their wives, an attitude that persists today. The truth is that in 1995, batterers can get away with it, victims don't tell and often when they do no one pays attention. There continues to be a large difference between what is permitted inside the home and outside of it. In addition, women are likely to forgive and reconcile with their abusers, even in cases of severe injury. Studies have found that 50 percent of women who flee to a shelter will resume living with their abusers. And most often, the abuse continues. In many communities there is no incentive, such as the risk of jail, to start or complete, court-ordered treatment—if in fact, such treatment was even ordered.

A growing number of States have passed laws requiring police to follow through on their investigation of any complaint of domestic violence, even if the plaintiff subsequently asks to have the complaint withdrawn. Otherwise police often fail to follow up, and abuse victims may drop a complaint out of fear for their lives.

In 1982, Duluth, MN became the first jurisdiction to adopt a mandatory arrest policy in

domestic violence cases. Police who respond to a domestic fight must make an arrest if they have probable cause to believe abuse occurred within 4 hours. The Duluth model seeks to hold an abuser accountable at every stage of the legal process. The program, which has an 87 percent conviction rate for spousal abuse cases, tracks a couple from a 911 call to the time an abuser finishes probation.

In addition to a mandatory arrest policy—first offenders typically spend at least one night in jail—there is a ''no drop'' prosecution policy. All cases are prosecuted regardless of whether the woman wants to proceed. Judges in Duluth sentence men who plead guilty to misdemeanor spousal assault to 30-to-90 days in jail, which is suspended if they enter the 6-month treatment program, consisting of weekly counseling sessions. Typically men who miss three consecutive classes are arrested and jailed. This model is one which should be replicated in communities throughout the Nation. Such policies send a clear message to batters that abuse will not be tolerated.

Violence against women is a public health problem of enormous magnitude which exacts a tremendous cost on our Nation's women and children. We cannot begin to address this problem until we all open our eyes to the magnitude of the problem. We can't make our streets safe if we can't make our homes safe. To do this we must all get involved. Neighbors must contact the police when they hear violent arguments, relatives should lend support to family members in need, and teachers should be aware of signs that students have witnesses violence at home. Pastors and clergy cannot tell a battered spouse to ''try and make it work.'' Sending a woman home to a battering spouse often places a woman's life at risk. We need to let abuse victims know that there are options available to them and their children. And we in Congress and local governments must work to ensure that these options are available. Early intervention is crucial, and it is essential if we are to reduce the epidemic of abuse in our homes and our society.

Ms. HARMAN. Mr. Speaker, it is ironic that this month is Domestic Violence Awareness Month. It's been hard to compete for news coverage to raise awareness given all of the attention the O.J. verdict and trial has received—a trial where the issue of domestic violence should have played a critical role. This month, no one can get in a word about anything besides O.J., so I suppose I'll have to comment on the trial if I want to see my remarks in print.

Let me say that juror No. 7, Brenda Moran, was under a false impression when she implied there was no relationship between spousal abuse and murder. In 1990, 30 percent of women who were murdered were killed by husbands or boyfriends. Estimates show that one in six women in this country are, or have been, victims of domestic violence. Domestic violence knows no socio-economic, ethnic, or racial lines. Women across America are abused and killed by their partners, and we must do more to stop this.

Also occurring this month are negotiations between House and Senate conferees to the Commerce-Justice-State appropriations bill where the funding level for the Violence Against Women Act will be decided. In 1993, the Congress passed the Violence Against Women Act, a promise to finally treat domestic violence like the crime that it is, to improve law enforcement, to make streets and homes safer for women, and to vigorously prosecute perpetrators. We promised more counseling. We promised more shelter to provide a safe haven for abused women. Yet this summer, the House of Representatives abandoned these promises. The House-passed Commerce-State-Justice appropriations bill has a $50 million shortfall in funds for the Violence Against Women Act. I fear this may be interpreted as a message to battered women that there are few resources for them, only empty promises. I implore the conferees to adopt the Senate level of funding to fully fund the Violence Against Women Act at $175 million.

The funding is critical to stopping abuse and providing counseling. Rainbow Services is a shelter in San Pedro, CA, in my district, that desperately needs the money to implement its programs to combat domestic violence. Two women the Rainbow Services shelter and tried to help, were killed in the last 6 months—women whose lives could have been saved had they had been able to stay at the shelter longer. These women came forward and tried to do the right thing, but the resources were not there to keep them away from their abusers long enough. Clearly, grants from the Violence Against Women Act translate into saving human lives.

Rainbow Services has long waiting lists for counseling, beds, and all of its other services. The number of women who come seeking help has doubled in the last 3 months since a domestic violence hotline was established in May. The increased funds from California's VAWA grant only constitutes half of what they need for their emergency response program, a program operating 24 hours a day, 7 days a week. Rainbow Services recently received a grant for a new shelter—the first shelter for battered elderly women in the area—and the Violence Against Women Act grants are critical to its operation.

I recently visited several shelters in my district and talked to women and heard their stories. I have urged the Los Angeles district attorney, Gil Garcetti, to step up the local commitment to violence against women. But until our national consciousness is raised, local efforts will be inadequately supported and financed.

October is Domestic Violence Awareness Month, but we must realize that victims of domestic violence live in fear every day of every year. The FBI estimates that a woman is battered every 5 to 15 seconds in America. Our commitment must not be limited to recognizing a special month to combat domestic violence, or simply funding programs to stop the violence. We must continue to raise this issue at the local level, the State level, and the national level until women are no longer afraid to reach out for help, until there are no women turned away at shelters because they are too full, and until domestic violence is recognized as the crime that it is.

Mr. REED. Mr. Speaker, I rise today in recognition of Domestic Violence Awareness Month. Violent attacks are the No. 1 health threat to women in this country. In fact, women are at greater risk of injury from violent attacks than they are from cancer or heart attacks; or auto accidents, plane crashes, AIDS, or drowning.

Since coming to Congress, I have actively supported legislation to prevent violence against women. Unfortunately, the strides we made in the last Congress through passage of the Violence Against Women Act [VAWA] are being threatened by legislation this Congress which decreases levels of funding for essential programs.

My home State of Rhode Island is fortunate to have excellent resources for women who are victims of violence. I have had the opportunity to work with many of the people who have dedicated their lives to helping these victims, and I am well aware of the important and necessary work that they are doing. But we must continue to support these efforts. Much more remains to be done. Last year in Rhode Island more than 4,100 people asked the district and family courts for protection from abuse; 14,120 calls for help were answered on our State's seven domestic abuse hotlines; 854 abused women and children found safety and support in Rhode Island's six domestic violence shelters; 8,752 clients received advocacy and assistance from Rhode Island's domestic violence shelters and advocacy programs; and at least 12 people died in Rhode Island as a result of domestic violence, more than twice the number in 1993.

These numbers clearly illustrate the need for funding VAWA programs and strong laws to curb and prevent domestic violence. I will continue to work to strengthen laws, support legislation, and ensure Federal support for programs aimed at combating violence against women. I urge my colleagues to continue to raise awareness of this issue, and to support legislation aimed at solving this national crisis.

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to insert in the RECORD their comments with regard to our special order on Domestic Violence Awareness Month.

The SPEAKER pro tempore (Mr. BLUTE). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TAYLOR of North Carolina (at the request of Mr. ARMEY), for today, on account of a family medical emergency.

Mr. WELDON of Pennsylvania (at the request of Mr. ARMEY), for this week and next, on account of medical reasons.

Mr. MARTINEZ (at the request of Mr. GEPHARDT), for today, on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mrs. THURMAN, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.
Ms. BROWN of Florida, for 5 minutes, today.
Mr. DEUTSCH, for 5 minutes, today.
Mr. GENE GREEN of Texas, for 5 minutes, today.
(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)
Mr. SCARBOROUGH, for 5 minutes, today.
Mr. BILIRAKIS, for 5 minutes each day, today and October 25.
Mr. MCINNIS, for 5 minutes, today.
Mr. HORN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:
(Mr. ROBERTS, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $4,577.00.)
(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)
Mr. STARK.
Mr. GEJDENSON.
Mr. MURTHA.
Mr. VENTO.
Mr. VISCLOSKY, in two instances.
Mr. HAMILTON.
Mr. LAFALCE.
Mr. FRANK of Massachusetts
Mr. KENNEDY of Massachusetts.
Mr. NADLER.
Mr. SCOTT.
Mr. CLYBURN.
Mr. MATSUI.
Mr. LEVIN.
Mr. LANTOS.
Mr. MANTON.
(The following Members (at the request of Mr. MCINNIS) and to include extraneous matter:)
Mr. COMBEST.
Mr. DAVIS.
Mr. CUNNINGHAM.
Mr. HYDE.
Ms. ROS-LEHTINEN.
Mr. FIELDS of Texas.
Mr. BAKER of California.
Mr. WOLF.
Mr. SMITH of New Jersey.
Mr. ROTH.
Mr. ALLARD.
Mr. HORN.
(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)
Ms. DUNN of Washington.
Mr. HILLIARD.
Mr. BARTON of Texas.
Mr. DORNAN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table, and, under the rule, referred as follows:

S. 868. An act to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes; to the Committee on Government Reform and Oversight.

S. 1309. An act to reauthorize the tied aid credit program of the Export-Import Bank of the United States, and to allow the Export-Import Bank to conduct a demonstration project; to the Committee on Banking and Financial Services.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly an enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 402. An act to amend the Alaska Native Claims Settlement Act, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

ADJOURNMENT

Mrs. MORELLA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until Wednesday, October 25, 1995, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1542. A communication from the President of the United States, transmitting his request to make available emergency appropriations totaling $125,000,000 in budgetary authority for the Small Business Administration [SBA], and to designate the amount made available as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104–127); to the Committee on Appropriations and ordered to be printed.

1543. A letter from the Comptroller General of the United States, transmitting a review of the President's sixth special impoundment message for fiscal year 1995, pursuant to 2 U.S.C. 685 (H. Doc. No. 104–126); to the Committee on Appropriations and ordered to be printed.

1544. A letter from the Under Secretary of Defense; transmitting a report of a violation of the Anti-Deficiency Act which occurred at the U.S. Army Reserve Personnel Center, St. Louis, MO, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1545. A letter from the Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred when the Alaska Army National Guard used Federal funds to support a State public relations function, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1546. A letter from the Chief of Legislative Affairs, Department of the Navy, transmitting notification that the Department intends to renew lease of one naval vessel to the Government of Mexico, pursuant to 10 U.S.C. 7307(b)(2); to the Committee on National Security.

1547. A letter from the Secretary of Energy, transmitting the Department's thirty-first quarterly report on the status of Exxon and stripper well oil overcharge funds as of June 30, 1995; to the Committee on Commerce.

1548. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending September 30, 1995. pursuant to 22 U.S.C. 2768; to the Committee on International Relations.

1549. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of transmittal No. A–96 which relates to enhancements or upgrades from the level of sensitivity of technology or capability described in section 36(b)(1) AECA certification 95–11 of February 24, 1995, pursuant to 22 U.S.C. 2776(b)(5); to the Committee on International Relations.

1550. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for the manufacture of significant military equipment [SME] in a non-NATO country, pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

1551. A communication from the President of the United States, transmitting a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council, pursuant to Public Law 102–1, section 3 (105 Stat. 4) (H. Doc. No. 104–128); to the Committee on International Relations and ordered to be printed.

1552. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1553. A letter from the Secretary, Panama Canal Commission, transmitting notification that it is in the public interest to use procedures other than full and open competition to award a particular Commission contract, pursuant to 41 U.S.C. 253(c)(7); to the Committee on Government Reform and Oversight.

1554. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the 1994 annual report of the Director of the Administrative Office of the U.S. Courts containing reports of the proceedings of the Judicial Conference of the United States, activities of the Administrative Office of the United States, and judicial business of the U.S. courts for the fiscal year ending September 30, 1994, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. WALDHOLTZ: Committee on Rules. House Resolution 241. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal

year ending September 30, 1996, and for other purposes (Rept. 104–289). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1253. A bill to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge (Rept. 104–290). Referred to the House Calendar.

DISCHARGE OF COMMITTEES

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 1020. The Committees on Resources and the Budget discharged from further consideration. Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FIELDS of Texas (for himself, Mr. BLILEY, Mr. BURR, Mr. DINGELL, Mr. EDWARDS, Mr. FRISA, and Mr. MARKEY):

H.R. 2519. A bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, and for other purposes; to the Committee on Commerce.

By Mr. LEACH;

H.R. 2520. A bill to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, to reduce paperwork and additional regulatory burdens for depository institutions, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HORN (for himself, Mr. CLINGER, Mr. PETRI, Mrs. JOHNSON of Connecticut, Mr. CHRYSLER, Mr. EHLERS, Mr. FALEOMAVAEGA, Mr. HOBSON, Mr. KNOLLENBERG, Mr. LEACH, Mr. ROGERS, and Mr. DAVIS):

H.R. 2521. A bill to establish a Federal Statistical Service; to the Committee on Government Reform and Oversight, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARTON of Texas:

H.R. 2522. A bill to establish a maximum level of remediation for dry cleaning solvents, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Transportation and Infrastructure, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHABOT (for himself, Mr. OWENS, Mr. ROHRABACHER, Mr. CRANE, Mr. SCARBOROUGH, Mr. SHADEGG, and Mr. HOKE):

H.R. 2523. A bill to terminate the authority of the Secretary of Agriculture and the Commodity Credit Corporation to support the price of agricultural commodities and to terminate related acreage allotment and marketing quota programs for such commodities; to the Committee on Agriculture.

By Mr. FRANK of Massachusetts:

H.R. 2524. A bill to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. CONYERS, Mr. SENSENBRENNER, Mr. MCCOLLUM, Mr. GEKAS, Mr. SMITH of Texas. Mr. SCHIFF, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BONO, Mr. BRYANT of Tennessee, Mr. CHABOT, Mr. BRYANT of Texas, and Mr. RAMSTAD):

H.R. 2525. A bill to modify the operation of the antitrust laws, and of State laws similar to the antitrust laws, with respect to charitable gift annuities; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 2526. A bill to create a Creative Revenues Commission, to facilitate the reform of the Federal tax system, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS:

H.R. 2527. A bill to amend the Federal Election Campaign Act of 1971 to improve the electoral process by permitting electronic filing and preservation of Federal Election Commission reports, and for other purposes; to the Committee on House Oversight.

By Mr. BRYANT of Texas:

H. Res. 242. Resolution providing for consideration of the bill (H.R. 2261) to provide for the regulation of lobbyists and gift reform, and for other purposes; to the Committee on Rules.

By Ms. WATERS (for herself, Mr. BECERRA, Mr. RUSH, Ms. VELAZQUEZ, Mr. PAYNE of New Jersey, Mr. BISHOP, Mr. FORD, Mrs. MEEK of Florida, Mr. LEWIS of Georgia, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT of North Carolina, Mr. HILLIARD, Mr. THOMPSON, Mr. CLYBURN, Mr. FIELDS of Louisiana, Ms. JACKSON-LEE, Mr. MFUME, Mrs. COLLINS of Illinois, Mrs. CLAYTON, Mr. FRAZER, Mr. JEFFERSON, Mr. HASTINGS of Florida, Ms. BROWN of Florida, Miss COLLINS of Michigan, Mr. FATTAH, Mrs. MINK of Hawaii, Ms. WOOLSEY, Mr. HINCHEY, Ms. ROYBAL-ALLARD, Mr. MILLER of California, Mr. STARK, Mr. SCOTT, Mr. MARTINEZ, Mr. KENNEDY of Massachusetts, Ms. MCKINNEY, Mr. TORRES, Mr. OWENS, Mr. SANDERS, Mr. FARR, Ms. FURSE, and Mr. EVANS):

H. Res. 243. Resolution urging the prosecution of ex-Los Angeles Police Detective Mark Fuhrman for perjury, investigation into other possible crimes by Mr. Fuhrman, and adoption of reforms by the Los Angeles Police Department; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

176. The SPEAKER presented a memorial of the House of Representatives of the State of Michigan, relative to funding for the Great Lakes Science Center; to the Committee on Appropriations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 43: Mr. VENTO.
H.R. 218: Mr. KINGSTON.
H.R. 350: Mr. MCHUGH.
H.R. 353: Mr. BOEHLERT.
H.R. 359: Mr. OLVER and Mr. NORWOOD.
H.R. 394: Mr. ROSE, Mr. BUNNING of Kentucky, and Mr. SALMON.
H.R. 528: Mr. SAWYER, Ms. PELOSI, Mr. LEWIS of Georgia, Mr. OLVER, Mr. WYNN, Mr. LEWIS of California, Mr. BAKER of Louisiana, Mr. CUNNINGHAM, Mr. GUNDERSON, Mr. SOUDER, and Mr. HANCOCK.
H.R. 580: Mr. NEAL of Massachusetts and Mr. HOYER.
H.R. 713: Mr. ROMERO-BARCELO.
H.R. 820: Mr. LAFALCE, Mr. TORRES, Mr. DAVIS, Mr. NEY, Mr. BARTLETT of Maryland, Mr. MYERS of Indiana, Mr. HALL of Ohio, Mr. BLUTE, and Mrs. LOWEY.
H.R. 842: Mr. PAXON.
H.R. 852: Mr. CLYBURN, Mr. TORRICELLI, and Mr. CONYERS.
H.R. 891: Mr. MFUME, Mr. JOHNSTON of Florida, and Miss COLLINS of Michigan.
H.R. 941: Mrs. MEYERS of Kansas.
H.R. 1203: Mr. DOOLEY and Mr. CHRISTENSEN.
H.R. 1552: Mr. EVANS.
H.R. 1595: Mr. SMITH of Texas and Mr. LOBIONDO.
H.R. 1625: Mr. FUNDERBURK.
H.R. 1684: Mr. HALL of Texas, Mr. DICKS, and Mr. SKEEN.
H.R. 1691: Mrs. LINCOLN, Mr. EHLERS, Mr. OLVER, Mr. FOLEY, Mr. BARTLETT of Maryland, Mr. CLYBURN, Mr. HORN, Mr. WOLF, Mr. BOEHNER, Mr. PAYNE of Virginia, and Mr. MORAN.
H.R. 1707: Mr. MATSUI.
H.R. 1733: Mr. MCHALE and Mr. BONO.
H.R. 1893: Mr. GILMAN.
H.R. 1920: Mr. QUINN, Mr. VENTO, Ms. JACKSON-LEE, Mrs. MEYERS of Kansas, and Mr. MATSUI.
H.R. 2008: Mr. MCHALE.
H.R. 2024: Mr. LUTHER.
H.R. 2029: Mr. KINGSTON.
H.R. 2180: Mr. FUNDERBURK.
H.R. 2192: Mr. LEVIN.
H.R. 2216: Mr. FIELDS of Texas and Mr. MILLER of Florida.
H.R. 2240: Mrs. LOWEY, Mr. BOEHLERT, Mr. MANTON, Miss COLLINS of Michigan, and Mr. TRAFICANT.
H.R. 2245: Mr. FALEOMAVAEGA and Mr. FRAZIER.
H.R. 2357: Mr. CHRISTENSEN.
H.R. 2441: Mr. BONO.
H.R. 2468: Mr. RIGGS and Mr. CONDIT.
H.R. 2472: Mr. KING.
H.R. 2508: Mr. BURR, Mrs. CLAYTON, Mr. GILMOR, Mr. ROTH, Mr. GUTKNECHT, and Mr. JACOBS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 390: Mr. ABERCROMBIE.
H.R. 500: Mr. SAXTON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2491

OFFERED BY: MR. ORTON

(Amendment to the Amendment Numbered 7)

AMENDMENT NO. 8: At the end insert the following new title:

TITLE XIV—BUDGET PROCESS PROVISIONS

CHAPTER 1—SHORT TITLE; PURPOSE

SEC. 14001. SHORT TITLE.

This title may be cited as the ''Balanced Budget Enforcement Act of 1995''.

SEC. 14002. PURPOSE.

The purpose of this title is to enforce a path toward a balanced budget by fiscal year 2002 and to make Federal budget process more honest and open.

CHAPTER 2—BUDGET ESTIMATES

SEC. 14051. BOARD OF ESTIMATES.

(a) ESTABLISHMENT.—There is established a Board of Estimates.

(b) DUTIES OF THE BOARD.—(1) On the dates specified in section 254, the Board shall issue a report to the President and the Congress which states whether it has chosen (with no modification)—

(A) the sequestration preview report for the budget year submitted by OMB under section 254(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 or the report for that year submitted by CBO under that section; and

(B) the final sequestration report for the budget year submitted by OMB under section 254(g) of the Balanced Budget and Emergency Deficit Control Act of 1985 or the report for that year submitted by CBO under that section;

that shall be used for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, chapter 11 of title 31, United States Code, and section 403 of the Congressional Budget Act of 1974. In making its choice, the Board shall choose the report that, in its opinion, is the more accurate.

(2) At any time the Board may change the list of major estimating assumptions to be used by OMB and CBO in preparing their sequestration preview reports.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Board shall be composed of 5 members, the chairman of the Board of Governors of the Federal Reserve System and 4 other members to be appointed by the President as follows:

(A) One from a list of at least 5 individuals nominated for such appointment by the Speaker of the House of Representatives.

(B) One from a list of at least 5 individuals nominated for such appointment by the majority leader of the Senate.

(C) One from a list of at least 5 individuals nominated for such appointment by the minority leader of the House of Representatives.

(D) One from a list of at least 5 individuals nominated for such appointment by the minority leader of the Senate.

No member appointed by the President may be an officer or employee of any government. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(2) CONTINUATION OF MEMBERSHIP.—If any member of the Board appointed by the President becomes an officer or employee of a government, he may continue as a member of the Board for not longer than the 30-day period beginning on the date he becomes such an officer or employee.

(3) TERMS.—(A) Members shall be appointed for terms of 4 years.

(B) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(4) BASIC PAY.—Members of the Board shall serve without pay.

(5) QUORUM.—Three members of the Board shall constitute a quorum but a lesser number may hold hearings.

(6) CHAIRMAN.—The Chairman of the Board shall be chosen annually by its members.

(7) MEETINGS.—The Board shall meet at the call of the Chairman or a majority of its members.

(d) DIRECTOR AND STAFF.—

(1) APPOINTMENT.—The Board shall have a Director who shall be appointed by the members of the Board. Subject to such rules as may be prescribed by the Board, the Director may appoint and fix the pay of such personnel as the Director considers appropriate.

(2) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(3) STAFF OF FEDERAL AGENCIES.—Upon request of the Board, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its duties, notwithstanding section 202(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(a)).

(e) POWERS.—

(1) HEARINGS AND SESSIONS.—The Board may, for the purpose of carrying out its duties, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as it considers appropriate.

(2) OBTAINING OFFICIAL DATA.—The Board may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties. Upon request of the Chairman of the Board, the head of such department or agency shall furnish such information to the Board.

(3) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request.

(f) DEFINITIONS.—As used in this section:

(1) The term ''Board'' refers to the Board of Estimates established by subsection (a).

(2) The term ''CBO'' refers to the Director of the Congressional Budget Office.

(3) The term ''OMB'' refers to the Director of the Office of Management and Budget.

Subtitle B—Discretionary Spending Limits

SEC. 14101. DISCRETIONARY SPENDING LIMITS.

(a) LIMITS.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (A), (B), (C), (D), and (F), by redesignating subparagraph (E) as subparagraph (A) and by striking ''and'' at the end of that subparagraph, and by inserting after subparagraph (A) the following new subparagraphs:

''(B) with respect to fiscal year 1996, $498,113,000,000 in new budget authority and $536,610,000,000 in outlays;

''(C) with respect to fiscal year 1997, $497,200,000,000 in new budget authority and $530,736,000,000 in outlays;

''(D) with respect to fiscal year 1998, $496,700,000,000 in new budget authority and $526,627,000,000 in outlays;

''(E) with respect to fiscal year 1999, $495,700,000,000 in new budget authority and $524,722,000,000 in outlays;

''(F) with respect to fiscal year 2000, $497,700,000,000 in new budget authority and $523,798,000,000 in outlays;

''(G) with respect to fiscal year 2001, $506,700,000,000 in new budget authority and $530,023,000,000 in outlays; and

''(H) with respect to fiscal year 2002, $509,700,000,000 in new budget authority and $530,023,000,000 in outlays.''.

(b) COMMITTEE ALLOCATIONS AND ENFORCEMENT.—Section 602 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (c), by striking ''1995'' and inserting ''2002'' and by striking its last sentence; and

(2) in subsection (d), by striking ''1992 TO 1995'' in the side heading and inserting ''1995 TO 2002'' and by striking ''1992 through 1995'' and inserting ''1995 through 2002''.

(c) FIVE-YEAR BUDGET RESOLUTIONS.—Section 606 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (a), by striking ''for fiscal year 1992, 1993, 1994, or 1995''; and

(2) in subsection (d)(1), by striking ''for fiscal years 1992, 1993, 1994, and 1995'' and by striking ''(i) and (ii)''.

(d) EFFECTIVE DATE REPEALER.—(1) Section 607 of the Congressional Budget Act of 1974 is repealed.

(2) The item relating to section 607 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is repealed.

(e) SEQUESTRATION REGARDING CRIME TRUST FUND.—(1) Section 251A(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking subparagraphs (B), (C), and (D) and its last sentence and inserting the following:

''(B) For fiscal year 1996, $2,227,000,000.

''(C) For fiscal year 1997, $3,846,000,000.

''(D) For fiscal year 1998, $4,901,000,000.

''(E) For fiscal year 1999, $5,639,000,000.

''(F) For fiscal year 2000, $6,225,000,000.

''The appropriate levels of new budget authority are as follows: for fiscal year 1996, $4,087,000,000; for fiscal year 1997, $5,000,000,000; for fiscal year 1998, $5,500,000,000; for fiscal year 1999, $6,500,000,000; for fiscal year 2000, $6,500,000,000.''.

(2) The last two sentences of section 310002 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14212) are repealed.

SEC. 14102. TECHNICAL AND CONFORMING CHANGES.

(a) GENERAL STATEMENT.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the first sentence and inserting the following: ''This part provides for the enforcement of deficit reduction through discretionary spending limits and pay-as-you-go requirements for fiscal years 1995 through 2002.''.

(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking paragraph (6) and inserting the following:

''(6) The term 'budgetary resources' means new budget authority, unobligated balances, direct spending authority, and obligation limitations.'';

(2) in paragraph (9), by striking ''1992'' and inserting ''1996''; and

(3) in paragraph (14), by striking ''1995'' and inserting ''2002''.

SEC. 14103. ELIMINATION OF CERTAIN ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''1991–1998'' and inserting ''1995–2002'';

(2) in the first sentence of subsection (b)(1), by striking ''1992, 1993, 1994, 1995, 1996, 1997 or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999,

2000, 2001, or 2002'' and by striking ''through 1998'' and inserting ''through 2002'';

(3) in subsection (b)(1), by striking subparagraphs (B) and (C) and by striking ''the following:'' and all that follows through ''The adjustments'' and inserting ''the following: the adjustments'';

(4) in subsection (b)(2), by striking ''1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002'' and by striking ''through 1998'' and inserting ''through 2002''; and

(5) by repealing subsection (b)(2).

Subtitle C—Pay-As-You-Go Procedures

SEC. 14201. PERMANENT EXTENSION OF PAY-AS-YOU-GO PROCEDURES; TEN-YEAR SCOREKEEPING.

(a) TEN-YEAR SCOREKEEPING.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''FISCAL YEARS1992–1998''; and

(2) in subsection (d), by striking ''each fiscal year through fiscal year 1998'' each place it appears and inserting ''each of the 10 succeeding fiscal years following enactment of any direct spending or receipts legislation''.

(b) REPEAL OF EMERGENCIES.—Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(c) PAY-AS-YOU—GO SCORECARD.—Upon enactment of this Act, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net deficit reduction achieved through the enactment of this Act of direct spending and receipts legislation for that year.

(d) PAY-AS-YOU-GO POINT OF ORDER.—Section 311 of the Congressional Budget Act of 1974 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(d) PAY-AS-YOU-GO POINT OF ORDER.—It shall not be in order in the Houe of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would increase the deficit above the maximum deficit amount set forth in section 253 for the budget year or any of the 9 succeeding fiscal years after the budget year, as measured by the sum of all applicable estimates of direct spending and receipts legislation applicable to that fiscal year.''.

SEC. 14202. ELIMINATION OF EMERGENCY EXCEPTION.

(a) SEQUESTRATION.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking subparagraph (B), by striking the dash after ''from'', and by striking ''(A)''.

(b) TECHNICAL CHANGE.—Section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting ''in the manner described in section 256.'' after ''accounts'' the first place it appears and by striking the remainder of the subsection.

Subtitle D—Miscellaneous

SEC. 14301. TECHNICAL CORRECTION.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled ''Modification of Presidential Order'', is repealed.

SEC. 14302. REPEAL OF EXPIRATION DATE.

(a) EXPIRATION.—Section 275 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by repealing subsection (b) and by redesignating subsection (c) as subsection (b).

(b) EXPIRATION.—Section 14002(c)(3) of the Omnibus Budget Reconciliation Act of 1993 (2 U.S.C. 900 note; 2 U.S.C. 665 note) is repealed.

Subtitle E—Deficit Control

SEC. 14401. DEFICIT CONTROL.

(a) DEFICIT CONTROL.—Part D of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''Part D—Deficit Control

''SEC. 261. ESTABLISHMENT OF DEFICIT TARGETS.

''The deficit targets are as follows:

''Fiscal year	Deficit (in billions of dollars)
1996	179.853
1997	164.640
1998	133.279
1999	111.062
2000	86.221
2001	41.626
2002	0

The deficit target for each fiscal year after 2002 shall be zero.

''SEC. 262. SPECIAL DEFICIT MESSAGE BY PRESIDENT.

''(a) SPECIAL MESSAGE.—If the OMB sequestration preview report submitted under section 254(d) indicates that deficit for the budget year or any outyear will exceed the applicable deficit target, or that the actual deficit target in the most recently completed fiscal year exceeded the applicable deficit target, the budget submitted under section 1105(a) of title 31, United States Code, shall include a special deficit message that includes proposed legislative changes to offset the net deficit impact of the excess identified by that OMB sequestration preview report for each such year through any combination of:

''(1) Reductions in outlays.

''(2) Increases in revenues.

''(3) Increases in the deficit targets, if the President submits a written determination that, because of economic or programmatic reasons, only some or none of the excess should be offset.

''(b) INTRODUCTION OF PRESIDENT'S PACKAGE.—Within 10 days after the President submitted a special deficit message, the text referred to in subsection (a) shall be introduced as a joint resolution in the House of Representatives by the chairman of its Committee on the Budget and in the Senate by the chairman of its Committee on the Budget. If the chairman fails to do so, after the 10th day the resolution may be introduced by any Member of the House of Representatives or the Senate, as the case may be. A joint resolution introduced under this subsection shall be referred to the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

''SEC. 263. CONGRESSIONAL ACTION REQUIRED.

''(a) IN GENERAL.—The requirements of this section shall be in effect for any year in which the OMB sequestration preview report submitted under section 254(d) indicates that the deficit for the budget year or any outyear will exceed the applicable deficit target.

''(b) REQUIREMENTS FOR SPECIAL BUDGET RESOLUTION IN THE HOUSE.—The Committee on the Budget in the House shall report not later than March 15 a joint resolution, either as a separate section of the joint resolution on the budget reported pursuant to section 301 of the Congressional Budget Act of 1974 or as a separate resolution, that includes reconciliation instructions instructing the appropriate committees of the House and Senate to report changes in laws within their jurisdiction to offset any excess in the deficit identified in the OMB sequestration preview report submitted under section 254(d) as follows:

''(1) Reductions in outlays.

''(2) Increases in revenues.

''(3) Increases in the deficit targets, except that any increase in those targets may not be greater than the increase included in the special reconciliation message submitted by the President.

''(c) PROCEDURE IF HOUSE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

''(1) AUTOMATIC DISCHARGE OF HOUSE BUDGET COMMITTEE.—In the event that the House Committee on the Budget fails to report a resolution meeting the requirements of subsection (b), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to section 5(b), and the joint resolution shall be placed on the appropriate calendar.

''(2) CONSIDERATION BY HOUSE OF DISCHARGED RESOLUTION.—Ten days after the House Committee on the Budget has been discharged under paragraph (1), any member may move that the House proceed to consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution. Consideration of such resolution shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

''(d) CONSIDERATION BY THE HOUSE OF REPRESENTATIVES.—(1) It shall not be in order in the House of Representatives to consider a joint resolution on the budget unless that joint resolution fully addresses the entirety of any excess of the deficit targets as identified in the OMB sequestration preview report submitted under section 254(d) through reconciliation instructions requiring spending reductions, or changes in the deficit targets.

''(2) If the joint resolution on the budget proposes to eliminate or offset less than the entire excess for budget year and any subsequent fiscal years, then the Committee on the Budget shall report a separate resolution increasing the deficit targets for each applicable year by the full amount of the excess not offset or eliminated. It shall not be in order to consider any joint resolution on the budget that does not offset the full amount of the excess until the House of Representatives has agreed to the resolution directing the increase in the deficit targets.

''(e) TRANSMITTAL TO SENATE.—If a joint resolution passes the House pursuant to subsection (d), the Clerk of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the resolution is passed. The resolution shall be referred to the Senate Committee on the Budget.

''(f) REQUIREMENTS FOR SPECIAL BUDGET RESOLUTION IN THE SENATE.—The Committee on the Budget in the Senate shall report not later than April 1 a joint resolution, either as a separate section of a budget resolution reported pursuant to section 301 of the Congressional Budget Act of 1974 or as a separate resolution, that shall include reconciliation instructions instructing the appropriate committees of the House and Senate to report changes in laws within their jurisdiction to offset any excess through any combination of:

''(1) Reductions in outlays.

''(2) Increases in revenues.

''(3) Increases in the deficit targets, except that any increase in those targets may not be greater than the increase included in the special reconciliation message submitted by the President.

''(g) PROCEDURE IF SENATE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

''(1) AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.—In the event that the Senate Committee on the Budget fails to report a resolution meeting the requirements of subsection (f), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to section 5(b), and the joint resolution shall be placed on the appropriate calendar.

''(2) CONSIDERATION BY SENATE OF DISCHARGED RESOLUTION.—Ten days after the Senate Committee on the Budget has been discharged under paragraph (1), any member may move that the Senate proceed to consider the resolution. Such motion shall be privileged and not debatable. Consideration of such resolution shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (h).

''(h) CONSIDERATION BY SENATE.—(1) It shall not be in order in the Senate to consider a joint resolution on the budget unless that joint resolution fully addresses the entirety of any excess of the deficit targets as identified in the OMB sequestration report submitted under section 254(d) through reconciliation instructions requiring deficit reductions, or changes in the deficit targets.

''(2) If the joint resolution on the budget proposes to eliminate or offset less than the entire overage of a budget year, then the Committee on the Budget shall report a resolution increasing the deficit target by the full amount of the overage not eliminated. It shall not be in order to consider any joint resolution on the budget that does not offset the entire amount of the overage until the Senate has agreed to the resolution directing the increase in the deficit targets.

''(i) CONFERENCE REPORTS MUST FULLY ADDRESS DEFICIT EXCESS.—It shall not be in order in the House of Representatives or the Senate to consider a conference report on a joint resolution on the budget unless that conference report fully addresses the entirety of any excess identified by the OMB sequestration preview report submitted pursuant to section 254(d) through reconciliation instructions requiring deficit reductions, or changes in the deficit targets.

''SEC. 264. COMPREHENSIVE SEQUESTRATION.

''(a) SEQUESTRATION BASED ON BUDGET-YEAR SHORTFALL.—The amount to be sequestered for the budget year is the amount (if any) by which deficit exceeds the cap for that year under section 261 or the amount that the actual deficit in the preceding fiscal year exceeded the applicable deficit target.

''(b) SEQUESTRATION.—Within 15 days after Congress adjourns to end a session and on May 15, there shall be a sequestration to reduce the amount of deficit in the current policy baseline and to repay any deficit excess in the most recently completed fiscal year by the amounts specified in subsection (b). The amount required to be sequestered shall be achieved by reducing each spending account (or activity within an account) by the uniform percentage necessary to achieve that amount.''.

(c) CONFORMING CHANGES.—(1) The table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the items relating to part D and inserting the following:

''Sec. 261. Establishment of deficit targets.

''Sec. 262. Special deficit message by president.

''Sec. 263. Congressional action required.

''Sec. 264. Comprehensive sequestration.''.

(2) Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting ''or in part D'' after ''As used in this part''.

SEC. 14402. SEQUESTRATION PROCESS.

(a) ESTIMATING ASSUMPTIONS, REPORTS, AND ORDERS.—Sections 254, 255, and 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''SEC. 254. ESTIMATING ASSUMPTIONS, REPORTS, AND ORDERS.

''(a) TIMETABLE.—The timetable with respect to this part for any budget year is as follows:

Date:	Action to be completed:
Dec. 31	OMB and CBO sequestration preview reports submitted to Board.
Jan. 15	Board selects sequestration preview report.
The President's budget submission.	OMB publishes sequestration preview report.
May 1	OMB and CBO sequestration reports submitted to Board.
5 days later:	Board selected midsession sequestration report.
May 15	President issues sequestration order.
August 29	President's midsession review; notification regarding military personnel.
Within 10 days after end of session.	OMB and CBO final budget year sequestration reports submitted to Board.
5 days later	Board selects final sequestration report; President issues sequestration order.

''(b) SUBMISSION AND AVAILABILITY OF REPORTS.—Each report required by this section shall be submitted, in the case of CBO, to the House of Representatives, the Senate, OMB, and the Board and, in the case of OMB, to the House of Representatives, the Senate, the President, and the Board on the day it is issued. On the following day a notice of the report shall be printed in the Federal Register.

''(c) EXCHANGE OF PRELIMINARY CURRENT POLICY BASELINES.—On December 15 or 3 weeks after Congress adjourns to end a session, whichever is later, OMB and CBO shall exchange their preliminary current policy baselines for the budget-year session starting in January.

''(d) SEQUESTRATION PREVIEW REPORTS.—

''(1) REPORTING REQUIREMENT.—On December 31 or 2 weeks after exchanging preliminary current policy baselines, whichever is later, OMB and CBO shall each submit a sequestration preview report.

''(2) CONTENTS.—Each preview report shall set forth the following:

''(A) MAJOR ESTIMATING ASSUMPTIONS.—The major estimating assumptions for the current year, the budget year, and the outyears, and an explanation of them.

''(B) CURRENT POLICY BASELINE.—A detailed display of the current policy baseline for the current year, the budget year, and the outyears, with an explanation of changes in the baseline since it was last issued that includes the effect of policy decisions made during the intervening period and an explanation of the differences between OMB and CBO for each item set forth in the report.

''(C) DEFICITS.—Estimates for the most recently completed fiscal year, the budget year, and each subsequent year through fiscal year 2002 of the deficits or surpluses in the current policy baseline.

''(D) DISCRETIONARY SPENDING LIMITS.—Estimates for the current year and each subsequent year through 2002 of the applicable discretionary spending limits for each category and an explanation of any adjustments in such limits under section 251.

''(E) SEQUESTRATION OF DISCRETIONARY ACCOUNTS.—Estimates of the uniform percentage and the amount of budgetary resources to be sequestered from discretionary programs given the baseline level of appropriations, and if the President chooses to exempt some or all military personnel from sequestration, the effect of that decision on the percentage and amounts.

''(F) PAY-AS-YOU-GO SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

''(i) The amount of net deficit increase or decrease, if any, calculated under section 252(b).

''(ii) A list identifying each law enacted and sequestration implemented after the date of enactment of this section included in the calculation of the amount of deficit increase or decrease and specifying the budgetary effect of each such law.

''(iii) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit increase under section 252(c).

''(G) REQUIREMENTS FOR THE DEFICIT.—An estimate of the amount of deficit reduction, if any, to be achieved for the budget year and the current year necessary to comply with the deficit targets or to repay any deficit excess in the preceding fiscal year.

''(H) DEFICIT SEQUESTRATION.—Estimates of the uniform percentage and the amount of comprehensive sequestration of spending programs that will be necessary under section 264.

''(I) AMOUNT OF CHANGE IN DEFICIT PROJECTIONS.—Amounts that deficit projections for the current year and the budget year have changed as a result of changes in economic and technical assumptions occurring after the enactment of the Omnibus Budget Reconciliation Act of 1995.

''(e) SELECTION OF OFFICIAL SEQUESTRATION PREVIEW REPORT.—On January 15 or 2 weeks after receiving the OMB and CBO sequestration preview reports, whichever is later, the Board shall choose either the OMB or CBO sequestration preview report as the official report for purposes of this Act. The Board shall add to the chosen report an analysis of which reports submitted in previous years have proven to be more accurate and recommendations about methods of improving the accuracy of future reports. That report shall be set forth, without change, in the budget submitted by the President under section 1105(a) of title 31, United States Code, for the budget year.

''(f) AGREEING ON EARLIER DATES.—The Chairman of the Board may set earlier dates for subsections (c), (d), and (e) if OMB and CBO concur.

''(g) NOTIFICATION REGARDING MILITARY PERSONNEL.—On or before August 29, the President shall notify the Congress of the manner in which he intends to exercise flexibility with respect to military personnel accounts under section 251(a)(3).

''(h) FINAL SEQUESTRATION REPORTS.—

''(1) REPORTING REQUIREMENT.—Not later than 10 days following the end of a budget-year session, OMB and CBO shall each submit a final sequestration report. On May 1 of each year, OMB and CBO shall each submit a midyear sequestration report for the current year.

''(2) CONTENTS.—Each such report shall be based upon laws enacted through the date of

the report and shall set forth all the information and estimates required of a sequestration preview report required by subsections (d)(2)(D) through (H). In addition, that report shall include—

''(A) for each account to be sequestered, the baseline level of sequestrable budgetary resources and the resulting reductions in new budget authority and outlays; and

''(B) the effects of sequestration on the level of outlays for each fiscal year through 2002.

''(i) SELECTION OF OFFICIAL FINAL SEQUESTRATION REPORT.—Not later than 5 days after receiving the final OMB and CBO sequestration reports, the Board shall choose either the OMB or CBO final sequestration report as the official report for purposes of this Act, and shall issue a report stating that decision and making any comments that the Board chooses.

''(j) PRESIDENTIAL ORDER.—(1) On the day that the Board chooses a final sequestration report, the President shall issue an order fully implementing without change all sequestrations required by—

''(A) the final sequestration report that requires the lesser amount of discretionary sequestration under section 250; and

''(B) the final sequestration report that requires the lesser total amount of deficit sequestration under section 264.

The order shall be effective on issuance and shall be issued only if sequestration is required.

''(2)(A) If both the CBO and OMB final sequestration reports require a sequestration of discretionary programs, and the Board chooses the report requiring the greater sequestration, then a positive amount equal to the difference between the CBO and OMB estimates of discretionary new budget authority for the budget year shall be subtracted from the budget-year column and added to the column for the first outyear of the discretionary scorecard under section 107 as though that amount had been enacted in the next session of Congress.

''(B) If one final sequestration report requires a sequestration of discretionary programs and the Board chooses that report, then an amount equal to the difference between that report's estimate of discretionary new budget authority for the budget year and the discretionary funding limit for that year shall be subtracted from the budget-year column and added to column for the first outyear of the discretionary scorecard under section 107 as though that amount had been enacted in the next session of Congress.

''(k) USE OF MAJOR ESTIMATING ASSUMPTIONS AND SCOREKEEPING CONVENTIONS.—In the estimates, projections, and reports under subsections (c) and (d), CBO and OMB shall use the best and most recent estimating assumptions available. In all other reports required by this section and in all estimates or calculations required by this Act, CBO and OMB shall use—

''(1) current-year and budget-year discretionary funding limits chosen by the Board and the estimates chosen by the Board of the deficit reduction necessary to comply with the deficit targets in the budget year;

''(2) in estimating the effects of bills and discretionary regulations, the major estimating assumptions most recently chosen by the Board, except to the extent that they must be altered to reflect actual results occurring or measured after the Board's choice; and

''(3) scorekeeping conventions determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.

In applying the two previous sentences, the major estimating assumptions and other calculations required by this Act that are included in the statement of managers accompanying the conference report on this Act shall be considered, for all purposes of this Act, to be the report of the Board chosen under subsection (e) for fiscal year 1993.

''(l) BILL COST ESTIMATES.—Within 10 days after the enactment of any discretionary appropriations, direct spending, or receipts legislation, CBO and OMB shall transmit to each other, the Board, and to the Congress an estimate of the budgetary effects of that law, following the estimating requirements of this section. Those estimates may not change after the 10-day period except—

''(1) to the extent those estimates are subsumed within (and implicitly changed by) the estimates made in preparation of a new baseline under subsections (c), (d), and (h);

''(2) to reflect a choice of the Board regarding an official set of estimates under subsections (l) and (n); and

''(3) to correct clerical errors or errors in the application of this Act.

''SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.

''The following budget accounts, activities within accounts, or income shall be exempt from sequestration—

''(1) net interest;

''(2) deposit insurance and pension benefit guarantees;

''(3) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(4) offsetting receipts and collections;

''(5) all payments from one Federal direct spending budget account to another Federal budget account; all intragovernmental funds including those from which funding is derived primarily from other Government accounts;

''(6) expenses to the extent they result from private donations, bequests, or voluntary contributions to the Government;

''(7) nonbudgetary activities, including but not limited to—

''(A) credit liquidating and financing accounts;

''(B) the Pension Benefit Guarantee Corporation Trust Funds;

''(C) the Thrift Savings Fund;

''(D) the Federal Reserve System; and

''(E) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(8) payments resulting from Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(9) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed—

Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

Bureau of Indian Affairs, miscellaneous payments to Indians (14–2303–0–1–452);

Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

Claims, defense;

Claims, judgments, and relief act (20–1895–0–1–806);

Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);

Compensation of the President (11–0001–0–1–802);

Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

Eastern Indian land claims settlement fund (14–2202–0–1–806)

Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

Payments to copyright owners (03–5175–0–2–376);

Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

Salaries of Article III judges;

Soldier's and Airmen's Home, payment of claims (84–8930–0–7–705);

Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401).

''(10) the following noncredit special, revolving, or trust-revolving funds—

Coinage profit fund (20–5811–0–2–803);

Exchange Stabilization Fund (20–4444–0–3–155);

Foreign Military Sales trust fund (11–82232–0–7–155);

''(11)(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act;

''(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account;

''(12) the earned income tax credit (payments to individuals pursuant to section 32 of the Internal Revenue Code of 1986);

''(13) the uranium enrichment program; and

''(14) benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

''SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES.

''(a) PERMANENT SEQUESTRATION OF DEFICIT.—

''(1) The purpose of any sequestration under this Act is to ensure deficit reduction in the budget year and all subsequent fiscal years, so that the budget-year cap in section 262 is not exceeded.

''(2) Obligations in sequestered spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notwithstanding any other provision of this section, after the first deficit sequestration, any later sequestration shall reduce spending outlays by an amount in addition to, rather than in lieu of, the reduction in spending outlays in place under the existing sequestration or sequestrations.

''(b) UNIFORM PERCENTAGES.—

''(1) In calculating the uniform percentage applicable to the sequestration of all spending programs or activities under section 266 the sequestrable base for spending programs and activities is the total budget-year level of outlays for those programs or activities in the current policy baseline minus—

''(A) those budget-year outlays resulting from obligations incurred in the current or prior fiscal years, and

''(B) those budget-year outlays resulting from exemptions under section 253.

''(2) For any direct spending program in which—

''(A) outlays pay for entitlement benefits,

''(B) a budget-year sequestration takes effect after the 1st day of the budget year, and

''(C) that delay reduces the amount of entitlement authority that is subject to sequestration in the budget year,

the uniform percentage otherwise applicable to the sequestration of that program in the budget year shall be increased as necessary to achieve the same budget-year outlay reduction in that program as would have been achieved had there been no delay.

''(3) If the uniform percentage otherwise applicable to the budget-year sequestration of a program or activity is increased under paragraph (2), then it shall revert to the uniform percentage calculated under paragraph (1) when the budget year is completed.

''(c) GENERAL RULES FOR SEQUESTRATION.—

''(1) INDEFINITE AUTHORITY.—Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage or percentages.

''(2) CANCELLATION OF BUDGETARY RESOURCES.—Budgetary resources sequestered from any account other than an entitlement trust, special, or revolving fund account shall revert to the Treasury and be permanently canceled or repealed.

''(3) INDEXED BENEFIT PAYMENTS.—If, under any entitlement program—

''(A) benefit payments are made to persons or governments more frequently than once a year, and

''(B) the amount of entitlement authority is periodically adjusted under existing law to reflect changes in a price index,

then for the first fiscal year to which a sequestration order applies, the benefit reductions in that program accomplished by the order shall take effect starting with the payment made at the beginning of January or 7 weeks after the order is issued, whichever is later. For the purposes of this subsection, Veterans Compensation shall be considered a program that meets the conditions of the preceding sentence.

''(4) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

''(5) IMPLEMENTING REGULATIONS.—Administrative regulations or similar actions implementing the sequestration of a program or activity shall be made within 120 days of the effective date of the sequestration of that program or activity.

''(6) DISTRIBUTION FORMULAS.—To the extent that distribution or allocation formulas differ at different levels of budgetary resources within an account, program, project, or activity, a sequestration shall be interpreted as producing a lower total appropriation, with that lower appropriation being obligated as though it had been the pre-sequestration appropriation and no sequestration had occurred.

''(7) CONTINGENT FEES.—In any account for which fees charged to the public are legally determined by the level of appropriations, fees shall be charged on the basis of the presequestration level of appropriations.

''(d) NON-JOBS PORTION OF AFDC.—Any sequestration order shall accomplish the full amount of any required reduction in payments for the non-jobs portion of the aid to families with dependant children program under the Social Security Act by reducing the Federal reimbursement percentage (for the fiscal year involved) by multiplying that reimbursement percentage, on a State-by-State basis, by the uniform percentage applicable to the sequestration of nonexempt direct spending programs or activities.

''(e) JOBS PORTION OF AFDC.—

''(1) FULL AMOUNT OF SEQUESTRATION REQUIRED.—Any sequestration order shall accomplish the full amount of any required reduction of the job opportunities and basic skills training program under section 402(a)(19), and part F of title VI, of the Social Security Act, in the manner specified in this subsection. Such an order may not reduce any Federal matching rate pursuant to section 403(l) of the Social Security Act.

''(2) NEW ALLOTMENT FORMULA.—

''(A) GENERAL RULE.—Notwithstanding section 403(k) of the Social Security Act, each State's percentage share of the amount available after sequestration for direct spending pursuant to section 403(l) of such Act shall be equal to that percentage of the total amount paid to the States pursuant to such section 403(l) for the prior fiscal year that is represented by the amount paid to such State pursuant to such section 403(l) for the prior fiscal year, except that a State may not be allotted an amount under this subparagraph that exceeds the amount that would have been allotted to such State pursuant to such section 403(k) had the sequestration not been in effect.

''(B) REALLOTMENT OF AMOUNTS REMAINING UNALLOTTED AFTER APPLICATION OF GENERAL RULE.—Any amount made available after sequestration for direct spending pursuant to section 403(l) of the Social Security Act that remains unallotted as a result of subparagraph (A) of this paragraph shall be allotted among the States in proportion to the absolute difference between the amount allotted, respectively, to each State as a result of such subparagraph and the amount that would have been allotted to such State pursuant to section 403(k) of such Act had the sequestration not been in effect, except that a State may not be allotted an amount under this subparagraph that results in a total allotment to the State under this paragraph of more than the amount that would have been allotted to such State pursuant to such section 403(k) had the sequestration not been in effect.

''(f) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in payments under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under the program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

''(g) COMMODITY CREDIT CORPORATION.—

''(1) EFFECTIVE DATE.—For the Commodity Credit Corporation, the date on which a sequestration order takes effect in a fiscal year shall vary for each crop of a commodity. In general, the sequestration order shall take effect when issued, but for each crop of a commodity for which 1-year contracts are issued as an entitlement, the sequestration order shall take effect with the start of the sign-up period for that crop that begins after the sequestration order is issued. Payments for each contract in such a crop shall be reduced under the same terms and conditions.

''(2) DAIRY PROGRAM.—(A) As the sole means of achieving any reduction in outlays under the milk price-support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use. That price reduction (measured in cents per hundredweight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued, and shall not exceed the aggregate amount of the reduction in outlays under the milk price-support program, that otherwise would have been achieved by reducing payments made for the purchase of milk or the products of milk under this subsection during that fiscal year.

''(3) EFFECT OF DELAY.—For purposes of subsection (b)(1), the sequestrable base for the Commodity Credit Corporation is the budget-year level of gross outlays resulting from new budget authority that is subject to reduction under paragraphs (1) and (2), and subsection (b)(2) shall not apply.

''(4) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this Act shall restrict the Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, or limit or reduce in any way any appropriation that provides the Corporation with funds to cover its net realized losses.

''(h) EXTENDED UNEMPLOYMENT COMPENSATION.—(1) A State may reduce each weekly benefit payment made under the Federal-State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under any sequestration order by a percentage not to exceed the percentage by which the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

''(2) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1986.

''(i) FEDERAL EMPLOYEES HEALTH BENEFITS FUND.—For the Federal Employees Health Benefits Fund, a sequestration order shall take effect with the next open season. The sequestration shall be accomplished by annual payments from that Fund to the General Fund of the Treasury. Those annual payments shall be financed solely by charging higher premiums. For purposes of subsection (b)(1), the sequestrable base for the Fund is the budget-year level of gross outlays resulting from claims paid after the sequestration order takes effect, and subsection (b)(2) shall not apply.

''(j) FEDERAL HOUSING FINANCE BOARD.—Any sequestration of the Federal Housing Finance Board shall be accomplished by annual payments (by the end of each fiscal year) from that Board to the general fund of the Treasury, in amounts equal to the uniform sequestration percentage for that year times the gross obligations of the Board in that year.

''(k) FEDERAL PAY.—

''(1) IN GENERAL.—Except as provided in section 10(b)(3), new budget authority to pay Federal personnel from direct spending accounts shall be reduced by the uniform percentage calculated under section 264, as applicable, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military pay to which any individual is entitled under title 37, United States Code, or any increase in rates of pay

which is scheduled to take effect under section 5303 of title 5, United States Code, section 1009 of title 37, United States Code, or any other provision of law.

''(2) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'statutory pay system' shall have the meaning given that term in section 5302(1) of title 5, United States Code.

''(B) The term 'elements of military pay' means—

''(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code,

''(ii) allowances provided members of the uniformed services under sections 403a and 405 of such title, and

''(iii) cadet pay and midshipman pay under section 203(c) of such title.

''(C) The term 'uniformed services' shall have the meaning given that term in section 101(3) of title 37, United States Code.

''(l) GUARANTEED STUDENT LOANS.—(A) For all student loans under part B of title IV of the Higher Education Act of 1965 made on or after the date of a sequestration, the origination fees shall be increased by a uniform percentage sufficient to produce the dollar savings in student loan programs for the fiscal year of the sequestration required by section 264, and all subsequent origination fees shall be increased by the same percentage, notwithstanding any other provision of law.

''(B) The origination fees to which paragraph (A) applies are those specified in sections 428H(f)(1) and 438(c) of that Act.

''(m) INSURANCE PROGRAMS.—Any sequestration in a Federal program that sells insurance contracts to the public (including the Federal Crop Insurance Fund, the National Insurance Development Fund, the National Flood Insurance Fund, insurance activities of the Overseas Private Insurance Corporation, and Veterans' life insurance programs) shall be accomplished by annual payments from the insurance fund or account to the general fund of the Treasury. The amount of each annual payment by each such fund or account shall be the amount received by the fund or account by increasing premiums on contracts entered into after the date a sequestration order takes effect by the uniform sequestration percentage, and premiums shall be increased accordingly.

''(n) MEDICAID.—The November 15th estimate of medicaid spending by States shall be the base estimate from which the uniform percentage reduction under any sequestration, applied across-the-board by State, shall be made. Succeeding Federal payments to States shall reflect that reduction. The Health Care Financing Administration shall reconcile actual medicaid spending for each fiscal year with the base estimate as reduced by the uniform percentage, and adjust each State's grants as soon as practicable, but no later than 100 days after the end of the fiscal year to which the base estimate applied, to comply with the sequestration order.

''(o) MEDICARE.—

''(1) TIMING OF APPLICATION OF REDUCTIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual's discharge from the inpatient facility.

''(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS.—In the case in which payment for services of a provider of services is made under title XVIII of the Social Security Act on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services incurred at any time during each cost reporting period of the provider any part of which occurs after the effective date of the order, but only (for each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs after the effective date of the order.

''(2) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made pursuant to a sequestration order for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

''(p) POSTAL SERVICE FUND.—Any sequestration of the Postal Service Fund shall be accomplished by annual payments from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment shall be—

''(1) the uniform sequestration percentage, times

''(2) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appropriation for revenue foregone for that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume efficiencies in the operation of the Postal Service, reductions in capital expenditures, increases in the prices of services, or any combination, but may not assume a lower Fund surplus or higher Fund deficit and must follow the requirements of existing law governing the Postal Service in all other respects. Within 30 days of the receipt of that plan, the Postal Rate Commission shall approve the plan or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not respond to the plan within 30 days, the plan submitted by the Postmaster General shall go into effect. Any plan may be later revised by the submission of a new plan to the Postal Rate Commission, which may approve or modify it.

''(q) POWER MARKETING ADMINISTRATIONS AND T.V.A.—Any sequestration of the Department of Energy power marketing administration funds or the Tennessee Valley Authority fund shall be accomplished by annual payments from those funds to the General Fund of the Treasury, and the administrators of those funds shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment by a fund shall be—

''(1) the uniform sequestration percentage, times

''(2) the estimated gross obligations of the fund in that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the presequester amount of power (but those reductions shall not include reductions in the amount of power supplied by the fund), by reductions in capital expenditures, by increases in rates, or by any combination, but may not be financed by a lower fund surplus or a higher fund deficit and must follow the requirements of existing law governing the fund in all other respects. The administrator of a fund or the TVA Board is authorized to take the actions specified above in order to make the annual payments to the Treasury.

''(r) VETERANS' HOUSING LOANS.—(1) For all housing loans guaranteed, insured, or made under chapter 37 of title 38, United States Code, on or after the date of a sequestration, the origination fees shall be increased by a uniform percentage sufficient to produce the dollar savings in veterans' housing programs for the fiscal year of the sequestration required by section 264, and all subsequent origination fees shall be increased by the same percentage, notwithstanding any other provision of law.

''(2) The origination fees to which paragraph (1) applies are those referred to in section 3729 of title 38, United States Code.''.

(b) CONFORMING CHANGES.—(1) The item relating to section 254 in the table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''Sec. 254. Estimating assumptions, reports, and orders.''.

(2) The item relating to section 256 in the table of sections set forth in section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''Sec. 256. General and special sequestration rules.''.

(c) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each issue a report that includes projections of Federal spending, revenues, and deficits as a result of enactment of this Act and setting forth the economic and technical assumptions used to make those projections.

Subtitle F—Line Item Veto

SEC. 14501. LINE ITEM VETO AUTHORITY.

(a) IN GENERAL.—Notwithstanding the provisions of part B of title X of the Congressional Budget and Impoundment Control Act of 1974, and subject to the provisions of this section, the President may rescind all or part of the dollar amount of any discretionary budget authority specified in an appropriation Act for fiscal year 1996 or conference report or joint explanatory statement accompanying a conference report on the Act, or veto any targeted tax benefit provision in this reconciliation Act, if the President—

(1) determines that—

(A) such rescission or veto would help reduce the Federal budget deficit;

(B) such rescission or veto will not impair any essential Government functions; and

(C) such rescission or veto will not harm the national interest; and

(2) notifies the Congress of such rescission or veto by a special message not later than 10 calendar days (not including Sundays) after the date of the enactment of an appropriation Act providing such budget authority, or of this reconciliation Act in the case of a targeted tax benefit.

(b) DEFICIT REDUCTION.—In each special message, the President may also propose to reduce the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974 by an amount that does not exceed the total amount of discretionary budget authority rescinded by that message.

(c) SEPARATE MESSAGES.—The President shall submit a separate special message under this section for each appropriation Act and for this reconciliation Act.

(d) LIMITATION.—No special message submitted by the President under this section may change any prohibition or limitation of discretionary budget authority set forth in any appropriation Act.

(e) SPECIAL RULE FOR PREVIOUSLY ENACTED APPROPRIATION ACTS.—Notwithstanding subsection (a)(2), in the case of any unobligated discretionary budget authority provided by any appropriation Act for fiscal year 1996 that is enacted before the date of the enactment of this Act, the President may rescind all or part of that discretionary budget authority under the terms of this subtitle if the President notifies the Congress of such rescission by a special message not later than 10 calendar days (not including Sundays) after the date of the enactment of this Act.

SEC. 14502. LINE ITEM VETO EFFECTIVE UNLESS DISAPPROVED.

(a) IN GENERAL.—

(1) Any amount of budget authority rescinded under this subtitle as set forth in a special message by the President shall be deemed canceled unless, during the period described in subsection (b), a rescission/receipts disapproval bill making available all of the amount rescinded is enacted into law.

(2) Any provision of law vetoed under this subtitle as set forth in a special message by the President shall be deemed repealed unless, during the period described in subsection (b), a rescission/receipts disapproval bill restoring that provision is enacted into law.

(b) CONGRESSIONAL REVIEW PERIOD.—The period referred to in subsection (a) is—

(1) a congressional review period of 20 calendar days of session, beginning on the first calendar day of session after the date of submission of the special message, during which Congress must complete action on the rescission/receipts disapproval bill and present such bill to the President for approval or disapproval;

(2) after the period provided in paragraph (1), an additional 10 days (not including Sundays) during which the President may exercise his authority to sign or veto the rescission/receipts disapproval bill; and

(3) if the President vetoes the rescission/receipts disapproval bill during the period provided in paragraph (2), an additional 5 calendar days of session after the date of the veto.

(c) SPECIAL RULE.—If a special message is transmitted by the President under this subtitle and the last session of the Congress adjourns sine die before the expiration of the period described in subsection (b), the rescission or veto, as the case may be, shall not take effect. The message shall be deemed to have been retransmitted on the first Monday in February of the succeeding Congress and the review period referred to in subsection (b) (with respect to such message) shall run beginning after such first day.

SEC. 14503. DEFINITIONS.

As used in this subtitle:

(1) The term ''rescission/receipts disapproval bill'' means a bill which only disapproves, in whole, rescissions of discretionary budget authority or only disapproves vetoes of targeted tax benefits in a special message transmitted by the President under this subtitle and—

(A)(i) in the case of a special message regarding rescissions, the matter after the enacting clause of which is as follows: ''That Congress disapproves each rescission of discretionary budget authority of the President as submitted by the President in a special message on _____.'', the blank space being filled in with the appropriate date and the public law to which the message relates; and

(ii) in the case of a special message regarding vetoes of targeted tax benefits, the matter after the enacting clause of which is as follows: ''That Congress disapproves each veto of targeted tax benefits of the President as submitted by the President in a special message on _____.'', the blank space being filled in with the appropriate date and the public law to which the message relates; and

(B) the title of which is as follows: ''A bill to disapprove the recommendations submitted by the President on _____.'', the blank space being filled in with the date of submission of the relevant special message and the public law to which the message relates.

(2) The term ''calendar days of session'' shall mean only those days on which both Houses of Congress are in session.

(3) The term ''targeted tax benefit'' means any provision of this reconciliation Act determined by the President to provide a Federal tax deduction, credit, exclusion, preference, or other concession to 100 or fewer beneficiaries. Any partnership, limited partnership, trust, or S corporation, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities.

(4) The term ''appropriation Act'' means any general or special appropriation Act for fiscal year 1996, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations for fiscal year 1996.

SEC. 14504. CONGRESSIONAL CONSIDERATION OF LINE ITEM VETOES.

(a) PRESIDENTIAL SPECIAL MESSAGE.—Whenever the President rescinds any budget authority as provided in this subtitle or vetoes any provision of law as provided in this subtitle, the President shall transmit to both Houses of Congress a special message specifying—

(1) the amount of budget authority rescinded or the provision vetoed;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(3) the reasons and justifications for the determination to rescind budget authority or veto any provision pursuant to this subtitle;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission or veto; and

(5) all actions, circumstances, and considerations relating to or bearing upon the rescission or veto and the decision to effect the rescission or veto, and to the maximum extent practicable, the estimated effect of the rescission upon the objects, purposes, and programs for which the budget authority is provided.

(b) TRANSMISSION OF MESSAGES TO HOUSE AND SENATE.—

(1) Each special message transmitted under this subtitle shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committees of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(2) Any special message transmitted under this subtitle shall be printed in the first issue of the Federal Register published after such transmittal.

(c) INTRODUCTION OF RESCISSION/RECEIPTS DISAPPROVAL BILLS.—The procedures set forth in subsection (d) shall apply to any rescission/receipts disapproval bill introduced in the House of Representatives not later than the third calendar day of session beginning on the day after the date of submission of a special message by the President under this subtitle.

(d) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) The committee of the House of Representatives to which a rescission/receipts disapproval bill is referred shall report it without amendment, and with or without recommendation, not later than the eighth calendar day of session after the date of its introduction. If the committee fails to report the bill within that period, it is in order to move that the House discharge the committee from further consideration of the bill. A motion to discharge may be made only by an individual favoring the bill (but only after the legislative day on which a Member announces to the House the Member's intention to do so). The motion is highly privileged. Debate thereon shall be limited to not more than one hour, the time to be divided in the House equally between a proponent and an opponent. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(2) After a rescission/receipts disapproval bill is reported or the committee has been discharged from further consideration, it is in order to move that the House resolve into the Committee of the Whole House on the State of the Union for consideration of the bill. All points of order against the bill and against consideration of the bill are waived. The motion is highly privileged. The previous question shall be considered as ordered on that motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. During consideration of the bill in the Committee of the Whole, the first reading of the bill shall be dispensed with. General debate shall proceed without intervening motion, shall be confined to the bill, and shall not exceed two hours equally divided and controlled by a proponent and an opponent of the bill. No amendment to the bill is in order, except any Member may move to strike the disapproval of any rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 49 other Members. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion. A motion to reconsider the vote on passage of the bill shall not be in order.

(3) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives to the procedure relating to a bill described in subsection (a) shall be decided without debate.

(4) It shall not be in order to consider more than one bill described in subsection (c) or more than one motion to discharge described in paragraph (1) with respect to a particular special message.

(5) Consideration of any rescission/receipts disapproval bill under this subsection is governed by the rules of the House of Representatives except to the extent specifically provided by the provisions of this subtitle.

(e) CONSIDERATION IN THE SENATE.—

(1) Any rescission/receipts disapproval bill received in the Senate from the House shall be considered in the Senate pursuant to the provisions of this subtitle.

(2) Debate in the Senate on any rescission/receipts disapproval bill and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motions or appeal in connection with such bill shall be limited to one hour, to be equally divided between, and controlled by the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of the bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days not to exceed one, not counting any day on which the Senate is not in session) is not in order.

(f) POINTS OF ORDER.—

(1) It shall not be in order in the Senate to consider any rescission/receipts disapproval bill that relates to any matter other than the rescission of budget authority or veto of the provision of law transmitted by the President under this subtitle.

(2) It shall not be in order in the Senate to consider any amendment to a rescission/receipts disapproval bill.

(3) Paragraphs (1) and (2) may be waived or suspended in the Senate only by a vote of three-fifths of the members duly chosen and sworn.

SEC. 14505. REPORT OF THE GENERAL ACCOUNTING OFFICE.

On January 6, 1997, the Comptroller General shall submit a report to each House of Congress which provides the following information:

(1) A list of each proposed Presidential rescission of discretionary budget authority and veto of a targeted tax benefit submitted through special messages for fiscal year 1996, together with their dollar value, and an indication of whether each rescission of discretionary budget authority or veto of a targeted tax benefit was accepted or rejected by Congress.

(2) The total number of proposed Presidential rescissions of discretionary budget authority and vetoes of a targeted tax benefit submitted through special messages for fiscal year 1996, together with their total dollar value.

(3) The total number of Presidential rescissions of discretionary budget authority or vetoes of a targeted tax benefit submitted through special messages for fiscal year 1996 and approved by Congress, together with their total dollar value.

(4) A list of rescissions of discretionary budget authority initiated by Congress for fiscal year 1996, together with their dollar value, and an indication of whether each such rescission was accepted or rejected by Congress.

(5) The total number of rescissions of discretionary budget authority initiated and accepted by Congress for fiscal year 1996, together with their total dollar value.

SEC. 14506. JUDICIAL REVIEW.

(a) EXPEDITED REVIEW.—

(1) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that any provision of this subtitle violates the Constitution.

(2) A copy of any complaint in an action brought under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congress shall have the right to intervene in such action.

(3) Any action brought under paragraph (1) shall be heard and determined by a three-judge court in accordance with section 2284 of title 28, United States Code.

(4) Nothing in this section or in any other law shall infringe upon the right of the House of Representatives to intervene in an action brought under paragraph (1) without the necessity of adopting a resolution to authorize such intervention.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under paragraph (1) of subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1) of subsection (a) shall be issued by a single Justice of the Supreme Court.

(c) EXPEDITED CONSIDERATION.—It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

Subtitle G—Enforcing Points of Order

SEC. 14601. POINTS OF ORDER IN THE SENATE.

(a) WAIVER.—The second sentence of section 904(c) of the Congressional Budget Act of 1974 is amended by inserting ''303(a),'' after ''302(f),'', by inserting ''311(c),'' after ''311(a),'', by inserting ''606(b),'' after ''601(b),'', and by inserting ''253(d), 253(h), 253(i),'' before ''258(a)(4)(C)''.

(b) APPEALS.—The third sentence of section 904(c) of the Congressional Budget Act of 1974 is amended by inserting ''303(a),'' after ''302(f),'', by inserting ''311(c),'' after ''311(a),'', by inserting ''606(b),'' after ''601(b),'', and by inserting ''253(d), 253(h), 253(i),'' before ''258(a)(4)(C)''.

SEC. 14602. POINTS OF ORDER IN THE HOUSE OF REPRESENTATIVES.

Section 904 of the Congressional Budget Act of 1974 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

''(d) In the House of Representatives, a separate vote shall be required on that part of any resolution or order that makes in order the waiver of any points of order referred to in subsection (c).''.

Subtitle H—Deficit Reduction Lock-box

SEC. 14701. DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION MEASURES.

(a) DEFICIT REDUCTION LOCK-BOX PROVISIONS.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''DEFICIT REDUCTION LOCK-BOX PROVISIONS OF APPROPRIATION BILLS

''SEC. 314. (a) Any appropriation bill that is being marked up by the Committee on Appropriations (or a subcommittee thereof) of either House shall contain a line item entitled 'Deficit Reduction Lock-box'.

''(b) Whenever the Committee on Appropriations of either House reports an appropriation bill, that bill shall contain a line item entitled 'Deficit Reduction Account' comprised of the following:

''(1) Only in the case of any general appropriation bill containing the appropriations for Treasury and Postal Service (or resolution making continuing appropriations (if applicable)), an amount equal to the amounts by which the discretionary spending limit for new budget authority and outlays set forth in the most recent OMB sequestration preview report pursuant to section 601(a)(2) exceed the section 602(a) allocation for the fiscal year covered by that bill.

''(2) Only in the case of any general appropriation bill (or resolution making continuing appropriations (if applicable)), an amount not to exceed the amount by which the appropriate section 602(b) allocation of new budget authority exceeds the amount of new budget authority provided by that bill (as reported by that committee), but not less than the sum of reductions in budget authority resulting from adoption of amendments in the committee which were designated for deficit reduction.

''(3) Only in the case of any bill making supplemental appropriations following enactment of all general appropriation bills for the same fiscal year, an amount not to exceed the amount by which the section 602(a) allocation of new budget authority exceeds the sum of all new budget authority provided by appropriation bills enacted for that fiscal year plus that supplemental appropriation bill (as reported by that committee).

''(c) It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution that restricts the offering of amendments to any appropriation bill adjusting the level of budget authority contained in a Deficit Reduction Account.

''(d) Whenever a Member of either House of Congress offers an amendment (whether in subcommittee, committee, or on the floor) to an appropriation bill to reduce spending, that reduction shall be placed in the deficit reduction lock-box unless that Member indicates that it is to be utilized for another program, project, or activity covered by that bill. If the amendment is agreed to and the reduction was placed in the deficit reduction lock-box, then the line item entitled 'Deficit Reduction Lock-box' shall be increased by the amount of that reduction. Any amendment pursuant to this subsection shall be in order even if amendment portions of the bill are not read for amendment with respect to the Deficit Reduction Lock-box.

''(e) It shall not be in order in the House of Representatives or the Senate to consider a conference report or amendment of the Senate that modifies any Deficit Reduction Lock-box provision that is beyond the scope of that provision as so committed to the conference committee.

''(f) It shall not be in order to offer an amendment increasing the Deficit Reduction Lock-box Account unless the amendment increases rescissions or reduces appropriations by an equivalent or larger amount, except that it shall be in order to offer an amendment increasing the amount in the Deficit Reduction Lock-box by the amount that the appropriate 602(b) allocation of new budget authority exceeds the amount of new budget authority provided by that bill.

''(g) It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution which waives subsection (c).''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 313 the following new item:

''Sec. 314. Deficit reduction lock-box provisions of appropriation measures.''.

SEC. 14702. DOWNWARD ADJUSTMENTS.

(a) DOWNWARD ADJUSTMENTS.—The discretionary spending limit for new budget authority for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amount of budget authority transferred to the Deficit Reduction Lockbox for that fiscal year under section 314 of the Budget Control and Impoundment Act of 1974. The adjusted discretionary spending limit for outlays for that fiscal year and each outyear as set forth in such section 601(a)(2) shall be reduced as a result of the reduction of such budget authority, as calculated by the Director of the Office of Management and Budget based upon such programmatic and other assumptions set forth in the joint explanatory statement of managers accompanying the conference report on that bill. All such reductions shall occur within ten days of enactment of any appropriations bill.

(b) DEFINITION.—As used in this section, the term ''appropriation bill'' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations.

(c) RESCISSION.—Funds in the Deficit Reduction Lockbox shall be rescinded upon reductions in discretionary limits pursuant to subsection (a).

SEC. 14703. CBO TRACKING.

Section 202 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(i) SCOREKEEPING.—To facilitate compliance by the Committee on Appropriations with section 314, the Office shall score all general appropriation measures (including conference reports) as passed by the House of Representatives, as passed the Senate and as enacted into law. The scorecard shall include amounts contained in the Deficit Reduction Lock-Box. The chairman of the Committee on Appropriations of the House of Representatives or the Senate, as the case may be, shall have such scorecard published in the Congressional Record.''.

Subtitle I—Emergency Spending; Baseline Reform; Continuing Resolutions Reform

CHAPTER 1—EMERGENCY SPENDING

SEC. 14801. ESTABLISHMENT OF BUDGET RESERVE ACCOUNT.

(a) ESTABLISHMENT.—A budget reserve account (hereinafter in this section referred to as the ''account'') shall be established for the purpose of setting aside adequate funding for natural disasters and national security emergencies.

(b) PRIOR APPROPRIATION REQUIRED.—The account shall consist of such sums as may be provided in advance in appropriation Acts for a particular fiscal year.

(c) RESTRICTION ON USE OF FUNDS.—(1) Notwithstanding any other provision of law, the amounts in the account shall not be available for other than emergency funding requirements for particular natural disasters or national security emergencies so designated by Acts of Congress.

(2) Funds in the account that are not obligated during the fiscal year for which they are appropriated may only be used for deficit reduction purposes.

(d) NEW POINT OF ORDER.—(1) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''POINT OF ORDER REGARDING EMERGENCIES

''SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.''.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

''Sec. 408. Point of order regarding emergencies.''.

SEC. 14802. CONGRESSIONAL BUDGET PROCESS CHANGES.

(a) CONTENTS OF JOINT RESOLUTIONS ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

''(6) total new budget authority and total budget outlays for emergency funding requirements for natural disasters and national security emergencies to be included in a budget reserve account;''.

(b) SECTION 602 ALLOCATIONS.—(1) Section 602 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(f) COMMITTEE SPENDING ALLOCATIONS AND SUBALLOCATIONS FOR BUDGET RESERVE ACCOUNT.—

''(1) ALLOCATIONS.—The joint explanatory statement accompanying a conference report on a budget resolution shall include allocations, consistent with the resolution recommended in the conference report, of the appropriate levels (for each fiscal year covered by that resolution) of total new budget authority and outlays to the Committee on Appropriations of each House for emergency funding requirements for natural disasters and national security emergencies to be included in a budget reserve account.

''(2) SUBALLOCATIONS.—As soon as practicable after a budget resolution is agreed to, the Committee on Appropriations of each House (after consulting with the Committee on Appropriations of the other House) shall suballocate each amount allocated to it for the budget year under paragraph (1) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this paragraph.''.

(2) Section 602(c) of the Congressional Budget Act of 1974 is amended by inserting ''or subsection (f)(1)'' after ''subsection (a)'' and by inserting ''or subsection (f)(2)'' after ''subsection (b)''.

SEC. 14803. REPORTING.

Not later than November 30, 1996, and at annual intervals thereafter, the Director of the Office of Management and Budget shall submit a report to each House of Congress listing the amounts of money expended from the budget reserve account established under section 1 for the fiscal year ending during that calendar year for each natural disaster and national security emergency.

CHAPTER 2—BASELINE REFORM

SEC. 14851. THE BASELINE.

(a) The second sentence of section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by inserting ''but only for the purpose of adjusting the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974'' after ''for inflation as specified in paragraph (5); and

(2) by inserting ''but only for the purpose of adjusting the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974'' after ''to offset pay absorption and for pay annualization as specified in paragraph (4)''.

(b) Section 1109(a) of title 31, United States Code, is amended by adding after the first sentence the following new sentence: ''These estimates shall not include an adjustment for inflation for programs and activities subject to discretionary appropriations.''.

SEC. 14852. THE PRESIDENT'S BUDGET.

(a) Paragraph (5) of section 1105(a) of title 31, United States Code, is amended to read as follows:

''(5) except as provided in subsection (b) of this section, estimated expenditures and appropriations for the current year and estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years following that year;''.

(b) Section 1105(a)(6) of title 31, United States Code, is amended by inserting ''current fiscal year and the'' before ''fiscal year''.

(c) Section 1105(a)(12) of title 31, United States Code, is amended by striking ''and'' at the end of subparagraph (A), by striking the period and inserting ''; and'' at the end of subparagraph (B), and by adding at the end the following new subparagraph:

''(C) the estimated amount for the same activity (if any) in the current fiscal year.''.

(d) Section 1105(a)(18) of title 31, United States Code, is amended by inserting ''new budget authority and'' before ''budget outlays''.

(e) Section 1105(a) of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(30) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.''.

SEC. 14853. THE CONGRESSIONAL BUDGET.

Section 301(e) of the Congressional Budget Act of 1974 is amended by—

(1) inserting after the second sentence the following: ''The starting point for any deliberations in the Committee on the Budget of each House on the joint resolution on the budget for the next fiscal year shall be the estimated level of outlays for the current year in each function and subfunction. Any increases or decreases in the Congressional budget for the next fiscal year shall be from such estimated levels.''; and

(2) striking paragraph (8) and redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively, and by inserting after paragraph (7) the following new paragraphs:

''(8) a comparison of levels for the current fiscal year with proposed spending and revenue levels for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function and subfunction; and

''(9) information, data, and comparisons indicating the manner in which and the basis

on which, the committee determined each of the matters set forth in the joint resolution;''.

SEC. 14854. CONGRESSIONAL BUDGET OFFICE REPORTS TO COMMITTEES.

(a) The first sentence of section 202(f)(1) of the Congressional Budget Act of 1974 is amended to read as follows: ''On or before February 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report for the fiscal year commencing on October 1 of that year with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits) compared to comparable levels for the current year and (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year.''.

(b) Section 202(f)(1) of the Congressional Budget Act of 1974 is amended by inserting after the first sentence the following new sentence: ''That report shall also include a table on sources of spending growth in total mandatory spending for the budget year and the ensuing 4 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.''.

(c) Section 308(a)(1) of the Congressional Budget Act of 1974 is amended—

(1) in subparagraph (C), by inserting '', and shall include a comparison of those levels to comparable levels for the current fiscal year'' before ''if timely submitted''; and

(2) by striking ''and'' at the end of subparagraph (C), by striking the period and inserting ''; and'' at the end of subparagraph (D), and by adding at the end the following new subparagraph:

''(E) comparing the levels in existing programs in such measure to the estimated levels for the current fiscal year.''

(d) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''GAO REPORTS TO BUDGET COMMITTEES

(a) ''SEC. 408. On or before January 15 of each year, the Comptroller General, after consultation with appropriate committees of the House of Representatives and Senate, shall submit to the Congress a report listing all programs, projects, and activities that fall within the definition of direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

''Sec. 408. GAO reports to budget committees.''.

CHAPTER 3—RESTRICTED USES OF CONTINUING RESOLUTIONS

SEC. 14871. RESTRICTIONS RESPECTING CONTINUING RESOLUTIONS.

(a) Rule XXI of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

''9. (a) Any item of appropriation set forth in any joint resolution continuing appropriations, or amendment thereto, shall not exceed the rate it would have been at assuming the continuation of current law.

''(b) It shall not be in order in the House to consider any joint resolution continuing appropriations, or amendment thereto, which changes existing law.''.

(b) The amendment made by subsection (a) shall only apply to joint resolutions continuing appropriations for fiscal year 1996 or any subsequent fiscal year.

Subtitle J—Technical and Conforming Amendments

SEC. 14901. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

(a) DEFINITION OF BUDGET AUTHORITY.—Paragraph (2) of section 3 of the Congressional Budget and Impoundment Control Act of 1974, the second time it appears, is amended by inserting ''in any form'' after ''promissory notes'', by inserting at the end of subparagraph (A) the following new sentence: ''Such term excludes transactions classified as means of financing.'', and by striking ''With respect to'' and all that follows through ''retirement account, any'' and inserting ''Any'', by inserting after subparagraph (B) the following:

''(C) RELATIONSHIP TO ENTITLEMENT AUTHORITY.—For purposes of titles III and IV, all references to budget authority shall be considered to include the amount of budget authority estimated to be needed to fund entitlement provisions under existing or proposed law, and all legislation increasing (or decreasing) the level of entitlement authority under existing law shall be considered to provide (or decrease) new budget authority in that amount.'',

and by redesignating the next subparagraph accordingly.

(b) DEFINITION OF ENTITLEMENT AUTHORITY.—Paragraph (9) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''spending authority described by section 401(c)(2)(C)'' and inserting the following: '', and the term 'entitlement program' refers to, any provision of law that has the effect of requiring the Government to make net payments (including intragovernmental payments) regardless of the amount of budget authority that may be available to make those payments. Those terms shall include amounts estimated to be required under provisions of law that depend on the fulfillment of nonlegislative conditions or are indefinite as to amount or timing. Except as provided in the next sentence, if a provision of law that otherwise requires the Government to make net payments is directly or indirectly limited by any other provision of law to an amount of available budget authority, then entitlement authority does not exist. Subchapter II of chapter 13 of title 31, United States Code, and the sequestration provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 shall not be considered provisions of law that limit entitlement authority to the amount of available budget authority.''

(c) DEFINITION OF MEANS OF FINANCING.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

''(11) The term 'means of financing' means the financial transactions of the Government that consist of exchanges of money or monetary proxies of equal value and therefore are not counted as obligations, outlays, or revenues, such as net Federal borrowing from the public in any form, debt redemption, seignorage on coins and profits from the sale of gold, and changes in outstanding check or other monetary credits, including write-offs.''.

(d) CBO STUDIES.—Section 202(h) of the Congressional Budget Act of 1974 is amended by striking ''outlays, credit authority,'' and inserting ''outlays''.

(e) REQUIRED CONTENTS OF BUDGET RESOLUTION.—Section 301(a) of the Congressional Budget Act of 1974 is amended by striking ''planning levels'', by striking ''two'' and inserting ''four'', by striking '', budget outlays, direct loan obligations, and primary loan guarantee commitments'' both places it appears and inserting ''and outlays'', by striking paragraphs (5), (6) and (7), by striking the semicolon at the end of paragraph (4) and inserting a period, by inserting ''and'' after the semicolon at the end of paragraph (3), and by striking the last sentence.

(f) TECHNICAL CORRECTION TO SECTION 301(e).—Section 301(e) of the Congressional Budget Act of 1974 is amended by inserting ''new'' before ''budget authority'' in the second sentence.

(g) COMMITTEE ALLOCATIONS AND SUBALLOCATIONS.—Section 602(a)(1)(B) of the Congressional Budget Act of 1974 is amended by striking ''committee.'' and inserting ''committee, except that new budget authority and outlays for entitlement programs funded through annual appropriations shall be allocated and scored both to the Committee on Appropriations and to the committee that authorized such programs.''.

(h) COMMITTEE ALLOCATIONS.—Section 302 of the Congressional Budget Act of 1974 is amended to read as follows:

''COMMITTEE ALLOCATIONS

''SEC. 302. (a) REPORTS BY COMMITTEES.—As soon as practicable after a joint resolution on the budget is enacted—

''(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House—

''(A) subdivide among its subcommittees the allocation of budget outlays, new budget authority, and new credit authority allocated to it in the joint budget resolution;

''(B) further subdivide the amount with respect to each such subcommittee between controllable amounts and all other amounts; and

''(2) every other committee of the House and Senate to which an allocation was made in such joint budget resolution shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made—

''(A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction; and

''(B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection.

''(b) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

''(1) new budget authority for a fiscal year;

''(2) new spending authority as described in section 401(c)(2) for a fiscal year; or

''(3) new credit authority for a fiscal year; within the jurisdiction of any committee which has received an appropriate allocation of such authority pursuant to section 301(a)(6) for such fiscal year, unless and until such committee makes the allocation of subdivisions required by subsection (a), in connection with the most recently enacted joint resolution on the budget for such fiscal year.

''(c) SUBSEQUENT JOINT RESOLUTIONS.—In the case of a joint resolution on the budget referred to in section 304, the subdivisions under subsection (a) shall be required only to the extent necessary to take into account revisions made in the most recently enacted joint resolution on the budget.

''(d) ALTERATION OF ALLOCATIONS.—At any time after a committee reports the subdivision required to be made under subsection

(a), such committee may report to its House an alteration of such subdivision. Any alteration of such subdivision must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

''(e) LEGISLATION SUBJECT TO POINT OF ORDER.—After enactment of a joint resolution on the budget for a fiscal year, it shall not be in order in the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority for such fiscal year, new entitlement authority effective during such fiscal year, or new credit authority for such fiscal year, or any conference report on any such bill or resolution, if—

''(1) the enactment of such bill or resolution as reported;

''(2) the adoption and enactment of such amendment; or

''(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate allocation made pursuant to section 301(a)(6) or subdivision made under subsection (a) of this section for such fiscal year of new discretionary budget authority, new entitlement authority, or new credit authority, to be exceeded.

''(f) DETERMINATIONS BY BUDGET COMMITTEES.—For purposes of this section, the levels of new budget authority, spending authority as described in section 401(c)(2), outlays and new credit authority for a fiscal year, shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.''.

(i) COST ESTIMATES AND SCOREKEEPING REPORTS.—Section 308 of the Congressional Budget Act of 1974 is amended—

(1) in its title, by striking '', NEW SPENDING AUTHORITY, OR NEW CREDIT AUTHORITY,'';

(2) by striking '', new spending authority described in section 401(c)(2), or new credit authority,'' the 3 times it appears;

(3) in subsection (a), by striking ''in the reports submitted'', by inserting ''302(a) or'' before ''302(b)'', in paragraph (1)(B) by striking ''spending authority'' and everything that follows through ''401(c)(2) which is'' and inserting ''budget authority'' and by striking ''annual appropriations'' and inserting ''annual discretionary appropriations'', and in paragraph (1)(C) by striking ''such budget authority'' and all that follows through ''loan guarantee commitments'' and inserting ''new budget authority, outlays, or revenues''; and

(4) in subsection (c), by adding ''and'' at the end of paragraph (1), by striking ''period;'' and inserting ''period.'' at the end of paragraph (2), and by striking paragraphs (3), (4), and (5).

(j) TECHNICAL CORRECTION TO SECTION 312.—Section 312 of the Congressional Budget Act of 1974 is amended by inserting ''(a)'' after ''312.''.

(k) CONSIDERATION OF LEGISLATION THAT HAS NOT BEEN REPORTED.—Section 312 of the Congressional Budget Act of 1974 is amended by inserting at the end the following:

''(c) CONSIDERATION OF LEGISLATION THAT HAS NOT BEEN REPORTED.—In the House of Representatives, any point of order under title III or IV that would lie against consideration of a bill or joint resolution as reported by a committee shall also lie against a motion to consider legislation respecting which no report has been filed.''

(l) CONFORMING AMENDMENTS TO SECTION 313.—Section 313 of the Congressional Budget Act of 1974 is amended by striking ''or section 258C'' and everything that follows through ''Deficit Control Act of 1985'', by striking ''; and (F)'' and everything that follows through ''310(g)'', by redesignating the second subsection (c) and subsection (d) as subsections (d) and (e), respectively, and by striking ''or (b)(1)(F),''.

(m) BORROWING AND CONTRACT AUTHORITY.—Section 401 of the Congressional Budget Act of 1974 is amended

(1) in subsection (a), by striking ''new spending authority described in subsection (c)(2)(A) or (B)'' both times it appears and inserting ''borrowing authority or contract authority'';

(2) by repealing subsections (b) and (c) and by redesignating subsection (d) as subsection (b); and

(3) in subsection (b) (as redesignated), by striking ''Subsections (a) and (b)'' and inserting ''Subsection (a)'', by inserting ''noninterest'' before ''receipts'' in paragraph (1)(B), by repealing paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(n) CREDIT AUTHORITY.—Section 402(a) of the Congressional Budget Act of 1974 is amended by inserting before the period the following: '', except that this provision shall not apply with respect to programs that, as of August 15, 1992, provide credit authority as an entitlement''.

SEC. 14902. TECHNICAL AND CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.

(a) MISCELLANEOUS CONFORMING AMENDMENT.—Clause 4(h) of rule X of the Rules of the House of Representatives is amended by striking ''or section 602 (in the case of fiscal years 1991 through 1995)''.

(b) REPEALER.—Rule XLIX of the Rules of the House of Representatives is repealed.

SEC. 14903. PRESIDENT'S BUDGET.

(a) DEFINITIONS.—Section 1101 of title 31, United States Code, is amended by adding at the end the following:

''(3) 'Expenditures' has the same meaning as the term 'outlays' in the Balanced Budget and Emergency Deficit Control Act of 1985.

''(4) All other terms used herein or in the documents prepared hereunder shall have the meanings set forth in the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(b) BYRD AMENDMENT.—Section 1103 of title 31, United States Code, is amended by striking ''commitment that budget'' and inserting ''commitment that, starting with fiscal year 2002,''.

(c) PRESIDENT'S BUDGET SUBMISSION.—Section 1105(a) of title 31, United States Code, is amended—

(1) in the first sentence by striking ''On or after the first Monday in January but not later than the first Monday in February of each year'' and inserting ''On or before the first Monday in February or the 21st calendar day beginning after the date the Board of Estimates issues a report to the President under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985'';

(2) in paragraph (15) by striking ''section 301(a)(1)–(5)'' and inserting ''section 301(a)(1)–(4);

(3) in paragraph (16) by striking ''section 3(a)(3)'' and inserting ''section 3(3)''; and

(4) by adding at the end the following new paragraph:

''(32) an analysis of the financial condition of Government-sponsored enterprises and the financial exposure of the Government, if any, posed by them.''.

(d) USE OF OFFICIAL ESTIMATES.—Section 1105(f) of title 31, United States Code, is amended by inserting at the end the following new sentence: ''That budget shall be consistent with the discretionary funding limit and the direct spending and receipts deficit reduction requirement for that year chosen by the Board of Estimates and shall be based upon the major estimating assumptions chosen by that Board.''.

Subtitle K—Truth in Legislating

SEC. 14951. IDENTITY, SPONSOR, AND COST OF CERTAIN PROVISIONS REQUIRED TO BE REPORTED.

(a) IDENTITY, SPONSOR, AND COST.—Clause 4 of rule X of the Rules of the House of Representatives is amended by adding at the end thereof the following:

''(j)(1) Except as provided by subparagraph (2), the report or joint explanatory statement accompanying each bill or joint resolution of a public character reported by a committee or committee of conference shall contain, in plain and understandable language—

''(A) an identification of each provision (if any) of the bill or joint resolution which benefits only 10 or fewer beneficiaries in any one of the following categories: persons, corporations, partnerships, institutions, organizations, transactions, events, items of property, projects, civil subdivisions within one or more States, or issuances of bonds;

''(B) the name of each beneficiary of such provision;

''(C) the name of any Member or Members who sponsored the inclusion of each such provision and an indication of each such provision requested by any agency, instrumentality, or officer of the United States; and

''(D) an estimate by the Congressional Budget Office or the Joint Committee on Taxation, whichever is appropriate, of the costs which would be incurred in carrying out such provision or any loss in revenues resulting from such provision for the fiscal year for which costs or loss in revenues, as the case may be, first occurs and each of the next 5 fiscal years.

''(2)(A) Subparagraph (1) shall not apply with respect to any provision of a bill or joint resolution or of a conference report on a bill or joint resolution if the beneficiary of such provision is the United States or any agency or instrumentality thereof.

''(B) Subparagraph (1)(D) shall not apply with respect to any provision of a bill or joint resolution or of a conference report on a bill or joint resolution if the costs which would be incurred in carrying out such provision or any loss in revenues resulting from such provision are identified clearly in the report or joint explanatory statement accompanying such bill or joint resolution.

''(3) It shall not be in order to consider any such bill or joint resolution in the House if the report or joint explanatory statement of the committee or committee of conference which reported that bill or joint resolution does not comply with subparagraph (1). The requirements of subparagraph (1) may be waived only upon a separate vote directed solely to that subject.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bills and joint resolutions reported by a committee of the House of Representatives after the date of enactment of this Act.

H.R. 2517

OFFERED BY: MR. DAVIS

AMENDMENT NO. 1: Page 1588, lines 3 through 7, amend subsection (c) to read as follows:

(c) NATIONAL TECHNICAL INFORMATION SERVICE.—

(1) GOVERNMENT CORPORATION.—All functions of the National Technical Information Service are transferred to the Director of the Office of Management and Budget who shall within 6 months after the effective date specified in section 17101 submit to Congress a proposal for legislation to establish the National Technical Information Service as a wholly owned Government corporation. The proposal should provide for the corporation to perform substantially the same functions that, as of the date of enactment of this act, are performed by the National Technical Information Service.

(2) TRANSFER TO NATIONAL INSTITUTE FOR SCIENCE AND TECHNOLOGY.—Not later than 18 months after the effective date specified in section 17101, the National Technical Information Service (or any successor corporation established pursuant to a proposal under paragraph (1)) shall be transferred to the National Institute for Science and Technology established by section 17207.

(3) FUNDING.—No funds are authorized to be appropriated for the National Technical Information Service or any successor corporation established pursuant to a proposal under paragraph (1).

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OFFERED BY: MR. HORN

AMENDMENT NO. 2: Page 308, after line 5, insert the following:

Subtitle A—Federal Employee and Congressional Benefits; Availability of Surplus Property for Homeless Assistance

Page 333, after line 15, insert the following new subtitle:

Subtitle B—Debt Collection Improvement Act of 1995

SEC. 5201. SHORT TITLE.

This subtitle may be cited as the ''Debt Collection Improvement Act of 1995''.

SEC. 5202. TABLE OF CONTENTS.

The table of contents for this subtitle is as follows:

Sec. 5201. Short title.
Sec. 5202. Table of contents.
Sec. 5203. Effective date.
Sec. 5204. Purposes.

PART I—GENERAL DEBT COLLECTION INITIATIVES

SUBPART A—GENERAL OFFSET AUTHORITY

Sec. 5211. Expansion of administrative offset authority.
Sec. 5212. Enhancement of administrative offset authority.
Sec. 5213. Exemption from computer matching requirements under the Privacy Act of 1974.
Sec. 5214. Use of administrative offset authority for debts to States.
Sec. 5215. Technical and conforming amendments.

SUBPART B—SALARY OFFSET AUTHORITY

Sec. 5221. Enhancement of salary offset authority.

SUBPART C—TAXPAYER IDENTIFYING NUMBERS

Sec. 5231. Access to taxpayer identifying numbers; barring delinquent debtors from credit assistance.
Sec. 5232. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees.

SUBPART D—EXPANSION AND ENHANCEMENT OF COLLECTION AUTHORITIES

Sec. 5241. Repeal of limitations on collection authorities.
Sec. 5242. Disclosure to consumer reporting agencies and commercial reporting agencies.
Sec. 5243. Contracts for collection services.
Sec. 5244. Cross-servicing partnerships and centralization of debt collection activities in the Department of the Treasury.
Sec. 5245. Compromise of claims.
Sec. 5246. Wage garnishment requirement.
Sec. 5247. Debt sales by agencies.
Sec. 5248. Adjustments of administrative debt.
Sec. 5249. Dissemination of information regarding identity of delinquent debtors.

SUBPART E—FEDERAL CIVIL MONETARY PENALTIES

Sec. 5251. Adjusting Federal civil monetary penalties for inflation.

SUBPART F—GAIN SHARING

Sec. 5261. Debt collection improvement account.

SUBPART G—TAX REFUND OFFSET AUTHORITY

Sec. 5271. Offset of tax refund payment by disbursing officials.
Sec. 5272. Expanding tax refund offset authority.
Sec. 5273. Expanding authority to collect past-due support.
Sec. 5274. Use of tax refund offset authority for debts to States.

SUBPART H—DISBURSEMENTS

Sec. 5281. Electronic funds transfer.
Sec. 5282. Requirement to include taxpayer identifying number with payment voucher.

SUBPART I—MISCELLANEOUS

Sec. 5291. Miscellaneous amendments to definitions.
Sec. 5292. Monitoring and reporting.
Sec. 5293. Review of standards and policies for compromise or write-down of delinquent debts.

PART II—JUSTICE DEBT MANAGEMENT

Sec. 5301. Expanded use of private attorneys.
Sec. 5302. Nonjudicial foreclosure of mortgages.

SEC. 5203. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the provisions of this subtitle and the amendments made by this subtitle shall become effective October 1, 1995.

SEC. 5204. PURPOSES.

The purposes of this subtitle are the following:

(1) To maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools.

(2) To minimize the costs of debt collection by consolidating related functions and activities and utilizing interagency teams.

(3) To reduce losses arising from debt management activities by requiring proper screening of potential borrowers, aggressive monitoring of all accounts, and sharing of information within and among Federal agencies.

(4) To ensure that the public is fully informed of the Federal Government's debt collection policies and that debtors are cognizant of their financial obligations to repay amounts owed to the Federal Government.

(5) To ensure that debtors have all appropriate due process rights, including the ability to verify, challenge, and compromise claims, and access to administrative appeals procedures which are both reasonable and protect the interests of the United States.

(6) To encourage agencies, when appropriate, to sell delinquent debt, particularly debts with underlying collateral.

(7) To rely on the experience and expertise of private sector professionals to provide debt collection services to Federal agencies.

PART I—GENERAL DEBT COLLECTION INITIATIVES

Subpart A—General Offset Authority

SEC. 5211. EXPANSION OF ADMINISTRATIVE OFFSET AUTHORITY.

Chapter 37 of title 31, United States Code, is amended—

(1) in each of sections 3711, 3716, 3717, and 3718, by striking ''the head of an executive or legislative agency'' each place it appears and inserting ''the head of an executive, judicial, or legislative agency''; and

(2) by amending section 3701(a)(4) to read as follows:

''(4) 'executive, judicial, or legislative agency' means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of government, including government corporations.''.

SEC. 5212. ENHANCEMENT OF ADMINISTRATIVE OFFSET AUTHORITY.

(a) PERSONS SUBJECT TO ADMINISTRATIVE OFFSET.—Section 3701(c) of title 31, United States Code, is amended to read as follows:

''(c) In sections 3716 and 3717 of this title, the term 'person' does not include an agency of the United States Government.''.

(b) REQUIREMENTS AND PROCEDURES.—Section 3716 of title 31, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

''(b) Before collecting a claim by administrative offset, the head of an executive, judicial, or legislative agency must either—

''(1) adopt, without change, regulations on collecting by administrative offset promulgated by the Department of Justice, the General Accounting Office, or the Department of the Treasury; or

''(2) prescribe regulations on collecting by administrative offset consistent with the regulations referred to in paragraph (1).'';

(2) by amending subsection (c)(2) to read as follows:

''(2) when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.'';

(3) by redesignating subsection (c) as subsection (e); and

(4) by inserting after subsection (b) the following new subsections:

''(c)(1)(A) Except as otherwise provided in this subsection, a disbursing official of the Department of the Treasury, the Department of Defense, the United States Postal Service, or any other government corporation, or any disbursing official of the United States designated by the Secretary of the Treasury, shall offset at least annually the amount of a payment which a payment certifying agency has certified to the disbursing official for disbursement, by an amount equal to the amount of a claim which a creditor agency has certified to the Secretary of the Treasury pursuant to this subsection.

''(B) An agency that designates disbursing officials pursuant to section 3321(c) of this title is not required to certify claims arising out of its operations to the Secretary of the Treasury before such agency's disbursing officials offset such claims.

''(C) Payments certified by the Department of Education under a program administered by the Secretary of Education under title IV of the Higher Education Act of 1965 shall not be subject to administrative offset under this subsection.

''(2) Neither the disbursing official nor the payment certifying agency shall be liable—

''(A) for the amount of the administrative offset on the basis that the underlying obligation, represented by the payment before the administrative offset was taken, was not satisfied; or

''(B) for failure to provide timely notice under paragraph (8).

''(3)(A) Notwithstanding any other provision of law (including sections 207 and 1631(d)(1) of the Act of August 14, 1935 (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public Law 91–173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m)), 15 percent of payments due to an individual under the Social Security Act, under part B of the Black Lung Benefits Act, under any law administered by the Railroad Retirement Board, or as compensation or benefits arising from service of an individual with the United States Government, shall be subject to offset under this section except that a greater percentage may be deducted by offset with the written consent of the individual.

''(B) The Secretary of the Treasury shall exempt from administrative offset under this subsection payments under means-tested programs when requested by the head of the respective agency. The Secretary may exempt other payments from administrative offset under this subsection upon the written request of the head of a payment certifying

agency. A written request for exemption of other payments must provide justification for the exemption under standards prescribed by the Secretary. Such standards shall give due consideration to whether administrative offset would tend to interfere substantially with or defeat the purposes of the payment certifying agency's program. The Secretary shall report to the Congress annually on exemptions granted under this section.

''(C) The provisions of sections 205(b)(1) and 1631(c)(1) of the Social Security Act shall not apply to any administrative offset executed pursuant to this section against benefits authorized by either title II or title XVI of the Social Security Act, respectively.

''(D)(i) Payments to any qualified individual shall not be subject to administrative offset under this subsection. Prior to offset of any debtor's Federal benefit payment under this subsection, the debtor shall be provided a written notice of the exemption described in this paragraph and an opportunity to provide data to qualify for the exemption.

''(ii) In this subparagraph, the term 'qualified individual' means an individual whose income in the year preceding application of this paragraph did not exceed 150 percent of the poverty level and who has less than $5,000 in assets.

''(4) The Secretary of the Treasury may charge a fee sufficient to cover the full cost of implementing this subsection. The fee may be collected either by the retention of a portion of amounts collected pursuant to this subsection, or by billing the agency referring or transferring a claim for those amounts. Fees charged to the agencies shall be based on actual administrative offsets completed. Amounts received by the United States as fees under this subsection shall be deposited into the account of the Department of the Treasury under section 3711(g)(4) of this title, and shall be collected and accounted for in accordance with the provisions of that section.

''(5) The Secretary of the Treasury may disclose to a creditor agency the current address of any payee and any data related to certifying and authorizing payments to a payee in accordance with section 552a of title 5, United States Code, even if the payment has been exempt from administrative offset. If a payment is made electronically, the Secretary may obtain the current address of the payee to the Secretary.

''(6) The Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary of the Treasury considers necessary to carry out this subsection. The Secretary shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

''(7) Any Federal agency that is owed by a person a past due legally enforceable nontax debt that is over 180 days delinquent, including nontax debt administered by a third party acting as an agent for the Federal government, shall notify the Secretary of the Treasury of all such nontax debts for purposes of administrative offset under this subsection.

''(8)(A) The disbursing official conducting an administrative offset with respect to a payment to a payee shall notify the payee in writing of—

''(i) the occurrence of the administrative offset to satisfy a past due legally enforceable debt, including a description of the type and amount of the payment otherwise payable to the payee against which the offset was executed;

''(ii) the identity of the creditor agency requesting the offset; and

''(iii) a contact point within the creditor agency that will handle concerns regarding the offset.

''(B) If the payment to be offset is a periodic benefit payment, the disbursing official shall take reasonable steps, as determined by the Secretary of the Treasury, to provide the notice to the payee not later than the date on which the payee is otherwise scheduled to receive the payment, or as soon as practical thereafter, but not later than the date of the administrative offset. Notwithstanding the preceding sentence, the failure of the debtor to receive such notice shall not impair the legality of such administrative offset.

''(9) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over requests for administrative offset pursuant to other laws.

''(d) Nothing in this section is intended to prohibit the use of any other administrative offset authority existing under statute or common law.''.

(c) NONTAX CLAIM DEFINED.—Section 3701 of title 31, United States Code, is amended—

(1) in subsection (b) by inserting ''and subsection (a)(8) of this section'' after ''of this chapter''; and

(2) in subsection (a) by adding at the end the following new paragraph:

''(8) 'nontax claim' means any claim, other than a claim of the Internal Revenue Service under the Internal Revenue Code of 1986.''.

SEC. 5213. EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS UNDER THE PRIVACY ACT OF 1974.

Section 3716 of title 31, United States Code, as amended by section 5212(b) of this subtitle, is further amended by adding at the end the following new subsections:

''(f) The Secretary may waive the requirements of sections 552(o) and (p) of title 5 for administrative offset or claims collection upon written certification by the head of the executive, judicial, or legislative agency seeking to collect the claim that the requirements of subsection (a) of this section have been met.

''(g) The Data Integrity Board of the Department of the Treasury established under 552a(u) of title 5 shall review and include in reports under paragraph (3)(D) of that section a description of any matching activities conducted under this section. If the Secretary has granted a waiver under subsection (f) of this section, no other Data Integrity Board is required to take any action under section 552a(u) of title 5.''.

SEC. 5214. USE OF ADMINISTRATIVE OFFSET AUTHORITY FOR DEBTS TO STATES.

Section 3716 of title 31, United States Code, as amended by sections 5212 and 5213 of this subtitle, is further amended by adding at the end the following new subsection:

''(h)(1) The Secretary may, in the discretion of the Secretary, apply subsection (a) with respect to any past-due, legally-enforceable debt owed to a State if—

''(A) the appropriate State disbursing official requests that an offset be performed; and

''(B) a reciprocal agreement with the State is in effect which contains, at a minimum—

''(i) requirements substantially equivalent to subsection (b) of this section; and

''(ii) any other requirements which the Secretary considers appropriate to facilitate the offset and prevent duplicative efforts.

''(2) This subsection does not apply to—

''(A) the collection of a debt or claim on which the administrative costs associated with the collection of the debt or claim exceed the amount of the debt or claim;

''(B) any collection of any other type, class, or amount of claim, as the Secretary considers necessary to protect the interest of the United States; or

''(C) the disbursement of any class or type of payment exempted by the Secretary of the Treasury at the request of a Federal agency.''.

SEC. 5215. TECHNICAL AND CONFORMING AMENDMENTS.

(a) TITLE 31.—Title 31, United States Code, is amended—

(1) in section 3322(a), by inserting ''section 3716 and section 3720A of this title, section 6331 of the Internal Revenue Code of 1986 (26 U.S.C. 6331), and'' after ''Except as provided in'';

(2) in section 3325(a)(3), by inserting ''or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A of this title, or pursuant to levies executed under section 6331 of the Internal Revenue Code of 1986 (26 U.S.C. 6331),'' after ''voucher''; and

(3) in each of section 3711(e)(2) and 3717(h) by inserting '', the Secretary of the Treasury,'' after ''Attorney General''.

(b) INTERNAL REVENUE CODE OF 1986.—Subsection 6103(1)(10)(A) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(1)(10)(A)) is amended—

(1) in subparagraph (A), by inserting ''and to officers and employees of the Department of the Treasury in connection with such reduction'' after ''6402''; and

(2) in subparagraph (B), by inserting ''and officers and employees of the Department of the Treasury'' after ''agency'' the first place it appears.

Subpart B—Salary Offset Authority

SEC. 5221. ENHANCEMENT OF SALARY OFFSET AUTHORITY.

Section 5514 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by adding at the end of paragraph (1) the following: ''All Federal agencies to which debts are owned and which have outstanding delinquent debts shall participate in a computer match at least annually of their delinquent debt records with records of Federal employees to identify those employees who are delinquent in repayment of those debts. Matched Federal employee records shall include, but shall not be limited to, records of active Civil Service employees government-wide, military active duty personnel, military reservists, United States Postal Service employees, employees of other government corporations, and seasonal and temporary employees. The Secretary of the Treasury shall establish and maintain an interagency consortium to implement centralized salary offset computer matching, and promulgate regulations for this program. Agencies that perform centralized salary offset computer matching services under this subsection are authorized to charge a fee sufficient to cover the full costs for such services.'';

(B) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(C) by inserting after paragraph (2) the following new paragraph:

''(3) Paragraph (2) shall not apply to routine intraagency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the adjustment and to any adjustment that amounts to $50 or less, if at the time of such adjustment, or as soon thereafter as practical, the individual is provided written notice of the nature and the amount of the adjustment and a point of contact for contesting such adjustment.''; and

(D) by amending paragraph (5)(B) (as redesignated by subparagraph (b) of this paragraph) to read as follows:

''(B) 'agency' includes executives departments and agencies, the United States Postal Service, the Postal Rate Commission, the Senate, the House of Representatives, and any court, court administrative office, or instrumentality in the judicial or legislative branches of the Government, and government corporation.'';

(2) by adding after subsection (c) the following new subsection:

''(d) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over deductions under this section.''.

Subpart C—Taxpayer Identifying Numbers

SEC. 5231. ACCESS TO TAXPAYER IDENTIFYING NUMBERS; BARRING DELINQUENT DEBTORS FROM CREDIT ASSISTANCE.

Section 4 of the Debt Collection Act of 1982 (Public Law 97–365, 96 Stat. 1749, 26 U.S.C. 6103 note) is amended—

(1) in subsection (b), by striking ''For purposes of this section'' and inserting ''For purposes of subsection (a)''; and

(2) by adding at the end the following new subsections:

''(c) FEDERAL AGENCIES.—

''(1) IN GENERAL.—Each Federal agency shall require each person doing business with that agency to furnish to that agency such person's taxpayer identifying number.

''(2) DOING BUSINESS.—For purposes of this subsection, a person shall be considered to be doing business with a Federal agency if the person is—

''(A) a lender or servicer in a Federal guaranteed or insured loan program administered by the agency;

''(B) an applicant for, or recipient of—

''(i) a Federal guaranteed, insured, or direct loan administered by the agency; or

''(ii) a Federal license, permit, right-of-way, grant, or benefit payment administered by the agency or insurance administered by the agency;

''(C) a contractor of the agency;

''(D) assessed a fine, fee, royalty or penalty by the agency; and

''(E) in a relationship with the agency that may give rise to a receivable due to that agency, such as a partner of a borrower in or a guarantor of a Federal direct or insured loan administered by the agency.

''(3) DISCLOSURE.—Each agency shall disclose to a person required to furnish a taxpayer identifying number under this subsection its intent to use such number for purposes of collecting and reporting on any delinquent amounts arising out of such person's relationship with the Government.

''(4) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'taxpayer identifying number' has the meaning given such term in section 6109 of the Internal Revenue Code of 1986 (26 U.S.C. 6109); and

''(B) the term 'person'—

''(i) subject to clause (ii), means an individual, sole proprietorship, partnership, corporation, or nonprofit organization, or any other form of business association; and

''(ii) does not include debtors under third party claims of the United States, other than debtors owing claims resulting from petroleum pricing violations.

''(d) ACCESS TO SOCIAL SECURITY NUMBERS AND OTHER INFORMATION.—Notwithstanding section 552a(b) of title 5, United States Code, creditor agencies to which a delinquent claim is owed, and their agents, may match their debtor records with Department of Health and Human Services, Department of Labor, and Social Security Administration records to obtain names (including names of employees), name controls, names of employers, Social Security numbers, addresses (including addresses of employers), and dates of birth. The Department of Health and Human Services, the Department of Labor, and the Social Security Administration shall release that information to creditor agencies and may charge reasonable fees sufficient to pay the costs associated with that release.

''(e) ELECTRONIC PAYMENTS.—If a payment is made electronically by any executive, judicial, or legislative agency, the Secretary of the Treasury may obtain from the institution receiving the payment the taxpayer identification number of any joint holder of the account to which the payment is made. Upon request of the Secretary, the institution receiving the payment shall report the taxpayer identification number of the joint holder to the Secretary.''.

SEC. 5232. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL LOANS OR LOAN GUARANTEES.

(a) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 3720A the following new section:

''§ 3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees

''(a) Unless this subsection is waived by the head of a Federal agency, a person may not obtain any Federal financial assistance in the form of a loan (other than a disaster loan) or loan guarantee administered by the agency if the person has an outstanding debt with any Federal agency which is in a delinquent status, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional loans or loan guarantees only after such delinquency is resolved in accordance with those standards. The Secretary of the Treasury may exempt, at the request of an agency, any class of claims.

''(b) The head of a Federal agency may delegate the waiver authority under subsection (a) to the Chief Financial Officer of the agency. The waiver authority may be redelegated only to the Deputy Chief Financial Officer of the agency.

''(c) For purposes of this section, the term 'person' means—

''(1) an individual; or

''(2) any sole proprietorship, partnership, corportation, nonprofit organization, or other form of business association.''.

(b) CLERICAL AMENDMENTS.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720A the following new item:

''3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees.''.

Subpart D—Expansion and Enhancement of Collection Authorities

SEC. 5241. REPEAL OF LIMITATIONS ON COLLECTION AUTHORITIES.

(a) DEBT COLLECTION ACT OF 1982.—Section 8(e) of the Debt Collection Act of 1982 (5 U.S.C. 5514 note) is repealed. Section 3701(d) of title 31, United States Code, is amended to read as follows:

''(d) Sections 3711(f) and 3716 through 3719 of this title do not apply to a claim or debt under, or to amounts payable under, the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) unless the Internal Revenue Service has ceased active collection efforts and the claim or debt is considered by the Secretary of the Treasury to be currently not collectible.''.

(b) SOCIAL SECURITY DOMESTIC EMPLOYMENT REFORM ACT OF 1994.—Section 5 of the Social Security Domestic Employment Reform Act of 1994 (Public Law 103–387) is repealed.

SEC. 5242. DISCLOSURE TO CONSUMER REPORTING AGENCIES AND COMMERCIAL REPORTING AGENCIES.

Section 3711(f) of title 31, United States Code, is amended—

(1) by striking ''may'' the first place it appears and inserting ''shall'';

(2) by striking ''an individual'' each place it appears and inserting ''a covered person'';

(3) by striking ''the individual'' each place it appears and inserting ''the covered person''; and

(4) by adding at the end the following new paragraphs:

''(4) The head of each executive agency shall require, as a condition for guaranteeing any loan, financing, or other extension of credit under any law to a covered person, that the lender provide information relating to the extension of credit to consumer reporting agencies or commercial reporting agencies, as appropriate.

''(5) The head of each executive agency may provide to a consumer reporting agency or commercial reporting agency information from a system of records that a covered person is responsible for a claim which is current, if notice required by section 552a(e)(4) of title 5 indicates that information in the system may be disclosed to a consumer reporting agency or commercial reporting agency, respectively.

''(6) In this subsection, the term 'covered person' means an individual, a sole proprietorship, a corporation (including a nonprofit corporation), or any other form of business association.''.

SEC. 5243. CONTRACTS FOR COLLECTION SERVICES.

Section 3718 of title 31, United States Code, is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: ''Under conditions the head of an executive, judicial, or legislative agency considers appropriate, the head of the agency may enter into a contract with a person for collection service to recover indebtedness owed, or to locate or recover assets of, the United States Government. The head of an agency may not enter into a contract under the preceding sentence to locate or recover assets of the United States held by a State government or financial institution unless that agency has established procedures approved by the Secretary of the Treasury to identify and recover such assets.'';

(2) in subsection (d), by inserting '', or to locate or recover assets of,'' after ''owed'';

(3) by amending subsection (f) to read as follows:

''(f)(1) The head of each Federal agency that administers a program that gives rise to a delinquent debt or is responsible for collecting delinquent debt shall enter into contracts on a competitive basis with 3 or more persons for the collection of any such debt that is past-due and legally enforceable and on which the agency has ceased active collection efforts. Contracts under this subsection shall be awarded on a competitive basis.

''(2) The performance of contractors in carrying out such contracts shall be evaluated upon, and incentives shall be provided and sanctions imposed under such contracts, as appropriate, based upon—

''(A) collection success;

''(B) compliance with all applicable laws, including the Fair Debt Collection Practices Act (16 U.S.C. 1692 et seq.), the Omnibus Taxpayer Bill of Rights (102 Stat. 3720), and section 6103 of the Internal Revenue code of 1986 (26 U.S.C. 6103); and

''(C) incidence of valid debtor complaints.

''(3) The head of each agency referred to in paragraph (1) shall—

''(A) within 3 years after the date of enactment of the Debt Collection Improvement Act of 1995, refer for collection to persons with contracts under this subsection not less than 50 percent of the amount of delinquent debts upon which the agency has ceased active collection efforts;

''(B) begin referring debts not later than 180 days after the date of enactment of the Debt Collection Improvement Act of 1995 and require that collection efforts pursuant to such a referral begin by not later than 90 days after the date of referral; and

''(C) report to the Congress on debts referred by each Federal agency and amounts received by the United States pursuant to that referral.

''(4) For purposes of this subsection, an agency shall be considered to have ceased active collection efforts if—

''(A) the debt is not the subject of litigation and has not in the preceding 90 days been the subject of a payment, an execution of a written promise to pay, or an affirmative attempt to locate or contact the debtor, or

''(B) in the case of debt owed under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.), if the Internal Revenue Service has classified the debt as 'currently not collectible' or a similar classification in accordance with criteria and procedures substantially similar to those in effect for such classifications on September 20, 1995.

''(5) Each contract for collection services under this subsection shall—

''(A) include safeguards against unauthorized disclosure of confidential information;

''(B) provide that the Federal agency shall not disclose to a contractor any information concerning the debtor other than—

''(i) information necessary to locate and contact the debtor, such as name, address, telephone number, employer address and telephone number, and Social Security Number; and

''(ii) the nature and amount of the debt;

''(C) prohibit the release by the contractor of confidential information regarding a debtor obtained as a result of a contract under this subsection to any third person without the debtor's written consent;

''(D) limit the contractor's activities to—

''(i) contacting debtors by mail;

''(ii) contacting debtors by phone to remind taxpayers of a delinquency, provide information on payment options, and secure taxpayer intentions of repayment;

''(iii) providing skiptracing services and asset and employment location services to establish a mailing address or phone number for delinquent debtors;

''(iv) providing lockbox services for receipt and processing of payments; and

''(v) providing data processing services in conjunction with collection activities;

''(E) preclude the contractor from determining the amount of a debt, compromising a debt, receiving or processing collection proceeds, or mailing standard collection notices and billing statements; and

''(F) require the contractor to comply with section 552a of title 5 (popularly known as the 'Privacy Act'), the Fair Debt Collection Practices Act, and the Taxpayers Bill of Rights.

''(6) The Secretary of the Treasury may exempt from the application of this subsection any class of nontax claims as necessary to protect the interests of the United States.''; and

(4) by adding at the end the following new subsection:

''(h) The Secretary of the Treasury may enter into contracts for Governmentwide collection of debts and recovery of assets consistent with subsections (a) and (f). The head of a Federal agency may enter into an agreement with the Secretary of the Treasury to obtain services under these contracts, and, if such agreement results in the performance of the required services for debt collection services for debt collection under subsection (f), the head of a Federal agency shall be deemed to be in compliance with subsection (f).''.

SEC. 5244. CROSS-SERVICING PARTNERSHIPS AND CENTRALIZATION OF DEBT COLLECTION ACTIVITIES IN THE DEPARTMENT OF THE TREASURY.

Section 3711 of title 31, United States Code, is amended by adding at the end the following new subsections:

''(g)(1) If a nontax debt or claim owed to the United States has been delinquent for a period of 180 days—

''(A) the head of the executive, judicial, or legislative agency that administers the program that gave rise to the debt or claim shall transfer the debt or claim to the Secretary of the Treasury; and

''(B) upon such transfer the Secretary of the Treasury shall take appropriate action to collect or terminate collection actions on the debt or claim.

''(2) Paragraph (1) shall not apply—

''(A) to any debt or claim that—

''(i) is in litigation or foreclosure;

''(ii) will be disposed of under an asset sales program within 1 year after the date the debt or claim is first delinquent, or a greater period of time if a delay would be in the best interests of the United States, as determined by the Secretary of the Treasury;

''(iii) has been referred to a private collection contractor for collection for a period of time determined by the Secretary of the Treasury;

''(iv) has been referred by, or with the consent of, the Secretary of the Treasury to a debt collection center for a period of time determined by the Secretary of the Treasury; or

''(v) will be collected under internal offset, if such offset is sufficient to collect the claim within 3 years after the date the debt or claim is first delinquent; and

''(B) to any other specific class of debt or claim, as determined by the Secretary of the Treasury at the request of the head of an executive, judicial, or legislative agency or otherwise.

''(3) For purposes of this section, the Secretary of the Treasury may designate, and withdraw such designation of debt collection centers operated by other Federal agencies. The Secretary of the Treasury shall designate such centers on the basis of their performance in collecting delinquent claims owed to the Government.

''(4) At the discretion of the Secretary of the Treasury, referral of a nontax claim may be made to—

''(A) any executive department or agency operating a debt collection center for servicing, collection, compromise, or suspension or termination of collection action;

''(B) a contractor operating under a contract for servicing or collection action; or

''(C) the Department of Justice for litigation.

''(5) nontax claims referred or transferred under this section shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities. Executive departments and agencies operating debt collection centers may enter into agreements with the Secretary of the Treasury to carry out the purposes of this subsection. The Secretary of the Treasury shall—

''(A) maintain competition in carrying out this subsection;

''(B) maximize collections of delinquent debts by placing delinquent debts quickly;

''(C) maintain a schedule of contractors and debt collection centers eligible for referral of claims; and

''(D) refer delinquent debts to the person most appropriate to collect the type or amount of claim involved.

''(6) Any agency operating a debt collection center to which nontax claims are referred or transferred under this subsection may charge a fee sufficient to cover the full cost of implementing this subsection. The agency transferring or referring the nontax claim shall be charged the fee, and the agency charging the fee shall collect such fee by retaining the amount of the fee from amounts collected pursuant to this subsection. Agencies may agree to pay through a different method, or to fund an activity from another account or from revenue received from the procedure described under section 3720C of this title. Amounts charged under this subsection concerning delinquent claims may be considered as costs pursuant to section 3717(e) of this title.

''(7) Notwithstanding any other law concerning the depositing and collection of Federal payments, including section 3302(b) of this title, agencies collecting fees may retain the fees from amounts collected. Any fee charged pursuant to this subsection shall be deposited into an account to be determined by the executive department or agency operating the debt collection center charging the fee (in this subsection referred to in this section as the 'Account'). Amounts deposited in the Account shall be available until expended to cover costs associated with the implementation and operation of Governmentwide debt collection activities. Costs properly chargeable to the Account include—

''(A) the costs of computer hardware and software, word processing and telecommunications equipment, and other equipment, supplies, and furniture;

''(B) personnel training and travel costs;

''(C) other personnel and administrative costs;

''(D) the costs of any contract for identification, billing, or collection services; and

''(E) reasonable costs incurred by the Secretary of the Treasury, including services and utilities provided by the Secretary, and administration of the Account.

''(8) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of unobligated balances remaining in the Account at the close of business on September 30 of the preceding year, minus any part of such balance that the executive department or agency operating the debt collection center determines is necessary to cover or defray the costs under this subsection for the fiscal year in which the deposit is made.

''(9) At the end of each calendar year, the head of an executive, judicial, or legislative agency which, regarding a claim owed to the agency, is required to report a discharge of indebtedness as income under the 6050P of the Internal Revenue Code of 1984 (26 U.S.C. 6050P) shall either complete the appropriate form 1099 or submit to the Secretary of the Treasury such information as is necessary for the Secretary of the Treasury to complete the appropriate form 1099. The Secretary may exempt specific classes of claims from this requirement, at the request of the head of an agency. The Secretary of the Treasury shall incorporate this information into the appropriate form and submit the information to the taxpayer and the Internal Revenue Service. Before completing a discharge of indebtedness, the head of an executive, judicial, or legislative agency shall certify that all appropriate steps have been taken with respect to a delinquent debt, including (as applicable)—

''(A) administrative offset,

''(B) tax refund offset,

''(C) Federal salary offset,

''(D) referral to private debt collection agencies,

''(E) referral to agencies operating a debt collection center,

''(F) reporting delinquencies to credit reporting bureaus,

''(G) garnishing the wages of delinquent debtors, and

''(H) litigation or foreclosure.

''(10) To carry out the purpose of this subsection, the Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary considers necessary.

''(h)(1) The head of an executive, judicial, or legislative agency acting under subsection (a) (1), (2), or (3) of this section to collect a claim, compromise a claim, or terminate collection action on a claim may obtain a consumer report (as that term is defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)) or comparable credit information on any person who is liable for the claim.

''(2) The obtaining of a consumer report under this subsection is deemed to be a circumstance or purpose authorized or listed under section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b).''.

SEC. 5245. COMPROMISE OF CLAIMS.

Section 11 of the Administrative Dispute Resolution Act (Public Law 101–552, 104 Stat. 2736, 5 U.S.C. 571 note) is amended by adding at the end the following sentence: ''This section shall not apply to section 8(b) of this Act.''.

SEC. 5246. WAGE GARNISHMENT REQUIREMENT.

(a) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720C, as added by section 5261 of this subtitle, the following new section:

''§ 3720D. Garnishment

''(a) Notwithstanding any provision of State law, the head of an executive, judicial, or legislative agency that administers a program that gives rise to a delinquent nontax debt owed to the United States by an individual may in accordance with this section garnish the disposable pay of the individual to collect the amount owed, if the individual is not currently making required repayment in accordance with any agreement between the agency head and the individual.

''(b) In carrying out any garnishment of disposable pay of an individual under subsection (a), the head of an executive, judicial, or legislative agency shall comply with the following requirements:

''(1) The amount deducted under this section for any pay period may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual.

''(2) The individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the head of the executive, judicial, or legislative agency, informing the individual of—

''(A) the nature and amount of the debt to be collected;

''(B) the intention of the agency to initiate proceedings to collect the debt through deductions from pay; and

''(C) an explanation of the rights of the individual under this section.

''(3) The individual shall provide an opportunity to inspect and copy records relating to the debt.

''(4) The individual shall be provided an opportunity to enter into a written agreement with the executive, judicial, or legislative agency, under terms agreeable to the head of the agency, to establish a schedule for repayment of the debt.

''(5) The individual shall be provided an opportunity for a hearing in accordance with subsection (c) on the determination of the head of the executive, judicial, or legislative agency concerning—

''(A) the existence or the amount of the debt, and

''(B) in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), the terms of the repayment schedule.

''(6) If the individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of the individual until the individual has been reemployed continuously for at least 12 months.

''(c)(1) A hearing under subsection (b)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (b)(2), and in accordance with such procedures as the head of the executive, judicial, or legislative agency may prescribe, files a petition requesting such a hearing.

''(2) If the individual does not file a petition requesting a hearing prior to such date, the head of the agency shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order.

''(3) The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

''(d) The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

''(e)(1) An employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action.

''(2) The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

''(f)(1) The employer of an individual—

''(A) shall pay to the head of an executive, judicial, or legislative agency as directed in a withholding order issued in an action under this section with respect to the individual, and

''(B) shall be liable for any amount that the employer fails to withhold from wages due an employee following receipt by such employer of notice of the withholding order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages.

''(2)(A) The head of an executive, judicial, or legislative agency may sue an employer in a State or Federal court of competent jurisdiction to recover amounts for which the employer is liable under paragraph (1)(B).

''(B) A suit under this paragraph may not be filed before the termination of the collection action, unless earlier filing is necessary to avoid expiration of any applicable statute of limitations period.

''(3) Notwithstanding paragraphs (1) and (2), an employer shall not be required to vary its normal pay and disbursement cycles in order to comply with this subsection.

''(g) For the purpose of this section, the term 'disposable pay' means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by any other law to be withheld.

''(h) The Secretary of the Treasury shall issue regulations to implement this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States code, is amended by inserting after the item relating to section 3720C (as added by section 5261 of this subtitle) the following new item:

''3720D. Garnishment.''.

SEC. 5247. DEBT SALES BY AGENCIES.

Section 3711 of title 31, United States Code, is further amended by adding at the end the following new subsection:

''(h)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 and using competitive procedures, any nontax debt owed to the United States that is delinquent for more than 90 days. Appropriate fees charged by a contractor to assist in the conduct of a sale under this subsection may be payable from the proceeds of the sale.

''(2) After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States, if the Secretary of the Treasury determines the sale is in the best interests of the United States.

''(3) Sales of nontax debt under this subsection—

''(A) shall be for—

''(i) cash, or

''(ii) cash and a residuary equity or profit participation, if the head of the agency reasonably determines that the proceeds will be greater than sale solely for cash,

''(B) shall be without recourse, but may include the use of guarantees if otherwise authorized, and

''(C) shall transfer to the purchaser all rights of the Government to demand payment of the nontax debt, other than with respect to a residuary equity or profit participation under subparagraph (A)(ii).

''(4)(A) Within one year after the date of enactment of the Debt Collection Improvement Act of 1995, and every year thereafter, each executive agency with current and delinquent collateralized debts shall report to the Congress on the valuation of its existing portfolio of loans, notes and guarantees, and other collateralized debts based on standards developed by the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury.

''(B) The Director of the Office of Management and Budget shall determine what information is required to be reported to comply with subparagraph (A). At a minimum, for each financing account and for each liquidating account (as those terms are defined in sections 502(7) and 502(8), respectively, of the Federal Credit Reform Act of 1990) the following information shall be reported:

''(i) The cumulative balance of current debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

''(ii) The cumulative balance of delinquent debts, debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

''(iii) The cumulative balance of guaranteed loans outstanding, the estimated net present value of such guarantees, the annual administrative expenses of such guarantees (including the portion of salaries and expenses that are directly related to such guaranteed loans), and the estimated net proceeds that would be received by the Government if such loan guarantees were sold.

''(iv) The cumulative balance of defaulted loans that were previously guaranteed and have resulted in loans receivables, the estimated net present value of such loan assets, the annual administrative expenses of such loan assets (including the portion of salaries

and expenses that are directly related to such loan assets), and the estimated net proceeds that would be received by the Government if such loan assets were sold.

''(v) The marketability of all debts.

''(5) This subsection is not intended to limit existing statutory authority of agencies to sell loans, debts, or other assets.''.

SEC. 5248. ADJUSTMENTS OF ADMINISTRATIVE DEBT.

Section 3717 of title 31, United States Code, is amended by adding at the end of subsection (h) the following new subsection.

''(i)(1) The head of an executive, judicial, or legislative agency may increase an administrative claim by the cost of living adjustment in lieu of charging interest and penalties under this section. Adjustments under this subsection will be computed annually.

''(2) For the purpose of this subsection—

''(A) the term 'cost of living adjustment' means the percentage by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment exceeds the Consumer Price Index for the month of June of the calendar year in which the claim was determined or last adjusted; and

''(B) the term 'administrative claim' includes all debt that is not based on an extension of government credit through direct loans, loan guarantees, or insurance, including fines, penalties, and overpayments.''.

SEC. 5249. DISSEMINATION OF INFORMATION REGARDING IDENTITY OF DELINQUENT DEBTORS.

(a) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720D, as added by section 5246 of this subtitle, the following new section:

''§ 3720E. Dissemination of information regarding identity of delinquent debtors

''(a) The head of any agency may, with the review of the Secretary of the Treasury, for the purpose of collecting any delinquent nontax debt owed by any person, publish or otherwise publicly disseminate information regarding the identity of the person and the existence of the nontax debt.

''(b)(1) The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget and the heads of other appropriate Federal agencies, shall issue regulations establishing procedures and requirements the Secretary considers appropriate to carry out this section.

''(2) Regulations under this subsection shall include—

''(A) standards for disseminating information that maximize collections of delinquent nontax debts, by directing actions under this section toward delinquent debtors that have assets or income sufficient to pay their delinquent nontax debt;

''(B) procedures and requirements that prevent dissemination of information under this section regarding persons who have not had an opportunity to verify, contest, and compromise their nontax debt in accordance with this subchapter; and

''(C) procedures to ensure that persons are not incorrectly identified pursuant to this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by adding after the item relating to section 3720D (as added by section 5246 of this subtitle) the following new item:

''3720E. Dissemination of information regarding identity of delinquent debtors.''.

Subpart E—Federal Civil Monetary Penalties

SEC. 5251. ADJUSTING FEDERAL CIVIL MONETARY PENALTIES FOR INFLATION.

(a) IN GENERAL.—the Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101–410, 104 Stat. 890; 28 U.S.C. 2461 note) is amended—

(1) by amending section 4 to read as follows:

''SEC. 4. The head of each agency shall, not later than 180 days after the date of enactment of the Debt Collection Improvement Act of 1995, and at least once every 4 years thereafter—

''(1) by regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty under the Internal Revenue Code of 1986, by the inflation adjustment described under section 5 of this Act; and

''(2) publish each such regulation in the Federal Register.'';

(2) in section 5(a), by striking ''The adjustment described under paragraphs (4) and (5)(A) of section 4'' and inserting ''The inflation adjustment under section 4''; and

(3) by adding at the end the following new section:

''SEC. 7. Any increase under this Act in a civil monetary penalty shall apply only to violations which occur after the date the increase takes effect.''.

(b) LIMITATION ON INITIAL ADJUSTMENT.—The first adjustment of a civil monetary penalty made pursuant to the amendment made by to subsection (a) may not exceed 10 percent of such penalty.

Subpart F—Gain Sharing

SEC. 5261. DEBT COLLECTION IMPROVEMENT ACCOUNT.

(a) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 372B (as added by section 5232 of this subtitle) the following new section:

''§ 3720C. Debt Collection Improvement Account

''(a)(1) There is hereby established in the Treasury a special fund to be known as the 'Debt Collection Improvement Account' (hereinafter in this section referred to as the 'Account').

''(2) The Account shall be maintained and managed by the Secretary of the Treasury, who shall ensure that agency programs are credited with amounts transferred under subsection (b)(1).

''(b)(1) Not later than 30 days after the end of a fiscal year, an agency may transfer to the Account the amount described in paragraph (3), as adjusted under paragraph (4).

''(2) Agency transfers to the Account may include collections from—

''(A) salary, administrative, and tax refund offsets;

''(B) automated levy authority;

''(C) the Department of Justice;

''(D) private collection agencies;

''(E) sales of delinquent loans; and

''(F) contracts to locate or recover assets.

''(3) The amount referred to in paragraph (1) shall be 5 percent of the amount of delinquent debt collected by an agency in a fiscal year, minus the greater of—

''(A) 5 percent of the amount of delinquent debt collected by the agency in the previous fiscal year, or

''(B) 5 percent of the amount of delinquent debt collected by the agency in the previous 4 fiscal years.

''(4) In consultation with the Secretary of the Treasury, the Office of Management and Budget may adjust the amount described in paragraph (3) for an agency to reflect the level of effort in credit management programs by the agency. As an indicator of the level of effort in credit management, the Office of Management and Budget shall consider the following:

''(A) The number of days between the date a claim or debt became delinquent and the date which an agency referred the debt or claim to the Secretary of the Treasury or obtained an exemption from this referral under section 3711(g)(2) of this title.

''(B) The ratio of delinquent debts or claims to total receivables for a given program, and the change in this ratio over a period of time.

''(c)(1) The Secretary of the Treasury may make payments from the Account solely to reimburse agencies for qualified expenses. For agencies with franchise funds, such payments may be credited to subaccounts designated for debt collection.

''(2) For purposes of this section, the term 'qualified expenses' means expenditures for the improvement of tax administration, credit management, debt collection, and debt recovery activities, including—

''(A) account servicing (including cross-servicing under section 3711(g) of this title),

''(B) automatic data processing equipment acquisitions,

''(C) delinquent debt collection,

''(D) measures to minimize delinquent debt,

''(E) sales of delinquent debt,

''(F) asset disposition, and

''(G) training of personnel involved in credit and debt management.

''(3)(A) Amounts in the Account shall be available to the Secretary of the Treasury for purposes of this section to the extent and in amounts provided in advance in appropriation Acts.

''(B) As soon as practicable after the end of the third fiscal year after which appropriations are made pursuant to this section, and every 3 years thereafter, any unappropriated balance in the Account shall be transferred to the general fund of the Treasury as miscellaneous receipts.

''(d) For direct loans and loan guarantee programs subject to title V of the Congressional Budget Act of 1974, amounts credited in accordance with subsection (c) shall be considered administrative costs.

''(e) The Secretary of the Treasury shall prescribe such rules, regulations, and procedures as the Secretary considers necessary or appropriate to carry out the purposes of this section.''.

''(b) CLERICAL AMENDMENT.—The table of sections for chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720B (as added by section 5232 of this subtitle) the following new item:

''3720C. Debt Collection Improvement Account.''.

Subpart G—Tax Refund Offset Authority

SEC. 5271. OFFSET OF TAX REFUND PAYMENT BY DISBURSING OFFICIALS.

Section 3720A(h) of title 31, United States Code, is amended to read as follows:

''(h) The disbursing official of the Department of the Treasury—

''(1) shall notify a taxpayer in writing of—

''(A) the occurrence of an offset to satisfy a past-due legally enforceable nontax debt;

''(B) the identity of the creditor agency requesting the offset; and

''(C) a correct point within the creditor agency that will handle concerns regarding the offset;

''(2) shall notify the Internal Revenue Service on a weekly basis of—

''(A) the occurrence of an offset to satisfy a past-due legally enforceable nontax debt;

''(B) the amount of such offset; and

''(C) any other information required by regulations; and

''(3) shall match payment records with requests for offset by using a name control, taxpayer identifying number (as that term is used in section 6109 of the Internal Revenue Code of 1986), and any other necessary identifiers.''.

SEC. 5272. EXPANDING TAX REFUND OFFSET AUTHORITY.

(a) DISCRETIONARY AUTHORITY.—Section 3720A of title 31, United States Code, is

amended by adding after subsection (h) (as amended by section 5271 of this subtitle) the following new subsection:

''(i) An agency subject to section 9 of the Act of May 18, 1933, (16 U.S.C. 831h), may implement this section at its discretion.''.

(b) FEDERAL AGENCY DEFINED.—Section 6402(f) of the Internal Revenue Code of 1986 (26 U.S.C. 6402(f)), is amended to read as follows:

''(f) FEDERAL AGENCY.—For purposes of this section, the term 'Federal agency' means a department, agency, or instrumentality of the United States, and includes a Government corporation (as such term is defined in section 103 of title 5, United States Code).''.

SEC. 5273. EXPANDING AUTHORITY TO COLLECT PAST-DUE SUPPORT.

(a) NOTIFICATION OF SECRETARY OF THE TREASURY.—Section 3720A(a) of title 31, United States Code, is amended to read as follows:

''(a) Any Federal agency that is owed by a person a past-due, legally enforceable debt (including debt administered by a third party acting as an agent for the Federal Government) shall, and any agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h), owed such a debt may, in accordance with regulations issued pursuant to subsections (b) and (d), notify the Secretary of the Treasury at least once each year of the amount of such debt.''.

(b) IMPLEMENTATION OF SUPPORT COLLECTION BY SECRETARY OF THE TREASURY.—Section 464(a) of the Act of August 14, 1935 (42 U.S.C. 664(a)) is amended—

(1) in paragraph (1), by adding at the end the following: ''This subsection may be executed by the disbursing official of the Department of the Treasury.''; and

(2) in paragraph (2)(A), by adding at the end the following: ''This subsection may be executed by the disbursing official of the Department of the Treasury.''.

SEC. 5274. USE OF TAX REFUND OFFSET AUTHORITY FOR DEBTS TO STATES.

(a) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 (26 U.S.C. 6402) is amended by redesignating subsections (e) through (l) as subsections (f) through (j), respectively, and by inserting after subsection (d) of the following new subsection:

''(e) COLLECTION OF PAST-DUE, LEGALLY ENFORCEABLE STATE DEBTS.—

''(1) IN GENERAL.—Upon receiving notice from any State that a named person owes a past-due, legally enforceable State debt to such State or a legally constituted subdivision of the State, the Secretary shall apply this subsection with respect to the past-due, legally enforceable State debt if—

''(A) the appropriate State official requests that an offset be performed; and

''(B) a reciprocal agreement between the Secretary and the State is in effect to offset Federal and State debts.

''(2) ACTIONS TO BE TAKEN.—Under such conditions as may be prescribed by the Secretary, the Secretary shall—

''(A) reduce the amount of any overpayment payable to such person by the amount of such State debt;

''(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State and notify such State of such person's name, taxpayer identification number, address, and the amount collected; and

''(C) notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a past-due, legally enforceable State debt.

If an offset is made pursuant to a joint return, the notice under subparagraph (B) shall include the names, taxpayer identification numbers, and addresses of each person filing such return.

''(3) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to this subsection—

''(A) after such overpayment is reduced pursuant to—

''(i) subsection (a) with respect to any liability for any internal revenue tax on the part of the person who made the overpayment,

''(ii) subsection (c) with respect to past-due support, and

''(iii) subsection (d) with respect to any past-due, legally enforceable debt owed to a Federal agency, and

''(B) before such overpayment is credited to the future liability for any Federal internal revenue tax of such person pursuant to subsection (b).

If the Secretary receives notice from 1 or more State agencies of more than 1 debt subject to paragraph (1) that is owed by such person to such an agency, an overpayment by such person shall be applied against such debts in the order in which such debts accrued.

''(4) NOTICE; CONSIDERATION OF EVIDENCE.—No State may take action under this subsection until such State—

''(A) notifies the person owing the past-due State debt that the State proposes to take action pursuant to this section,

''(B) gives such person at least 60 days to present evidence that all or part of such liability is not past-due or not legally enforceable,

''(C) considers any evidence presented by such person and determines that an amount of such debt is past-due and legally enforceable, and

''(D) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such State debt.

''(5) PAST-DUE, LEGALLY ENFORCEABLE STATE DEBT.—For purposes of this subsection, the term 'past-due, legally enforceable State debt' means a debt—

''(A)(i) which resulted from—

''(I) a judgment rendered by a court of competent jurisdiction which has determined an amount of debt to be due, or

''(II) a determination after an administrative hearing which has determined an amount of debt to be due, and

''(ii) which is no longer subject to judicial review, or

''(B) which resulted from a State tax which has not been collected, the time for redetermination of which has expired, and which has not been delinquent for more than 10 years.

For purposes of this paragraph, the term 'State tax' includes any local tax administered by the chief tax administration agency of the State.

''(6) REGULATIONS.—The Secretary shall issue regulations prescribing the time and manner in which States must submit notices of past-due, legally enforceable State debts and the necessary information that must be contained in or accompany such notices. The regulations—

''(A) shall specify the types of State debts to which the reduction procedure established by paragraph (1) may be applied;

''(B) shall specify the minimum amount of debt to which the reduction procedure established by paragraph (1) may be applied;

''(C) shall specify the requirements for reciprocal offset in which participating States will participate; and

''(D) may require States to pay a fee to reimburse the Secretary to reimburse appropriations which bore all or part of the cost of applying such procedure.

''(7) ERRONEOUS PAYMENT TO STATE.—Any State receiving notice from the Secretary that an erroneous payment has been made to such State under paragraph (1) shall pay promptly to the Secretary, in accordance with such regulations as the Secretary may prescribe, an amount equal to the amount of such erroneous payment (without regard to whether any other amounts payable to such State under such paragraph have been paid to such State).''

(b) DISCLOSURE OF CERTAIN INFORMATION TO STATES REQUESTING REFUND OFFSETS FOR PAST-DUE, LEGALLY ENFORCEABLE STATE DEBTS.—(1) Paragraph (10) of section 6103(l) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(l)(10)) is amended by striking ''(c) or (d)'' and inserting ''(c), (d), and (e)''.

(2) The paragraph heading for such paragraph (10) is amended by striking ''SECTION 6402(c) OR 6402(d)'' and inserting ''SUBSECTION (c), (d), OR (e) OF SECTION 6402''.

(c) CONFORMING AMENDMENTS.—(1) Subsection (a) of section 6402 of the Internal Revenue Code of 1986 (26 U.S.C. 6402(a)) is amended by striking ''(c) and (d)'' and inserting ''(c), (d), and (e)''.

(2) Paragraph (2) of section 6402(d) of the Internal Revenue Code of 1986 (26 U.S.C. 6402(d)(2)) is amended by striking ''and before such overpayment'' and inserting ''and before such overpayment is reduced pursuant to subsection (e) and before such overpayment''.

(3) Subsection (f) of section 6402 of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended—

(A) by striking ''(c) or (d)'' and inserting ''(c), (d), or (e)'', and

(B) by striking ''Federal agency'' and inserting ''Federal agency or State''.

(4) Subsection (h) of section 6402 of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended by striking ''subsection (c)'' and inserting ''subsection (c) or (e)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable under section 6402 of the Internal Revenue Code of 1986 after December 31, 1996.

Subpart H—Disbursements

SEC. 5281. ELECTRONIC FUNDS TRANSFER.

Section 3332 of title 31, United States Code, popularly known as the Federal Financial Management Act of 1994, is amended—

(1) by redesignating subsection (e) as subsection (h), and inserting after subsection (d) the following new subsections:

''(e)(1) Notwithstanding subsections (a) through (d) of this section, sections 5120(a) and (d) of title 38, and any other provision of law, all Federal payments to a recipient who begins to receive that type of payments on or after January 1, 1996, shall be made by electronic funds transfer.

''(2) The head of a Federal agency shall, with respect to Federal payments made or authorized by the agency, waive the application of paragraph (1) to a recipient of those payments upon receipt of written certification from the recipient that the recipient does not have an account with a financial institution or an authorized payment agent.

''(f)(1) Notwithstanding any other provision of law (including subsections (a) through (e) of this section and sections 5120(a) and (d) of title 38), except as provided in paragraph (2) all Federal payments made after January 1, 1999, shall be made by electronic funds transfer.

''(2)(A) The Secretary of the Treasury may waive application of this subsection to payments—

''(i) for individuals or classes of individuals for whom compliance imposes a hardship;

''(ii) for classification or types of checks; or

''(iii) in other circumstances as may be necessary.

''(B) The Secretary of the Treasury shall make determinations under subparagraph (A) based on standards developed by the Secretary.

''(g) Each recipient of Federal payments required to be made by electronic funds tranfer shall—

''(1) designate 1 or more financial institutions or other authorized agents to which such payments shall be made; and

''(2) provide to the Federal agency that makes or authorizes the payments information necessary for the recipient to receive electronic funds transfer payments through each institution or agent designated under paragraph (1).''; and

(2) by adding after subsection (h) (as so redesignated) the following new subsections:

''(i)(1) The Secretary of the Treasury may prescribe regulations that the Secretary considers necessary to carry out this section.

''(2) Regulations under this subsection shall ensure that individuals required under subsection (g) to have an account at a financial institution because of the application of subsection (f)(1)—

''(A) will have access to such an account at a reasonable cost; and

''(B) are given the same consumer protections with respect to the account as other account holders at the same financial institution.

''(j) For purposes of this section—

''(1) The term 'electronic funds transfer' means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearing House transfers, Fed Wire transfers, transfers made at automatic teller machines, and point-of-sale terminals.

''(2) The term 'Federal agency' means—

''(A) an agency (as defined in section 101 of this title); and

''(B) a Government corporation (as defined in section 103 of title 5).

''(3) The term 'Federal payments' includes—

''(A) Federal wage, salary, and retirement payments;

''(B) vendor and expense reimbursement payments;

''(C) benefit payments; and

''(D) tax refund payments and other miscellaneous payments.''.

SEC. 5282. REQUIREMENT TO INCLUDE TAXPAYER IDENTIFYING NUMBER WITH PAYMENT VOUCHER.

Section 3325 of title 31, United States Code, is amended by adding at the end the following new subsection:

''(d) The head of an executive agency or an officer or employee of an executive agency referred to in subsection (a)(1)(B), as applicable, shall include with each certified voucher submitted to a disbursing official pursuant to this section the taxpayer identifying number of each person to whom payment may be made under the voucher.''.

Subpart I—Miscellaneous

SEC. 5291. MISCELLANEOUS AMENDMENTS TO DEFINITIONS.

Section 3701 of title 31, United States Code, is amended—

(1) by amending subsection (a)(1) to read as follows:

''(1) 'administrative offset' means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim.'';

(2) by amending subsection (b) to read as follows:

''(b)(1) In subchapter II of this chapter, The term 'claim' or 'debt' means any amount of funds or property that has been determined by an appropriate official of the Federal Government to be owed to the United States by a person, organization, or entity other than another Federal agency. A claim includes, without limitation—

''(A) funds owed on account of loans made, insured, or guaranteed by the Government, including any deficiency or any difference between the price obtained by the Government in the sale of a property and the amount owed to the Government on a mortgage on the property,

''(B) expenditures of nonappropriated funds,

''(C) over-payments, including payments disallowed by audits performed by the Inspector General of the agency administering the program,

''(D) any amount the United States is authorized by statute to collect for the benefit of any person,

''(E) the unpaid share of any non-Federal partner in a program involving a Federal payment and a matching, or cost-sharing, payment by the non-Federal partner,

''(F) any fines or penalties assessed by an agency; and

''(G) other amounts of money or property owed to the Government.

''(2) For purposes of sections 3716 of this title, each of the terms 'claim' and 'debt' includes an amount of funds or property owed by a person to a State (including any past-due support being enforced by the State), the District of Columbia, American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Commonwealth of Puerto Rico.''; and

(3) by adding after subsection (f) (as added by section 5242 of this subtitle) the following new subsection:

''(g) In section 3716 of this title—

''(1) 'creditor agency' means any agency owed a claim that seeks to collect that claim through administrative offset; and

''(2) 'payment certifying agency' means any agency that has transmitted a voucher to a disbursing official for disbursement.''.

SEC. 5292. MONITORING AND REPORTING.

(a) GUIDELINES.—The Secretary of the Treasury, in consultation with concerned Federal agencies, may establish guidelines, including information on outstanding debt, to assist agencies in the performance and monitoring of debt collection activities.

(b) REPORT.—Not later than 3 years after the date of enactment of this subtitle, the Secretary of the Treasury shall report to the Congress on collection services provided by Federal agencies or entities collecting debt on behalf of other Federal agencies under the authorities contained in section 3711(g) of title 31, United States Code, as added by section 5244 of this subtitle.

(c) AGENCY REPORTS.—Section 3719 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: ''In consultation with the Comptroller General of the United States, the Secretary of the Treasury shall prescribe regulations requiring the head of each agency with outstanding nontax claims to prepare and submit to the Secretary at least once each year a report summarizing the status of loans and accounts receivable that are managed by the head of the agency.''; and

(B) in paragraph (3), by striking ''Director'' and inserting ''Secretary''; and

(2) in subsection (b), by striking ''Director'' and inserting ''Secretary''.

(d) CONSOLIDATION OF REPORTS.—Notwithstanding any other provision of law, the Secretary of the Treasury may consolidate reports concerning debt collection otherwise required to be submitted by the Secretary into one annual report.

SEC. 5293. REVIEW OF STANDARDS AND POLICIES FOR COMPROMISE OR WRITE-DOWN OF DELINQUENT DEBTS.

The Director of the Office of Management and Budget shall—

(1) review the standards and policies of each Federal agency for compromising, writing-down, forgiving, or discharging indebtedness arising from programs of the agency;

(2) determine whether those standards and policies are consistent and protect the interests of the United States;

(3) in the case of any Federal agency standard or policy that the Secretary determines is not consistent or does not protect the interests of the United States, direct the head of the agency to make appropriate modifications to the standard or policy; and

(4) report annually to the Congress on—

(A) deficiencies in the standards and policies of Federal agencies for compromising, writing-down, forgiving, or discharging indebtedness; and

(B) progress made in improving those standards and policies.

PART II—JUSTICE DEBT MANAGEMENT

SEC. 5301. EXPANDED USE OF PRIVATE ATTORNEYS.

(a) ELIMINATION OF LIMITATION ON FEES.—Section 3718(b)(1)(A) of title 31, United States Code, is amended by striking the fourth sentence.

(b) REPEAL.—Sections 3 and 5 of the Act of October 28, 1986 (popularly known as the Federal Debt Recovery Act; Public Law 99–578, 100 Stat. 3305) are hereby repealed.

SEC. 5302. NONJUDICIAL FORECLOSURE OF MORTGAGES.

Chapter 176 of title 28, United States Code, is amended—

(1) in the table of subchapters at the beginning of the chapter by adding at the end the following new item:

''E. Nonjudicial foreclosure..... ..... 3401''; and

(2) by adding at the end of the chapter the following new subchapter:

''SUBCHAPTER E—NONJUDICIAL FORECLOSURE

''Sec.
''3401. Definitions.
''3402. Rules of construction.
''3403. Election of procedure.
''3404. Designation of foreclosure trustee.
''3405. Notice of foreclosure sale; statute of limitations.
''3406. Service of notice of foreclosure sale.
''3407. Cancellation of foreclosure sale.
''3408. Stay.
''3409. Conduct sale; postponement.
''3410. Transfer of title and possession.
''3411. Record of foreclosure and sale.
''3412. Effect of sale.
''3413. Disposition of sale proceeds.
''3414. Deficiency judgment.

''§ 3401. Definitions

''As used in this subchapter—

''(1) 'agency' means—

''(A) an Executive department, as set forth in section 101 of title 5, United States Code;

''(B) an independent establishment, as defined in section 104 of title 5, United States Code (except that it shall not include the General Accounting Office);

''(C) a military department, as set forth in section 102 of title 5, United States Code; and

''(D) a wholly owned government corporation, as defined in section 9101(3) of title 31, United States Code;

''(2) 'agency head' means the head and any assistant head of an agency, and may upon

the designation by the head of an agency include the chief official of any principal division of an agency or any other employee of an agency;

''(3) 'bona fide purchaser' means a purchaser for value in good faith and without notice of any adverse claim who acquires the seller's interest free of any adverse claim;

''(4) 'debt instrument' means a note, mortgage bond, guaranty, or other instrument creating a debt or other obligation, including any instrument incorporated by reference therein and any instrument or agreement amending or modifying a debt instrument;

''(5) 'file' or 'filing' means docketing, indexing, recording, or registering, or any other requirement for perfecting a mortgage or a judgment;

''(6) 'foreclosure trustee' means an individual, partnership, association, or corporation, or any employee thereof, including a successor, appointed by the agency head to conduct a foreclosure sale pursuant to this subchapter;

''(7) 'mortgage' means a deed of trust, deed to secure debt, security agreement, or any other form of instrument under which any interest in real property, including leaseholds, life estates, reversionary interests, and any other estates under applicable law is conveyed in trust, mortgaged, encumbered, pledged, or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of any other obligation;

''(8) 'of record' means an interest recorded pursuant to Federal or State statutes that provide for official recording of deeds, mortgages, and judgments, and that establish the effect of such records as notice to creditors, purchasers, and other interested persons;

''(9) 'owner' means any person who has an ownership interest in property and includes heirs, devisees, executors, administrators, and other personal representatives, and trustees of testamentary trusts if the owner of record is deceased;

''(10) 'sale' means a sale conducted pursuant to this subchapter, unless the context requires otherwise; and

''(11) 'security property' means real property, or any interest in real property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law that secure a mortgage.

''§ 3402. Rules of construction

''(a) IN GENERAL.—If an agency head elects to proceed under this subchapter, this subchapter shall apply and the provisions of this subchapter shall govern in the event of a conflict with any other provision of Federal law or State law.

''(b) LIMITATION.—This subchapter shall not be construed to supersede or modify the operation of—

''(1) the lease-back/buy-back provisions under section 335 of the Consolidated Farm and Rural Development Act, or regulations promulgated thereunder; or

''(2) The Multifamily Mortgage Foreclosure Act of 1981.

''(c) EFFECT ON OTHER LAWS.—This subchapter shall not be construed to curtail or limit the rights of the United States or any of its agencies—

''(1) to foreclose a mortgage under any other provision of Federal law or State law; or

''(2) to enforce any right under Federal law or State law in lieu of or in addition to foreclosure, including any right to obtain a monetary judgment.

''(d) APPLICATION TO MORTGAGES.—The provisions of this subchapter may be used to foreclose any mortgage, whether executed prior or subsequent to the effective date of this subchapter.

''§ 3403. Election of procedure

''(a) SECURITY PROPERTY SUBJECT TO FORECLOSURE.—An agency head may foreclose a mortgage upon the breach of a covenant or condition in a debt instrument or mortgage for which acceleration or foreclosure is authorized. An agency head may not institute foreclosure proceedings on the mortgage under any other provision of law, or refer such mortgage for litigation, during the pendency of foreclosure proceedings pursuant to this subchapter.

''(b) EFFECT OF CANCELLATION OF SALE.—If a foreclosure sale is canceled pursuant to section 3407, the agency head may thereafter foreclose on the security property in any manner authorized by law.

''§ 3404. Designation of foreclosure trustee

''(a) IN GENERAL.—An agency head shall designate a foreclosure trustee who shall supersede any trustee designated in the mortgage. A foreclosure trustee designated under this section shall have a nonjudicial power of sale pursuant to this subchapter.

''(b) DESIGNATION OF FORECLOSURE TRUSTEE.—

''(1) An agency head may designate as foreclosure trustee—

''(A) an officer or employee of the agency;

''(B) an individual who is a resident of the State in which the security property is located; or

''(C) a partnership, association, or corporation, if such entity is authorized to transact business under the laws of the State in which the security property is located.

''(2) The agency head is authorized to enter into personal services and other contracts not inconsistent with this subchapter.

''(c) METHOD OF DESIGNATION.—An agency head shall designate the foreclosure trustee in writing. The foreclosure trustee may be designated by name, title, or position. An agency head may designate one or more foreclosure trustees for the purpose of proceedings with multiple foreclosures or a class of foreclosures.

''(d) AVAILABILITY OF DESIGNATION.—An agency head may designate such foreclosure trustees as the agency head deems necessary to carry out the purposes of this subchapter.

''(e) MULTIPLE FORECLOSURE TRUSTEES AUTHORIZED.—An agency head may designate multiple foreclosure trustees for different tracts of a secured property.

''(f) REMOVAL OF FORECLOSURE TRUSTEES; SUCCESSOR FORECLOSURE TRUSTEES.—An agency head may, with or without cause or notice, remove a foreclosure trustee and designate a successor trustee as provided in this section. The foreclosure sale shall continue without prejudice notwithstanding the removal of the foreclosure trustee and designation of a successor foreclosure trustee. Nothing in this section shall be construed to prohibit a successor foreclosure trustee from postponing the foreclosure sale in accordance with this subchapter.

''§ 3405. Notice of foreclosure sale; statute of limitations

''(a) IN GENERAL.—

''(1) Not earlier than 21 days nor later than ten years after acceleration of a debt instrument or demand on a guaranty, the foreclosure trustee shall serve a notice of foreclosure sale in accordance with this subchapter.

''(2) For purposes of computing the time period under paragraph (1), there shall be excluded all periods during which there is in effect—

''(A) a judicially imposed stay of foreclosure; or

''(B) a stay imposed by section 362 of title 11, United States Code.

''(3) In the event of partial payment or written acknowledgement of the debt after acceleration of the debt instrument, the right to foreclose shall be deemed to accrue again at the time of each such payment or acknowledgement.

''(b) NOTICE OF FORECLOSURE SALE.—The notice of foreclosure sale shall include—

''(1) the name, title, and business address of the foreclosure trustee as of the date of the notice;

''(2) the names of the original parties to the debt instrument and the mortgage, and any assignees of the mortgagor of record;

''(3) the street address or location of the security property, and a generally accepted designation used to describe the security property, or so much thereof as is to be offered for sale, sufficient to identify the property to be sold;

''(4) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

''(5) the default or defaults upon which foreclosure is based, and the date of the acceleration of the debt instrument;

''(6) the date, time, and place of the foreclosure sale;

''(7) a statement that the foreclosure is being conducted in accordance with this subchapter;

''(8) the types of costs, if any, to be paid by the purchaser upon transfer of title; and

''(9) the terms and conditions of sale, including the method and time of payment of the foreclosure purchase price.

''§ 3406. Service of notice of foreclosure sale

''(a) RECORD NOTICE.—At least 21 days prior to the date of the foreclosure sale, the notice of foreclosure sale required by section 3405 shall be filed in the manner authorized for filing a notice of an action concerning real property according to the law of the State where the security property is located or, if none, in the manner authorized by section 3201 of this chapter.

''(b) NOTICE BY MAIL.—

''(1) At least 21 days prior to the date of the forecloure sale, the notice set forth in section 3405 shall be sent by registered or certified mail, return receipt requested—

''(A) to the current owner of record of the security property as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subsection (a);

''(B) to all debtors, including the mortgagor, assignees of the mortgagor and guarantors of the debt instrument;

''(C) to all persons having liens, interests or encumbrances of record upon the security property, as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subseciton (a); and

''(D) to any occupants of the security property.

If the names of the occupants of the security property are not known to the agency, or the security property has more than one dwelling unit, the notice shall be posted at the security property.

''(2) The notice shall be sent to the debtor at the address, if any, set forth in the debt instrument or mortgage as the place to which notice is to be sent, and if different, to the debtor's last known address as shown in the mortgage record of the agency. The notice shall be sent to any person other than the debtor to that person's address of record or, if there is no address of record, to any address at which the agency in good faith believes the notice is likely to come to that person's attention.

''(3) Notice by mail pursuant to this subsection shall be effective upon mailing.

''(c) NOTICE BY PUBLICATION.—The notice of the foreclosure sale shall be published at least once a week for each of three successive weeks prior to the sale in at least one newspaper of general circulation in any

county or counties in which the security property is located. If there is no newspaper published at least weekly that has a general circulation in at least one county in which the security property is located, copies of the notice of foreclosure sale shall instead be posted at least 21 days prior to the sale at the courthouse of any county or counties in which the property is located and the place where the sale is to be held.

"§ 3407. Cancellation of foreclosure sale

''(a) IN GENERAL.—At any time prior to the foreclosure sale, the foreclosure trustee shall cancel the sale—

''(1) if the debtor or the holder of any subordinate interest in the security property tenders the performance due under the debt instrument and mortgage, including any amounts due because of the exercise of the right to accelerate, and the expenses of proceeding to foreclosure incurred to the time of tender; or

''(2) if the security property is a dwelling of four units or fewer, and the debtor—

''(A) pays or tenders all sums which would have been due at the time of tender in the absence of any acceleration;

''(B) performs any other obligation which would have been required in the absence of any acceleration; and

''(C) pays or tenders all costs of foreclosure incurred for which payment from the proceeds of the sale would be allowed; or

''(3) for any reason approved by the agency head.

''(b) LIMITATION.—The debtor may not, without the approval of the agency head, cure the default under subsection (a)(2) if, within the preceding 12 months, the debtor has cured a default after being served with a notice of foreclosure sale pursuant to this subchapter.

''(c) NOTICE OF CANCELLATION.—The foreclosure trustee shall file a notice of the cancellation in the same place and manner provided for the filing of the notice of foreclosure sale under section 3406(a).

"§ 3408. Stay

''If, prior to the time of sale, foreclosure proceedings under this subchapter are stayed in any manner, including the filing of bankruptcy, no person may thereafter cure the default under the provisions of section 3407(a)(2). If the default is not cured at the time a stay is terminated, the foreclosure trustee shall proceed to sell the security property as provided in this subchapter.

"§ 3409. Conduct of sale; postponement

''(a) SALE PROCEDURES.—Foreclosure shall pursuant to this subchapter shall be at public auction and shall be scheduled to begin at a time between the hours of 9:00 a.m. and 4:00 p.m. local time. The foreclosure sale shall be held at the location specified in the notice of foreclosure sale, which shall be a location where real estate foreclosure auctions are customarily held in the county or one of the counties in which the property to be sold is located or at a courthouse therein, or upon the property to be sold. Sale of security property situated in two or more counties may be held in any one of the counties in which any part of the security property is situated. The foreclosure trustee may designate the order in which multiple tracts of security property are sold.

''(b) BIDDING REQUIREMENTS.—Written one-price sealed bids shall be accepted by the foreclosure trustee, if submitted by the agency head or other persons for entry by announcement by the foreclosure trustee at the sale. The sealed bids shall be submitted in accordance with the terms set forth in the notice of foreclosure sale. The agency head or any other person may bid at the foreclosure sale, even if the agency head or other person previously submitted a written one-price bid. The agency head may bid a credit against the debt due without the tender or payment of cash. The foreclosure trustee may serve as auctioneer, or may employ an auctioneer who may be paid from the sale proceeds. If an auctioneer is employed, the foreclosure trustee is not required to attend the sale. The foreclosure trustee or an auctioneer may bid as directed by the agency head.

''(c) POSTPONEMENT OF SALE.—The foreclosure trustee shall have discretion, prior to or at the time of sale, to postpone the foreclosure sale. The foreclosure trustee may postpone a sale to a later hour the same day by announcing or posting the new time and place of the foreclosure sale at the time and place originally scheduled for the foreclosure sale. The foreclosure trustee may instead postpone the foreclosure sale for not fewer than 9 nor more than 31 days, by serving notice that the foreclosure sale has been postponed to a specified date, and the notice may include any revisions the foreclosure trustee deems appropriate. The notice shall be served by publication, mailing, and posting in accordance with section 3406(b) and (c), except that publication may be made on any of three separate days prior to the new date of the foreclosure sale, and mailing may be made at any time at least 7 days prior to the new date of the foreclosure sale.

''(d) LIABILITY OF SUCCESSFUL BIDDER WHO FAILS TO COMPLY.—The foreclosure trustee may require a bidder to make a cash deposit before the bid is accepted. The amount or percentage of the cash deposit shall be stated by the foreclosure trustee in the notice of foreclosure sale. A successful bidder at the foreclosure sale who fails to comply with the terms of the sale shall forfeit the cash deposit or, at the election of the foreclosure trustee, shall be liable to the agency on a subsequent sale of the property for all net losses incurred by the agency as a result of such failure.

''(e) EFFECT OF SALE.—Any foreclosure sale held in accordance with this subchapter shall be conclusively presumed to have been conducted in a legal, fair, and commercially reasonable manner. The sale price shall be conclusively presumed to constitute the reasonably equivalent value of the security property.

"§ 3410. Transfer of title and possession

''(a) DEED.—After receipt of the purchase price in accordance with the terms of the sale as provided in the notice of foreclosure sale, the foreclosure trustee shall execute and deliver to the purchaser a deed conveying the security property to the purchaser that grants and conveys title to the security property without warranty or covenants to the purchaser. The execution of the foreclosure trustee's deed shall have the effect of conveying all of the right, title, and interest in the security property covered by the mortgage. Notwithstanding any other law to the contrary, the foreclosure trustee's deed shall be a conveyance of the security property and not a quitclaim. No judicial proceeding shall be required ancillary or supplementary to the procedures provided in this subchapter to establish the validity of the conveyance.

''(b) DEATH OF PURCHASER PRIOR TO CONSUMMATION OF SALE.—If a purchaser dies before execution and delivery of the deed conveying the security property to the purchaser, the foreclosure trustee shall execute and deliver the deed to the representative of the purchaser's estate upon payment of the purchase price in accordance with the terms of sale. Such delivery to the representative of the purchaser's estate shall have the same effect as if accomplished during the lifetime of the purchaser.

''(c) PURCHASER CONSIDERED BONA FIDE PURCHASER WITHOUT NOTICE.—The purchaser of property under this subchapter shall be presumed to be a bona fide purchaser without notice of defects, if any, in the title conveyed to the purchaser.

''(d) POSSESSION BY PURCHASER; CONTINUING INTERESTS.—A purchaser at a foreclosure sale conducted pursuant to this subchapter shall be entitled to possession upon passage of title to the security property, subject to any interest or interests senior to that of the mortgage. The right to possession of any person without an interest senior to the mortgage who is in possession of the property shall terminate immediately upon the passage of title to the security property, and the person shall vacate the security property immediately. The purchaser shall be entitled to take any steps available under Federal law or State law to obtain possession.

''(e) RIGHT OF REDEMPTION; RIGHT OF POSSESSION.—This subchapter shall preempt all Federal and State rights of redemption, statutory, or common law. Upon conclusion of the public auction of the security property, no person shall have a right of redemption.

''(f) PROHIBITION OF IMPOSITION OF TAX ON CONVEYANCE BY THE UNITED STATES OR AGENCY THEREOF.—No tax, or fee in the nature of a tax, for the transfer of title to the security property by the foreclosure trustee's deed shall be imposed upon or collected from the foreclosure trustee or the purchaser by any State or political subdivision thereof.

"§ 3411. Record of foreclosure and sale

''(a) RECITAL REQUIREMENTS.—The foreclosure trustee shall recite in the deed to the purchaser, or in an addendum to the foreclosure trustee's deed, or shall prepare an affidavit stating—

''(1) the date, time, and place of sale;

''(2) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

''(3) the persons served with the notice of foreclosure sale;

''(4) the date and place of filing of the notice of foreclosure sale under section 3406(a);

''(5) that the foreclosure was conducted in accordance with the provisions of this subchapter; and

''(6) the sale amount.

''(b) EFFECT OF RECITALS.—The recitals set forth in subsection (a) shall be prima facie evidence of the truth of such recitals. Compliance with the requirements of subsection (a) shall create a conclusive presumption of the validity of the sale in favor of bona fide purchasers and encumbrancers for value without notice.

''(c) DEED TO BE ACCEPTED FOR FILING.—The register of deeds or other appropriate official of the county or counties where real estate deeds are regularly filed shall accept for filing and shall file the foreclosure trustee's deed and affidavit, if any, and any other instruments submitted for filing in relation to the foreclosure of the security property under this subchapter.

§ 3412. Effect of sale

''A sale conducted under this subchapter to a bona fide purchaser shall bar all claims upon the security property by—

''(1) any person to whom the notice of foreclosure sale was mailed as provided in this subchapter who claims an interest in the property subordinate to that of the mortgage, and their heir, devisee, executor, administrator, successor, or assignee claiming under any such person;

''(2) any person claiming any interest in the property subordinate to that of the mortgage, if such person had actual knowledge of the sale;

''(3) any person so claiming, whose assignment, mortgage, or other conveyance was

not filed in the proper place for filing, or whose judgment or decree was not filed in the proper place for filing, prior to the date of filing of the notice of foreclosure sale as required by section 3406(a), and the heir, devisee, executor, administrator, successor, or assignee of such a person; or

''(4) any other person claiming under a statutory lien or encumbrance not required to be filed and attaching to the title or interest of any person designated in any of the foregoing subsections of this section.

§ 3413. Disposition of sale proceeds

''(a) DISTRIBUTION OF SALE PROCEEDS.—The foreclosure trustee shall distribute the proceeds of the foreclosure sale in the following order:

''(1)(A) First, to pay the commission of the foreclosure trustee, other than an agency employee, the greater of—

''(i) the sum of—

''(I) 3 percent of the first $1,000 collected, plus

''(I) 1.5 percent on the excess of any sum collected over $1,000; or

''(ii) $250.

''(B) The amounts described in subparagraph (A)(i) shall be computed on the gross proceeds of all security property sold at a single sale.

''(2) Thereafter, to pay the expense of any auctioneer employed by the foreclosure trustee, if any, except that the commission payable to the foreclosure trustee pursuant to paragraph (1) shall be reduced by the amount paid to an auctioneer, unless the agency head determines that such reduction would adversely affect the ability of the agency head to retain qualified foreclosure trustees or auctioneers.

''(3) Thereafter, to pay for the costs of foreclosure, including—

''(A) reasonable and necessary advertising costs and postage incurred in giving notice pursuant to section 3406;

''(B) mileage for posting notices and for the foreclosure trustee's or auctioneer's attendance at the sale of the rate provided in section 1921 of title 28, United States Code, for mileage by the most reasonable road distance;

''(C) reasonable and necessary costs actually incurred in connection with any search of title and lien records; and

''(D) necessary costs incurred by the foreclosure trustee to file documents.

''(4) Thereafter, to pay valid real property tax liens or assessments, if required by the notice of foreclosure sale.

''(5) Thereafter, to pay any liens senior to the mortgage, if required by the notice of foreclosure sale.

''(6) Thereafter, to pay service charges and advancement for taxes, assessments, and property insurance premiums.

''(7) Thereafter, to pay late charges and other administrative costs and the principal and interest balances secured by the mortgage, including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the debt instrument or mortgage and interest thereon if provided for in the debt instrument or mortgage, pursuant to the agency's procedure.

''(b) INSUFFICIENT PROCEEDS.—In the event there are no proceeds of sale or the proceeds are insufficient to pay the costs and expenses set forth in subsection (a), the agency head shall pay such costs and expenses as authorized by applicable law.

''(c) SURPLUS MONIES.—

''(1) After making the payments required by subsection (a), the foreclosure trustee shall—

''(A) distribute any surplus to pay liens in the order of priority under Federal law or the law of the State where the security property is located; and

''(B) pay to the person who was the owner of record on the date the notice of foreclosure sale was filed the balance, if any, after any payments made pursuant to paragraph (1).

''(2) If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay all claimants and the claimants cannot agree on the distribution of the surplus, that portion of the sale proceeds may be deposited by the foreclosure trustee with an appropriate official authorized under law to receive funds under such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure trustee files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure trustee's necessary costs in taking or defending such action shall be deducted first from the disputed funds.

§ 3414. Deficiency judgment

''(a) IN GENERAL.—If after deducting the disbursements described in section 3413, the price at which the security property is sold at a foreclosure sale in insufficient to pay the unpaid balance of the debt secured by the security property, counsel for the United States may commence an action or actions against any or all debtors to recover the deficiency, unless specifically prohibited by the mortgage. The United States is also entitled to recover any amount authorized by section 3011 and costs of the action.

''(b) LIMITATION.—Any action commenced to recover the deficiency shall be brought within 6 years of the last sale of security property.

''(c) CREDITS.—The amount payable by a private mortgage guaranty insurer shall be credited to the account of the debtor prior to the commencement of an action for any deficiency owed by the debtor. Nothing in this subsection shall curtail or limit the subrogation rights of a private mortgage guaranty insurer.''.