The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. BEREUTER].

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

PLEDGE OF ALLEGIANCE
The SPEAKER pro tempore, 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.

MESSAGES FROM THE PRESIDENT
Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

IN THE MATTER OF REPRESENTATIVE NEWT GINGRICH

Mrs. JOHNSON of Connecticut. Mr. Speaker, pursuant to rule IX and by direction of the Select Committee on Ethics, I send to the desk a privileged resolution (H. Res. 31) in the matter of Representative Newt Gingrich, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 31
IN THE MATTER OF REPRESENTATIVE NEWT GINGRICH
Resolved, That the House adopt the report of the Select Committee on Ethics dated January 17, 1997, in the Matter of Representative Newt Gingrich.

The SPEAKER pro tempore. The resolution constitutes a question of privilege and may be called up at any time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore. Before we proceed, the Chair will have a statement about the decorum expected of the Members.

The Chair has often reiterated that Members should refrain from references in debate to the conduct of other Members where such conduct is not the question actually pending before the House, either by way of a report from the Committee on Standards of Official Conduct or by way of another question of the privileges of the House.

This principle is documented on pages 168 and 526 of the House Rules and Manual and reflects the consistent rulings of the Chair in this and in prior Congresses. It derives its force primarily from clause 1 of rule XIV which broadly prohibits engaging in personality in debate. It has been part of the rules of the House since 1789.

On the other hand, the calling up of a resolution reported by the Committee on Standards of Official Conduct, or the offering of a resolution as a similar question of the privileges of the House, embarks the House on consideration of a proposition that admits references in debate to a Member's conduct. Disciplinary matters by their very nature involve personalities.

Still, this exception to the general rule against engaging in personality—admitting references to a Member's conduct when that conduct is the very question under consideration by the House—is closely limited. This point was well stated on July 31, 1979, as follows: While a wide range of discussion is permitted during debate on a disciplinary resolution, clause 1 of rule XIV still prohibits the use of language which is personally abusive. This is recorded in the Deschler-Brown Procedure in the House Rules since 1789.

On the question now pending before the House, the resolution offered by the gentlewoman from Connecticut, Members should confine their remarks in debate to the merits of that precise
question. Members should refrain from remarks that constitute personalities with respect to members of the Committee on Standards of Official Conduct or the Select Committee on Ethics or with respect to other sitting Members. It is not the object of the pending report. Finally, Members should exercise care to maintain an atmosphere of mutual respect.

On January 27, 1999, the House adopted a report that stated the following: It is the House's role to remove Members in speech or debate to preserve that proper restraint which will permit the House to conduct its business in an orderly manner and without unnecessarily and unduly exciting animosity among its Members.

This is recorded in Cannon's Precedents in volume 8 at section 2497.

The report adopted on that occasion responded to improper references in debate to the President, but it articulated a principle that occupants of the Chair over many Congresses have held equally applicable to Members' remarks toward each other. This House expects the cooperation of all Members in maintaining a level of decorum that properly dignifies the proceedings of the House.

The gentleman from Connecticut [Mrs. Johnson] is recognized for 1 hour.

Mr. Speaker, I ask unanimous consent that debate on the resolution be extended for a half an hour.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut [Mrs. Johnson]?

There was no objection.

The SPEAKER pro tempore. The gentleman from Connecticut [Mrs. Johnson] is recognized for 90 minutes.

Maryland [Mr. Cardin], pending which I yield myself such time as I may consume.

Mr. Speaker, I rise as chairman of the Select Committee on Ethics to lay before you the committee's bipartisan recommendation for final action on the matter of Representative Newt Gingrich. The committee recommends that Representative Gingrich be reprimanded and reimburse the House $300,000. The penalty is tough and unprecedented. It is also appropriate. No one is above the rules of the House of Representatives.

This matter centered on two key questions: whether the Speaker violated Federal tax law and whether he intentionally filed incorrect information with the Ethics Committee. While the committee investigated these questions extensively, its findings were inconclusive. Rather, the committee found that Representative Gingrich brought discredit to the House by failing to get appropriate legal advice to ensure that his actions would be in compliance with tax law and to oversee the development of his letters to the committee to ensure they were accurate in every respect.

Each Member of Congress, especially those in positions of leadership, shoulders the responsibility of avoiding even the appearance of impropriety. Representative Gingrich failed to exercise the discipline and caution of his office and so subjected the House today.

As I have said, the penalty recommended by the committee is tough and unprecedented. In past cases of this nature, the House has reprimanded a Member only where the Member was found to have made false statements to the Ethics Committee. In this case, the committee recommended a reprimand of Representative Gingrich even though the statement of alleged violations did not assert that he intentionally misled the committee. Likewise, in past cases where the committee imposed monetary sanctions on a Member, the committee found that the Member had been personally enriched by the misconduct. The committee made no such finding in this case. Nevertheless, Representative Gingrich, yet recommends that a cost reimbursement of $300,000 be paid to the House by him.

The report before us contains several hundred pages of exhibits and a detailed analysis of the committee's findings. The allegations and the key facts supporting them were laid out by the special counsel during a public hearing on January 17. The committee's recommendations before you today end 2 years of work.

Throughout this process we never lost sight of our key goals: full and complete disclosure of the facts and a bipartisan recommendation. We accomplished both. Even though it would have been easy for Republicans or Democrats to walk away from the process at many stages, we did not, because we believed in this institution and in the ethics process.

The investigative subcommittee was ably chaired by Representative Porter Goss. Representatives Ben Cardin, Steve Schiff, and Nancy Pelosi, along with Mr. Goss deserve the gratitude of this House for the extraordinary workload they shouldered and for their dedication to pursuing each issue until they reached consensus. Together with Mr. James Cole, the special counsel, they laid the groundwork for the bipartisan conclusion of this matter. I want to thank Mr. Cardin, the current ranking member of the subcommittee, for his work through many years of working with us to remove this from the gallery in contravention of the House rules. This process and this admission affects not only that Member but each Member who serves in this body. While I believe that is true of any ethics proceeding, it is particularly true and particularly troublesome in this case because the offending Member is the Speaker of the House, the third ranking official in our Government.

We have received the report and recommendation from the special counsel. Mr. Gingrich has agreed with the judgment of the special counsel. In addition to the report, the recommendation of sanctions represents the bipartisan work produced by our investigative subcommittee. The report in the recommendation of sanctions has been overwhelmingly approved by the full Committee on Standards of Official Conduct and deserves the support of this House.

Let me begin by saying how proud I am of the work of the investigative subcommittee. In my judgment, all four Members of the subcommittee maintained their commitment to a process that was fair to the respondent as well as the House and its rules. I want to commend and compliment the work of our chairman, the gentleman from Florida [Mr. Goss], for the extraordinary work that he did as well as the work of the gentleman from New Mexico [Mr. Schiff] and the gentleman from California [Ms. Pelosi] and the work of the subcommittee. I also want to recognize the extraordinary service performed by Jim Cole, our special counsel; Kevin Wolf, his assistant; and Virginia Johnson from the House.

Despite the pressures, we bring you today a bipartisan recommendation representing the most serious charge against Representative Newt Gingrich. I ask for both my colleagues' rejection of the partisanism and animosity that has so deeply permeated the work of the House and for their support of the committee's resolution.

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

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman from Maryland [Mr. Cardin].

Mr. Cardin. Mr. Speaker, as I have said, this is a sad moment for the House of Representatives. One of our Members has admitted to a serious violation of the House rules. This process and this admission affects not only that Member but each Member who serves in this body. While I believe that is true of any ethics proceeding, it is particularly true and particularly troublesome in this case because the offending Member is the Speaker of the House, the third ranking official in our Government.

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January 21, 1997

CONGRESSIONAL RECORD — HOUSE

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Committee on Standards of Official Conduct.

Before commenting on the substance of the resolution before us, I feel obliged to point out the severe problems that have plagued the process. The 1-year delay in investigating the substantiation of the special counsel was wrong. We have some evidence that this delay may have been part of the strategy by allies of Mr. GINGRICH. In sharp contrast to the good faith, bipartisan cooperation by the special counsel, Mr. GINGRICH knew that pursuing these matters on a political and legal front is fraught with legal peril. In the words of our special counsel Mr. GINGRICH’s actions suggest that “either Mr. GINGRICH did not seek legal advice because he is aware that it would not have permitted him to use a 501(c)(3) organization for his projects,” or he was “reckless in an area that was fraught with legal peril.”

Finally, the House must make a judgment on the question of whether Mr. GINGRICH deliberately misled the Committee in submitting two letters to the Committee that he now admits contained information about GOPAC that was inaccurate. The facts surrounding these inaccuracies were well known to Mr. GINGRICH. Mr. GINGRICH had reason to be aware of the facts surrounding these inaccuracies or he was again reckless in the way he mishandled the case and the Committee’s procedures. It is relevant for this House to consider the serious nature of these violations that have just come to light during the past 4 days.

In the days and weeks to come Mr. GINGRICH and each Member of this House should consider how the charges bear on the question of the Speaker’s conduct. The resolution before us, the House, today is a sanction for Representative GINGRICH for the ethics violations that he has committed. According to the House standards, it is appropriate for serious violations of ethical standards. Sadly, Mr. GINGRICH’s conduct requires us to confirm that this case involves infractions of at least that level of seriousness. He has provided inaccurate and misleading information to the Committee on Standards of Official Conduct and there is significant evidence that he intended to do so.

The recent history of congressional ethics sanctions is quite clear. Mr. GINGRICH has imposed the sanction of reprimand when a Member has been found knowingly to have given false statements. But the earlier cases did not involve
Mr. Speaker, I reserve the balance of my time.

Mrs. J. Johnson of Connecticut. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. Schiff], a distinguished member of the subcommittee.

Mr. Schiff. Mr. Speaker, I first want to join in the compliments to the committee members, and to the staffs and special counsel because, even though we had many disagreements along the way, and obviously still have some disagreements, I think we made the best possible effort to get us here today.

I agree with the gentleman from Maryland [Mr. Cardin] this is a sad day. It is a sad day when any Member is here because of a recommendation of the Committee on Standards of Official Conduct. Last time I was here it was because the Committee on Standards of Official Conduct was here on our recommendations. I was not happier then because it was a Democrat and not a Republican then. I think it is a sad day when it is a Member of the House.

Nevertheless, I think the House can be proud of the fact there is accountability for its Members. I wish such accountability could be found from every area of our government.

Second, I am sorry that in the rendition of facts I just heard, there were certain partisan conclusions. One must guess could be stated from the other side. For example, it was said that there was an attempt made by our chairwoman, the gentlewoman from Connecticut [Mrs. Johnson] who got us here, when many people expected along the way we could never get here; but through her leadership we are here today.

There was the accusation that our chairwoman deliberately tried to scuttle the information getting to the Members in order to mitigate any effect on Congressman Gingrich. Quite the contrary. Our chairwoman and the rest of us had an agreed to up to 5 days of public hearings. Those were changed only when our Democratic colleagues on the Committee on Standards of Official Conduct held a press conference in which they said the most important product we could produce would be a written report. Democratic colleagues could consider before they vote.

That left our Chair, in my judgment, no alternative but to change directions and to postpone the public hearing, which we ultimately did have anyway, in favor of trying to produce the written report by this date which we have now accomplished.

There has been no mention of the fact that Members on the Republican side particularly were subject to enormous political attack in their districts. Some reporters have told me there were not enough copies to go around. So they are trying to form deadlines for their programs or for their newspapers with a report that is over 200 pages long. I think it is entirely understandable that some errors were made at first.

Nevertheless, I think some errors were made. They were made because Mr. Cole’s report attempted to be a soup-to-nuts, beginning to end explanation of what we did on the Ethics subcommittee to get to where we are today. In going through step by step, he quite properly, in my judgment, said we had this choice to make and we had this fact and we handled it as follows, and so forth. But what I have seen as reported as a final conclusion, certain excerpts from that report were intermediary at best.

The final conclusion of the subcommittee did not change. That final conclusion is, first, that Mr. Gingrich is the director of an illegal, professional tax advice before he began his procedures that involved the use of a tax-exempt foundation, which under the law is called a 501(c)(3) organization.

Second, that materials were sent to the Committee on Standards of Official Conduct in response to questions from the Committee on Standards of Official Conduct that the Speaker should have known were inaccurate. That is the final finding, if you will, of the subcommittee.

The report goes through all of the events, and I heard the gentleman from
Maryland [Mr. Cardin] make reference to a number of the events. But the findings did not change. All of the
events would include things like we on the subcommittee interviewed everybody we could find who had anything to do with the preparation of those two letters that were inaccurate.
What we found, in my judgment, if it were not so serious, and I recognize how serious it is, it would really be
called a comedy of errors.
What happened was the letters were prepared in Mr. GINGRICH's law firm that sent the letters first to a staff
member in Mr. GINGRICH's office. The law firm thought that the staff member would correct any factual
misstatements. The staff member thought the law firm had already checked out the facts. So nobody
checked out the facts to see if they were accurate. But the most important thing is that Mr. GINGRICH was never
involved in the preparation of those letters until the very end, where he acknowledges he signed them,
he should have read more carefully, and he is responsible for that before this House of Representatives.
I would point out that in a letter of October 1996 that he prepared himself with his staff, he gave us entirely accu-
rate information about the matters that are under consideration here. I think it is pretty obvious you do not
give accurate information in October and then you can deliberately prepare information the following September
and March that nobody would know the difference of.
Based upon the allegations, the viola-
tions we found, the Committee on Standards of Official Conduct on a 4-to-
1 vote, full committee now, entire com-
mittee, recommended the following
penalty: It recommended a reprimand and a cost assessment of $300,000. In
some meetings earlier with members, I have heard some members say that
that is unique and they are concerned about that penalty being unique be-
cause, although we have imposed cost assessments before, we have never done
so in the past for the cost of the investi-
gation.
That is basically what we did. We set
$300,000 as the estimated cost of that portion of the investigation that dealt with
clearing up the misstatements that we received, which may have begun in Mr. GINGRICH's law firm, but for which he is respon-
sible as a Member of the House.
I want to tell all Members that they
do not need, in my judgment, to be
concerned about the precedent value,
because I believe everyone concerned understood that this is a unique pen-
alty because the Speaker of the House is a unique official in our institution.
In fact, that is the reason we decided to,
on the subcommittee's part, propose
the penalty, and with the last word, I have to say "got word," because we never met with the Speaker
to discuss the penalty. All of the negoti-
tiations were by our special counsel on
our behalf and the Speaker's attorney, Mr. Evans, on his behalf. So we got re-
ports on it. But the report we got back was that Speaker NEWT GINGRICH agrees that because he holds a unique
position in the House he should receive a unique penalty. The subcommit-
ette found, the Committee on Standards of Official Conduct, which had no other purpose than to
be leaked to the press and create bad publicity for whomever was the target of those complaints. It seems to me that the precedent we have established here should apply to those who are found by the committee to have filed frivolous complaints.
Finally, on how the funds should be paid if the House adopts the rec-
ommended penalty, we were delib-
ately silent. My colleague Mr. PORTER GOSS, our Chair of the investiga-
tive subcommittee, again acknowl-
edged the gentleman from Maryland [Mr. CARDIN], is most certainly entitled to
his opinion, but the subcommittee and the committee made no determination.
Insofar as I have studied the prece-
dents of financial remuneration to the
Government, we have never established as a matter of law how these funds can be paid.
Mr. GINGRICH, if he does not get this as a final penalty, understands all the rami-
fications, and I certainly he does not need me to explain them to him or, for that matter, any of my colleagues on the other side. But the fact is the commit-
tee was silent deliberately on how any such funds should be paid. It is my un-
derstanding there are at least some precedents for campaign funds, for ex-
ample, being used to reimburse the
Government, and certainly we all know that the Chief Executive of the United States is reimbursed a portion of those funds in which he raises money. So I am just saying that whatever the options are to NEWT GINGRICH as a Member of the House, they have not been precluded le-
gally by the committee, and in my judgment they should not be.
With that, Mr. Speaker, I just want to again commend our chairwoman,
the gentleman from Connecticut [Mrs. J ONHISON], my fellow members of the committee, and say I believe we have come to an appropriate pen-
alty, which some think is too harsh, some think is too lenient. That tells me we are about where we ought to be. I
hope the House will adopt it.
ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER PRO TEMPORE (Mr. BE-
REUTER). The Chair will request that
visitors in the gallery, in coming and
going, refrain from any audible disrup-
tion of the proceedings.
Mr. Speaker, I yield 11 1/2 minutes to
Mr. Speaker, the gentleman from New Mexico [Mr. SCHIFF] is correct, we are in agreement on the recommenda-
tion. We put different emphasis on some of the facts. Mr. GINGRICH clearly, in my view, had ample opportunity to
come to the committee with the letters. He did not. He hired an attor-
ney in order to draft the two letters. Let me just read, if I might, from the transcripts as to the exchange between
Mr. Cole and Mr. Baran, Mr. Baran being Mr. GINGRICH's attorney.
Mr. Cole: "Would you make sure that he had read it and approved it, or just the fact he read it is all you would have been interested in," referring to Mr. GINGRICH?
Mr. Baran: "No, I would have wanted him to be comfortable with this on many levels."
Mr. Cole: "Were you satisfied he was comfortable with it prior to filing it with the committee?"
Mr. Baran: "Yes."
Let me also point out that after this, after we pointed out to Mr. GINGRICH the inconsistency in the letters, Mr. GINGRICH wrote another letter back to the committee. Clearly he had time to review the inconsistencies by that October 1996 letter. In that letter he still maintains his inno-
cence on inconsistencies in the letter, even though the letters were clearly in-
accurate, he knew they were inac-

curate, and he had a chance to reread the letters and correct the record.
Mr. Speaker, I yield 111/2 minutes to the gentleman from California [Ms. PELOSI], my colleague on the Commit-
tee on Standards of Official Conduct, who was on the investigative sub-
committee and who has made a great contribution to this process and has been an extraordinary member of our Committee on Standards of Official Conduct.
Ms. Pelosi: Mr. Speaker, I thank the gentleman for yielding me time and for his leadership and guidance throughout this process. Clearly with-
out his involvement, we would not be here today with a bipartisan rec-

commendation for a sanction for the Speaker of the House.
Mr. Speaker, as a member of the investi-
gative subcommittee, I would like to take this opportunity to publicly
thank the gentleman from Florida, PORTER GOSS, our Chair of the inves-
tigative subcommittee, and again I know-
ledge the gentleman from Maryland, Mr. CARDIN, as ranking member for his service there, as well as to say how much I learned from the gentleman from New Mexico, Mr. SCHIFF, in the course of our service there.
Clearly, from the debate so far, you can see that we had many unresolved difficult issues to deal with, and under the leadership of the gentleman from Florida [Mr. Goss], we went through this.
I want to also commend our special counsel, James Cole, for making us stick to the facts, the law, and the eth-

ics rules as those elements that were
the only matters relevant to our decisions, and many thanks to Kevin Wolf and Virginia Johnson for their assistance and professionalism.

I heard my colleague, the gentleman from New Mexico [Mr. Schiff], say in his earlier remarks that he might entertain thoughts of bringing a motion to overrule the special counsel process directly by the Republican House leadership.

Let me say though we did produce a bipartisan product. I hope our work will serve as a foundation for a bipartisan solution to be agreed to today.

Today, others have said it, is a sad day. I think it is a tragic day. Here in the House of Representatives we will sanction a sitting Speaker for the first time. It is an unwelcome task to pass judgment on our colleagues, but we have a responsibility to uphold ethical standards called for in the rules and expected by the American people.

I associate myself with the gentleman from Maryland, Mr. CARDIN's, remarks. The House did not have to choose to make the American people aware of either the hearing, a full hearing, or the report. But since we have a report, I urge everyone to read it. I think it is very instructive and gives lie to many of the mischaracterizations that have been made about the violations that the committee charged Mr. GINGRICH with and those which he admitted to.

The last few weeks have been dreadful. But we have an opportunity to say today to the American people that when we come to Washington, we do not check our integrity at the beltway, and we will do our best to uphold more ethical standards. We also have an opportunity to tell the American people that sanity can reign in the Congress by demonstrating our ability to agree and disagree in a respectful way.

The American people gave us the privilege to serve; they expect us not only to make the laws and to obey the laws, but also to live up to a high ethical standard.

So today we are here to address the failure of Speaker GINGRICH with regard to the laws governing charitable contributions and GOPAC, and his failure to respond accurately and reliably to the Committee on Standards of Official Conduct.

I would like to just take a moment to refer to the book, because as I asked people to read it, I want to point out the statement of alleged violations which was originally set forth by the special counsel. This is on page 155.

Based on the information that was described above, the special counsel proposed a statement of alleged violations to the subcommittee on December 12. The statement of alleged violations contained 3 counts:

1. Mr. GINGRICH's activities on behalf of ALOF in regard to AOW and ACTV, and the activities of others in that regard with his knowledge and approval, constituted a violation of ALOF's status under section 501(c)(3).

2. Mr. GINGRICH's activities on behalf of Kennesaw State College Foundation, the Progress and Freedom Foundation, and Reinhardt College in regard to the Renewing American Civilization, cross, and other activities in that regard with his knowledge and approval, constituted a violation of those organizations' status under section 501(c)(3).

3. And, third, Mr. GINGRICH had provided information to the committee, directly or through counsel, that was material to matters under consideration by the committee, which Mr. GINGRICH knew or should have known was inaccurate, incomplete, and unreliable.

These were not the alleged violations that were presented at the committee, but they are the original allegations by the special counsel. I think everyone is well aware that we have a responsibility to serve; they expect us not only to make the laws and to obey the laws, but also to live up to a high ethical standard. Clearly, Speaker GINGRICH knew or should have known that the law was complied to in his activities, and that he gave information to the committee that was not accurate.

Think how much easier it would be if we could all use the 501(c)(3), that consult a lawyer, and build our political agenda around tax deductible considerations. The American people in their generosity give the opportunity to charitable institutions to do charitable work. That does not include subsidizing our political activity. At the grassroots level we have always had to comply with the law in relationship to political activity and 501(c)(3). If we have illegal contributions, let us do it at the grassroots level, so should the Speaker of the House.

As the counsel mentions in his statement, some members of the committee and the special counsel were in favor, as I mentioned before, of the original proposal. After much deliberation, all four of us could agree on a statement of alleged violations that he did not ensure that the law was complied to in his activities, and that he gave information to the committee that was not accurate.

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that it gives lie to the mischaracterizations of our Republican colleagues that the violations were nothing, or that they were like trespassing or double parking. Either our colleagues were ill-informed, and that is what I believe, or they have a cavalier regard for the tragedy of the Speaker admitting bringing discredit to the House of Representatives which he wants to lead.

Now we come to the penalty. As you know, there is a financial penalty because we believe that the inaccurate statements that the Speaker said to us prolonged the process. There are other reasons why there is a financial penalty, but that was one of them. And the subcommittee concluded, and I quote, "that because these inaccurate statements were provided to the committee, this matter was not resolved as expeditiously as it could have been. This caused a controversy over the matter to and for a substantial period of time, it disrupted the operations of the House, and it cost the House a substantial amount of money in order to determine the facts."

So we conclude, in light of all of that, to support the bipartisan recommendation of the committee. The $300,000 penalty I believe speaks eloquently to the American people, who may not know the weight of one of our sanctions or another, but they understand $300,000. And I hope that this money will not come from the Speaker's political campaign funds, because I think that will increase the cynicism of the American people about what goes on in Washington. Whether the Speaker remains Speaker is up to the Republicans. He is technically eligible. I hope you will make a judgment as to whether he is ethically fit.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield such time as he may require of me to respond to the gentleman from Florida [Mr. Goss], the chairman of the subcommittee, and I want to recognize the gentleman from California [Mr. Schiff], the gentleman from New Mexico [Mr.今年以来], and the gentlewoman from California [Ms. Pelosi], all of whom in my view bring great credit to this institution.

In the end, I agreed with my subcommittee colleagues that the Speaker has recognized his lapses and worn his mistakes. He has apologized, forthrightly and sincerely. He has also accepted the unique sanction we proposed, one that includes a clear signal to all Members about the importance of providing accurate and grounded information to the Select Committee on Ethics, whether in response to a complaint or in filing a complaint. I must point out to Members that our mission in the preliminary investigation was to find and examine the dark clouds. That is what investigations do. Mr. Cole is very good at that. He is a brilliant prosecutor. In his report he presented well those dark clouds. He did not, however, present all of the other clouds we looked at that turned out to be not quite so dark. So I found that his report would be well supplemented by reading the report of the Speaker's attorneys for balance, as we refer our colleagues and interested parties to both reports to get the full picture.

I urge this House to adopt the recommendation of the Select Committee on Ethics and remember, the penalty is aimed at findings in response to the specific work of our subcommittee, no matter what feelings any particular Member may personally have about the Speaker.

Some have said this is a sad day. Indeed it is, whenever we have this type of a situation, I will also say it is a day of victory. We have proved to the American people that no matter how big problems they have or how difficult they are, we do know right from wrong in this institution. We can take the necessary steps.
Mr. CARDIN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. Borski], a very valuable member of the Select Committee on Ethics, who has done yeoman's service for the House and for the Congress on that committee.

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

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

Mr. Speaker, I want to begin by commending the members of the investigative subcommittee, the gentleman from Maryland, Mr. BEN CARDIN, the gentlemanwoman from California, Ms. NANCY PELOSI, the chairman, the gentleman from Florida, Mr. PORTER GOSS, and, of course, the gentleman from New Mexico, Mr. SCHIFF, for the extraordinary job they have performed for this institution. They are all people of enormously high integrity, and they have done an exemplary committee and this House very proud.

I also want to commend the special counsel, Mr. Cole, who under the most difficult and trying of circumstances came through with a report that, again, brought all Members of this House to read; but again, under the most difficult and trying of circumstances, he performed an heroic deed for this House.

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Mr. Speaker, I wonder if I could ask the gentleman to say whether or not Mr. Foley did act intentionally, knowing that his intended course of action was improper, did not reflect creditably on the House and was deserving of sanction.

With respect to the letters containing inaccurate information that Mr. GINGRICH did not seek legal advice because he was aware that it would not have permitted him to use a 501(c)(3) organization for his projects, or he did not have the authority to use one, the subcommittee, after two years of investigation and inquiry, that this matter fell somewhere between. As such, both the subcommittee and the special counsel recommended that the appropriate sanction should be a reprimand and a payment reimbursing the House in the amount of $300,000. Mr. GINGRICH has agreed that this is the appropriate sanction, as has the full Ethics Committee.

Mr. Speaker, I say to my colleagues, particularly my colleagues on the Democratic side of the aisle, this is not about who should be the Speaker of the House. Democrats have no say in who should be the Speaker of the House. That is up to the majority party.

This is about process. There were parts of this process that I find extremely disturbing, and parts that I think we need to deal with further at an appropriate time. This is not about how the existing tax code in question is arcane. I asked the special counsel, Mr. Cole, at our Friday afternoon public hearing whether the law was in fact arcane, and Mr. Cole responded in the strongest possible language that the law was not arcane. In fact, it is a headline issue that politics and tax-exempt organizations should not mix. Even Mr. GINGRICH’s tax attorney agreed with that statement.

I asked the special counsel to respond to the spin that we are all familiar with, and it goes like this: “I saw the course, I watched the tape. There is nothing political about them.” Mr. Cole’s response was that the issue in question was not so much the content of the course, but rather, the intent and the way in which it was distributed.

The report states, “Mr. GINGRICH applied the ideas of the course to partisan political purposes.” Mr. Speaker, this is important. This is important. This is important. This is important.

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The report states, “Mr. GINGRICH applied the ideas of the course to partisan political purposes.” Mr. Speaker, this is important. This is important. This is important. This is important.
Now, we are asking you to honor our recommendations with dignity. I ask my colleagues to honor the work of the Ethics Committee and to vote yes for this very strict sanction.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chair of the Ethics Committee for yielding time to me.

Let me say at the outset that you can clearly disagree and have great respect for your colleagues on the Ethics Committee, as I do, and still reach different conclusions, as I do.

My conclusion is that the penalty that has been assessed by the Ethics Committee is way too severe when you look at the actual findings of the committee and when you look at the precedent that has been established by this House.

Let us look at the actual findings. There have been two here. The first finding is that the Speaker should have consulted an attorney about tax laws. The second is that he submitted two inaccurate statements to the Ethics Committee. These are real mistakes, but they should not be hanging offenses, especially when we consider that there was no finding of any law that was broken, there was no finding of any intent to mislead the committee, and there was no finding that the Speaker received any personal financial gain.

The special counsel to the Ethics Committee once described it this way. He said that the Speaker had "run some very yellow lights." But you do not get ticketed, or you should not, for running a very yellow light, no matter how close it is to becoming a red one.

If we look at the precedents that have been established here as well, we see that there is no justification for this severe a penalty. The Ethics Committee staff has researched this issue, and there is simply not a single case where there has not been a finding of an intent to mislead the committee that has resulted in a penalty of reprimand, not a single case.

In fact, all of the precedents are to the contrary. Whenever there has not been a finding of intent to mislead the committee, the penalty has always been the lesser of Reproval, or the case has been dismissed against the individual involved.

I might say here, we all know that the Speaker has agreed to the penalties, but that does not mean that the agreement is a fair one. It does not mean that he has accepted a penalty that we have to support.

Remember the speech by Teddy Roosevelt called the man in the arena speech. He said that we can either grapple in the political arena, or we can be on the sidelines. People who know neither victory nor defeat.

How much better it would be for us today to have the victory of conscience, and vote against a penalty that we know is too severe.

The report of counsel and article follow:

IN THE MATTER OF SPEAKER NEWT GINGRICH

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT: REPORT OF COUNSEL FOR THE RESPONDENT

This is the Report of Counsel for the Respondent Speech. This report is being submitted in connection with the sanction hearing specified in Rule 20 of the Rules of the Committee on Standards of Official Conduct. Respondent was permitted to certain exhibits made available by the Committee; selected transcripts made available by the Committee; and public documents. Second, Respondent has not afforded the opportunity to conduct discovery or otherwise develop information relating to the matter before the Committee.

OVERVIEW

On December 21, 1996, the Investigative Subcommittee issued a Statement of Alleged Violation. This is the product of an investigation by the Investigative Subcommittee and Special Counsel. It is important to note that the process was one-sided: Witness interviews were not cross-examined; documents were not subject to scrutiny; and the process did not entail a trial on the merits of the alleged violation. The Statement was the product of the committee.

The special counsel to the Ethics Committee in the context of the real world viewed with hindsight that could only exist with the benefit of hindsight that could only exist in a laboratory free from the dynamics of the real world. For assistance in placing the facts in context, please see Appendix B.

SCOPE OF HEARING

There have been a myriad of charges and allegations made against Respondent. With the exception of the single violation contained in the Statement of Alleged Violation, those charges and allegations are untrue and groundless. The only violation before this Committee for purposes of determining the appropriate sanction, if any, is the violation contained in the Statement of Alleged Violation. The Statement of Alleged Violation describes violation: Rule 43(1) of the Rules of the Committee on Standards of Official Conduct. Rule 43(1)

Paragraph 32 of the Statement of Alleged Violation contains the only violation found, and states that: "[R]egardless of the resolution of whether the activities described in paragraphs 2 through 41 constitute a violation of section 50(c)(3) of the Internal Revenue Code, by failing to seek and follow legal advice described in paragraphs 15 and 40, Mr. Gingrich failed to take appropriate steps to ensure that the activities described in paragraphs 2 through 41 were in accordance with section 50(c)(3) of the Internal Revenue Code, and on or about March 27, 1995, and on or about December 8, 1994, in forming, transmission was associated by and on behalf of Mr. Gingrich that was material to matters under consideration by the Committee, which information, as Mr. Gingrich should have known, was inaccuracy, and was unreliable." Statement of Alleged Violation, ¶ 32, p. 22 (emphasis added).

According to standards relating to the adoption of a Statement is contained in Rule 17(d) of the Rules of the Committee on Standards of Official Conduct and provides:

Upon completion to the Preliminary Inquiry, an investigative subcommittee, by majority vote of its members, may adopt a statement of Alleged Violation if it determines that there is reason to believe that a violation has occurred. (emphasis added).

Rule 17(d).

The Investigative Subcommittee: a statement relating to the adoption of a violation which has been disseminated regarding the violation, it is important to note that the Investigative Subcommittee:

I do not charge Respondent with any violation of U.S. tax law; did not charge Respondent with intending to deceive the Committee, as I do, and still reach different conclusions, as I do.

Indeed, based on the standard applied by the Investigative Subcommittee, there is no reason to believe that any such allegations
are true. All statements to the contrary are not only false, but maliciously false, as established by the language of the Statement of Alleged Violation.

In the real world, Members of Congress necessarily confront many issues incidental to their multiple responsibilities. Chapter 9 of the House Ethics Manual itself addresses "Involvement With Official and Unofficial Activities". On page 307, the House Ethics Manual states: "Members and employees of the House need to distinguish carefully between official activities and personal activities that they interact with private organizations."

Also in the real world, Members interact with a variety of organizations. Some are political action committees, charitable organizations (Section 501(c)(3) entities); and others are lobbying organizations (Section 501(c)(4) entities). It is neither illegal nor inappropriate for Members to participate as directors, officers or trustees of these political action committees, charitable organizations and lobbying organizations. According to The Exempt Organization Tax Review, a "review of Members' 1988 financial disclosure forms... showed that 51 Senators and 146 House Members were founders, directors, officers or trustees of a tax-exempt organization." See, Exhibit A: The Exempt Organization Tax Review, Dec.-Jan. 1990, p. 680. Indeed, "five candidates in the 1988 presidential election-exempt groups seriously doing research and educational activities in the months preceding their campaigns." 1d.

The Internal Revenue Service specifically contemplated such structures. As described by the IRS:

A number of IRC 501(c)(3) organizations have related IRC 501(c)(4) organizations that conduct political campaign activities, usually through a PAC (an IRC 527(f) separate segregated fund). So long as the organizations are kept separate (with appropriate record keeping and fair market reimbursement for facilities and services), the activities of the IRC 501(c)(3) organizations or of the PAC will not jeopardize the IRC 501(c)(3) organization's exempt status. 1992 IRS CPE, at 439.

In addition, it is not unusual that the political action committees, charitable organizations and lobbying organizations share the same address and operate out of the same offices. For instance, the National Organization for Women (a section 501(c)(4)), National Organization of Women Foundation Inc. (a section 501(c)(3)), and the National Organization of Women Political Action Committee (a political action committee) all list as their address 1000 16th St. NW 700, Washington, D.C. For a further listing of multiple, affiliated Political Action Committees/Section 501(c)(3) entities/Section 501(c)(4) entities sharing the same address, see Exhibit B and Appendix D.

It is common for these multi-entity organizations to engage simultaneously in activities that have political implications. For example, the Sierra Club operates a 501(c)(3) entity designated as Sierra Club; a section 501(c)(3) entity designated as Sierra Club Legal Defense Fund. All of the entities list as their address 730 Polk Street, San Francisco. The Sierra Club reflects its broad-ranging purposes, including those which are political. The home page states as follows:

"The Sierra Club has played an increasingly active role in elections in recent years. Candidates who can be counted on to preserve the environment can count on our support--in the form of endorsements, contributions, publicity, and volunteer support. Candidates who try to deceive the public by supporting efforts to weaken our basic environment safeguards will be called to account for their actions. In 1996, concerned citizens have the opportunity to re-elect legislators who will fight the big polluters and replace those who could no choice, as the 21st century nears, but to send to Washington elected officials who have a genuine commitment to preserving your protective help, the 1996 elections can set a new course for our nation." See Exhibit C for other similar home pages involving multiple entity organizations with various missions.

RENEWING AMERICAN CIVILIZATION MOVEMENT

The movement to renew American civilization had its genesis in Respondent's belief that American civilization is decaying and must be renewed. Respondent believes that the act of renewing American civilization involves far more than politics, politicians and votes. It involves what is being taught in local schools and colleges, what is heard on radio and television and what happens in local clubs and organizations, in addition to what government and politicians are doing. Respondent had the vision that renewal must be cultural, societal, educational, economic, governmental and political. More importantly, to achieve the degree of change necessary, there would have to be a movement that transcends any single vehicle of change.

Looking toward the 21st Century, Respondent developed an approach which he referred to as the "five pillars" of renewing American civilization: (1) quality; (2) technological advancement; (3) entrepreneurial free enterprise; (4) principles of American civilization; and (5) psychological strength. Based on these principles, Respondent sought to initiate a movement to replace the welfare state and renew American civilization to occur at every level of American society. Renewal would require the accomplishment of various goals including the education of the general population and creation of a majority of citizens committed to reform, thereby sparing activism; education of business leaders; and education of the media as to the ideals and parameters of reform. Respondent sought to create a national dialogue for form and a methodology by which citizen activists could accomplish the stated goals of the movement.

Respondent envisioned many methods to initiate the movement through simultaneous efforts utilizing the five pillars' public roles. First, as a Member of Congress and a member of the Republican leadership, Respondent envisioned utilizing the legislative process through speeches, as special orders presented to the House, votes and legislation. Second, as an educator, Respondent envisioned refinement of his message and delivery in the courses that he taught. Third, as Chairman of GOPAC, Respondent envisioned recruiting and training Republican candidates. Respondent envisioned, regardless of partisan affiliation, should participate in the renewal, and that, through education in the principles of civilization, dedication; and self-discipline, work of a co-civilization activist to ensure that American civilization can be renewed.

During a December, 1992 meeting with GOPAC, Respondent expressed that every Republican identified:

Q: "Is that [the movement] to be conducted in a political framework?
A: "There is a political framework within the movement. The movement itself is cultural, not political.
Q: "Is the movement intended to be Republican identified?
A: "No." Gingrich July 17, 1996 Tr., p. 28.

When Respondent was asked by Special Counsel whether the movement was to recruit a Republican majority, he answered as follows:

Q: "Is that the reverse. That is the movement is large. You might or might not have a Republican majority within this move-
movement. If the movement succeeded without a Republican majority, that would still be a success. We thought, the times we talked this out, the Republican majority was the most logical step in this country--
A: "I understand that it may not result, but was it a goal?"
A: "It was a not a goal of this movement. It was a goal of my activities." Gingrich July 17, 1996 Tr., pp. 49-50.

It is against that backdrop that Respondent and his advisors conceived of the Renewing American Civilization course. One of several tools to be utilized in initiating this movement. See Exhibit D: chart illustrating, in part, the dynamics of initiating the movement.

THE RENEWING AMERICAN CIVILIZATION COURSE

The Renewing American Civilization course was offered for academic credit at several colleges and universities across the United States, including the University at Berkeley, Vanderbilt University, Clemson University, Emory University, the University of Mississippi, Kansas State University, Colgate University, Auburn University, the University of South Carolina and Penn State University, FIC 0138.

The basic format of the Renewing American Civilization course consisted of ten lecture topics, discussing various aspects of renewing American civilization. Some key elements of those ten lectures can be summarized as follows:

1. "Understanding American Civilization"—America is the only country in a position to lead the world into a new age, and must strive to replace its welfare state with an opportunity society for the United States, including the University at Berkeley, Vanderbilt University, Clemson University, Emory University, the University of Mississippi, Kansas State University, Colgate University, Auburn University, the University of South Carolina and Penn State University, FIC 0138.

2. "Personal Strength"—Personal strength is a basic principal of American civilization, vital to establishing safety, family, work, health and learning. Existing frameworks weaken personal strength by discouraging work, undermining family and integrity and diminishing self-reliance.

3. "Entrepreneurial Free Enterprise"—The role of the entrepreneur is vital to American civilization. Bureaucratic credentialism stymies innovation. Entrepreneurial free enterprise replaces government regulation with the market's ability to reinforce success.
January 21, 1997

4. “Spirit of Invention and Discovery”—The welfare state cripples progress through bureaucracy, litigation and taxation. A prospirt of invention and discovery America will create a better future through better ideas.

5. “Quality and Deming’s Profound Knowledge”—With a culture of quality, Americans can achieve anything anyone believes possible. Customers define value. To improve results, you must improve the process that generates them. People want to do a good job. Everyone has a part of a larger system. Continuous learning is the basis for continual improvement.

6. “Lessons of American History”—History is a collective memory and a resource to be learned from and used. America is exceptional and its history teaches us how exceptional. The religious and social tenets of puritanism are diffused throughout American values today.

7. “Economic Growth & Job Creation”—The welfare state’s despised low-paying job is the entrepreneur’s opportunity. It is not who you are today, it is who you want to be tomorrow that counts in America. A successful American career is the highest productivity leading to the greatest take home pay and the greatest job security.

8. “Saving & Growth”—Our challenge is to create a vision of a healthy American focusing on lower costs, higher quality, more choices and greater access. The five principles of American civilization should help us brainstorm a better way of life.

9. “Saving the Inner City”—American reform movements have emerged quickly and have left many consequences, saving the inner city can be accomplished through individual, decentralized efforts. The vicious circle of the welfare state can be replaced with the virtuous circle of American civilization to help people create new hope and new opportunities.

10. “Citizenship for the 21st Century”—Citizenship may be defined as the duties and obligations, rights and responsibilities necessary to maintain community. The genius of America lies in liberating each citizen to fulfill his or her part and the absolute commitment to the welfare state should be replaced with the market.

These lectures would also include a list of suggested readings for a more complete explanation of the issues covered. These readings included works written by Democrats such as Al Gore and Max Cleland, as well as by Newt Gingrich and Jimmy Carter. During each class section, Respondent would lecture for his two-hour period and the faculty representative or site representative would then make a presentation involving group discussion which Respondent did not control.

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Respondent himself was, prior to election to Congress in 1978, a professor of history who served on the faculty of West Georgia College for eight years. He was awarded a B.A. in Emory University in 1965 and a Ph.D. in European History from Tulane University in 1971.

The course itself was taught at Kennesaw State College, a senior college within the University System of Georgia, and, later, at Reinhardt College, a private, accredited college located in Waleska, Georgia. Periodically during course lectures, Respondent made references to individuals, entities and companies which in their own way exemplified his notion of American exceptionalism. A panel of 46 individuals—typically three to four minutes in length—were used in the course to illustrate various points. GDC 260. The inserts from the “Twelve Good Ideas” panel are a part of these: Former Georgia Secretary of State and now U.S. Senator Max Cleland on over-coming his injuries in Vietnam; Congressman John Lewis about the role of personal strength in the civil rights movement; Nationally-recognized teacher Marva Collins on American education; Supreme Court Justice Clarence Thomas’ journey from Pinpoint, Georgia to the Supreme Court; and A story about the Paralympics, GDC 263.

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maintaining a clear and unequivocal separation between the course and his campaign leave me no alternative but to withdraw from my volunteer post with the Club." PFF 32989.

Two tax-exempt organizations, Kennesaw State College Foundation ("KSCF") and Progress & Freedom Foundation ("PFF"), collected the funding for the Renewing American Civilization course at Kennesaw State College and Reinhardt College, respectively. Regarding KSCF, Respondent taught the course at Kennesaw. The KSCF was the funding repository for activities at the Kennesaw campus, and it existed before Respondent had any relationship to the college. In his Attachment, F. Jeffrey Eisenach described Respondent’s lack of involvement with PFF as follows in his Attachment to his 1995 Statement:

"[Respondent] is not and has never been a board member, officer or employee of the foundation. He was not aware of plans to create a fundraising repository for activities at the Kennesaw campus, and it existed before Respondent had any relationship to the college. Respondent was not involved in the development of its application to the IRS for tax-exempt status or other key founding documents; did not participate in the selection of the foundation’s board of directors; was not consulted on the naming of new board members; has not, with the exception of his Renewing American Civilization project, participated in fundraising activities; and, he has always understood the Foundation to be an independent entity, created to fund a single research project. Respondent’s conduct must, however, be evaluated in the real world, real time context of what was the generally accepted practice in 1993 when the course was first offered."

THE USE OF CHARITABLE FUNDS IN SUPPORT OF NONPARTISAN POLITICAL EDUCATION WAS AN ACCEPTED PRACTICE IN 1992 AND 1993

First, the Respondent’s activities were not inconsistent with the tax law in the opinion of all tax practitioners at the relevant time. The practice in the real world at the time was that the conduct engaged in by Respondent was not inconsistent with the conduct of many well-advised contemporary charitable educational entities, the comment of legal scholars, and the practice of other Members of Congress. Nonprofit organizations, to qualify for tax-exempt status, must satisfy the basic criteria established by section 501(c)(3) of the Internal Revenue Code. Regulations promulgated thereunder, judicial interpretation of the law and its regulations, Internal Revenue Service ("IRS") Revenue Rulings, tax notices, and the various other means such as IRS press releases and announcements by which citizens can attempt to anticipate IRS interpretation of their conduct under the law.

SECTION 501(c)(3) AND THE REGULATIONS PROMULGATED THEREUNDER

In essence, Revenue Ruling 78-248 of the Internal Revenue Code provides that entities must satisfy several basic criteria to qualify for exempt status. First, the entity must be "organized and operated exclusively for' one or more of several enumerated charitable, religious or educational purposes, second, "no part" of the net earnings of the entity may inure to the benefit of any private shareholder or individual; third, "no substantial part of the activities" of that entity must be "carrying on propaganda, or otherwise attempting to influence legislation"; and fourth, the entity must not "participate in, or intervene in . . . any political campaign on behalf of (or in opposition to) any candidate for public office." IRC §501(c)(3). The legislative history of the campaign intervention rule reflects the difficulties practitioners have encountered in applying the provisions. Provision of the Code was added to the federal tax law when then-Senator Lyndon B. Johnson offered the provision by way of a floor amendment to the Revenue Act of 1974. Hearings out of concern that funds provided by a charitable foundation had been used to finance the campaign of a primary opponent. The Senate Committee on Finance and the House Ways and Means Committee, p. 327 (6th ed. 1992); Lobbying and Political Activities of Tax-Exempt Organizations: Hearings before the Subcommittee on Oversight of the House Committee on Ways and Means, 100th Cong., 1st Sess. 20-22, 423 (1987) (Statements of Bruce Hopkins, Baker Hostetler and the United States Catholic Conference). In offering the amendment, Senator Johnson stated that the purpose of the amendment was to "den[y] tax exempt status for organizations which participate in any public campaign on behalf of any candidate for any public office." 100 Cong. Rec. 10659 (1954).

Section 1501(c)(3)-1 of the Income Tax Regulations ("the Regulations") marked a retreat from the "exclusively for" language of section 501(c)(3) by providing that "[a]n organization may be regarded as operating exclusively for public purposes if the activities of the organization are not substantial in amount so as to neutralize the effect of the fact that the contributions, gifts, etc., exceed the amount allowable under the rules governing the public purposes described in section 170(c)(2)(A) . . . ." 26 C.F.R. § 1.501(c)(3)-1(c)(3)(ii). The IRS has indicated that conduct consistent with the allowable purpose may not be abandoned in order to engage in unrelated activities as long as such conduct constitutes only an "insubstantial part" of its overall activities.

The Regulations further provide that an entity will not be regarded as being operated exclusively for exempt purposes if it satisfies the IRS’ definition of an "action" organization. 26 C.F.R. § 1.501(c)(3)-1(c)(3). An "action" organization is defined as one that "conducts any substantial part of its activities (to attempt to influence legislation by propaganda or otherwise."

26 C.F.R. § 1.501(c)(3)-1(c)(3)(i). Likewise, "[a]n organization is an action organization if it participates or intervenes, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office." 26 C.F.R. § 1.501(c)(3)-1(c)(3)(iii).

APPLICATION OF REVENUE RULINGS APPLYING 501(c)(3) AND ITS REGULATIONS

In 1978, the IRS issued a Revenue Ruling revoking a prior such ruling to hold that "certain voter education activities conducted in a nonpartisan manner by an organization recognized as exempt under section 501(c)(3) of the Code will not constitute prohibited political activity disqualifying the organization from exemption." Rev. Rul. 78-248, 1978-1 C.B. 154. According to the ruling, the determination of whether an organization is participating or intervening in a political campaign as proscribed by regulation 1501(c)(3)(i)(3)(iii) "depends upon all of the facts and circumstances of each case." Id.

Revenue Ruling 78-248 then sets forth four hypothetical "situations" describing activities which the IRS has determined to be either permitted or prohibited under §501(c)(3). Ultimately, the factual analysis provided by the IRS with respect to each situation was whether, under the specific facts of the hypothetical, the activities "evidenced a bias or preference" with respect to the views of the entity towards issues, a candidate or a group of candidates.

Two years later, the IRS applied Revenue Ruling 78-248 to conclude that an entity’s publication of a newsletter reporting Congressional voting records did not violate the tax-exempt status of the entity. The IRS determined that the newsletters did not constitute a substantial part of the activities of the entity, and that, therefore, the newsletters were not subject to the prohibited political activity regulations. The IRS noted that the newsletters included "facts and analyses of the members’ votes and its own views on selected legislative issues and indicates..."
whether the incumbent supported or opposed the organization’s view.” Id. The IRS based its ruling on a factual conclusion that “the organization will not widely distribute its complements’. “See, e.g., Revenue Ruling 92-282, supra at 1… [and that] no attempt will be made to target the publication toward particular areas or persons or take place after the time of publication to coincide with an election campaign.” Id. Accordingly, the IRS opined, the issues presented in Revenue Ruling 92-282 presented sufficient factual distinctions from the hypothetical prohibited situations set forth in Revenue Ruling 78-248 to permit it to conclude that the Taxpayer’s proposed activities, “in the manner described above, will not constitute participation or intervention in any political campaign within the meaning of section 501(c)(3).” Id.

**EFFECT OF THE IRS’ FACT-BASED ANALYSIS ON PUBLIC BEHAVIOR**

As a consequence of the IRS’ indications that it would apply fluid, fact-specific analysis to charitable efforts to educate the public on political matters, the late 80’s and early 90’s marked a period of wide-ranging opinion among tax practitioners as to the extent that political education by charitable entities would be permitted by the IRS. Additionally, this period marked an era when tax exempt entities were being called upon by sophisticated practitioners to educate and motivate a new voter- and issue-oriented electorate of issues. As would be expected, the legal literature of this period reflects the lack of guidance from the IRS with respect to political education by tax exempt entities. See e.g., Lobbying and Political Activities of Tax-Exempt Organizations: Hearings before the Subcommittees on Oversight of the House Committee of Ways and Means, 100th Cong., 1st Sess. 6 (Opening remarks of Chairman Pickle suggests that what the public wants is and hears at a steady stream of reports about abuses in this area, and the IRS seems to be taking little or no action. The public gets the impression that the Internal Revenue Service is just looking the other way.”); Maxwell Glen, “Battle Looming over Political Activities of Tax-Exempt Nonprofit Organizations,” The National Journal, p. 2294 (Dec. 1, 1994) (“In fact, since the early 1970s, when it was accused of harassing Nixon Administration contributors, the IRS has largely policed the nonprofit sphere for political partisan activity, tax specialists say, “What you see now is a testing,” and Washington lawyer Thomas B. Fromer of Stroock & Stroock & Fromer points out forcefully that, “the IRS has been remarkably reticent on the subject of the line between charity and the partisan activity of organizations.”).

**PUBLIC CHARITY ISSUE—POLITICAL ACTIVITIES**

“One of the most important areas in which additional guidance is needed is clarification of the prohibition on political activities by section 501(c)(3) organizations… Illustrative of the political activities issued in the first category is the question of when will the acts and statements of the religious organization’s minister be treated as the acts and statements of the religious organization for purposes of determining whether the organization has violated the prohibition against political campaign activity by section 501(c)(3). The statement issued by the IRS treated as the acts and statements of the religious organization’s minister be treated as the acts and statements of the religious organization for purposes of determining whether the organization has violated the prohibition against political campaign activity by section 501(c)(3). The statement issued by the IRS was presented first on the list of non-precedential IRS rulings and stated that, “Though Project Vote mixed contributions for charitable, educational and political purposes, the IRS has treated Project Vote’s activities, however, the IRS found that the entity’s true objective was to accomplish the partisan objective of increasing the Democratic vote. After reviewing Project Vote’s activities, however, the IRS concluded that the organization complied with the nonpartisan requirements of its tax-exempt status.”

Not surprisingly, therefore, in light of this recognized lack of guidance from the IRS, the public record is replete with examples, in the time period leading up to the organization of the renewing American civilization course of charitable entities—entities that are well respected and advised as to the current state of the law—participating in the political arena unmolested by the IRS. For example, in 1986 and 1987, the IRS conducted a review of been monitoring some of these activities, and to keep separate records does discourage’ the nonpartisan requirements of its tax-exempt status.”

“Though Project Vote mixed contributions from labor, corporations, foundations, and individuals, some of which may have been motivated by partisan goals, the IRS found that the lobbying and political activities of Project Vote, its voter registration activities to be perfectly legal.”). Thus, it is not surprising that, as early as 1984, charitable institutions which consulted with tax counsel abandoned the traditional, technicalities and ventures into new areas, their activities have raised numerous federal tax law questions that are not adequately addressed by the IRS’ interpretations of what constitutes political activity. See e.g., Glen, at p. 2294 (Dec. 1, 1994) (“I’ve had more than one client get rid of its C-4 [affiliate] by merging it into [the client’s] C-3.”) and for organizations to comply with, the statutory rule if the IRS develops a concrete, unifying definition for political intervention, just as it has done for dictating political behavior by tax-exempt organizations. See e.g., Lobbying and Political Activities of Tax-Exempt Nonprofit Organizations, 95 Tax Notes 1033, 1034 (Dec. 1, 1994) (“In fact, since the early 1970s, when it was accused of harassing Nixon Administration contributors, the IRS has largely policed the nonprofit sphere for political partisan activity, tax specialists say, “What you see now is a testing,” and Washington lawyer Thomas B. Fromer of Stroock & Stroock & Fromer points out forcefully that, “the IRS has been remarkably reticent on the subject of the line between charity and the partisan activity of organizations.”)

**UP TO NOW, IT APPEARS THAT THE IRS HAS BEEN USING A “SMELL” TEST TO DETERMINE WHETHER PROHIBITED POLITICAL ACTIVITIES HAVE OCCURRED. THIS HAS CREATED A STRING OF PRECEDENTS APPLYING THE GENERAL RULE TO PARTICULAR FACT PATTERNS, WITHOUT ANY UNIFYING PRINCIPLE BEING STATED. WE BELIEVE THAT IT WILL BE SIGNIFICANTLY MORE USEFUL FOR THE ADVOCATE TO ADVISE CLIENTS ABOUT, AND FOR ORGANIZATIONS TO COMPLY WITH, THE STATUTORY RULE IF THE IRS DEVELOPS A CONCRETE, UNIFYING DEFINITION FOR POLITICAL INTERVENTION, JUST AS IT HAS DONE FOR DICTATING POLITICAL BEHAVIOR BY TAX-EXEMPT ORGANIZATIONS.**
As a consequence of the IRS’ lack of guidance in this arena, participation in charitable education activities by Members of Congress was commonplace in the time leading up to the election and formation of the new American civilization. For example, a National Journal review of Members’ 1988 financial disclosure form revealed that 46 Members were founders, officers or directors of tax-exempt organizations. The Exempt Organization Tax Review, p. 680, Dec.-Jan. 1990; see also Congress Institutes Foundations Aid Causes, Not Politics,” Washington Post, February 22, 1990, at A21 (identifying tax-exempt organizations). In 1993. Financial Disclosure Forms, at least 93 Members of Congress were founders, directors, officers or trustees of at least 109 tax-exempt organizations, including at least 109 section 501(c)(3) entities. See, Financial Disclosure Reports of Members of the United States House of Representatives of the 105th Congress. Likewise, five candidates in the 1988 Presidential election contest employed tax-exempt groups to perform research and educational activities in their campaigns. The Exempt Organization Tax Review, p. 680 (Dec.-Jan. 1990).

The prevailing attitude among tax specialists in the early 90’s is encapsulated in the comments of Washington fund-raiser Jan Scott Brown as reported in the National Journal. Ms. Scott Brown concluded that a Congresswoman ‘put a Congresswoman on their committee. That’s the first thing I think of with a nonprofit client—how can I work in some political angle? That’s the name of the game in town.” Maxwell Glenn, “Battle Looming over Partisan Activities of Tax-Exempt Nonprofit Organizations,” The National Journal, p. 2294 (Dec. 1, 1994). Indeed, the criticism of the Special Counsel’s tax expert, Ms. Roady, of Respondent’s activities on this issue appears disingenuous at best. In February of 1996, the Exempt Organizations Committee of the American Bar Association—for which Ms. Roady was identified as the Committee’s “Contact Person”—requested that the Internal Revenue Service formally approve of activity under existing precedent virtually identical to Respondent’s Renewing American Civilization course. In February of 1996, the American Bar Association recommended approval of the course, and the IRS approved the course in February of 1996.

In 1984, Colorado Republican Party Chairwoman Howard “Bo” Callaway received tax-exempt status for ALOF, an organization to which the IRS has never granted status as a charitable foundation. Mr. Callaway has stated that he and Gingrich had been told by a lawyer that it was legal to set up local workshops around the country and democracy presented a logical mandate to motivate people and get them involved in their community, Mr. Callaway offered ALOF as ACTV’s sponsor. Callaway Letter 2-2-91. ACTV, like a project previously run by GOPAC known as “American Opportunities Foundation,” was a three-year, $150,000, 501(c)3 non-partisan project “based on the three tenants of Basic American Values, Entrepreneurial Free Enterprise, and Technological Progress and involved the recruiting of activists to set up local workshops around the country.”

The statements made in the Callaway Letter were repeated in an interview that Mr. Callaway gave to the Boston Globe. According to that article, “Callaway stressed that he and Gingrich had been told by a lawyer that it was legal because the shows were educational, not political.”

According to Callaway, Gingrich and his associates looked to a nonprofit corporation that could accept tax-deductible donations. In contrast, contributions to political action committees are not deductible.

Callaway thought it would take too long to get IRS approval to set up a new nonprofit corporation to fund Gingrich’s television shows. So he revived the Lincoln Foundation, which had been dormant for years.

When Mr. Callaway said Daniel Swillinger, a GOPAC lawyer, told them the foundation’s charter allowed it to pay for Gingrich’s television shows. The National Journal: “According to Callaway, the IRS’s lack of opportunity available to practitioners called upon to provide counsel to non-lawyers, such as Respondent, who desire to use tax exempt charities for the IRS’s lack of providing political education to the public. There are several important facts which should be noted regarding ALOF. First, Respondent’s role was never that of a member of the Board of Directors or an officer of ALOF. Second, contributors to ALOF always knew that ALOF was a 501(c)(3) non-profit organization, and that ALOF’s goal of increasing community involvement and citizen understanding of government and democracy presented a logical mandate to motivate people and get them involved in their community. Mr. Callaway offered ALOF as ACTV’s sponsor. Callaway Letter 2-2-91. ACTV, like a project previously run by GOPAC known as “American Opportunities Foundation,” was a three-year, $150,000, 501(c)3 non-partisan project “based on the three tenants of Basic American Values, Entrepreneurial Free Enterprise, and Technological Progress and involved the recruiting of activists to set up local workshops around the country.”

In the Spring of 1990, Mr. Callaway revived ALOF as a means of sponsoring the American Citizens’ Television (“ACTV”) program. At the beginning of 1990, the bank account of ALOF had $146,081 in it. Mr. Callaway stated that ACTV’s goal of increasing community involvement and citizen understanding of government and democracy presented a logical mandate to motivate people and get them involved in their community. Ms. Callaway offered ALOF as ACTV’s sponsor. Callaway Letter 2-2-91. ACTV, like a project previously run by GOPAC known as “American Opportunities Foundation,” was a three-year, $150,000, 501(c)3 non-partisan project “based on the three tenants of Basic American Values, Entrepreneurial Free Enterprise, and Technological Progress and involved the recruiting of activists to set up local workshops around the country.”

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from people who knew what their money was going to be used for and who fully supported the ACTV programs. Third, the Articles of Incorporation of ALOF, submitted to the IRS when ALOF applied for tax exemption under section 501(c)(3) of the Internal Revenue Code, stated that the purposes of ALOF, in part to:... provide educational services to the public, and to engage in any and all lawful activities incidental to the foregoing purposes... The Bylaws further stated that "The purposes of the Corporation are promoted and developed through public discussion groups, conferences, projects, publications and programs." Fourth, money given to ALOF was kept separate from and not commingled with GOPAC funds.

Within this context, Respondent has admitted the violation contained in the Statement of Alleged Violation. Notwithstanding the context of tax law, it is incumbent on the Respondent to engage qualified tax attorneys to assure that his activities in the furtherance of a movement would not jeopardize the tax-exempt status of the organizations involved and would not unnessarily engender public controversy that would bring discredit on the House. In the absence of precedent mitigates in favor of a finding of no violation of law and abuses of official position." House Ethics Manual at 34 (footnote omitted). In such cases, Members are well-placed to pass judgment on the propriety of such conduct as, indeed, is any citizen, as such conduct so clearly transgresses the acceptable bounds placed on individuals in our society. By contrast, the basis for the investigation in the present proceeding relates to a complex and difficult question of tax law relating to the permissible activities of tax-exempt entities. Such questions should not form the basis for a finding that a Member has violated the Code of Official Conduct unless a properly constituted administrative or judicial authority has previously found that the House has in fact committed acts prohibited by the tax code. To punish a Member for an act creating the appearance of a Member's involvement with organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code without any violation of the law having been found by the Internal Revenue Service or this Committee is not only unprecedented, but unwise.

In establishing a bright-line rule to distinguish between those matters properly governed by the standard set forth in House Rule 43(1), it is helpful to refer to the long-recognized distinction between and mala in se (literally, "wrongs in themselves") and mala prohibita ("prohibited wrongs"). See, Morissette v. United States, 342 U.S. 246 (1952); United States v. Park, 421 U.S. 658 (1975). Mala in se are aggravated wrongs and injuries in derogation of public morals and decency. Examples include killing and stealing. While these acts are prohibited by a specific law, we all know that such acts are inherently wrong and we punish those who commit such offenses. The Committee on Standards has no standing to punish such conduct and, therefore, recommend appropriate punishment for the commission of mala in se even if the Committee finds that there has been no violation of the law.

Mala prohibita, on the other hand, are acts that are wrong only in the sense that they are not approved of by the state. In many instances, determining whether a malum prohibitum has been committed requires the application of specialized expertise in the tax law. If it is found, by a properly constituted administrative or judicial tribunal with the expertise to comprehend and adjudicate the alleged violation, that a Member has violated such a law then sanctioning the Member pursuant to Rule 43(1) is perfectly appropriate as such conduct does not reflect creditably on the House. However, if the Committee makes an independent determination, however, the Committee should abstain from becoming involved in investigating and attempting to resolve such questions.

The Committee finds that there has been no violation of any particular law or rule. The Committee finds that the Respondent in the present case has attempted to apply Rule 43(1), in an unprecedented manner. The conduct being investigated in this proceeding relates to activities for educational or allegedly partisan political activities—not is not a wrong in and of itself. It is only wrong if the conduct in question violates the technical parameters set out by the Internal Revenue Code. Furthermore, this is not even a case in which it is alleged that a violation of law has been found. It is one step further removed. This is a case in which a Member is alleged to have failed to appreciate fully his need for technical guidance so as not to jeopardize the tax-exempt status of the Opportunity Foundation.

The dangers of such a precedent lie in the fact that "appearance" standards are so vague as to have little content, thus providing scant guidance to members and their staffs. The precedent would be, at the same time, exposing them to the possibility of manipulable complaints and prosecution. In the words of the ABA Committee on Governmental Ethics Standards, the role of the enforcement body is to perform the function of the court in rule formation, 'appearance of impropriety' is too vague and contestable a concept to function effectively as an independent benchmark in a system of ethics regulations.

Such a precedent would undoubtedly have a chilling effect on Member participation in charitable or educational organizations now expressly permitted by the Committee. The Subcommittee has created a new window of opportunity for Members and committees which creates a 'public controversy.' Let us be clear that this new hybrid is substantially different from sanctioning a member for a criminal act. It could lead to degrading infamy for clearly immoral or unjust conduct. Furthermore, the Subcommittee seeks to punish Respondent for failing to engage counsel to avoid such controversy. Yet the practical implications of this newly-created offense make it difficult to understand how engagement of counsel would serve as a defense to the subcommittee's assertion of a violation of the law.

The policy reasons for declining to create such a precedent are compelling. Allow- ing the mere allegation of violations of the law to become a basis for ethics charges will encourage political opponents to use the laws and ethics process as a political strategy. The controversy surrounding the Federal Election Commission's complaint against GOPAC filed in the Federal District Court for the District of Columbia provides a case in point. See, Federal Election Comm'n v. GOPAC, Inc., 917 F. Supp. 851 (D.D.C. 1996). In April, 1994, the FEC filed a civil action alleging that in 1989 and 1990, GOPAC had failed to register as a political committee as required by the Federal Election Campaign Act, 2 U.S.C. §§ 433(a) and 434(a). One of the primary contentions made by the FEC was that GOPAC funds to support Respondent as chairman of GOPAC were utilized by Respondent's election campaigns. The FEC's filing of the complaint precipitated upon this as yet un-trodden minefield.

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number of allegations regarding Respondent's violations of federal election laws in the press, when a "controversial" claim was exposed to rigorous examination in proper judicial proceedings, is abundantly clear and was found sufficient to merit a finding that Respondent has committed a violation. The Committee has not found it necessary to investigate the conduct of Members on behalf of the House as once a procedure for compelling a Member to respond to an ethics complaint. Indeed, this Committee has on several occasions deferred action pursuant to a request by a Member or an official of the House.

Approach in no way diminishes the authority of this Committee to regulate the conduct of Members on behalf of the House. In discussing the merits and benefits of a disclosure-based ethics system for Members of Congress, one commentator highlighted the unique concerns presented by claims that a Member has violated a highly technical law. Enforcement of such laws requires the need for properly trained ethics officers with the expertise to make such a determination. Specifically, "disclosure is not the most effective tool to employ against conduct that violates highly technical regulations or itself composed of a complex or highly nuanced series of events. In such circumstances, it seems that the risk of manipulation and/or voter misunderstanding would be high; accordingly, entrusting an entity as other members attempt to conform their activities to the requirements of the Code of Official Conduct. As background, it is important to note that the Respondent has been proactive, as opposed to reactive, with the Committee in connection with the Renewing American Civilization course and any potential ethics issues which it might present. Respondent has in fact introduced the Committee to thousands of documents and met with the Investigative Subcommittee at its convenience. The proactive involvement began with the letter dated September 30, 1994, in which Respondent specifically inquired if "the committee [had] any concerns about this matter." Then, in June of 1993, Respondent, Jeffrey Eisenach, Annette Cassel have met with then Committee counsel David J. McCarthy. (See Letter of Speaker Gingrich to Reps. Goss and Cardin, October 31, 1994, with attachments (including Letter of Davin J. McCarthy to Rep. Hobson, December 1, 1994)). During the course of that meeting, Mr. McCarthy stated:

"The discussion eventually turned to fund-raising for the course. I asked Eisenach to volunteer details of how he contemplated fund-raising, and I interrupted his explanation with a question, "are you on the House payroll?" When he answered that he was not, never had been, and did not ever expect to be I shifted the focus of the discussion by explaining that I was not interested in what Eisenach was planning to do, I was only interested in what Mr. Gingrich and any house employees were going to do." * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *

"Then Mr. Gingrich again brought up Eisenach and asked whether he should not answer the question of whether the contributions in support of Eisenach would be permitted to engage in the fundraising. His concern seemed to be that Eisenach's identity with GOPAC, along with his fundraising, for the course through the college foundation, could open him to criticism that the motivation for the course was political. I replied that, in my judgment, Mr. Gingrich is the Committee to pass on the activity of Eisenach. First, I explained that because Eisenach was not a Member, officer or employee of the House his act was outside of the Committee's jurisdiction. Secondly, I told him to my knowledge of tax law, the issue of whether the contributions in support of the course were tax deductible would turn not on who did the fundraising but on how the funds were spent, and that the educational nature of the course spoke for itself. I told him that I was aware of no law or IRS regulation that would prevent Eisenach from raising charitable contributions, even at the same time that he was raising political contributions. In any event, I advised him, I expected the Committee to stick by its advisory opinion in the course of the inquiry. I also reminded him of the issue of whether it is malum prohitum or malum in se. Such an action is neither an efficient nor a wise use of the resources of this great body. While the Committee should not engage in deciding whether Members have committed malum prohibita, it should focus on the role of the Committee in disciplining Members for committing malum in se. For such offenses the House is, and should be, the forum. These arguments are not a challenge to this Committee's jurisdiction for that time has passed. Rather, the Committee should carefully consider all available information, and should consider carefully the troubling concerns raised by this application of Rule 43(1) as other Members attempt to conform their conduct to the Code of Official Conduct. As background, it is important to note that the Respondent has been proactive, as opposed to reactive, with the Committee in connection with the Renewing American Civilization course and any potential ethics issues which it might present. Respondent has in fact introduced the Committee to thousands of documents and met with the Investigative Subcommittee at its convenience. The proactive involvement began with the letter dated September 30, 1994, in which Respondent specifically inquired if the committee [had] any concerns about this matter.

As background, it is important to note that the Respondent has been proactive, as opposed to reactive, with the Committee in connection with the Renewing American Civil-
As reflected above, the Committee's request for information was dated October 31, 1994. On November 8, 1994, election day, Republicans captured a majority of seats in the U.S. Senate and House.

The process of transition began immediately. In the context of these events, Respondent retained counsel on November 15, 1994, to represent him in connection with the ethics investigation.

Counsel prepared a response to the request. An associate was assigned to prepare an initial draft of the response. The attorneys coordinated their efforts with a member of Respondent's staff. Subsequently, the December 8, 1994 letter was presented to Respondent for review and signature. It does not appear that there was any communication between the attorneys and the Respondent until after December 8, 1994.

Regarding the response, Respondent testified that he would have turned and said "I want this done..." (Gingrich Tr., 11/13/96, at p. 28). Respondent testified that, in November, "we, in effect, had decided to go from [the staff member] being in charge to [the staff member] coordinating with the law firm and the law firm being in charge." Respondent testified that it was his understanding that the law firm was primarily responsible for drafting the December 8th letter. (Baran Tr., at 28).

The firm partner recalled that his role and that of his firm in the preparation of the December 8, 1994 letter was to prepare a response working with the staff member. (Baran Tr. at 6-7). The partner assigned responsibility for preparing an initial draft to an associate at the firm. (Baran Tr. at 9-10). Mehlman testified that the associate testified that in preparing the draft response to the October 31, 1994 letter, he relied upon "various correspondence" between Respondent and the Committee including the October 4, 1994 letter, the course book, a pamphlet on the course, and the Jones' complaint with exhibits and the videotapes of the course. (Mehlman Tr. at 15-16). The associate further testified that it was his understanding that he did not need to go beyond these materials in drafting the response. (Mehlman Tr. at 19). The associate further testified that, in preparing the draft, he never contacted anyone at GOPAC (Mehlman Tr. at 18, 28). Nor did he contact Dr. Eisenach (Mehlman Tr. at 28) or Blankley (Baran Tr. at 27) to confirm any of the information contained in the December 8, 1994 letter. The associate then met with the partner to review the draft and some editorial changes were made. (Mehlman Tr. at 18).

The partner testified that his review was limited to the October 31, 1994 letter from the Committee. The Complaint with exhibits and telephone conversations, and that otherwise "[he] didn't have any other independent factual gathering." (Baran Tr. at 13). The partner further indicated that he had no contact with the Kennesaw State College Foundation (KSCF), Kennesaw State College or Reinhardt College in preparing the December 8th letter. (Baran Tr. at 18). The partner further testified that his first contact with Respondent during this time period was on December 9, 1994, and that he had no collection of having discussed the letter at all and that he had no contact with Respondent concerning the matter prior to that time. (Baran Tr. at 18, 33).

Turning to the involvement of Respondent and his staff in the December 8, 1994 letter, the partner indicated that the letter "eventually went from our office to [the staff member at the law firm] at 6:35 that evening..." (Baran Tr. at 28). Respondent's testimony confirms that it was his understanding that the law firm would be responsible for preparing the response in coordination with his staff member. (Gingrich Tr., 11/13/96, at 28). Respondent indicated that, in assigning this task, "[the staff member] would handle the factual basis for the statements but to the extent that there was doubt as to the correctness of the factual basis, [the staff member] would have the authority to conduct what we thought at the time was a thorough investigation." (Gingrich Tr., 11/13/96, at 15-16). However, the testimony of a junior member of the firm, who believed that the partner attorney was checking the factual basis of the statements for accuracy while the partner attorney was under the law firm's staff member doing so.21 This miscommunication extended not only to the research into the factual bases for the statements but to the final draft. (Baran Tr. at 27). As noted above, the partner attorney testified that he did not discuss the contents of the letter with Respondent prior to submitting it for signature through the executive assistant. (Meeks Tr. 15 76-77).

Turning then to the letter to the Committee of March 27, 1995, the transcripts appear to have resulted in inaccuracies in statements made to the Committee. Again the attorneys had responsibility for the preparation of the submission on Respondent's behalf, and, on this occasion, the responsibility for the initial drafting fell to the associate as well as to a more senior associate. The junior associate, in drafting the facts section of the March 27 response, he relied upon the October 4 letter, the attachments to the amended complaint, the original of the October 31 letter, the December 8 submission as well as having reviewed other responses by the senior associate and the partner. (Mehlman Tr. 15 38).

Both associates indicated that they were not personally aware of efforts to check the factual accuracy of the March 27, 1995 submission. (Toner Tr. at 38-39; Mehlman Tr. at 53). The senior associate testified that he was sustained in his contacts with people outside the firm, other than Respondent's staff member, to confirm the factual basis for statements contained in the submission (Toner Tr. at 56), and that he was not aware of any changes made to the document based on comments from anyone associated with the Respondent. (Toner Tr. at 60-61). The junior associate indicated that he did recall contacting any outside persons to confirm such facts. (Mehlman Tr. at 38). The partner additionally confirmed that, while he was in contact with the associate, he did not recall making any outside inquiries of anyone regarding the New America Civilization course with one exception. (Baran Tr. at 28). Asked if he was aware of any additional factual inquiry done in preparation for the March 27, 1995 submission in addition to that previously done for the December 8, 1994, submission, the partner replied: "I fact, Inquiry—none that I recall—no." (Baran Tr. at 28). The partner further testified that after the drafting and editing the March 27, 1995 document at some point we would have sent a draft that we felt comfortable giving to the Speaker of the House. (Baran Tr. at 28). The partner testified that he did not recall any discussions with the Respondent prior to the submission of the March 27, 1995 letter over the partner's signature through the executive assistant. (Baran Tr. at 32). The firm's billing records reflect that the submission was filed on March 27, 1995 at 6:05 and delivered to Tony Blankley of Respondent's staff at 6:35 that same evening. (WFIP 0224).

The purpose of this extended review of the testimony offered in this proceeding regarding the process of preparing these submissions to the Committee is not an attempt to shift the ultimate responsibility for submitting these statements from Respondent to others, but only to demonstrate that the testimony of record in this matter clearly supports the conclusion that any inaccuracies contained in these submissions were the result of regrettable errors rather than any intent to mislead this Committee.

In their testimony before this Committee, the staff members as well as the partner repeatedly testified that they were never told, directly or indirectly, by Respondent, or anyone on his behalf, to provide anything other than accurate information to the Committee.

"Mr. Goss. For the record, you may want to respond to this. I will try and make it as clearly as I can. Do you have any personal knowledge of whether the Speaker either directly or through his attorney Mr. Baran deliberately provided anything other than accurate, reliable or complete information to the Committee relative to the complaints that we have talked about today?"

"The WITNESS. Do I have any knowledge that any of the information was false? Is that the question?"

"Mr. Goss. Was deliberately provided, that was other than accurate, reliable or complete?"

"The WITNESS. No."

"Mr. Goss. Do you know if Mr. Gingrich at any time, let's go forward or intended to forward to us incomplete, inaccurate or unreliable information?"

"The WITNESS. If I may editorialize on my answer for a second, we really in the two interviews with the Speaker and the Committee, the staff members as well as the partner repeatedly testified that they were never told, directly or indirectly, by Respondent, or anyone on his behalf, to provide anything other than accurate information to this Committee."

"Mr. Schiff. The question is did Mr. Gingrich ever suggest to you in any way, shape, or form, that you do other than that?"

"The WITNESS. Oh, goodness, no."

"Mr. Goss. Do you have any knowledge that Mr. Gingrich was aware that any of the information contained in these submissions was incomplete, inaccurate or unreliable?"

"The WITNESS. Of course not."

"Mr. Schiff. Could I ask you two questions on that; actually, I may be leapfrogging a second to forward to us incomplete, inaccurate or unreliable information?"

"The WITNESS. If I may editorialize on my answer, for a second, we really in the two interviews with the Speaker and the Committee, the staff members as well as the partner repeatedly testified that they were never told, directly or indirectly, by Respondent, or anyone on his behalf, to provide anything other than accurate information to this Committee."

"The WITNESS. No."

"Mr. Baran. At 60."

"Mr. Schiff. Could I ask you two questions on that; actually, I may be leapfrogging a second to forward to us incomplete, inaccurate or unreliable information?"

"The WITNESS. Of course not."

"Mr. Baran. At 60."

"The WITNESS. No."

"Mr. Schiff. If you had been given any assurance regarding the reliability of the information contained in these submissions, would you have been more comfortable in forwarding them to this Committee or forwarding them to us now?"

"The WITNESS. No."

"Mr. Baran. At 60."

"The WITNESS. Of course not."

"Mr. Schiff. Combo. If you had been given any assurance regarding the reliability of the information contained in these submissions, would you have been more comfortable in forwarding them to this Committee or providing it now?"

"The WITNESS. Of course not."

"Mr. Baran. At 60."

"The WITNESS. Of course not."

"Mr. Schiff. Okay. Your assumption, then, is you are supposed to put together a correct statement of the facts and submit it to us?"
The WITNESS Absolutely. (Toner Tr. at 28).

Representative Goss summarized the testimony on this point most succinctly observing:

"Mr. Goss. Okay. I have only one little thought. We seem to have gotten into a situation where we are saying that a recitation that is not everything we desired it to be, and we are trying to track down why and how we got into that position. It seems that Mr. Gingrich was relying on you [Baran] and some other people to do the December 8th letter, or his December 8th letter was given to somebody else and they were supplementing your recollection and your first information by your testimony, you were relying pretty much on that individual, who would be Ms. Meeks, was doing and you were just checking for legality, and your first information, would be sort of the way I read your testimony, and therefore the problem started on December 8th was further compounded on March 27th on that letter because you used some of the material from the December 8th letter. Is that correct?

The WITNESS [the partner attorney]: Yes. I would agree with that characterization. (Baran Tr. at 59).

Respondent's own testimony before this Committee similarly endorses this interpretation of events:

"...After reviewing my testimony, my counsel’s testimony, and the testimony of his two associates, the ball appears to have been dropped between my staff and my counsel regarding the investigation and verification of the responses submitted to the committee.

"As I testified, I erroneously, it turns out, relied on others to verify the accuracy of the statements in this document. This did not happen.

"As my counsel’s testimony indicates, there was no detailed discussion with me regarding the submissions before they were sent to the committee. Nonetheless, I bear responsibility for them, and I again apologize to the committee for what was an inadvertent and embarrassing breakdown." (Gingrich Tr. at 122, 142, 143, at 5–6).

Upon realizing that errors were made, Speaker Gingrich has openly and publicly accepted responsibility for these errors and has offered his sincere apologies to this Committee and the House.

Notwithstanding these circumstances, the bottom line is that inaccurate, incomplete and unverified information was submitted to the Committee. There are no circumstances which can justify the substitution of inaccurate, incomplete or unreliable information to the information submitted on December 8th letter prior to its going to the committee to anyone for the purpose of checking its accuracy.

A. No, that would not have been no. (Meeks Tr. at 67).

Mr. Goss. So your answer, as of the December 8 letter, would be that all of the information that came from outside came from Mr. Baran?

The WITNESS. Yes, sir. (Meeks Tr. at 67).

However, the part of this testimony as follows: Q. And again, I'm trying to understand exactly the level of factual inquiry that was made aside from the materials that were submitted with the complaint, some of which were also submitted with the December 8 letter. As my counsel and Mr. Eisenbach talking to you, perhaps Mr. Gaylord, and looking at the tapes, was there any factual inquiry that involved doing your office to prepare the portions of the letters concerning the December 8th letter?

A. Well, whatever review occurred subsequently by others.

Q. But you don't know what that was?

A. That is correct. I cannot confirm that today. (Baran Tr. at 48).

The GINGRICH ETHICS CASE: EXCERPTS FROM THE COUNSEL FOR THE HOUSE SPEAKER

From the Washington Post, Jan. 18, 1997—Federal News Service

Following are excerpts from the statement to the House ethics committee of J. Randolph Evans, counsel for House Speaker Newt Gingrich (R. Ga.).

Let me begin by saying that we recognize and the speaker recognizes the serious nature of the charges that are contained in the Statement of Alleged Violation, and recognizes the seriousness of his admission to the violation contained in the Statement of Alleged Violation. Any charge involving the speaker of the House is indeed a serious matter, especially when it is one involving the speaker of the House consistently over the years proactively involved himself in the issue of ethics, including pursuing sanctions against members of his own party where he deemed appropriate.

Nonetheless, we do recognize and the speaker recognizes how serious this issue is. In fact, in connection with this process, the speaker has cooperated fully and completely with the investigative subgroup in all phases, including waiving privileges with his counsel, producing thousands of documents, attending meetings with the subgroup at the committee's convenience, and directing his staff and counsel to cooperate with the subgroup at every phase.

Indeed, the speaker himself has apologized to the House ethics committee, and to the American people for the public controversy that has ensued from the activities that are described in the Statement of Alleged Violation.

In addition, the speaker has agreed to the recommended level of sanction which Mr. Cole has described. In connection with that, [counsel] Ed Bethune and I have spent many hours of my time reviewing this serious information that has been made available to us. . . . And our recommendation is the same.

Q. This was prepared by our counsel. I trust that he said—

Q. My question is, very specifically, did you have any knowledge of the facts that are contained in the letter?

Q. Would you have, yes. I would have looked to Dave McCarter, which characterized a conversation with Linda Nave and I had with Mr. McCarthy, to verify Jan's characterization of that conversation.

Q. Anything else?

A. No. (Meeks Tr. at 45).

Q. No, I am now asking the letter itself, did you ever provide to Mr. Baran, or do you know where the December 8th letter prior to its going to the committee to anyone for the purpose of checking its accuracy?

A. No, that would not have been no. (Meeks Tr. at 87).

Q. Anything else?

A. No. (Meeks Tr. at 45).

Q. Anything else?

A. No. (Meeks Tr. at 67).

Q. Is that correct?

Q. [counsel]: Yes, sir. (Meeks Tr. at 67).

Q. My question is, very specifically, did you have any knowledge of the facts that are contained in the letter?

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recommendation as the recommendation of the special counsel.

I should note that our recommendation is premised in part on the significant and important message that it sends in two respects: First, the submission of inaccurate, incomplete and unreliable information in the course of any ethics investigation, regardless of whether the surrounding submission is serious and should be addressed in a serious way. Second, the speaker feels strongly that when information, which is inaccurate or unreliable, causes the committee to expend resources, then the party submitting the information should bear some responsibility for reimbursing the committee for a部分 of the costs in addressing that information.

We recommended the sanction be reprimand, a sanction which is relegated to serious violations.

Speaker Gingrich has voluntarily agreed that the committee will be reimbursed $300,000 for costs incurred in connection with the investigation of the inaccurate and unreliable information submitted to the committee. We have recommended that this reimbursement be included in any sanctions recommended by the committee to the full House.

NOT A RERESHING

I should note that I agree with [Rep. Benjamin L.] Cardin [D-Md.] that the purpose of this hearing is not to rehash what is in the special counsel’s report. [However] I disagree with some of the conclusions and analysis that are contained in those facts.

While certainly the facts are carefully stated in the special counsel’s report, I think that they are often stated in a way which ignores the context in which the events that are being described was occurring.

The statement of Alleged Violation essentially consists of two parts. The first part consists of an alleged violation that the speaker failed to seek and follow the legal advice that was described within the Statement of Alleged Violation. Second, the Statement of Alleged Violation refers to information that was transmitted to the committee on the speaker’s behalf on two separate occasions.

I would like to emphasize... the speaker was not charged with violation of U.S. tax laws. Instead, there was an effort to cause the committee to believe that illegal or criminal or other activities surrounding the movement, of which a Republican majority was a part, that existing at the time that he engaged in this conduct, knew that there was a violation of law and that it was acted improperly. That is an impossible conclusion under this record. At best, the area of the law is unsettled. The committee’s own tax counsel, in her report to the American Bar Association, indicates that it is unsettled and that the IRS precedent provides little guidance.

But more importantly, if you assume for a moment that the tax-law issue was clear to the subcommittee’s tax counsel, it is equally clear that the speaker’s tax counsel reached the same conclusion. If you can say, from all of the writing in the artifices that existed at the time, that the law was unclear. And if the law was unclear, then we cannot conclude that the speaker could have understood what the law was and intended to violate it.

The other possibility is that the speaker was put on notice that there was a serious potential problem, and nonetheless, chose to ignore it... In addition to 51 senators and 146 congressman engaging in this kind of multiple-capacity structures, that the legal writings at the time seemed to suggest that the course, specifically Gingrich’s course, fits within acceptable parameters at the time...

I would also note that the other aspect is that the speaker specifically addressed the issue of GOPAC involvement and fundraising in a meeting with David McCarthy who was committee counsel to the ethics committee. You would... Mr. McCarthy... pretty much articulated standards that... the deductible status would turn not... on who did the fund-raising and how the fund-raising occurred, but that the educational nature of the course spoke for itself.

It is in that context that I ask you to place the activities surrounding Renewing American Civilzation and the American Opportunities Workshop.

ISSUE OF THE LETTERS

If I could now turn my attention to the letters and committees that were submitted to the committee.

In May 1993, the speaker delivered to the committee a letter regarding participation in the formulation of the course. He attached his Jan 25, 1993, special order, in which he outlined his vision for Renewing American Civilization. Any suggestion that the formulation of the course, or the vision of Renewing American Civilization as it extended, is simply incorrect, given that the one hour special order speech was specifically intended to be a cultural, political, governmental movement that transcended any government or any business, any educational institution, including the Congress. As part of the government, he was convinced that it required... that there be a majority committed to reform. In connection with the movement that these things occurred, there was the speaker’s office, and his congressional office; there was the 501(c)(3) organizations, and then there was Gopac...

All three served distinct purposes.

The purpose of the whip’s office was through votes and legislation, to cause the speaker to have... to educate and reform ideas necessary for a movement to occur. And through the 501(c)(4), the speaker was interested in... and encouraged Republican candidates. All of these were to cause a movement to occur...

It is not without question that both achieving the Renewing American Civilization, but it is not inconsistent that they would have the same goal, the only difference being that while the movement itself would pre-suppose a majority considered... committed to reform, that GOPAC would want that majority to be Republican.

Those are not inconsistent, and I’d think even... that it is not inappropriate... for a political action committee to in fact use and disseminate information that has been developed by a 501(c)(4). It is important that that context of that movement be put in the perspective of the same thing that occurs on a daily basis involving any number of 501(c)(3)’s, 501(c)(4)’s and PACs in Washington, D.C., or across America.

The issue that appears to be in significant dispute is the issue of whether the goal that occurred in 1990, 1992, and 1993 was a Republican majority, of which the movement was a part, or was the goal the movement, of which a Republican majority was a part.

I would ask that in that context, that you would specifically take a look... at the materials relating to the vision, and I would ask that you would specifically take a look at the degree to which the movement always operated as an overall umbrella under which other...
It is important to note that in the connection with that letter, that Mr. McCarthy made it very clear . . . that the issue of GOPAC's involvement and the issue of the tax-deductible status was not something within the committee's jurisdiction and . . . of which the committee would not be particularly interested; that he said that he thought they would still give its position and not get involved in second-guessing the IRS on its tax determinations of tax-exempt status.

I think it's important to note that in fact he discouraged . . . involvement of the ethics committee in connection with the relationships . . . . I think that the focus of the committee counsel's interest was on the distinction between office accounts and unofficial activities. So it's again that backdrop that we then measure the responses that were being submitted later.

On July 21, there was a letter to the committee that noted the involvement of the 501(c)(3). I would again commend to you to read specifically the letter that references the Kennesaw State Foundation and the fact that it was a 501(c)(3).

On August 3, the committee issued its letter noting its position in granting approval to the course as outlined in the correspondence that was submitted by the letter and the information that had been submitted.

On September 7, 1994, the complaint was filed by Speaker Gingrich's opponent [Ben Jones] in the general election. It references at length GOPAC and its involvement and its relationship to 501(c)(3).

On October 4, Speaker Gingrich sent a letter to the committee addressing the complaint. . . . [I]t says, "I would like to make it about the involvement of the attorneys, about verifying the accuracy of information. This is especially true given that the information that is inaccurate related to the focus of the committee's position and which had already been referred to some 92 times.

That brings us to the March 27 letter, which was a letter that was signed by counsel, and for which there is no real indication of involvement by the speaker himself in connection with it. . . . I would note to you that if I take the testimony at face value, and that is that there were these erroneous statements, the document in any case, was put in some context. This was a 52-page letter. It had 51 exhibits. It was prepared by an attorney after 140 hours. It consisted of 111 lines, of which 18 are at issue. It was submitted to the speaker during the last . . . days of the new Republican-majority Congress. The suggestion being that the speaker should have caught the . . . errors made by attorney. In 140 hours of a 52-page letter with 31 exhibits. Context is important in understanding the nature of the allegations that have been made. . . . [T]he speaker was participating in connection with this matter. GOPAC's involvement. . . .

I would note that I think there is a very good summary by [subcommittee Chairman Jan Porter J. Goss [R-Fla.]: "Okay, I have only one little thought. We seem to have gotten there a number of documents that reflect the involvement of GOPAC and GOPAC's relationship to . . . .

There was no concealment that GOPAC was participating in connection with the preparations of the course and funding for the course. [T]hen there's the October 31, 1994, letter from the committee, which indicates that the October 4th letter sufficiently answered most of allegations raised in Mr. Jones's complaint but then went on to note that there were a number of documents that reflect the involvement of GOPAC and GOPAC's relationship to (3). They were paid by either the Kennesaw State Foundation, the Progress and Freedom Foundation, or GOPAC. . . . [I]t is simply an example of a situation where, as the speaker put it, it was a lot of letters, and not somebody else and they were prepared by paid either the Kennesaw State Foundation, the Progress and Freedom Foundation, or GOPAC.

There was no concealment that GOPAC was participating in connection with the preparation of the course and funding for the course. I think it is important that in fact we have seen that the letter because you used some of the material that Mr. McCarthy wrote about the letters, and you were just checking it for legibility rather than substance, would be sort of the way I read your testimony; and that, therefore, the problem started on December 8 letter, or his December 8 letter was essentially supplemental. It was prepared. It's important that we put that into context my perspective as the counsel that has represented these matters.

I think the testimony is consistent on this point. There is no evidence from any testimony from any witness who in any way touched any of the letters that there was any intent or attempt to submit inaccurate information.

I noted in reading the report, the conclusions of the report, that there are words such as 'false' and 'inaccurate' and 'erroneous; and then the problem was exacerbated at the time those letters were submitted, were incomplete, misleading or inaccurate?' 'No.'

The testimony is consistent on this point. There is no evidence from any testimony from any witness who in any way touched any of the letters that there was any intent or attempt to submit inaccurate information.

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While the committee attempted to work through this process there was all kinds of rhetoric flying, from all sides, of those not involved in the process. Some called for the expulsion of the Speaker, and may still do that, while others called for an impeachment. Either way, the case resulted in personal financial gain to him.

I would like to take a few moments to discuss the counsel's report. Mr. Cole was hired by the Select Committee on Ethics as an investigator to lay out the facts of the Speaker's case. As a member of the Select Committee on Ethics, I understood that Mr. Cole was not hired to be a judge, nor a 501(c)3 tax expert. In either case, it was my understanding he had no prior experience. Rather, the resolution of preliminary inquiry authorizing Mr. Cole's employment specified that he was appointed to assist the subcommittee.

I am submitting for the Record the biography of B. John Williams, who served as a judge on the U.S. Tax Court, and currently is in the Washington law firm of Morgan, Lewis, and Bockius, the very same law firm as Mr. Cole's hired tax expert.

I am also submitting for the Record a statement written by Mr. Williams concerning the potential significance of the American Campaign Academy case, which he provided when he was interviewed by the committee for the position of special counsel.

I am going to read just a little bit from that, but I have submitted the entire statement as I have it for the Record.

Mr. Williams' quote:

*** there is an adage taught in the first year of law school that "hard cases make bad law." I believe the American Academy Academy seems to be a good example of that adage. While the case reached the right result because of the integral closeness of the Academy and the Republican Party sponsorship and direction, the reasoning of the case reaches the result by focusing heavily on a vague term that the Court called "secondary benefit." The "secondary benefit" of the Academy's program was the benefit to employees—Republican candidates—of the training period acquired by academy graduates.

The court found the secondary benefit dis-proportionately benefited Republicans as they were the ones hiring the graduates. The court's reasoning really plows uncharted waters and leaves only ill-defined notions of how to access whether recipients of the secondary benefits serve the organization's exempt educational purposes.

Mr. Williams speaks regularly before business and bar groups on litigating large tax issues can and will have different interpretations about the law in this area, even two tax experts from the same law firm. These different interpretations may give some justification for Mr. Gingrich's actions, although I still believe and I believe now that he should have consulted a tax lawyer.

After reviewing the Speaker's case and examining House precedents on sanctions, I believe the sanction was more harsh than the charges in the case warrant. For the Record, I am submitting a statement that outlines the rules and precedents on disciplinary sanctions. I believe a careful reading of this memo supports my conclusion.

But the Speaker accepted the charges and the sanction against him. I believe that it demonstrates to all of us and to the American public that he truly regretted his actions and sends a message that the Speaker's conduct should be held to a particularly high standard, as should every other Member.

But there is another message in this for all of us as Members. The reimbursement of $300,000 sets a new standard for the ethics process. Some may disagree with that. It says that those who create the rules and who work for the committee are going to pay a price. This should also alert those Members who trump up charges after charge and file frivolous complaints with the Select Committee on Ethics that their conduct will be held to a similar monetary standard.

There have been numerous allegations and charges filed against Mr. Gingrich over the past few years, and they have been handled by the Select Committee on Ethics and at an enormous cost to the taxpayers. All of these cases have either been deemed minor or dismissed except for the current issue.

This leads me to believe that there is an orchestrated effort by certain opposition forces, some even involving tax exempt organizations to attack the Speaker. And the attacks did not stop with the Speaker. For the first time in history, the Douglas Committee has made a relentless attack on members who serve on the Select Committee on Ethics, including myself. I have served on the Select Committee on Ethics for six years. It was not until we handled the Speaker's case that I experienced and saw the attacks on members of the Select Committee on Ethics from other Members and outside groups which, I might add, by the way also included certain tax exempt groups.

Intense political pressure was brought to bear on the members purely for the reason that they served on the Select Committee on Ethics. These and other distractions were detrimental to the entire process. Had these actions and certain other committee problems not occurred, this case could have been resolved much earlier and been far less disruptive to the House and the American people. Fortunately that is all behind us and we are here today.

This has been a long and difficult case and would have been completed much earlier had it not been for these disruptions. But fortunately, due to the leadership of the Chair of the Select Committee on Ethics and the work of the subcommittee, we are here. For the past 2 years, Nancy Johnson forced the panel to do its job. Rather than referring the tough issues to others to decide, she kept the committee on track and kept the pressure on the commit to resolve cases. Nancy Johnson, more than any other Member, has paid a heavy political price for her dedication to the Select Committee on Ethics. This, in my opinion, is absolutely totally unfair and her constituents should understand the extent of the partisan political forces working against her.

Despite the enormous pressures brought to bear against the Chair, the Chair endured and pressed on to resolve this case and would have been completed much earlier had it not been for these disruptions. But fortunately, due to the leadership of the Chair of the Select Committee on Ethics and the work of the subcommittee, we are here. For the past 2 years, Nancy Johnson forced the panel to do its job. Rather than referring the tough issues to others to decide, she kept the committee on track and kept the pressure on the commit to resolve cases. Nancy Johnson, more than any other Member, has paid a heavy political price for her dedication to the Select Committee on Ethics. This, in my opinion, is absolutely totally unfair and her constituents should understand the extent of the partisan political forces working against her.

In closing, as I stated earlier, I believe the committee sanction was more harsh than the charges warranted but I will vote for the resolution because it was the bipartisan decision reached by the Select Committee on Ethics and the work that the people sent us here to do.

Mr. Williams, who is vice-chairman of the Tax Section, represented and continues to represent clients in a variety of fields, including the oil, coal, newspaper, consumer products and construction industries.

From 1981 through 1984, Mr. Williams served as Special Assistant to the Chief Counsel of the Internal Revenue Service, and as Assistant Attorney General, Tax Division, in the Department of Justice (supervising five civil trial sections, the Office of Legislation and Policy, and the Review Section). In 1985, Mr. Williams, then a partner at Morgan Lewis was appointed by President Ronald Reagan to the U.S. Tax Court. He served with distinction on the bench where he wrote many important opinions and tried several highly complex factual cases involving hundreds of millions of dollars in dispute and where he served on the Court's Rules Committee. In March, 1990, he resigned from the Tax Court and re-entered the practice of law as a partner in the Washington, D.C. office. His practice focuses on federal tax controversies and litigation before the U.S. Tax Court, U.S. Court of Federal Claims, U.S. District Court, and the U.S. Circuit Courts of Appeals. He has handled cases of the highest importance, both for individuals and entities before the Internal Revenue Service and the Treasury Department on rulings and regulations.

Mr. Williams, who is vice-chairman of the Tax Section, represented and continues to represent clients in a variety of fields, including the oil, coal, newspaper, consumer products and construction industries.

My purpose for submitting Mr. Williams' statement is not to point out who is right or who is wrong but, rather, to point out that knowledgeable people on tax issues can and will have different interpretations about the law
cases. He has served as a panel member of the ALIABA Course of Study, “How to Handle a Tax Controversy at the IRS and in Court;” the Georgetown CLF program, “The Perfect Trial of a Tax Court Case;” and the Tax Executives Institute’s seminar on “Strategies for Success: How to Handle an IRS Audit.”

Mr. Williams is a member of the District of Columbia and Pennsylvania bars, the American Law Institute and the American Bar Association, and served as a member of the Advisory Committee to the U.S. Court of Appeals for the Federal Circuit (1992-96). Mr. Williams is noted in Who’s Who in America, Who’s Who in the Law and the Law Leaders in America. He is a Fellow of the American College of Tax Counsel.

Mr. Williams received his undergraduate degree from George Washington University with distinction and university honors and with departmental honors in history; he is a member of Phi Beta Kappa and Omicron Delta Kappa.

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In examining the relationship between GOPAC funding and the course taught by Mr. Gingrich at tax exempt colleges, and taped for later broadcast distribution, the Committee has determined that the potential influence of American Campaign Academy, 92 T.C. 1053 (1989). In my view this case offers uncertain guidance to the Committee at best.

First, the task before the Committee is to judge the propriety of Mr. Gingrich’s behavior, which the case has direct application only to an issue about the exempt status of the colleges at which he taught his course. The case simply does not articulate any principles that can condemn or excuse the presentation of Mr. Gingrich’s course content. Further, the case does not provide any standard for determining the propriety of Mr. Gingrich’s teaching a course, even if partisan in content, at a tax exempt institution of higher learning. Finally, the case does not provide standards for condemning or exonerating Mr. Gingrich for any conduct in violation of House Rule XLIII, the Committee’s jurisdiction.

Second, there is an adage taught in the First Year of Law School that “hard cases make bad law.” American Campaign Academy seems to be a good example of that adage in that it reached the right result because of the integral closeness of the Academy and Republican Party sponsorship and direction, the reasoning of the case reaches the result by focusing heavily on a vague term that the Court called “secondary benefit.” The “secondary benefit” of the Academy Academy, the law firm that employed Mr. Gingrich and the law firm he was a member of the Advisory Committee to the U.S. Court of Appeals for the Federal Circuit (1992-96). Mr. Williams is noted in Who’s Who in America, Who’s Who in the Law and the Law Leaders in America. He is a Fellow of the American College of Tax Counsel.

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Mr. Williams received his law degree with distinction from George Washington University where he was a member of the law review. He served for many years as a law clerk for the late Judge Bruce M. Forrester of the U.S. Tax Court.
Ms. PELOSI. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. SMITH] and the gentleman from Ohio [Mr. HOBSON] alluded to other penalties for other violations of House rules. Those cases were brought to conclusion. Mr. GINGRICH presented testimony to these charges, thereby freezing the record. We could possibly prove intent if we had the full process gone through. So I want to make that distinction.

Mr. CARDIN. Mr. Speaker, I yield 7 minutes to the gentleman from Ohio [Mr. SAWYER], a very distinguished member of the Select Committee on Ethics, who has contributed greatly not only to this particular matter, to many matters before the Select Committee on Ethics.

Mr. SAWYER. Mr. Speaker, I thank my colleague from Maryland for his remarks. Mr. Speaker, I have two points I would like to make.

The first point is, Speaker Gingrich was selected to be one of the subcommittee and the staff of the subcommittee in this difficult matter.

Earlier this year, a lifelong friend of mine was thrilled that his daughter on graduating law school was selected to speak on behalf of her classmates in terms of the kinds of things that they had learned in the course of their time together. She chose as her theme the nature of testimony. Now, that is something that is certainly familiar to all of us who deal in and day out with testimony. But she was talking about testimony of another kind. Her theme was centered on the idea that the lives we lead, the sum of our actions is testimony to the values that we hold. That it is testimony to the very definition of who we are as individual actors in our public and private lives and in our corporate life here together as an institution.

It is just such a matter that brings us here today to judge that kind of testimony, a year's work, 150,000 pages of documents and testimony that are themselves testimony to the work of the committee, to consider the seriousness of the conduct that was before us, the absence of care that was exercised by us all, and the cost in both monetary and ethical terms and the repetitive nature of the conduct that we speak of today.

The subcommittee concluded that there were significant and substantial signals we should not have had to embark on that activity. The subcommittee and the full committee and we today were faced with a disturbing choice.
That choice was that either Mr. GINGRICH did not seek appropriate advice in the action that he took or that he was reckless in not taking care that as a Member of Congress he made sure that his action conformed with the law that he as a Member of Congress has to follow. And that, as Ms. PELOSI suggested, is not some-thing we can draw lessons that ethical behavior, that Mr. GINGRICH either intended or not, that he faced. We face another disturbing choice, that Mr. GINGRICH either intentionally misrepresented the truth or, again, that he was reckless in his disregard for the nature of truth.

This is at the heart of the charges that Mr. GINGRICH has sought to reveal his vi-sion, dogma, and ignorance. In my observation, N EWT GINGRICH has not aspired to power in this House or power; but an exchange of ideas is what democracy is all about. And last, it is said that Mr. GINGRICH’s own tax lawyer would have advised him not to use a tax exempt orga-nization. But lawyers are risk-averse. They are paid to be worrywarts and are worried about malpractice suits. If they think there is 1 chance out of 100 that their client might get in trouble, they are going to recommend against that supposed action. The point here is that, just because the Speaker did not consult an attorney, is that reckless? Is that reason enough to give him the severe penalty of a reprimand?

And, furthermore, let me end on a question that I would pose to other Members of the House, and that is, Do we want to be judged by the same standards that we are judging the Speaker by today?

And, furthermore, let me end on a question that I would pose to other Members of the House, and that is, Do we want to be judged by the same standards that we are judging the Speaker by today? Mr. CARDIN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. RANGEL].

(MR. RANGEL asked and was given permission to revise and extend his remarks.)

That was much discussion about the facts that are before us today, but he said, “there was no con-clusion.”

In fact, he said, “in regard to the dis-cussion of the facts, it was not conclu-sive.” There were many different con-clusions. He himself went on to say that it was, “a stretch to conclude that the Speaker was guilty of violating any tax laws.”

My point here is that the tax laws are so unclear that, in regard to what the Speaker was allegedly doing, how in the world could anyone have in-tended to violate such laws or been reckless in regard to such laws.

Last, I want to say that in the con-clusion of the report of the special counsel, several explanations are men-tioned to justify the severity of the penalty that is being discussed today. One of those explanations given for jus-tification is that “Politics and tax de-ductible contributions are an explosive mix.” Well, of course, there is nothing new about that.

Another explanation is that the Speaker had taken an aggressive ap-proach to the tax laws. Well, since when have Members been penalized for taking an aggressive approach to any-thing?

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legislate as the American people would want us to do. God knows I have contributed my share toward that heat and passion, and make no apologies for my partisanship. But we cannot have it both ways. We cannot say that he pled guilty, and we do not do anything. For those people who want to pursue outside issues, I beg them not to think about doing it. If we want to investigate who was coercing members of the committee, then maybe we will investigate who asked them how they were going to vote on the question of the Speaker.

Who is talking about taxes? The Select Committee on Ethics had no right to go into tax issues. That is for the Internal Revenue Service; that is for the Federal Bureau of Investigation, and they have the responsibility to do that.

The Speaker is intelligent. He is an intellectual. He read the charges. He said he brought discredit upon this House. For God's sake, let us get on with it.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I salute the Republicans for their loyalty to their leader. The facts are clear. Democrats: 7 years ago the Democrats abandoned J im Wright; today the Republicans rescue NEW GINGRICH. I commend them.

Let me say this. The bottom line is that, folks, this is not Rotary; this is politics. If Democrats are going to win back the majority, I think we should be held to the highest of standards.

I want to close today by commending all of the leaders and all of the members of the committee. They are to be commended. I will support their decision. But let me say this: I hope that today we have to bring some form of historical fairness and perspective to our fine former Democrat Speaker, J im Wright.

Mrs. J OHNSON of Connecticut. Mr. Speaker, how much time is remaining? The SPEAKER pro tempore [Mr. BE REUTER]. The gentlewoman from Connecticut [Mrs. J OHNSON] has 7 minutes remaining, and the gentleman from Maryland [Mr. CARDIN] has 6 minutes remaining.

Mr. CARDIN of Connecticut. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I thank the chairman for giving me this time.

Last week, Mr. Speaker, I was prepared to vote for a reprimand, but then I found out that it is more than a reprimand; it is now a reimbursement plus a reprimand. And I cannot take what I was going to take, a political decision, when I feel strongly, feel very strongly, that it is the right thing to do anything.

Now I have the greatest respect for the chairwoman of the Committee on Standards of Official Conduct, NANCY J OHNSON, and I appreciate all the hard work that the committee has put into this recommendation. But I must agree with my colleague from Texas, Mr. SMITH, the only member of the committee who voted against that recommendation. I believe that this punitive punishment stems from the history of the ethics process and the precedence of earlier punishments.

Such a punishment is not only unprecedented and can be levied on every one of us, it is unwarranted. I will not vote for a recommendation for transgressions that in the past have only warranted either warnings or letters of reproof from the Committee on Standards of Official Conduct.

Now, I urge Speaker's noble motivation in working out a settlement in this case, and I understand why and how the committee came to this end and the Speaker came to this end; but we have to put it in perspective. The gentleman from Missouri, the minority leader, Mr. TRAFICANT, received a letter from the Committee on Standards of Official Conduct for giving false information to the committee not intentionally. The chairman of the DCCC received a letter from this Committee on Standards of Official Conduct because he did not intentionally use a Federal employee for campaign purposes.

These are letters of reproval, and I submit that both of those actions are worse than what NEWT GINGRICH has owned up to. Now, for what kind of violations has this House put reprimands on Members? Hiring the wrong lawyer? Submitting or being sloppy about submissions to the committee? No. Reprimands have been used for things such as using political influence to fix parking tickets for personal friends; reprimands or recommendations of reprimand by the committee for improper sexual relationships with pages; reprimand for intentionally lying to the committee.

This committee has not found this Speaker has intentionally lied or intentionally misled the committee.

This is, I say to the gentlewoman from California, Mr. Speaker, this is about power. This is about some on this side have lost power and they are trying to regain it by abusing the ethics process and this institution. That is what this is all about.

So, I do not agree that the Speaker should be held to a higher standard. All of us, as Members, should be held to the highest of standards. This Speaker and any other Member should not be held to a double standard. This is a double standard that we are imposing on this Speaker. In fact, because this Speaker has been prodded and probed from every direction. Since 1989 he has had over 500 ethics charges brought against him. In the last 2 years he has had 74 ethics charges brought against him. You know what? Nothing has been brought to this floor to bring a sanction against anything that he has been charged with.

What he is being charged with today is during the process he happened to screw up. That is what is going on here. I just find that really sad that we have abused the process like this.

This Speaker has had every detail of his life examined by a microscope and that microscope has exposed some flaws, some sloppiness, some things that should have been done better; but it has not exposed corruption or lawlessness or personal profit. And that is what reprimands and censures are and that he is not the only member whose standard does not mean an impossible standard that no American could reach.

Let us stop using the ethics process for political vendettas. Let us not create precedence that will only serve to undermine the service of this country. Let us stop this madness. Let us stop the cannibalism.

Let us not fall victim to unrealistic expectations that do not forgive the common flaws of normal Americans. All due to the great work of the Ethics Committee, I cannot vote to reprimand the Speaker of the House for the stated transgressions.

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

Mr. Speaker, I agree with the chairwoman of our committee. These are very tough penalties, and the violation of the rules justify these tough sanctions.

The sanctions are being recommended not because Mr. GINGRICH is the Speaker of the House. They are being recommended because Mr. GINGRICH is a Member of this House. These sanctions would be appropriate for any Member of this House who committed the violations that have now been established by the Committee on Standards of Official Conduct and have now been admitted to by Mr. GINGRICH.

Mr. GINGRICH made a decision that another member has the right to make. He has admitted to the charges. He has done that in order to avoid the necessity of a trial. That is his decision, and one which I think we all must respect, but the underlying facts as to why this sanction is so severe, I think, will become obvious to any one of us if we will read the report of the special counsel which now has been approved not only by the bipartisan investigative committee but by the full Committee on Standards of Official Conduct.

It points to the fact that this was not a college course. It was a course conceived within a political movement. Read pages 38 and 39. It was conceived as the only way, according to Mr. GINGRICH, to get the message out, to get the political message out.

I appreciate the comments of my colleague from Maryland, Mr. GILCHREST, but we do not use tax exempt organizations to get a political message out. I appreciate the comments of the gentleman from Texas, Mr. SMITH, about the meeting of tax lawyers. In all due respect, this report was just released 4
days ago. The facts and circumstances are just now known to the American people. The political motivation and the action on that political motivation is now just known by the American people.

Mr. GINGRICH commingled tax exempt organizations with his political agenda. He did it because he could not raise enough money in the political PAC's. That is part of our record. This was a new way to raise money, a new avenue in which he could promise his contributors a tax exemption to boot. That is wrong. He did it because he needed the money in order to get his political message out. And that is wrong.

There is ample evidence here that tax laws were violated, and it is not a close case, but we do not need to reach that conclusion. As the special counsel’s report concludes, this is a bipartisan conclusion, Mr. GINGRICH should have sought tax advice. The reason he did not seek that advice was either that he knew it would be wrong and he did not want to get that advice or he was reckless in his conduct.

Make no mistake about this. This is reckless conduct, at least reckless conduct, over a long period of time dating back 5 years, involving four tax exempt organizations costing taxpayers hundreds of thousands of dollars of legitimate tax needs.

But there is more to this case than just the tax issues. We have letters that misled the Committee on Standards of Official Conduct. As the special counsel has pointed out, there is ample evidence, there is significant evidence here that he intentionally did this. No, we do not reach that conclusion. The record was frozen by his admission. But we do reach the conclusion that this was either intentional conduct to mislead this House and the ethics process or it was reckless conduct.

Now, that is more than innocent mistakes. We have reached conclusions that these are not just innocent mistakes. Mr. GINGRICH’s explanation that he is sensitive to the ethics process, he was embarrassed, and he came forward as soon as he knew they were in error, just does not wash with the record that has been presented to you today. There is more to it than that, and the special counsel’s record reflects that, and we need to take cognizance of that.

So we have a series of conduct that was either reckless or intentional. I urge the Members to adopt the recommendation of the committee. Mr. Speaker, I yield my time.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, today we take final action on the Gingrich case. I believe passage of the tough, unprecedented penalty package is appropriate and I also believe it can be one important step toward restoring pride and confidence in the people’s House of the U.S. Congress. But as important as this vote is today, no single vote can renew public confidence in this institution. Rather, each Member of this House must take personal responsibility to restore civil and mutual respect to our deliberations.

The American people are bone tired of partisanship. They want us to work together, and I believe most Members of this House are yearning to return to the deliberative process that alone produces good public policy. We were elected Republicans and Democrats but the core of democracy is building bipartisan consensus by maturating the best ideas from both parties into responsible, effective solutions. This is accomplished by imposing a heavy penalty on the leader of this House. It is a tough penalty, unprecedented and appropriate. But if our action fails today to chasten this body and bring a halt to the crippling partisanship and animosity that has surrounded us, then we will have lost an opportunity to grow and learn from this solemn occasion, and that would be a tragedy.

I ask for your support of the bipartisan recommendation of the Ethics Committee.

Mr. SCHIFF. Mr. Speaker, I ask for your support of the bipartisan recommendation of the Ethics Committee.

Mr. SCHIFF. Mr. Speaker, I urge the Members to adopt the recommendation of the committee. Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield myself the balance of my time.

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Mr. Speaker, I urge the Members to adopt the recommendation of the committee. Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield myself the balance of my time.
(4) Whether Representative Gingrich's activities on behalf of the Abraham Lincoln Opportunity Foundation violated its status under §501(c)(3) of the Internal Revenue Code and related regulations (House Rule 43, Cl. 1).

As discussed below, the Subcommittee issued a Statement of Alleged Violation with respect to the initial allegation pertaining to the Rehnquist Conference and also issued a statement with respect to items 1 and 4 above. The Subcommittee did not find any violations of House Rules in regard to the issues set forth in items 1 and 4. However, the Subcommittee, however, considered that the full Committee should make available to the IRS documents produced during the Preliminary Inquiry for use in its ongoing inquiries of §501(c)(3) organizations. In regard to item 3 above, the Subcommittee decided to issue some advice to Members concerning the proper use of outside consultants for official purposes.

On January 7, 1997, the House convened a Preliminary Inquiry into the allegations that the course was a partisan, political project, the complaint alleged that the course was under the control of GOPAC, a political action committee of which Mr. Gingrich was the General Counsel. Mr. Gingrich responded to this complaint in a letter dated January 5, 1997, and in a letter dated December 8, 1994, but the matter was not resolved before the end of the 103rd Congress. On January 26, 1995, Representative David Bonior filed a complaint on behalf of the Political Action Committee (PAC) Political Action for the People (``PAP''), which had been twice interviewed by the Subcommittee. In that complaint, Mr. Gingrich provided the Committee with legal and factual information concerning the course, the Reagan Center, and the organization's involvement in the course entitled ``Renewing American Civilization.'' Among other things, the complaint alleged that Mr. Gingrich had used the Reagan Center to work on the course in violation of House Rules. The complaint also alleged that Mr. Gingrich had created a college course under the sponsorship of the Reagan Center, which would meet certain political, not educational, objectives and, therefore, caused a violation of section 501(c)(3) of the Internal Revenue Code and related regulations.

Mr. Gingrich responded to this complaint in a letter dated January 3, 1996, and he began his work. On January 7, 1997, the House conveyed the request of the Select Committee on Ethics to investigate the course entitled ``Renewing American Civilization'' because of an allegation made by Mr. Jones. Mr. Gingrich responded to that complaint in a letter from his counsel dated March 27, 1995. On December 6, 1995, the Committee voted to initiate a Preliminary Inquiry into the allegations concerning the misuse of tax-exempt organizations. The Committee appointed the Investigative Subcommittee (``Subcommittee'') and instructed it to determine if there is reason to believe that Representative Gingrich's activities in relation to the Reagan Center involving Renewing American Civilization were in violation of section 501(c)(3) or whether any foundation qualified under section 501(c)(3), with respect to the course, violated its status with the knowledge and approval of Representative Gingrich. The Committee also resolved to appoint a Special Counsel to assist in the Preliminary Inquiry. On December 22, 1995, the Committee appointed James M. Cole, a partner in the law firm of Bryan Cave LLP, as the Special Counsel. Mr. Cole's contract was signed January 3, 1996, and he began his work.

On September 26, 1996, the Subcommittee announced that, in light of certain facts discovered during the Preliminary Inquiry, the investigation was being expanded to include the following additional areas:

(1) Whether Representative Gingrich pro-vided accurate, reliable, and complete information concerning the course entitled ``Renewing American Civilization,'' 501(c)(3) of the Internal Revenue Code and related regulations (House Rule 43, Cl. 1).

(2) Whether Representative Gingrich's relationship with the Progress and Freedom Foundation was independent of his involvement with the course entitled ``Renewing American Civilization,'' the Progress and Freedom Foundation in the course of communicating with the Committee, directly or through counsel (House Rule 43, Cl. 1).

(3) Whether Representative Gingrich's use of the personnel and facilities of the Progress and Freedom Foundation constituted a use of unoffical resources for official purposes (House Rule 45); and
project to a 501(c)(3) organization in order to attract tax-deductible funding. The 501(c)(3) organization chosen was the Abraham Lincoln Center Opportunity Foundation (“ALOC”). ALOC had spent the time and resources devoted to sponsor AOW’s successor, American Citizens’ Television (“ACTV”). ALOC operated out of GOPAC’s offices. Virtually all of its employees were simultaneously GOPAC officers or employees. ACTV had the same educational aspects and partisan, political goals as AOW. The principal difference between the two organizations was that ACTV was approximately $260,000 in tax-deductible contributions to fund its operations. ACTV broadcast three television programs in 1993 and three other programs in 1994. The development of the ACTV program was funded by a 501(c)(4) organization because the show’s content was deemed to be too political for a 501(c)(3) organization.

2. RENEWING AMERICAN CIVILIZATION

The second project utilizing 501(c)(3) organizations involved a college course taught by Mr. Gingrich called Renewing American Civilization. Mr. Gingrich developed the course as a subset to and tool of a larger political and cultural movement also called Renewing American Civilization. The goal of this movement, as stated by Mr. Gingrich, was the replacement of the “welfare state” with an “opportunity society.” A primary means of achieving this goal was the development of the movement’s message and the dissemination of the message. Mr. Gingrich intended that a “Republican majority” would be the heart of the movement and that the movement would “professionalize” House Republicans. A method for achieving these goals was to use the movement’s message to “attract voters, resources, and candidates.” According to Mr. Gingrich, the movement’s message was a primary and essential means to develop and disseminate the message of the movement.

The core message of the movement and the course was that the welfare state had failed, that it could not be repaired but had to be replaced, and that it had to be replaced with an opportunity society, based on what Mr. Gingrich called the “Five Pillars of American Civilization.” These were: (1) personal strength; (2) entrepreneur freedom to succeed; (3) the virtue of thrift; (4) quality of life as defined by Edwards Deming; and (5) the lessons of American history. The message also concentrated on the key substantive values and ideas there were: (1) jobs and economic growth; (2) health; and (3) saving the inner city.

This message was also Mr. Gingrich’s main campaign message in 1993, 1994, and 1996. Mr. Gingrich sought to have Republican candidates adopt the Renewing American Civilization message in their campaigns. In the context of political campaigns, Mr. Gingrich used the term “welfare state” as a negative label for Democrats and the term “opportunity society” as a positive label for Republicans.

As General Chairman of GOPAC, Mr. Gingrich decided that GOPAC would use Renewing American Civilization as its political message and theme during 1993-1994. GOPAC, however, was having financial difficulties and could not afford to disseminate its political message as it had in past years. GOPAC had to raise money to pay for a 501(c)(4) course. For example, GOPAC personnel helped develop, manage, promote, and raise funds for the course. GOPAC Charter Members who were involved in the idea to develop the course as a means of communicating GOPAC’s message. GOPAC Charter Members at Charter Meetings helped develop the content of the course. GOPAC was “brainstorming” as a result of the nationwide dissemination of the Renewing American Civilization message via the course in the video that the message GOPAC had adopted and determined to be the one that would help it achieve its goals was broadcast widely and at no cost to GOPAC.

The course was taught at Kennesaw State College (“KSC”) in 1993 and at Reinhardt College in 1994. Each course consisted of ten lectures and each lecture consisted of approximately four hours of classroom instruction, for a total of forty hours. Mr. Gingrich gave twenty hours of each course and his co-teacher, or occasionally a guest lecturer, taught twenty hours. Students from each of the colleges as well as people who attended the lectures. Mr. Gingrich’s 20-hour portion of the course was taped and distributed to remote sites, referred to as “site hosts,” via satellite subscription television. As with AOW/ACTV, Renewing American Civilization involved setting up workshops around the country where people could gather to watch the course. While the course was educational, Mr. Gingrich intended that the workshops would be, among other things, a recruiting tool for GOPAC and the Republican Party.

The major costs for the Renewing American Civilization course were for dissemination, production, and distribution. Jeffrey Eisenach, GOPAC’s Executive Director from June 1993 to June 1994 was the president and sole owner of WPG. WPG and Mr. Eisenach played similar roles with respect to the course.

When the contract between WPG and KSC/ACTV ended in the fall of 1993, the Progress and Freedom Foundation (“PFF”) assumed operation of the course. Over the three years the course was broadcast, approximately $3.2 million was spent on the project. The Kennesaw State College Foundation (“KSCF”) sponsored the course the first year. All funds raised were turned over to KSCF and dedicated exclusively for the use of the Renewing American Civilization course. KSCF did not, however, manage the course and its role was limited to keeping its bank account and paying bills from that account that were presented to it by the Dean of the KSC Business School. GOPAC contracted with the Washington Policy Group, Inc. (“WPG”) to manage and raise funds for the course’s development, production and distribution. Jeffrey Eisenach, GOPAC’s Executive Director from June 1993 to June 1994 was the president and sole owner of WPG. WPG and Mr. Eisenach played similar roles with respect to the course.

The course was moved to Reinhardt for the 1994 and 1995 sessions. While there, PFF assumed full responsibility for the course. PFF followed the same general practice payment for the course but, instead, took all in contributions to the course and paid all the bills, including paying Reinhardt for the use of the college’s video facilities. All funds for the course were raised by and expended by PFF under its tax-exempt status. Under the Internal Revenue Code, a 501(c)(3) organization must be operated exclusively for exempt purposes. The presence of a single non-exempt purpose, if more than insubstantial in nature, will have the effect of destroying the exemption regardless of the number or importance of truly exempt purposes. Conferring a benefit on private interests is a non-exempt purpose. Under the Internal Revenue Code, a 501(c)(3) organization is also prohibited from intervening in a political campaign or providing any support to a political action committee. These provisions are designed to protect the congressional concern that taxpayer funds not be used to subsidize political activity.

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direct experience with the private benefit prohibition in a political context, the American Campaign Academy. In a 1989 Tax Court opinion issued less than a year before Mr. Gingrich was first served with the Preliminary Inquiry, the Academy was denied its exemption under section 501(c)(3) because, although educational, it conferred an impermissible private benefit on Mr. Gingrich and other entities. Close associates of Mr. Gingrich were principals in the American Campaign Academy. Mr. Gingrich taught at the Academy, and as it has been briefed at the time on the tax controversy surrounding the Academy. In addition, Mr. Gingrich stated publicly that he was taking a very aggressive approach to the use of section 501(c)(3) organizations in regard to, at least, the Renewing American Civilization course.

Focusing into account Mr. Gingrich's background, public service, and sophistication with respect to tax-exempt organizations, and his status as a Member of Congress obligated to maintain high ethical standards, the Subcommittee concluded that Mr. Gingrich should have known to seek appropriate legal advice to ensure that his conduct in regard to the AOW/ACTV and Renewing American Civilization project was in compliance with section 501(c)(3). Had he sought and followed such advice—after having set out all the relevant facts, Mr. Gingrich and other individuals described above—501(c)(3) organizations would not have been used to sponsor Mr. Gingrich's ACTV and Renewing American Civilization projects.

4. MR. GINGRICH'S STATEMENTS TO THE COMMITTEE

In responding to the complaints filed against him concerning the Renewing American Civilization course, Mr. Gingrich submitted several written statements to the Committee. His first letter, dated October 4, 1994, did not address the tax issues raised in Mr. Jone's complaint, but rather responded to the part of the complaint concerning the renewal of the Academy.

On December 21, 1996, the Subcommittee issued a Statement of Alleged Violation stating that Mr. Gingrich had engaged in conduct that did not reflect creditably on the House of Representatives in that by failing to seek and follow legal advice, Mr. Gingrich failed to take appropriate steps to ensure that activities with respect to the AOW/ACTV project and the Renewing American Civilization project were in accordance with section 501(c)(3); and that on or about December 8, 1994, and on or about March 27, 1995, Mr. Gingrich's letter in response, dated December 21, 1996, inattentively or inaccurately to the Committee's determination on how to proceed with the tax questions contained in the complaints.

I. SUMMARY OF FACTS PERTAINING TO AMERICAN CITIZENS TELEVISION

A. GOPAC

GOPAC was a political action committee organized under section 527 of the Internal Revenue Code. As such, contributions to GOPAC were not tax-deductible. GOPAC's goal was to attract people to the Republican party, develop a "farm team" of Republican activists, and, in that one run for Congress and, ultimately, create a Republican majority in the United States House of Representatives. (12/7/96 Callaway Tr. 19). Mr. Gingrich's political activities and political role, as well as his involvement in the course, led to his investigation by the Committee by and on behalf of Mr. Gingrich that was material to matters under consideration by the Committee, which information, as Mr. Gingrich acknowledged, was inaccurate, incomplete, and unreliable.

The target group for the program was non-voters. (Ex. 7, WGC2±01025). The program was to establish where approximately 20,000 people could gather to watch the broadcast and, in the words of those responsible for AOW, help to build a citizens' movement that would "turn the original"

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In early 1990, GOPAC embarked on a project to produce a television program called the American Opportunities Workshop ("AOW"). The idea for this project came from Mr. Gingrich and he was very involved in developing the message it used. (12/7/96 Callaway Tr. 11, 12, 14; 7/12/96 Eisenach Tr. 16; 12/5/96 Eisenach Tr. 10; 12/9/96 Riddle Tr. 14; 12/9/96 Gingrich Tr. 12) AOW was broadcast on May 19, 1990, on the Family Channel and was hosted by Mr. Gingrich. (Ex. 4, GOPAC3 181).

One of the purposes of the program was to build a citizens' movement that would communicate to the citizens of the United States the new Republican doctrine. (Ex. 4, GOPAC3 181). AOW consisted of workshops set up throughout the country where activists could gather to watch the broadcast and, in the words of those responsible for AOW, help to build a citizens' movement and increase citizen involvement. (12/7/96 Callaway Tr. 14; 12/9/96 Riddle Tr. 12, 13). Approximately 200,000 people were established where approximately 20,000 people watched the program. (Ex. 6, Eisenach 0359).

As important as the creation of new doctrine is its dissemination. During the 1980s, GOPAC and Newt Gingrich have led the way in applying new technology, from C-SPAN to ACTV and "America's Business Television," to connect Republicans, candidates and political activists.

But the Mission Statement demands that we go much further. The level of change needed to become a majority, the new Republican doctrine must be communicated to a broader audience, with greater frequency and more effectively. The decision to go public with Mr. Gingrich's more aggressive approach to the use of section 501(c)(3) organizations is a strategic decision about how to get people to solve their own community problems and not look to the federal government for help. (12/9/96 Riddle Tr. 13). Ms. Riddle went

The Committee's Special Counsel, James Cole, interviewed Mr. Gingrich on July 17, 1996; July 18, 1996; July 19, 1996; July 20, 1996; July 21, 1996; July 22, 1996; August 3, 1996; August 4, 1996; August 5, 1996; August 6, 1996; August 7, 1996; August 8, 1996; August 9, 1996; August 10, 1996; August 11, 1996; and August 12, 1996. This testimony was transcribed and reviewed by the Committee and its lawyers. The Committee's determination on how to proceed with the tax questions contained in the complaints. (Ex. 1, GOPAC3 137). This aspect of GOPAC's mission was defined as follows:

GOPAC's mission for the 1990's is to create and disseminate the doctrine which defines a caring, humanitarian reform Republican Party that has a united force to capture the United States House of Representatives and become a governing majority at every level of Government. (Ex. 1, GOPAC3 127). This aspect of GOPAC's activities was further explained in a draft document from November 1989.

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on to say, “Another product of that would be, of course, if we got people interested * * * we hoped and believed that eventually would they vote Republican.” (12/96 Riddle Tr. 13).

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volved support through its staff. (Ex. 11, Eisenach 4254; 12/96 Eisenach Tr. 5, 67). Each program was broadcast on the Family Channel.

In setting up ACTV it was understood that Mr. Gingrich would maintain his involve- ment and control over the programs. (Ex. 12, WGC2-01337). While some say that he was not very involved when it became ACTV, (e.g., 12/7/96 Callaway Tr. 14), there is evidence that his involvement continued. Mr. Ging-

* * * * *

4. It is more powerful and more effective to develop a reform movement parallel to the official Republican Party because:
* * * * *

b. the non-voters who are non-political, or political, will accept a movement more rapidly than they will accept an established party.

5. As much as possible, the House Republican Party, the Bush Administration, Sen-

c. ons across the country, the NRCC, RNC, SRC, and the conservative movement should be brought into movement co-operation; conflict within this broad group should be minimized and coordination maximized.

6. The objective measurable goal is the maximum growth of non-partisanship in our vi-

* * * * *

When asked about AOW and ACTV, Mr. Gingrich said he was involved in the production of the projects. He was asked by other events at the time such as his re-elec- tion efforts, legislative issues, and becoming Republican Whip. (12/96 Gingrich Tr. 39, 40, 43). He said he had no recollection of the “Key Factors in a House GOP Majority” docu-
m-ent, did not know if it related to AOW or ACTV, and did not know the purpose for which it was written. (12/96 Gingrich Tr. 31). An analysis of other documents, however, shows its relationship to the AOW/ACTV movement. Mr. Callaway said in his interview that the goals set forth in the “Key Factors in a House GOP Majority” document were the same as those for AOW and ACTV. (12/96 Callaway Tr. 27-28).

As stated above, AOW was targeted to non-

voters. (Ex. 7, WGC2-01025). The “Key Fac-

tors in a House GOP Majority” document notes that non-voters are more likely to appeal to in order to change the balance of power. AOW/ACTV based the citizens’ movement on the “Triangle of American Success” which was carried up by basic values, en-

trepreneurial free enterprise, and technolo-

gical progress. (Ex. 5, FAM 0011; 12/96 Calla-

way Tr. 14). The “Key Factors in a House GOP Majority” document indicates that it will use those same three principles to appeal to non-voters. AOW/ACTV was fo-

cused on building a non-partisan citizens’ movement. (Ex. 6, Eisenach 0398-0399; Ex. 5, FAM 0011). In the “Key Factors in a House GOP Majority” document, Mr. Gingrich states that “it is the powerful and more effective to develop a reform movement par-

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cal, will accept a movement more rapidly than they will accept an estab-

ished party.” (Ex. 13, Eisenach 4838 and Eisenach 4832).

In a congressional briefing Mr. Gingrich gave concerning AOW on March 30, 1990, he described AOW/ACTV as follows:

“It is our goal to define our position as a caring humanitarian reform party applying the triangle of American success and applying a common sense focused on success and op-

portunities to explain in general terms for the whole fall campaign, and again some days later. He said he felt that this is open to everybody, this is a free coun-

try, we think on balance it is vastly more
advantageous to us than it is to the left since they are the party of big city machines, they are the party of the unions, they're much more tied to the bureaucratic welfare state. (Ex. 15, WGC2 06081, pp. 17-18).

The "Key Factors in a House GOP Majority" document notes that the message of the citizens' movement is "to be useful for Democrats because it will be "very difficult for them to co-opt [the ideas] because of their ideology and their interest groups." (Ex. 13, Eisenach Tr. 450, 465).

At the congressional briefing, Mr. Gingrich spoke of a focus group that was commissioned by GOPAC's effort. He described it as "the largest focus group project ever undertaken by the Republican Party." (Ex. 14, WGC2 06081, p. 8). He said it concentrated on non-participants over 40 years of age (Ex. 14, WGC2 06081, p. 8) and tested negative language like "the bureaucratic welfare state" and positive language like the "Triangle of American Values."


Near the end of the briefing Mr. Gingrich explained the reasons for having the project labeled as non-partisan.

The next two years are absolutely critical to all that we hope to accomplish. Our May 19 project [AOW] will go a long way toward helping Republicans set an agenda and persuade Americans to support us. (Ex. 15, WGC2 06081, pp. 17-18). The "Key Factors" were summarized as "the Triangle of American Success." (Ex. 15, WGC2 06081, pp. 3).

Consequently, a major premise for the research project is that younger citizens are the right target group for a new majority strategy and that a political theory and language is needed that will be effective at all. Supporting this premise is an additional opportunity (to their not voting now) about younger voters—they are already predisposed to vote Republican.

A number of other letters also indicate the purpose behind AOW/ACTV. Some are signed, some are not, but the ones that are not signed were apparently in GOPAC's files for some years, indicating that they were probably sent out. For example, in a signed letter dated February 21, 1990, to members of GOPAC's Executive Finance Committee, Mr. Callaway wrote that:

The next two years are absolutely critical to all that we hope to accomplish. Our May 19 project [AOW] will go a long way toward helping Republicans set an agenda and persuading Americans to support us. (Ex. 15, WGC2 06081, pp. 17-18). The "Key Factors" were summarized as "the Triangle of American Values." (Ex. 14, WGC2 06081, pp. 10-11).

In order to encourage Americans to vote—and vote Republican—so that we may enact our policies of opportunity, we must reach them with our vision of hope.

It is time for our message and program, now proven among those in the trenches, to be shared with the Americans who are not motivated by our current government to go to the polls and vote.

The American Opportunities Workshop is GOPAC's answer to teaching and empowering the American people. We hope that the programs developed and launched by this project will be the key to a future of Republican governance.

A March 16, 1990 GOPAC letter over Mr. Gingrich's name discusses the purpose behind AOW.

Through the use of satellite hook-ups, not only can we reach new groups of voters not traditionally associated with our Party, but we'll be able to do it to the maximum possible extent, without it being filtered and misinterpreted by liberal elements in the media.

Because I believe it has such great potential for helping President Bush, our candidates and our party, I told Bo to move ahead with planning the workshop.

I truly believe that our Party and our President stand on the verge of a tremendous success this year, and that this workshop can be a great election year boost to us.

* * * * *

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In the target group for building the new governing majority, the report states:

The potential for a new governing majority exists because of the large and growing numbers of non-participating citizens in our political system.

* * * * *

According to Mr. Callaway this letter may have been sent out, but he did not have a specific recollection of it. (12/29/96 Gingrich Tr. 49).

In an unsigned letter addressed to Mr. Thorton Stearns, apparently written for Mr. Gingrich's signature, the AOW project and its purpose were described as follows:

With more than 600 workshop sites across the country, 30,000 participants, and extensive media coverage, AOW was a significant success on its own terms. However, the real reason GOPAC took on AOW was to explore an innovative new mechanism for creating and motivating the new Republican majority of the 1990s.

In a letter over Mr. Gingrich's name dated June 21, 1990, AOW and ACTV are explicitly tied together in an effort to achieve the same goal of building a new governing majority.

The letter states:

These are exciting times at GOPAC and we have been quite, quite excited about [the progress of the "American Citizens' Television" project, which will carry the torch of citizen activism begun by our American Opportunities Workshop on May 19th. We mobilized thousands of people across the nation at the grass roots level who as a result of AOW, are now dedicated to getting involved. With these great strides in continuing to recruit activists all across America to become involved with the Republican party. Our efforts are literally snowballing into the activist movement we need to win in '92.

Finally, an August 27, 1990 memorandum from Mr. Callaway to Mr. Gingrich and Jjm Titon gives insight to the goals of the AOW/ACTV projects. (Ex. 20, Eisenach 3950-3959).

The memorandum discusses a meeting the two men had in May 1990. Based on the memorandum, the main topic focused on how GOPAC should proceed in the future. The problems addressed in the meeting concerned the fact that AOW had absorbed too much money and attention from traditional GOPAC efforts. This caused erosion in support from GOPAC members. The three men decided to try one more ACTV program on September 29, 1990. If additional funding was not available beyond that point, the project would not be continued. They decided that it needed to be "a very strong program that is controversial enough to stir up our Charter members and other constituencies."

The show that was chosen was an educational choice, which was a specific GOPAC project.

The memorandum recounted that Mr. Gingrich had reviewed all the options set forth and concluded the following:

Newt then stated firmly that he feels we need to go back to basics for now through 1992. That the only special projects for 1992 should be 1992 election oriented projects. Newt has now concluded that realy affect 1992 elections indirectly—we must do it directly through political programs.
(Ex. 21, Eisenach 3950). Mr. Callaway said that this memorandum could have referred to ACTV, but he did not have a clear recollection. (12/9/96 Callaway Tr. 62).

4. AOW/ACTV in Mr. Gingrich's Congressional District

While AOW/ACTV was supposed to be non-partisan, two mandarins indicate that there was some effort to ensure that workshops were not too far from the state line or the congressional district. In a memorandum to Mr. Callaway, dated February 8, 1990, Mr. Eisenach wrote:

An area for immediate attention is "targets of opportunity"—e.g., Georgia's 6th District, Mr. Gingrich's congressional district—"only in the sense that we will now start focusing on that part of Georgia," the memorandum continues. "We do need to identify resources that we can use to augment our resources already there on the ground and to maximize returns in those three areas and other specific target areas we might add later."

In particular, we need to put very high on our agenda the task of identifying a 6th District Coordinator. (Ex. 22, Eisenach 3811). Similarly, in a March 30, 1990 memorandum from Mr. Gingrich to Joe Gaylord and Mary Brown, the following is written:

"When the GOPAC print-out shows only one very tentative (Clay Davis) site in my district, I suggest that we make the workshops a success. Please make this a high priority." (Ex. 23, GOPAC3 460).

5. GOPAC's Connection to ALOF and ACTV

As has been previously discussed, ACTV was a continuation of AOW and ALOF. In an interview, Mr. Callaway stated a number of times that ACTV was considered a "GOPAC project" for purposes of the Internal Revenue Service. (12/7/96 Callaway Tr. 64, 65-66, 68-69, 73). A number of documents, however, from 1990 indicate that ACTV and ALOF had significant connections.

In a June 26, 1990 memorandum to Mr. Callaway, Mr. Eisenach recounts a discussion the two men had that morning with Mr. Gingrich. During that discussion, Mr. Gingrich said, "I put people over there and the consultants list and GOPAC needs to have the hosts identified as soon as possible to get materials to them to make the workshops a success."

Placing high priority on ACTV, (Ex. 23, GOPAC3 460). Mr. Gingrich did not recall this memorandum and said that there was no effort to target the 6th District—his congressional district—"only in the sense that we hosted [AOW] from there." (12/9/96 Gingrich Tr. 19).

6. GOPAC Funding of ALOF and ACTV

When ALOF began to operate in June 1990 it had less than $500 in its bank account. (Ex. 27, CNB 006). It obtained a loan for $25,000 from the Central Bank of Denver in late June and received some direct contributions. These came from a foundation associated with Mr. Callaway, the Family Channel, and at least one other GOPAC supporter. (Ex. 28, ALOF 0050). In addition, GOPAC loaned ALOF $45,000 in 1990, and $29,500 in early 1991 to pay for expenses. (Ex. 4, GOPAC3 183). The total, $74,500, was given to GOPAC to be applied to the debt. (Ex. 37, CNB 0046, CNB 0428, CNB 0430, CNB 0432). After the $47,000 payment, ALOF owed GOPAC $27,500. (Ex. 28, ALOF 0064).13

In late 1991 and 1992, ALOF received contributions and a number of GOPAC supporters totaling $80,000. (Ex. 28, ALOF 0078). $70,000 of that amount was given to GOPAC for the support of ALOF's last program. After the contributions to ALOF were made, Mr. Eisenach's then-Executive Director, Mr. Eisenach, was involved in soliciting a number of these donations.

On February 27, 1992, Mr. Eisenach wrote to R. Randolph Richardson to ask him to become a Charter Member, a person must contribute at least $10,000. In the letter Mr. Eisenach states:

"With respect to foundation funds, it is of course important for ALOF to have some funds for GOPAC to accept 501(c)(3) money. However, Bob Callaway does have a foundation, the Abraham Lincoln Opportunity Foundation (ALOF), which owes GOPAC a substantial sum of money. You might consider a contribution to ALOF, which would enable it to pay down its GOPAC debt, and thus be of enormous help in our efforts to change the Congress in 1992." (Ex. 29, Eisenach 4562). Mr. Richardson's foundation, the Grace Jones Richardson Trust, wrote a $25,000 check to ALOF on April 14, 1992. (Ex. 30, CNB 0448, CNB 0449). A letter was sent to Mr. Callaway on ALOF stationery thanking him for the contribution. It was signed by numerous members of GOPAC's staff. (Ex. 31, GOPAC2 002).

Two other GOPAC Charter Members made contributions to ALOF which were immediately turned over to GOPAC. (Ex. 40, CNB 0027, CNB 0049, CNB 0441, CNB 0459). Handwritten notes relating to one of them indicate that a tax-deductible option for his contribution to GOPAC was discussed before the contribution to ALOF was made. (Ex. 22, GOPAC 2424-2426).

As of 1993 ALOF had relocated its offices to Colorado, its Colorado accountant was preparing the tax return for 1992 and was going to mail the payments to GOPAC. In November she wrote to Kay Riddle, ALOF's Secretary, and asked for invoices from GOPAC to ALOF to support these payments. (Ex. 33, Newsil 0119). In December, Ms. Riddle wrote to GOPAC's accountant asking for those invoices. (Ex. 34, ALOF 0028). Several days later the accountant provided Ms. Riddle with a preliminary memorandum and a number of invoices. (Ex. 35, ALOF 0029-0030, ALOF 0027-0028, GOPAC3 0031).

Some were undated. Some were dated in 1991. All concerned activities which were stated to have taken place in 1990 and there is no evidence that the invoices were written contemporaneously with the events for which they billed.14

The invoices, along with the previously mentioned loans, totaled $160,537.70. This cost for rent ($32,193), payroll and office supplies ($35,455.08), services of staff and consultants ($64,064.54), and the loans ($74,500).15 (Ex. 35, ALOF 0029, ALOF 0027, ALOF 0028). GOPAC recorded for the staff was apportioned to reflect the percentage of their work spent on ALOF business. Some of the consultants listed, however, did not keep any records of the time they spent on specific projects and did not recall doing any work for ALOF. (12/29/96 Hanser Tr. 25; 12/5/96 Mahe Tr. 31). Records of one consultant did record the time he spent on ALOF business, but it was substantially less than the time listed in the invoice. (Ex. 35, ALOF 0029; Ex. 36, WGC-2)

14Because of her assertion of a Constitutional privilege, the Subcommittee was unable to interview the accountant for GOPAC and ALOF.

15The tax return for ALOF for 1991, Part VII asks, among other things, whether ALOF had any transactions with a political action committee in violation of the law, and whether ALOF paid any consultant for services to the staff. Even though GOPAC was a political action committee, it did not ask the consultant to submit any reports to ALOF. Mr. Eisenach, who was also the accountant for GOPAC, said that she had answered those questions in the negative. She stated that she merely called the consultant on the telephone and specifically excluded any transactions with political action committees. (1033/96 Gilbert Tr. 19-20). She did not recall whether there were any transactions with anyone at ALOF, but she did fill the form out in this manner and signed it without any questions. (1033/96 Gilbert Tr. 21). This section was omitted in the tax return for 1991. (Ex. 28, ALOF 0069).
1. Joe Gaylord is our senior intellectual leader and advisor, for two days in December 1992. (12/9/96 Riddle Tr. 69-70).

2. According to Kathleen Taylor, a current employee of the Speaker's Office and the former Political Services Director for GOPAC, the lessons learned from AOW and ACTV were used for the Renewing American Civilization course discussed below. (62/896 Taylor Tr. 45). Those lessons were “[h]ow to get workshops sites, how to disseminate information, [and] mass-marketing the ideas.” (62/896 Taylor Tr. 45). In the same vein, a letter from Mr. Eisenach to Mr. Mescon containing the terms and conditions under which WPG would manage the Renewing American Civilization course states:

Among our most significant project management undertakings was the 1990 “American Opportunities Workshop” and its successors. Television advertising of each of these projects bear significant similarities to the project you have asked us to get involved with, “Renewing American Civilization.” It is our understanding that both enthusiasm and a full understanding of the enormity and complexity of the undertaking.

A. Genesis of the Renewing American Civilization Movement and Course

In his interview with the Special Counsel, Mr. Gingrich said the idea for the course was first developed while he was meeting with Owen Roberts, a GOPAC Charter Member and advisor, for two days in December 1992. (7/17/96 Gingrich Tr. 11-12, 23-24; 7/15/96 Gaylord Tr. 23-24; Ex. 42, GOPAC2 2492). Mr. Gingrich wrote out notes at this meeting and distributed copies to his advisors. (Ex. 42, HAN 02013-0212; 62/66 Hanes Tr. 28; 7/15/96 Gaylord Tr. 24-25; 7/12/96 Eisenach Tr. 108-109). A review of those notes reveals that the topic of discussion at this meeting centered mostly on a political movement. The notes contain limited references to a course and those are in the context of a means to communicate the message of the movement. The movement was to develop a message and then disseminate and teach that message. (Ex. 42, HAN 02019). One of the important aspects of the movement was the creation of “disseminating groups and [a] system of communication and education.” (Ex. 42, HAN 02109). It also sought to present the “message to attract voters, resources and candidates” and develop a “mechanism for winning seats.” (Ex. 42, HAN 02110). The plan for this movement was to replace the welfare state with an opportunity society, and all efforts had to be exclusively directed to that goal. (Ex. 42, HAN 02119). Ultimately, the Republican majority “would be the heart of the American Movement.” (Ex. 42, HAN 02140).

According to Mr. Gingrich, his role in this movement was to be the “advocate of civilization,” the “definer of civilization,” the “teacher of the rules of civilization,” the “organizer of pro-civilization activists,” and the “leader (possibly) of the civilizing forces.” (Ex. 42, HAN 02104). In doing this, he intended “to retain a primary focus on electing political power as the central arena and culprum by which a free people debate their future and govern themselves.” (Ex. 42, HAN 02140). The support systems for this movement included GOPAC, some Republican international organizations, and possibly a foundation. (Ex. 42, HAN 02123). There was no attempt to disseminate the message of the movement. (Ex. 42, HAN 02019, 02110, 02111). Some of the methods discussed for this dissemination included, “Post newsletters,/[and] mass-marketing the ideas.”

The amount listed on the returns was $43,785. As noted in the notes of a speech Mr. Gingrich gave on January 23, 1993, to the National Review Institute, “‘Renewing American Civilization’ and ‘The Sign of the Times’” were discussed for this dissemination. (Ex. 42, PFF 14473-14477, PFF 38279-38280). In those notes, Mr. Gingrich wrote that “one of the goals ... with this history is to start a movement to renew American civilization.” (Ex. 44, PFF 14474).

Mr. Gingrich then goes on to describe the five pillars of American civilization using the 5 pillars and the three areas where the movement needs to offer solutions. (Ex. 44, PFF 14475). Mr. Gingrich then goes on to describe the five pillars of American civilization and the three areas where the movement needs to offer solutions. He then wrote that if they develop solutions for those three areas, they “will decisively trump the left. At that point either Clinton will adopt our solutions or the country will fire the president who subsidizes decay and blocks progress.” (Ex. 44, PFF 14476).

Mr. Gingrich said that he intended the movement to be international in scope. Until some point in 1995, however, its scope was only national. (7/17/96 Gingrich Tr. 39).

This appears to be the earliest example of Mr. Gingrich speaking about the Renewing American Civilization movement. A draft of this document in its final form is attached to the typed and signed version of the notes.

Although not mentioned in this speech, those five pillars and the three areas are each separate lectures in what became the course.

We must renew American civilization by studying these principles, networking success stories, applying these success stories to the movement, transform American society into a more productive, responsible, safe country by replacing the welfare state with an opportunity society.

B. Role of the Course in the Movement

Mr. Gingrich was asked about the role of the course in the movement. He said that the course “is the only way actually to develop and send out the message of the movement.” (7/17/96 Gingrich Tr. 42). In a later interview, he modified this statement to say that the course was “clearly the primary and most essential means for developing and disseminating the message of the movement.” (7/17/96 Gingrich Tr. 126-127).

Another description of the Renewing American Civilization movement is found in some notes of a speech Mr. Gingrich gave on January 23, 1993, to the National Review Institute. (Ex. 44, PFF 14473-14477, PFF 38279-38280). In those notes, Mr. Gingrich wrote that “one of the goals of organizing with this history is to start a movement to renew American civilization.” (Ex. 44, PFF 14474).

He noted that a majority of Americans favor a new party system and that the movement “[w]e are ready to launch a 21st century conservatism that will renew American civilization, transform America from a welfare state into a conservative governing majority.” (Ex. 44, PFF 14475).

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21st Century Freedom so people understand freedom and progress is possible and their practical, daily lives can be far better. As people become convinced of American freedom and progress, they become more productive, they have better health and want better government. Across the country, the message of renewal is gaining a life of its own, and we've seen this happen in almost 600 local communities. We've achieved a level of movement in local areas that I didn't think possible, given the heavy lifting that has to be done in changing the goals of people who want to change government.

The key to making this happen is to build on the core principles of freedom and progress. We have to work with the grassroots to build a broad base of support, not just for the goals of the movement, but for the principles as well. The grassroots are the foundation of any successful movement.

One of the key strategies we're using is to build coalitions with other organizations, such as the Freedom Foundation and the Progress & Freedom Foundation. These organizations play important roles as advocates for freedom and progress, and they are able to help us reach a broader audience.

Another important strategy is to use the news media as a primary vehicle for communicating our message. We have used speeches, articles, and interviews to reach millions of people. The news media have been a key ally in our efforts to communicate the message of renewal.

In conclusion, the challenge to us is to be positive, to be specific, to be intellectually serious, and to be able to communicate in clear language a clear vision of the American people and why it is possible to create that America in our generation.

Once the American people understand what they can do, they will insist that their elected officials abolish the welfare state which is crippling them, their children, and their country and that they replace it with an opportunity society based on historically proven principles that we see working all around us. (Ex. 52, GDC 10643).

In the second portion of the document, Mr. Gingrich describes how the vision of renewing America will be accomplished. He lists thirteen separate efforts that fall into categories of communication of the ideas in clear language, educating people in the principles of replacing the welfare state with an opportunity society, and recruiting public officials and activists to implement the doctrines of renewing American civilization. (Ex. 52, GDC 10644).

In the third section, Mr. Gingrich explicitly connects the course to the movement. First he starts out with three propositions that form the core of the course: (1) the welfare state has failed; (2) the three welfare state has must be replaced because it cannot be reformed; and (3) the welfare state must be replaced because it cannot be reformed. (Ex. 54, PFF 13631, 13635-13637). He then described the goal of the movement:

Our overall goal is to develop a blueprint for renewing America by replacing the welfare state, recruit, discover, arouse and network 200,000 knowledgeable citizen activists by the fall of 1993. We will then be able to communicate in clear language a clear vision of the American people and why it is possible to create that America in our generation.

2. Created a movement and momentum which require the national press corps

Mr. Eisenach apparently sent a copy of this to a GOPAC supporter in preparation for a meeting in May of 1993. (7/12/96 Eisenach Tr. 146-148). In the accompanying letter, Mr. Eisenach said: "The enclosed materials provide some background for our discussions, which I expect will begin with a review of the Renewing America Strategies and the concept of renewing American Civilization. The class will be taught at Kennesaw State College this fall is central to that effort, and GOPAC and the newly created Progress & Freedom Foundation both play important roles as well. (Ex. 13, GOPAC2 2337)."

This refrain goes as follows: "You cannot maintain a successful social program with twelve-year-olds having babies, fifteen-year-olds shooting each other, seventeen-year-olds dying of AIDS, and eighteen-year-olds getting diplomas they can't read."
to actually study the material in order to report
the phenomenon thus infecting them with new ideas, new language and new perspectives.

3. Hanser's cadre of at least 200,000 people committed to the general ideas so they are creating an echo effect on talk radio and in letters to the editor and most of our candidates and campaign directors reflect the concepts of renewing America.

Replacing the welfare state will require about 200,000 activists (willing to learn new [sic] skills, to leave their office and to actually replace the welfare state once in office) and about six million supporters (willing to write checks, put up yard signs, or do a half day's volunteer work).

(Ex. 52, GDC 10647-10649). The "sweeping victory" referred to above is by Republicans. (11/13/96 Gingrich Tr. 90). The reference to "our candidates" above is to Republican candidates. (11/13/96 Gingrich Tr. 90). According to Mr. Gingrich, Mr. Gaylord, and Mr. Eisenach, the three goals set forth above were to be accomplished by the course. (7/17/96 Gingrich Tr. 174-179; 7/13/96 Gaylord Tr. 66-67; 7/12/96 Eisenach Tr. 225; Ex. 55, GOPAC 2148; Ex. 56, GOPAC 2172-2173; Ex. 57, Messen 0626).

In various descriptions of the course, Mr. Gingrich stated that his intention was to teach the course for a four-year period. At the early stages of teaching the course he intended to have it reviewed and improved. The ultimate goal was to produce a final product that was to be completed by April 1996. (7/17/96 Gingrich Tr. 109; Ex. 56, GOPAC 2170). An explanation of this goal is found in a three-page document, in Mr. Gingrich's handwriting, entitled "End State April 1996." (Ex. 58, PFF 20107-20109). Mr. Gingrich said he wrote this document early in the process of developing the course and described it as the vision developed by him to April 1996 in regard to the course and the course. (7/17/96 Gingrich Tr. 108-115). On the first page he wrote that the 200,000 plus activists will have a common language and general vision of renewing America, and a commitment to replacing the welfare state. In addition, "[t]ruly all of Republican incumbents and candidates will have the common language and good goals." (Ex. 58, PFF 20107). On the second page he wrote that the "Republican platform will clearly state our goals and language, our analysis of the government." (Ex. 58, PFF 20108). In addition, virtually all Republican Presidential candidates will agree on that common language and goals. (Ex. 58, PFF 20108). The Clinton administration and the Democratic Party will be measured by the vision, principles and goals of re- newing America and there will be a virtual agreement that the welfare state has failed. (Ex. 58, PFF 20108).

On the last page Mr. Gingrich wrote a timeline for the course running from January 21, 1993 through January 21, 1996. At the point on the timeline where November 1994 appears, he wrote the word "Election." (Ex. 58, PFF 20109). When Mr. Hanser asked about this document he said that the vision, language, and concepts of the Renewing American Civilization movement discussed in the document were being done on the course. (62/96 Hanser Tr. 53). He went on to say that "End State" was "an application of those ideas to a specific political end, which is one of the purposes of the course." (7/12/96 Hanser Tr. 54). There was an appreciation that this would be primarily a Republican endeavor. (62/96 Hanser Tr. 30).

C. GOPAC and Renewing American Civilization

As described by Mr. Gingrich, GOPAC was a political action committee dedicated to, among other things, achieving Republican control of the United States House of Representatives. (11/13/96 Gingrich Tr. 169; 7/96 Rogers Tr. 38-40). One of the methods it used was the creation of a political message and the dissemination of which was the remit of Mr. Gingrich that ran April 18-19, 1993 to 28/96 Hansen Tr. 13-14; 7/96 Rogers Tr. 36). The tool principally used by GOPAC to disseminate its language were posters and videotapes. These were sent to Republican activists, elected officials, potential candidates, and the public. The ultimate purpose of this effort was to help Republicans win elections. (6/27/96 Nelson Tr. 21-22; 7/15/96 Gaylord Tr. 37, 39; 7/96 Rogers Tr. 35-36)

1. GOPAC'S ADOPTION OF THE RENEWING AMERICAN CIVILIZATION THEME

At least as of late January 1993, Mr. Gingrich and Mr. Eisenach had decided that GOPAC's political message for 1993 and 1994 would be the "Renewing American Civilization." (Ex. 59, PFF 37584-37590; 11/13/96 Gingrich Tr. 157; 7/17/96 Gaylord Tr. 61-62, 74; 7/15/96 Gaylord Tr. 35-36, 42-43; 7/96 Rogers Tr. 35, 54-56; 62/969 Taylor Tr. 26; 6/27/96 Nelson Tr. 34, 46). As described in a February 1993 memorandum over Mr. Gingrich's name to GOPAC Charter Members:

GOPAC's current goal is to provide the ideas and the message for Republicans to win at the grass-roots—is now more important than ever, and we have important plans for 1993 and 1994. The final enclosure is a memorandum from Mr. Eisenach outlining our 1993 program which I encourage you to review carefully and, again, let me know what you think.

(Ex. 60, PFF 37569). The attached memorandum, dated February 1, 1993, is from Mr. Eisenach to Mr. Gingrich and references the "Renewing American Civilization" program for 1993. (Ex. 59, PFF 37584-37590). It then lists five different programs.

The fourth one states:

(4) message directly related to the use of the Renewing American Civilization message in preparation for its use in 1993 legislative elections and 1994 Congressional races.

(Ex. 59, PFF 37584) (emphasis in original). Of the other four programs listed, three relate to the "Renewing American Civilization"—focus group designed to test and improve the "Renewing American Civilization" message in preparation for its use in 1993 legislative elections and 1994 Congressional races.

Mr. Cole: [Is] one of the things GOPAC was trying to have done during 1993 and 1994 was the dissemination of its message; is that correct?

Mr. Gingrich: Yes.

Mr. Cole: That curtailed how much it could spend on disseminating its message?

Mr. Gingrich: Right.

Mr. Cole: The message that it was trying to disseminate was the Renewing American Civilization message; is that right?

Mr. Gingrich: Was the theme.

The challenge facing Republicans, however, is an awesome one. We must build a governing majority, founded on basic principles, that is prepared to do what we failed to do during the last 12 years: Replace the Welfare State with the Welfare Society, and demonstrate that our ideas are the key to progress, freedom and the Renewal of American Civilization.

(Ex. 62, Eisenach 2536-2545). The "Tory (Franchise) Model R & D" was not the only program in the course run during 1993 legislative campaigns and 1994 Congressional races.

One of those programs was entitled "Newt speaking at and teaching seminars at the Virginia Republican Convention." (Ex. 63, J.G 0000039). Accompanying the mailing of this tape was a letter from Mr. Gingrich to Mr. Gaylord as Chairman of GOPAC.

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PROCHNOW SPENT A PORTION OF HER EARLY TIME
at GOPAC raising funds for the course. (7/10/96 Prochnow Tr. 14-16; 6/13/96 Mceson Tr. 63-67, 82; Ex. 74, Documents produced by Prochnow).\(^{31}\) A number of the people and entities involved as course supporters were also involved with the course. In fact, according to Mr. Eisenach, approximately half of the first year’s funding for the course came from GOPAC supporters. (Ex. 69, PFF 394). Mr. Eisenach’s role also included helping fund the course in 1994. (See attachments to Ex. 69, PFF 1252-1277) (the documents contain Mr. Eisenach’s marks of “G” and other notations that were donors or related to donors to GOPAC).\(^{32}\)

When Mr. Eisenach resigned from GOPAC and assumed the title of the course’s project director, two GOPAC employees joined him in his efforts. Kelly Goodsell had been an Executive Assistant Agent at GOPAC since March of 1993 (7/96 Goodsell Tr. 8, 11), and Michael DuGally had been an employee at GOPAC since January 1992. (7/96 DuGally Tr. 9-10). Both went to work on the course as employees of Mr. Eisenach’s Washington Policy Group (“WPG”).\(^{33}\) In the contract between WPG and KSCF, it was understood that WPG would devote one-half of the time of its employees to working on the course. WPG had only one other client at this time—GOPAC. In its contract with KSCF, WPG agreed to pay its employees the same monthly fee as was being paid by KSCF in return for one-half of the time of WPG’s employees. (Ex. 76, PFF 3740). The contract also stated that WPG did not devote full time to GOPAC and GOPAC projects, an adjustment in the fee paid to WPG would be made. (Ex. 76, PFF 3740). Mr. DuGally worked on any GOPAC project after they started working on the course in June of 1993. (7/96 Goodsell Tr. 10, 11; 7/19/96 DuGally Tr. 9-10). Mr. Eisenach, then GOPAC’s Executive Director for GOPAC in April 1993.

Aside from Mr. Eisenach, other people affiliated with GOPAC were involved in the development of the course. Mr. Gingrich was General Chairman of GOPAC and had a substantial role in the course. Jana Rogers served as Mr. Eisenach’s executive assistant at GOPAC during the early part of 1993 and in that role worked on the development of the course. (7/10/96 Prochnow Tr. 36-37). Ms. Prochnow received assurances from both Mr. Eisenach and Mr. Gaylord that she could return to GOPAC when she had finished her assignment with the course. (7/96 Rogers Tr. 12-16). After approximately five months as the course’s Site Host Coordinator, she returned to GOPAC for a brief time. (7/96 Rogers Tr. 24-25). Since the number of those involved in the RAC Board and a paid GOPAC consultant, helped develop the course. (6/28/96 Hansen Tr. 10, 19-21). Mr. Gaylord was a paid consultant for GOPAC during the early development of the course. (7/10/96 Gaylord Tr. 15).

Pamla Prochnow was hired as the Finance Director for GOPAC in April 1993.\(^{34}\) Ms. Prochnow spent a portion of her early time

\(^{31}\) Mr. Eisenach has stated that he did not ask Ms. Prochnow to do this fundraising work, but rather Mr. Gaylord did. (7/12/96 Eisenach Tr. 71, 75; Ex. 65, PFF 3069). Mr. Gaylord and Ms. Prochnow clearly state that it was Mr. Eisenach, not Mr. Gaylord, who directed Ms. Prochnow to perform the fundraising work. (7/10/96 Gaylord Tr. 16, 17; 7/10/96 Prochnow Tr. 1A, 74-78; Ex. 71, Letter dated July 25, 1996, from Prochnow’s attorney)\(^{35}\) A special committee was formed by Mr. Eisenach which had a contract with KSCF to run all aspects of the course.

\(^{32}\) During her interviewing process, Ms. Prochnow was provided with materials to help her understand the goals of GOPAC. (Ex. 62, GOPAC Tr. 25). Although Mr. Gaylord did not list Mr. Gaylord as being present. (Ex. 47, J. R-0000405).

\(^{33}\) During her interviewing process, Ms. Prochnow was provided with materials to help her understand the goals of GOPAC. (Ex. 62, GOPAC Tr. 25). Although Mr. Gaylord did not list Mr. Gaylord as being present. (Ex. 47, J. R-0000405).

\(^{34}\) As discussed, an entity formed by Mr. Eisenach which had a contract with KSCF to run all aspects of the course.

\(^{35}\) The only other person who was involved in the early development of the course was Nancy Desmond. She did not work for GOPAC, but had been working on the campaign finance reform for approximately a year before starting to work on the course. (6/13/96 Desmond Tr. 15-18). She continued in her role as a consultant to Mr. Eisenach’s campaign until July 1, 1993, when she was told to resign from the campaign because of the perceived negative image her two new roles would project. (6/13/96 Desmond Tr. 15-16; Ex. 83, PFF 0000534) (emphasis in original). In discussing an enclosed survey the letter states:

In June of 1993, GOPAC sent a letter over Mr. Gingrich’s signature stating that “it is vital for Republicans to now DEVELOP and NURTURE the next generation of GOP leaders.” (Ex. 83, PFF 0000534) (emphasis in original). In discussing an enclosed survey the letter states:
It is the opening step in what I want to be an unprecedented mobilization effort for Republicans to begin the process of replacing America's failed welfare state.

And the key political component of that effort will be an all-out drive to end the Democrat's 40-year control of the U.S. House or Representatives in 1994. (Ex. 83, P.P.000536). The letter then states that it is important to develop the themes and ideas that will be needed to accomplish the victory in 1994. (Ex. 83, P.P.000536). In language that is very similar to the core of the course, the letter highlights the overtly partisan aspect of the welfare state and the Democratic Party which supports welfare recipients.

I believe the welfare state which the Democrats have created has failed. In fact, I challenge anyone to say that it has not. Today twelve year olds are being given high school diplomas they cannot even read.

And what I want to see our Party work to replace it with is a plan to renew America based on what I call "pillars" of freedom and progress.

(1) Personal strength;
(2) A commitment to quality in the workplace;
(3) Spirit of American Inventiveness;
(4) Entrepreneurial free enterprise applied to both the private and public sectors;
(5) Recognitions of American history as to what works for Americans to proposed government solutions to our problems.

As we discussed, it is time to lay down a blue print—which is why in part I am teaching the course on Renewing American Civilizations. Hopefully, it will provide the structure to build an offense so that Republicans can break through dramatically in 1996. We have a chance to make significant gains in 1994, but only if we can reach the point where we are united behind a positive message, as well as a critique of the Clinton programs.

As the new finance director, I want to introduce myself and to assure you of my commitment and enthusiasm to the recruitment and training of grassroots Republican candidates. (9/696 Robinson Tr. 4). The letter then states that it is important to develop the themes and ideas that will be needed to accomplish the victory in 1994. (Ex. 83, P.P.000536). The letter then states that it is important to develop the themes and ideas that will be needed to accomplish the victory in 1994. (Ex. 85, P.P.000194).

As we begin the new year, we know our goals and have in place the winning strategies. The primary mission is to elect Republicans at the professional and local level. There, also, is the strong emphasis on broadcasting the message of renewing American civilization to achieve peace and prosperity in this country.

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I am encouraged by your understanding that the Welfare System must be reformed, but must be replaced and have made a goal of activating at least 200,000 citizens nationwide in the course, "Renewing American Civilization." We hope to educate people with the fact that we are entering the information society. In order to make sense of this society, we must rebuild an opportunistic country. In essence, if we can reach Americans through my course, independent expenditures, GOPAC and other strategies, we will have a Republican majority in the House in 1994 and make government accountable again.

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According to Mr. Gingrich, the main theme of both the Renewing American Civilization movement and the course was the replacement of the welfare state with an opportunity society. (7/1996 Gingrich Tr. 52, 61, 190, 11/1996 Gingrich Tr. 78). Mr. Gingrich also said, "I believe that to replace the welfare state you almost certainly had to have a Republican majority." (7/1996 Gingrich Tr. 51). "I think it's hard to replace the welfare state with the [Democrats] in charge." (7/1996 Gingrich Tr. 62). The course was described as a "way to communicate the vision and language of the Renewing American Civilization movement and "as was a tool that could be used to replace the welfare state." (7/1996 Gingrich Tr. 159-160; see also 11/1996 Gingrich Tr. 47, 76). In addition to being the title of a move-
Mr. Gingrich: Absolutely; routinely and repeatedly.

Mr. Cole: And a campaign use of that?

Mr. Gingrich: Absolutely.

Mr. Cole: And was there an effort to connect the Republicans with the opportunity society?

Mr. Gingrich: Absolutely.

Mr. Cole: A partisan use?

Mr. Gingrich: Yes, sir.

Mr. Gingrich: What was the main theme of the course, was it not, replacement of the welfare state with the opportunity society?

Mr. Gingrich: No. The main theme of the course was the civilizational challenge we are facing and the main subset is that you have—that you have to replace the welfare state with an opportunity society for that to happen.

(1/13/96 Gingrich Tr. 79-80).

As referred to above, Mr. Gingrich held a training seminar for candidates on behalf of GOPAC at the Virginia Republican Convention in June 1993. (7/15/96 Gaylord Tr. 29-30). He gave a speech entitled "Renewing American Civilization" which described the nature of the movement and the course. (Ex. 56, GOPAC2 2146-2209).

Near the beginning of his speech, Mr. Gingrich said:

What I first want to suggest to you is my personal belief that we are engaged in a great moral and practical effort, that we are committing ourselves to renewing American civilization, and I believe that's our battle cry. That we want to be the party and the movement that renews American civilization and that renewing American civilization is both an idealistic cause and a practical cause at the same time.

(Ex. 56, GOPAC2 2146).

He then told the audience that he has four top priority ideas which 80% to 95% of Americans will agree. These are: (1) there is an American civilization; (2) the four can'ts; (3) the welfare state has failed; and (4) renewing American civilization is necessary to replace the welfare state.

(Ex. 56, GOPAC2 2149-2153).

Mr. Gingrich then went on to relate the principles of renewing American civilization to the Republican party:

We can't do much about the Democrats. They are on the left. They are too far to the left. That's their problem. But we have a huge burden of responsibility to change our behavior so that everyone who wants to replace the welfare state and every one who wants to renew American civilization has a home, and it's called being Republican. We have to really learn how to bring them all in.

And I think the first step of all that is to insist that at the core of identification the only division that matters is that question. You want to replace the welfare state and renew American civilization. The answer is just fine, come and join us. And not allow the news media, not allow the Democrats, not allow the special interest groups to force us into fights below that level in terms of defining who we are. That in any general election or any effort to govern that we are everyone who wants to replace the welfare state, and we are everyone who is willing to renew American civilization.

Now, that means there is a lot of ground in there to argue about details. Exactly how do you replace the welfare state. Exactly which idea is the best idea. But if we accept every one coming in, we strongly change the dynamic. This is what I think is being taught, including that it is being of national importance.

(Ex. 56, GOPAC2 2170-2171).

Third, we create a process—and this is something you can all help with in your own districts—we create a process interesting enough that the national media news has to run the story. Actually put the material in order to cover the course. (Ex. 56, GOPAC2 2173).

The transcript of his speech goes on for the next 30 pages to describe the principles of American civilization, work on the principles of American civilization to create a movement to renew American civilization. (Ex. 56, GOPAC2 2170-2171).

Mr. Gingrich told the audience that he had a language to explain renewing American civilization. (Ex. 90, GDC 00136; 7/17/96 Gingrich Tr. 203-204). He then described the three goals he had for the course:

1. First, we want to have by April of '96 a genuine intellectual blueprint to replace the welfare state that you could look at as a citizen and say, yeah, that has a pretty good chance of working. That's dramatically better than what we have right now.

2. Second, we want to find 200,000 activist citizens, and I hope all of you will be part of this, committed at every level of American life to spreading this message. Because America is a huge decentralized country. You've got to have school boards, city councils, hospital boards, state legislatures, county commissioners, mayors, congressmen, senators and the President and governors, who literally got to have congressmen and senators and the President and governors, who literally (sic) you take all the elected posts in America and you pick one person necessary to run for those positions and to help the campaigns, etc., I think it takes around 200,000 team players to truly change America.

(Ex. 56, GOPAC2 2170-2171).

Mr. Gingrich said:

Now, let me start just as [a] quick overview. First, as I said earlier, American civilization is a civilization. Very important. It is impossible for anyone on the left to debate you that.

* * * * *

But the reason I say that is if you go out and you campaign on behalf of American civilization and you want to renew American civilization, it is linguistically impossible to oppose you. And how is your opponent going to get up and say I'm against American civilization?

(Ex. 56, GOPAC2 2175-2176).

Near the end of the speech he said:

I believe, if you take the five pillars I've described, if you find the three areas that will really fit you, and are really in a position to help you, that you are then going to have a language to explain renewing American civilization, a language to explain how to replace the welfare state, and three topics that are going to arouse volunteers and help people say, Yes, I want this done.

(Ex. 56, GOPAC2 2207).

In a document that Mr. Gingrich apparently wrote during this time (Ex. 89, Eisenach 2861-2869), the course is related to the Renewing American Civilization movement in terms of winning a majority. The "House Republican Focus for 1994" is directed at having Republicans communicate a positive message so that a majority of Americans will support their only hope for real change is to vote Republican. In describing that message, the document states:

The Republican party can offer a better life for virtually every one if it applies the principles of American civilization to create a more flexible, decentralized market oriented system that uses the Third Wave of change and accepts the disciplines of the world market.

These ideas are outlined in a 20 hour intellectual framework "Renewing American Civilization" available on National Empowerment Television every Wednesday from 1 pm to 3 pm and available on audio tape and video tape from 1-800-TO-RENEW.

(Ex. 89, Eisenach 2869). In a document dated March 21, 1994, and entitled "RENEWING AMERICAN CIVILIZATION: The Challenges in Our Generation," Mr. Gingrich described a relationship between the course and the movement. (Ex. 90, GDC 00132-00152). Near the beginning of the document, one of the "key propositions" listed is that the welfare state has failed and must be replaced with an opportunity society. (Ex. 90, GDC 00136). The opportunity society must be based on, among other things, the principles of American civilization. (Ex. 90, GDC 00136).

The document states that the key ingredient for success is a movement to renew American civilization by replacing the welfare state with an opportunity society. (Ex. 90, GDC 00137). That movement will require at least 200,000 "partners for progress" committed to the goal of replacing the welfare state with an opportunity society and willing to study the principles of American civilization, work on the principles of American civilization, and use language in other activities to further the movement. (Ex. 90, GDC 00138).

Under the heading "Learning the Principles of American Civilization: the document states, "The course, 'Renewing American Civilization,' is designed as a 20 hour introduction to the principles necessary to replace the welfare state with an opportunity society. (Ex. 90, GDC 00136). It then lists the titles of each class and the book of readings associated with the course. The next section is titled "Connecting the partners' to the principles" (Ex. 90, GDC 00140). It describes where the course is being taught, including that it is being offered five times during 1994 on National Empowerment Television and states that, "Our goal is to get every potential partner for progress to take the course and study the..."
principles.’’ (Ex. 90, GDC 00140). The document then lists a number of areas where Republicans can commit themselves to ‘‘real change,’’ including the Contract with America and the concept of effort to end the Democratic majority in the House. (Ex. 90, GDC 00144-00150).

A May 10, 1994 document about Mr. Gingrich drafted (7/19/96 Gingrich Tr. 234-235; 7/15/96 Gaylord Tr. 70) entitled ‘‘The 14 Steps’’ [sic] on Renewing American Civilization by replacing the welfare state with an opportunity society, lists the partisan aspects of the movement. (Ex. 88, GDC 10729-10732). After stating that the welfare state has failed and needs to be replaced, the document states that, ‘‘Replacing the welfare state will require a disciplined approach to both public policy and politics.’’ (Ex. 88, GDC 10730). ‘‘We must methodically focus on communicating and implementing our vision of replacing the welfare state.’’ (Ex. 88, GDC 10730). In describing the replacement that will be needed, Mr. Gingrich says that it must be an opportunity society based on the principles of American civilization * * *

These principles each receive two hours of instruction during American Civilization Workshop, a course taught at Reinhardt College. The course is available on National Empowerment Television from 1-3 P.M. every Thursday and by videotape by calling 1-800-TO-RENEW. (Ex. 88, GDC 10730). This document goes on to describe the 200,000 ‘‘partners for progress’’ as being necessary for the replacement of the welfare state and how the Contract with America will be a first step toward replacing the welfare state with an opportunity society. (Ex. 88, GDC 10731). The document then states:

The Republicans are the party of the welfare state. Too many years in office have led to arrogance of power and to continuing violations of the basic values of self-government. Only by voting Republican can the welfare state be replaced and an opportunity society be created. (Ex. 88, GDC 10731).

On November 1, 1994, Mr. Gingrich attended a meeting with Ms. Minnix, his co-teacher at Reinhardt, to discuss the teaching of the course in 1995. (Ex. 92, Reinhardt 0065-0066). Also at that meeting were Mr. Desmond, Mr. Eisenach, and John McDowell. One of the topics discussed at the meeting was Mr. Gingrich’s desire to teach the course on a second hour on the Budget, Mr. Gingrich also asked them to review the 13-item list he had prepared, and Ms. Minnix, Mr. Gingrich wanted to teach the course in D.C. in an effort:

To attract freshman congresspeople, the press—who will be trying to figure out the Republican agenda—and congressional staff looking for the basics of Republican doctrine. ‘‘Take the course’’ will be suggested to those who want the Republican government is going to stand for. (Ex. 92, Reinhardt 0064). Later in the meeting Mr. Gingrich said that his chances of becoming Speaker of the House are small and he was making plans for a transition from Democratic to Republican rule. Ms. Minnix wrote that Mr. Gingrich ‘‘sees the course as vital to this—so vital that no one could convince him to teach it only one time per week and conserve his energy.’’ (Ex. 92, Reinhardt 0065).

A number of other documents reflect a similar partisan, political use of the message and the principles of American Civilization. (Ex. 93, LIP 00610-00610, ‘‘Renewing American Civilization: Our Duty in 1994,’’ a speech given to the Republican National Committee on January 19, 1994, p. 3; 4/94 B. B. 358-360). In that speech Mr. Gingrich said that the principles of American civilization have proven themselves to be ‘‘native mechanisms within and outside of government if social objectives are to be achieved.’’ (Ex. 93, LIP 00610-00610).

To expand our party, it is important that Republicans develop, agree on and learn to explain a positive philosophy of government. At the core of that philosophy is the observation that the paternalistic welfare state has failed, and must be replaced by alternative mechanisms within and outside of government if social objectives are to be achieved.

Fundamental in developing a new philosophy is the idea that traditional American civilization have proven themselves to be powerful mechanisms for organizing human behavior. There are working principles in the lessons of American history that can be observed, and should be preserved and strengthened.

These working principles distinguish the Republican party and its beliefs from the Democratic party, which remains committed to the welfare state even though these policies are essentially alien to the American experience. (Ex. 93, LIP 00610-00610). A memorandum from Mr. Gingrich to various members of his staffs asked them to review a plan for this training program and give him their comments. (Ex. 105, WGC 03729-03745).

During his interview, Mr. Hoekstra stated that Mr. Gingrich’s proposals, and the concept of replacing the welfare state was intended as a means of defining who Republicans were, however, the group never finally accomplished this goal, because the group didn’t have the resources and staff to implement it. (7/10/94 Hoekstra Tr. 47-48). In talking about this group, Mr. Gingrich said that he wanted the Republican

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*The other participants at this meeting were asked about this, to the extent they recalled the discussion, they confirmed that it was as related in Ms. Minnix’s memorandum. No one had any memory of the conversation that was contrary to Ms. Minnix’s memorandum. (6/29/96 Minnix Tr. 54-56; 6/29/96 Hanser Tr. 71-72; 6/13/96 Eisenach Tr. 270-271; 7/19/96 Gingrich Tr. 211-213).

**Mr. Gingrich provided Mr. Hoekstra with some materials to explain the move. (See Ex. 93, GDC 10730). As to the extent he did not specifically recall then, he said they were compatible with the activities of that time. (7/19/96 Gingrich Tr. 283-286).**
party to move toward Renewing American Civilization as a theme and that he would have asked the group to study the course, understand the ideas, and use those ideas in their political activities. A conservative organization was not known what became of this group. Mr. Hoeckstra said that the project ended without any closure, but he does not recall how that happened. (7/26/96 DuGally Tr. 46).

F. Marketing of the Course

As discussed above, Mr. Gingrich wrote in his March 29, 1993 memorandum that he wanted "Republican activists, committed * * * to setting up workshops built around the course, and to opening the party up to every citizen who wants to renew American civilization." (7/26/96 Gingrich Tr. 284-286). The evidence of efforts being made to recruit Republican and conservative organizations into becoming sponsors for the course. These sponsors were known as "site hosts." 1. One of the responsibilities of a site host was to recruit participants. (Ex. 106, PFF 0309). J ana Rogers was the Site Host Coordinator for the course when it was at Kennesaw State College. She stated that part of her work in regard to the course involved getting Republican activists to set up workshops around the country and joining into the Republican party. (7/36/96 Rogers Tr. 67-68). She said there was an emphasis on getting Republicans to site hosts. (7/36/96 Rogers Tr. 68). In another document entitled "To Obtain Site Hosts for Winter 1994 Quartet," "three projects" are listed: (1) "To obtain references from conservative organizations," (2) "To locate site hosts from conservative organizations," and (3) "To get cable companies to broadcast course." (Ex. 107, PFF 7526). The "strategies" listed to accomplish the "project" of obtaining site hosts from conservative organizations are listed as:

- Mailing to State and local leaders through lists from National Republican Committee, Christian Coalition, Young America's Foundation, National Right to Life, Heritage Foundation, Empower America, National Empowerment Television, Free Congress, etc. (Ex. 107, PFF 7526).
- One of the tactics listed to accomplish the goal of obtaining more site hosts is to:

Contact National College Republican office to obtain names and addresses of all presidents country-wide. Develop letter to ask college Republicans to try to obtain the class and RNC says it will work aggressively with them to set up recruiting 22 sites and possibly another 30+ during the fall. I was interviewed by MTV about the class and learned more about RESN [Republican Exchange Satellite Network] from Stephanie Fitzgerald who does their site coordination. I also handed out 400 Site Host Guides to College Republicans and about 600 registration flyers. NCRNC says it will work aggressively with their state chairmen to help us set up sites know [sic] that the convention is over. (Ex. 114, PFF 7613). She made no effort to contact any Democratic groups. (7/36/96 Rogers Tr. 78).

In notes provided by Mr. Mescon from a meeting he attended on the course, he lists a number of groups that would be targeted for mailings on the course. They include mostly elected or party officials and the notation ends with the words "50,000 total Republican Fall 93." (Ex. 118, PFF 0040). J ana Rogers was on the National Republican Committee to have a Republican National Committee to have a Republican Satellite Exchange Network promoting the course and asking its members to serve as site hosts. (Ex. 111, PFF 19795-19798). In addition, a letter targeted for recruited Republicans on behalf of the Republican National Committee to have a letter sent by Chairman Haley Barbour to RNC Members informing them of the course. (Ex. 113, RNC 0094). This letter did not solicit people to be site hosts.

Mr. Gingrich was shown this letter and he said that while he was not familiar with it, nothing in it is true. (7/26/96 Eisenach Tr. 180-181). Mr. Mescon was asked about this letter. During an interview with Mr. Cole, Mr. Eisenach was asked about this letter.

Mr. Eisenach: Use of the course by political institutions in a political context was something that occurred and was part of Newt's intent and was part of the intent of the other participants. But the intent of the course and, most importantly, the operation of the course and its use of tax-exempt funds was always and explicitly done in a nonpartisan context.

Political organizations—in this case, GOPAC—found it to their advantage to utilize the course for a political purpose, and they did so.

Mr. Cole: Were you involved in GOPAC?

Mr. Eisenach: At this time I was involved in GOPAC, yes.

Mr. Cole: And in making the decision that GOPAC would utilize the course?

Mr. Eisenach: Yes. (7/12/96 Eisenach Tr. 203).

In the fall of 1993, Mr. DuGally arranged for a letter to be sent by Lamar Alexander on behalf of the Republican Satellite Exchange Network promoting the course and asking its members to serve as site hosts. (Ex. 111, PFF 19795-19798). In addition, a letter targeted for recruited Republicans was prepared for members of the Christian Coalition asking them to serve as site hosts. (Ex. 112, PFF 19815). In June of 1993, Mr. DuGally worked with the National Republican Committee to have a letter sent by Chairman Haley Barbour to RNC Members informing them of the course. (Ex. 113, RNC 0094). This letter did not solicit people to be site hosts.

The response to Renewing American Civilization at the Republican National Convention was overwhelming [sic]. In addition, recruiting 22 sites and possibly another 30+ during the fall.

In an August 11, 1993, memorandum from Mr. DuGally, a WPG employee who worked on the course, he lists the entities where mailings were made targeting for the course. These mailings were intended to be sent up to that point. They are as follows:

- GOPAC Farm team—9,000
- Cong/OnG/Whip offices—4,000
- Sent to site hosts—5,500
- College Republicans—2,000
- American Pol Sci Assoc.—11,000
- Christian Coalition—3,000
- The Right Guide list—3,000

(Ex. 116, PFF 19794). In June of 1994, J ohn McDowell wrote to Jeff Eisenach with his suggestions about where to market the course during that summer. The groups he listed were the Eagle Forum Collegians; the National Review Institute's Conservative Summit; AEurysm in Academy; Young Re-

publicans Leadership Conference (Mr. McDowell was on their Executive Board); Young America's Foundation, National Con-

sidering its Student Affiliate Republican National Conference; the American

10 Others who worked on the course also said it was targeted to Republican and conservative groups. (7/36/96 Eisenach Tr. 73-74; 6/13/96 Steichelschulte Tr. 22-23; 6/13/96 Desmon Tr. 66).
Political Science Association Annual Meeting.56 and the Christian Coalition, Road to Victory, (Ex. 117, PFF 3493-3498). At a number of these meetings, Mr. Gingrich was scheduled to be a speaker. (Ex. 117, PFF 3489-3493).

A site host listing dated August 18, 1994, identified 102 sites that were part of that date. (Ex. 118, PFF 7493-7496). These include businesses, community groups, cable stations, and others. In addition, some colleges and universities offered the course either for credit, partial credit or no credit. (Ex. 119, Reinhardt 0160-0164). Based on their names, it was not possible to determine whether all of them were within the goals set forth in the above-described documents. Some of them, however, were identifiable. For example, of the 28 "community groups" listed at June 30, 1994 "Site List Generating," 11 are organizations whose names indicate they are Republican or conservative organizations—Arizona Republican Party; Athens County Republican Party; Henry County Republicans; Houston Young Republicans; Huron County Republican Party; Las Rancheras Republican Women; Louisiana Republican Legislative Delegation; Northern Illinois Conservative Council; Republican Party Headquarters (in Franklin County, Ohio); Republican Party Headquarters (in Wayne County, Ohio). The list does not indicate whether the remaining groups—e.g., the Alabama Family Alliance; the Family Foundation (Kennesaw State College—Georgia); the North Georgia Forum; Northeast Georgia Forum; the River of Life Family Church (Georgia)—are nonpartisan, Democratic, Republican, liberal or conservative. The list does not contain any organizations explicitly denominated as Democratic organizations. Similarly, it is not clear whether there was a particular geographic or conceptual concentration in the businesses, cable stations and individuals listed.57

Mr. Gingrich said that the efforts to recruit colleges to hold the course had been "very broad." "I talked, for example, with the dean of the government school at Harvard, Mr. Kiernan [sic] actually was offered the PACE course." (7/19/96 Gingrich Tr. 346). The course at Berkeley, however, did not go through the regular faculty review process for new courses, as the site host for the Renewing American Civilization course was William Muir, a former speechwriter for George Bush. (Ex. 112, WGC 06781). He went on to write that he "fund raising in a project to take the concept of the Republican Exchange Satellite Television, National Empowerment Television and "New Gingrich's 'Renewing American Civilization' course is "more interactive and user friendly." (Ex. 123, WGC 0783). The purpose for this is to have a "far greater ability for participatory party discussion." (Ex. 123, WGC 0786-0787). He goes on to write, "Friends, I truly believe the next major political advantage will go to the group that figures out how to use `interactive' communications in building a new Republican coalition." (Ex. 123, WGC 0787).

G. Kennesaw State College's Role in the Course

Renewing American Civilization was taught at Kennesaw State College ("KSC") in 1993. The sponsoring organization for the course was the Kennesaw State College Foundation ("KSCF"), a 501(c)(3) organization. (Ex. 123, WGC 0787). The approximate expenditures for the course at KSC were $300,000. This represented 29-33% of KSCF's program expenditures for 1993. The funds raised and donated to KSCF were tax-deductible.

KSCF had no role in raising funds for the course. (6/19/96 Fleming Tr. 33-38). Mr. Eisenach, the co-teacher and Dean of KSCF's Business School, wrote a letter with the help of Ms. Prochnow, GOPAC's Finance Director (6/19/96 Mescon Tr. 65-68, 70; 11/13/96 Eisenach Tr. 69), but most of the fundraising was coordinated by Mr. Eisenach, Ms. Prochnow, and Mr. Gingrich. (11/12/96 Eisenach Tr. 94-97, 99, 77; 11/26/96 Gingrich Tr. 123, 136, 137).

The course as offered at KSC was a forty-hour classroom lecture. Twenty hours were taught by Mr. Gingrich and twenty hours were taught by Mr. Mescon. While officials of KSC and KSCF considered the course to include the full forty hours of lecture (6/19/96 Gingrich Tr. 23), only the twenty hours taught by Mr. Gingrich were taped and disseminated. (11/16/96 Siegel Tr. 25-26, 11/16/96 Mescon Tr. 35; 11/16/96 Fleming Tr. 29). The funds raised for the course were primarily used for the dissemination of Mr. Gingrich's portion of the course to the various site host locations. (11/16/96 Fleming Tr. 27). Aid from Mr. Mescon or KSCF had any role in deciding which portions of the course would be taped and disseminated or even knew the reasons for doing it. (6/19/96 Mescon Tr. 36, 44-45, 58-59; 6/13/96 Fleming Tr. 23; 11/16/96 Siegel Tr. 78-79).

KSCF did not manage the course. It contracted with Mr. Eisenach's Washington Pol- ...

56This is the only meeting where there is not a suggestion to have a Renewing American Civilization or PFF employee attend personally. Instead, Mr. McLowell apparently only intended to find an attendee who would be willing to pass out Renewing American Civilization materials.

57Patti Hallstrom, an activist in the Arizona Republican Party, was instrumental in recruiting host sites in Arizona, such as the Arizona Republican Party headquarters. (Ex. 122, PFF 0679). Television stations were among the most possible shows where Mr. Gingrich could appear. She said the more conservative shows would allow for a "more amenable discussion." (Ex. 120, DES 00234-00241; 6/28/96 Hallstrom Tr. 41-43).

58This memorandum was faxed to Mr. Gingrich. The cover fax sheet has Mr. Gingrich's name and the date "10/27/95" on it in his handwriting. As Mr. Gingrich has denied this, this is evidence that has not seen this memorandum. (12/28/96 Gingrich Tr. 36-37).
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Shortly after PFF took over the management of the course, the Georgia Board of Regents passed a resolution prohibiting any elected official from teaching at a Georgia state institution. This was the culmination of a controversy that had arisen around the course at KSC. The controversy pertained to objections voiced by KSC faculty by Reinhardt that KSC was not being paid for its services. The Board of Regents decided that the course would be moved to a private college. (7/12/96 Eisenach Tr. 47-50).21

H. Reinhardt College’s Role in the Course

Reinhardt College was chosen as the new host for the course in part because of its television production facilities. (6/12/96 Falany Tr. 14). The 1994 and 1995 courses took place at Reinhardt. While there, PFF assumed full responsibility for the course. It no longer received payments to run the course. Rather, it paid Reinhardt to use the college’s video production facilities. All funds for the course were raised by and expended by PFF under its tax-exempt status. The approximate expenditures for the course were $450,000 in 1994 and in 1995. At PFF this represented 35% of its program expenditures for its first fiscal year (which ended March 31, 1994) and 39% of its program expenditures for its second fiscal year (which ended March 31, 1996). (6/12/96 Eisenach Tr. 14). The controversy over the course at KSC, however, affected the level of involvement Reinhardt was willing to assume in regard to the course. (6/12/96 Falany Tr. 44-48, 51-53, 59-66; 6/12/96 Minnix Tr. 26-27). In this regard, Reinhardt’s administration saw a distinction between the “course” and a broader political “project.” As stated in a memorandum from Mr. Falany, Reinhardt’s President, to Mr. Eisenach dated November 11, 1993:

First, there seems to be a “project,” which is Renewing American Civilization, of which the “course” is a part. This distinction is blurred at times in the Project Overview. When you refer to the “project,” it seems to imply a broader political objective (a non-welfare state). This is not to say that this political objective should be perceived as being less important. It should, in fact, be seen as broader than and distinct from the simpler objective of the “course.”

II. End of Renewing American Civilization Course

Although Mr. Gingrich had intended to teach the course for four years, through the 1996 Winter quarter, he stopped teaching it after the 1995 Winter quarter. According to most of the witnesses interviewed on this subject, the reason for this was that he had run out of time in light of the fact that he had two other obligations. Mr. Eisenach Tr. 119-20; 6/29/96 Hanser Tr. 2:53. On the other hand, Mr. Gingrich says that he had learned all he could from teaching the course and had nothing new to say on the topics. (7/19/96 Gingrich Tr. 364). Mr. Gingrich refused to support the efforts of PFF in regard to the course. Mr. McCarthy was disappointed with Mr. Eisenach’s financial management of the course. (7/19/96 Gingrich Tr. 365-366). Mr. Eisenach had indicated that he could not raise the $50,000 in debt and that PFF had used its own resources to cover this shortfall. (Ex. 130, GDC 11325). Mr. Gingrich was skeptical of this claim, believed that Mr. Eisenach had not reviewed it carefully, and stated that he would raise any amount that the review disclosed was needed. According to Mr. Gingrich, this offer was made to Mr. Eisenach. (7/19/96 Gingrich Tr. 367-368).

IV. ETHICS COMMITTEE APPROVAL OF COURSE

On May 12, 1993, Mr. Gingrich wrote the Committee asking for “guidance on the development of an intellectual approach to new legislation that will be different from our normal activities.” (Ex. 131, p. 1). He said that he wanted “to make sure that [his] activities remain within a framework that meets the legitimate ethics concerns of the House.” (Ex. 131, p. 1). He went on to describe the course as planning to teach in the fall of 1993 at Kennesaw State College.

The course would be based on his January 25, 1993 Special Order entitled “Renewing American Civilization.” (Ex. 12). It would be “completely non-partisan” and “evangelical side” to the course, which she described as an effort to have people get involved in politics, run for office, and try to influence legislation. (6/12/96 Minnix Tr. 70-71). Ms. Minnix felt uncomfortable with this “evangelical side.” (6/12/96 Minnix Tr. 70). Furthermore, as reflected in her memorandum of the November 1, 1993 meeting with Mr. Gingrich and others, she was aware that the course involved the possibility that Mr. Gingrich’s political agenda would be as Speaker. (6/12/96 Minnix Tr. 53-59; Ex. 92, Reinhardt 0064). As with KSC, one of the reasons Reinhardt administrators wanted to have the course “off track” was to raise profile of the school. (6/12/96 Falany Tr. 112-113).

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that the educational nature of the course spoke for itself. I told him that I was aware of no law or IRS regulation that would prevent Eisenach from raising charitable contributions. He was not going to get into guessing the IRS on its determinations of tax-exempt status.

(Ex. 132, p. 2). Mr. McCarthy said in an interview with Mr. Cole regarding the Committee’s “stick[ing]” by its advisory opinion permitted only to whether Mr. Gingrich could raise funds for the course. (7/18/96 McCarthy Tr. 375-376). Mr. McCarthy did not recall any discussion regarding the Americanization movement. (7/18/96 McCarthy Tr. 16). Mr. McCarthy did not recall any discussion of GOPAC’s use of the Renewing American Civil Rights Committee’s “stick[ing]” by its advisory opinion permitted only to whether Mr. Gingrich could raise funds for the course. (7/18/96 McCarthy Tr. 375-376). Mr. Gingrich did not believe that it was necessary to explain to Mr. McCarthy his intended use for the course.

Mr. McCarthy, however, on your intended use of the course. And your intended use of the course here was in a partisan political fashion; is that correct?

Mr. Gingrich: My intended use was, but I am not sure I had any obligation to explain that to the [Committee]. As long as the course itself was nonpartisan and the course itself met the criteria of either the course itself, and had both accreditation and tax status, I don’t believe I had an obligation to tell the Ethics Committee what my political strategies were. It’s a retrospective comment. And maybe I am wrong.

I don’t think—the questions were: Was it legal? Did I use official funds? Had we gotten approval from the [侗Association] for the course? Mr. Gingrich relied on most. (Ex. 3, p. 1). Mr. Gingrich had involvement with a number of tax-exempt organizations. As Mr. Gingrich has had involvement with a number of tax-exempt organizations. As Mr. Gingrich’s tax lawyer stated, politics and 501(c)(3) organizations are an “explosive mix.” (12/96 Holden Tr. 132-134, 146).

Despite all of this, he did not seek specific legal advice concerning the application of section 501(c)(3) with respect to AOW/ACTV or the Renewing American Civil Rights Committee. Mr. Cole: Do you know if anybody did on your behalf? Mr. Gingrich: No. We sought legal advice concerning the application of section 501(c)(3) with respect to AOW/ACTV or the Renewing American Civil Rights Committee. Mr. Cole: Did you seek any legal advice concerning the 501(c)(3) issues involving the course? Mr. Gingrich: No. I did not.

Mr. Cole: Do you know if anybody did on your behalf?

Mr. Gingrich: No. (7/18/96 Gingrich Tr. 140). With respect to AOW/ACTV, Mr. Gingrich said that he did not get any legal advice regarding the projects. (12/96 Gingrich Tr. 54). He said that he assumed Mr. Gaylord always sought such legal advice. (12/96 Gingrich Tr. 54).

Mr. Gingrich said two attorneys involved with GOPAC at the time, Jim Tilton and Tomemori, and maintained that he had only one of the “five key people” Mr. Gingrich relied on most. (Ex. 3, GDC 11551, GDC 11553).

The information Mr. Gingrich provided to the Committee was that the Kennesaw State College Foundation, a 501(c)(3) organization affiliated with an impermissible private benefit on Republican candidates and entities.

Prior to his involvement in both AOW/ACTV and the Renewing American Civil Rights Committee, Mr. Gingrich was the co-chair of the AOW/ACTV and the Renewing American Civil Rights Committee. Mr. Gingrich was aware of the tax controversy pertaining to the American Campaign Academy ("ACA") or "Academy"). In his interview with Mr. Cole, he said, “I was aware of the ACA, because the director of the (ACA) had been totally involved. I was aware of his briefings and what was involved. "* "I was aware of them at the time and I was aware of them at the time of the court case." (7/18/96 Gingrich Tr. 375-376). “I lived through that case. I mean, I was very well aware of what the [American Campaign Academy] did and what the ruling was.” (11/13/96 Gingrich Tr. 61).

Responding to the question of whether he had any involvement with the Academy, Mr. Gingrich said: “I think I actually taught that [sic], but that’s the only direct involvement I had.” (12/96 Gingrich Tr. 58). In an undated document on GOPAC stationary entitled “Constitution of Congressmen Newt Gingrich,” three offices are listed: GOPAC, FONG, and the American Campaign Academy. (Ex. 133, p. 2). Mr. Gingrich did not know that he had an office at the Academy, but thought it possible that his press secretary, Rich Galen, had an office there. (12/96 Gingrich Tr. 58).

In speaking about the Renewing American Civil Rights Committee, Mr. Gingrich told the New York Times that he acted very aggressively in regard to 501(c)(3).

“Whoa,” [Mr. Gingrich] said, when asked after class one recent Saturday if the course nears the edge of what the law allows. “Does it go more right up to the edge? What’s the beef? Doesn’t go over the edge, doesn’t break any law, isn’t wrong. It’s aggressive, it’s entrepreneurial, it’s risk taking.”


Mr. Gingrich was permitted to raise funds for the course on behalf of charitable organizations, “provided that no official resources are used, no official endorsement is given, and no direct personal benefit results.”

(Ex. 134, p. 1). The Committee, however, advised Mr. Gingrich to consult with the FEC regarding whether election laws and regulations might pertain to his raising efforts. The Committee’s letter to Mr. Gingrich did not discuss any matters relating to the implications of 501(c)(3) on the teaching of the course and dissemination of information or GOPAC’s relationship to the course. (Ex. 134, p. 1).

V. LEGAL ADVICE SOUGHT AND RECEIVED

As described in greater detail in the Appendix, section 501(c)(3) requires, among other things, that an organization be organized and operated exclusively for one or more exempt purposes. Treas. Reg. 1.501(c)(3)-1(c)(1) provides that an organization does not meet this requirement: Unless it serves a public rather than a private interest. It is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, or persons controlled, directly or indirectly, by such private interests.

The purpose of the “private benefit” prohibition is to ensure that the public subsidies flowing from section 501(c)(3) status, including the income tax deduction to donors who are able to receive tax-exempt charitable contributions, are reserved for organizations that are serving the public rather than private interests. Treas. Reg. 1.501(c)(3)-1(c)(1) defines the application of the private benefit prohibition in the context of the operational test: An organization will be regarded as “operated exclusively for charitable purposes” only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Although cases on the private benefit doctrine date back to 1945, a more recent, significant case on the subject is the 1989 Tax Court opinion in American Campaign Academy v. Commissioner. (11/13/96 Gingrich Tr. 89-90). On July 21, 1993, Mr. Gingrich wrote the Committee to provide additional information about the course he planned to teach at KSC. The letter did not discuss how the course was to be funded or that there was a plan to distribute the course nationally via satellite, videotape, audiotape and cable, or that GOPAC’s main theme was to be “renewing American Civil Rights.” The letter also did not discuss GOPAC’s role in the course. (Ex. 133).
Mr. Callaway said neither Mr. Swilinger nor Mr. Tilton was ever told that one of the purposes of ACTV was to recruit people to the Republican party. (12/7/96 Callaway Tr. 41, 47).*

Mr. Gingrich explained to the Subcommittee in November 1996 that, in his opinion, there were no such linkages between the American Campaign Academy and the Renewing American Civilization course. (11/13/96 Gingrich Tr. 61). After this explanation, Mr. Schiff and Mr. Gingrich had the following exchange:

Mr. Schiff: Did you go to a tax expert and say, here is what I have in mind; do you agree with it? Mr. Gingrich: The point I was trying to make is that there's no problem with the American Campaign Academy case in terms of what I am doing here. I am just asking if you did that?

Mr. Schiff: No. I did not want to assert the reason I would not have done it is as a college teacher who had taught on a college campus I didn't think the question came up if it related to spousal abuse. I mean, I didn't think the two cases had any relationship.

(11/13/96 Gingrich Tr. 61-62). During his testimony, Mr. Schiff raised similar questions with Mr. Gingrich.

Mr. Schiff: What strikes me is without trying to resolve that at this minute, the possibility that the application of 501(c)(3) is very much in evidence to me. And it seems to me that is true all the way along. You did have the American Campaign Academy case of 1989, which you have indicated you were aware of. It's true the facts were different, but nevertheless something sprung up that told somebody there was a problem that occurred if you get too close to political entities.

What I am getting at is this, and again to answer any way you wish, wasn't it, if not intentionally, at least reckless to consider whether or not you engaged in any activities which would, either directly or indirectly, force Mr. Gingrich to work with you in the presentation of a Member of the House of Representatives into at least a couple of—involvements with the 501(c)(3) organizations, whether it was Progress & Freedom or Kennesaw State or Abraham Lincoln Opportunity Foundation, without getting advice from a tax attorney to whom you told everything you did? This is the whole plan, this is the whole movement of Renewing American Civilization. * * *

Shouldn't that have been presented to somebody who is a tax attorney, and said, now, am I going to have any problems here? Is this okay under the 501(c)(3) laws? (12/10/96 Gingrich Tr. 32-33). In response to Mr. Schiff's questions, Mr. Gingrich explained why he thought there was no need to seek legal advice because the facts of American Campaign Academy and Renewing American Civilization were inapposite. (12/10/96 Gingrich Tr. 34-36).

Mr. Gingrich: The facts are the key. I was teaching at an accredited university: [ACA] was an institution that was basically a politically training center. My course was open to everybody; [ACA] was a Republican course. My course says nothing about campaigns; [ACA] was a course specifically about campaigns.

There are four standards * * * none of which apply to Renewing American Civilization. * * * just at an objective level you are going to put these [ACA and RAC] up on a board and say that is not a relevant question. (12/10/96 Gingrich Tr. 35).

After Mr. Gingrich's explanation, Mr. Schiff asked an additional question:

Mr. Schiff: I understand how you distinguish the facts between the American Campaign Academy case and your course. There are those that would argue that the legal holding in this case was based on another word, that which brings you to the legal conclusion of not complying with the 501(c)(3) laws, for various reasons that I'd rather not get into now—discuss it with Mr. Holdren, perhaps—that those are in common even if certain peripheral factors are different.

What I'm getting at is, excuse me for using your own words, but you're not a lawyer. Knowing that there was an attempt to set up a 501(c)(3) training and education academy which floundered in the courts because of something, wouldn't that motivate particularly a Member of the House to want to say, before you start into another one, maybe I ought to sit down with somebody who is a tax expert and tell them the whole plan here, not just course content, but where the course fits into all the strategies here and say, now, do you think I've got a problem and I don't want to do that. If you did, tell me you did. * * * (12/10/96 Gingrich Tr. 36-37).

Mr. Gingrich's response was three-fold:

Mr. Gingrich: This is the way I would explain it. (1) If you read the speech I gave in January of 1993, which was the core document from which everything else comes, I talk very specifically about a movement that is very simply about 2 million, not 200,000 volunteers, citizen activists, in the speech. I describe it as a cultural movement that has a political component in it. That's the core document I gave to everyone when I would say, here's what I want to try to teach about. Here is what I want to try to do, and in which there's a movement. And the course is designed to outline the principles from which the movements come. And so, if everybody who was engaged would know what we were doing, whether it was Kennesaw Foundation's lawyers or it was Progress & Freedom's lawyers or it was Reinhardt's lawyers, and the president of the college in both,chairs, everybody had in their own words, but you're not a lawyer.

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tax-exempt organizations. (11/15/96 Roady Tr. 2-7).

Ms. Roady is the immediate past Chair of the Exempt Organizations Committee of the Section of Taxation of the American Bar Association, having served as Chair from 1993 to 1995. She is currently serving a three-year term as Co-Chair of the Special Council of the American Association of Association Executives, and is a Fellow of the American College of Tax Counsel. (11/15/96 Roady Tr. 2-7).

Each of the attorneys interviewed for the position of expert for the Subcommittee highly recommended Ms. Roady. She was described as being impartial and one of the leading authorities in the field of exempt organizations law. (11/15/96 Roady Tr. 2).

Ms. Roady is a 1973 magna cum laude graduate of Duke University with a law degree from Duke Law School, with distinction, in 1976. She received a masters degree in taxation from the Georgetown University Law Center in 1979. (11/15/96 Roady Tr. 2-7).

C. Summary of the Expert’s Conclusions

Ms. Roady considered the following issues in her review:

1. Whether the content of the television programs provided by ALOF or the Renewing American Civilization course were “educational” within the meaning of section 501(c)(3);

2. Whether one of the purposes of the activities with respect to the television programs or the course was to provide more than an incidental benefit to GOPAC, Mr. Gingrich, or other Republican entities and candidates in violation of the private benefit prohibition in section 501(c)(3);

3. Whether the activities with respect to the television programs or the course violated the lobbying limitations applicable to section 501(c)(3) organizations. (11/15/96 Roady Tr. 7)."
support a P.A.C. Treas. Reg. § 1.527-6(g). Under the applicable legal standards, there is a violation of the campaign intervention prohibition with respect to ALOF if the evidence shows that the ACTV project provided a direct benefit to GOPAC, even though the television programs were educational and were not used as a means to expressly advocate the election or defeat of a particular candidate.

According to Ms. Roady, there is substantial evidence of such support in this case. As discussed above, the evidence shows that the ACTV project conducted by ALOF was a continuation of AOW, a partisan, political project undertaken by GOPAC. Mr. Gingrich himself described ACTV as a continuation of the AOW project with respect to ALOF with the respect to the ACTV project. The activities conducted by ALOF with respect to the AOW project were the same as the activities that had been conducted by GOPAC with respect to the AOW project. The persons who conducted the ACTV project on behalf of ALOF were GOPAC officers, employees, or consultants. Subsequent to the ACTV project to ALOF allowed the parties to raise some tax-deductible charitable contributions to conduct work amounting to a continuation of the ACTV project for political purposes. As a result, Ms. Roady concluded that Mr. Gingrich's activities on behalf of ALOF and the activities of others on behalf of ALOF with Mr. Gingrich's knowledge and approval provided support to GOPAC in violation of the campaign intervention prohibition.

2. THE RENEWING AMERICAN CIVILIZATION COURSE

a. Private Benefit prohibition

The determination of whether there is a violation of the private benefit prohibition does not depend on whether the teaching and dissemination of the course served an educational purpose; it cannot be determined by analyzing the content of Mr. Gingrich's lectures. The course met the definition of "educational" under section 501(c)(3) and served the personal purpose of Mr. Gingrich. (11/15/96 Roady Tr. 7). Nevertheless, there is a violation of section 501(c)(3) if another purpose of the project was to provide more than an incidental benefit. (11/15/96 Roady Tr. 17).

The funding that would not have been tax-deductible. (11/15/96 Roady Tr. 122, 127, 144, 145, 148, 152, 187, 189). From 1993 to 1995, KSCF and PFF spent most of the money that they had raised for the course on the dissemination of the 20 hours taught by Mr. Gingrich. These funds were raised primarily through tax-deductible charitable contributions to KSCF and to PFF. Mr. Gingrich used the Renewing American Civilization message in his campaign speeches made in 1993 and 1994. He was instrumental in determining that virtually the entire political activity was used for the purposes of political campaign. The message of the course was to provide more than an incidental benefit to private parties. (11/15/96 Roady Tr. 122, 144, 145, 153, 167).

b. Campaign intervention prohibition

As discussed above, the evidence shows that the course was developed by Mr. Gingrich as part of a broader political movement to replace the welfare state with an opportunity society. The course was an important vehicle for disseminating the message of that movement. The evidence that Mr. Gingrich's knowledge and approval raised primarily through tax-deductible charitable contributions to KSCF and to PFF. The evidence shows that the course was developed by Mr. Gingrich as a candidate.

VII. SUMMARY OF CONCLUSIONS OF MR. GINGRICH'S LAWYER

A. Introduction

During the Preliminary Inquiry, Mr. Gingrich's lawyer forwarded to the Subcommittee

1/Some funding came from the sale of videotapes and audiocassettes of the course. (12/26/96 Eisenbach Tr. 283).
a legal opinion letter and follow-on letter regarding the tax questions at issue. The letters were prepared by attorney James P. Holden. At Mr. Gingrich's request, Mr. Holden had also been asked to help him prepare the letters, Susan Serling, met with the Subcommittee on December 12, 1996, to discuss his conclusions. The purpose of the letters was to express Mr. Holden's conclusion regarding whether any violation of section 501(c)(3) occurred with respect to the Renewing American Civilization course.

His understanding of the facts of the matter was based on a review of the course book prepared for the course, videotapes of the course, and documents produced by the American Values Institute (consultant, Federal Income Tax Counsel). He received a J.D. degree from the University of Colorado Law School in 1953.

Mr. Holden is a partner at the Washington, D.C. law firm of Steptoe and Johnson. He was an adjunct professor at Georgetown University Law Center from 1970 to 1983. He is co-author of "Ethical Problems in Federal Taxation," with the American Bar Association (consultant, Federal Income Tax Counsel). He was a trustee and president of the Georgia Open Records Act, PFF's application to the IRS for exemption, newspaper articles, discussions with Mr. Baran, Mr. Eisenach, and counsel to PFF and KSCF. 76

76B. Qualifications of Mr. Gingrich's Tax Counsel

Mr. Holden is a partner at the Washington, D.C. law firm of Steptoe and Johnson. He was an adjunct professor at Georgetown University Law Center from 1970 to 1983. He is co-author of "Ethical Problems in Federal Taxation," with the American Bar Association (consultant, Federal Income Tax Counsel). He received a J.D. degree from the University of Colorado Law School in 1953.

Mr. Holden is a partner at the Washington, D.C. law firm of Steptoe and Johnson. He was an adjunct professor at Georgetown University Law Center from 1970 to 1983. He is co-author of "Ethical Problems in Federal Taxation," with the American Bar Association (consultant, Federal Income Tax Counsel). He received a J.D. degree from the University of Colorado Law School in 1953.

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irrelevant when determining whether a violation of the private benefit prohibition occurred.

It is not the presence of politicians or political ideas that controls. The pertinent law does not use political affiliation or the political motivations of the principal participants.

(9/96 Holden Ltr. 6). According to Mr. Holden, the issue is whether a violation of 501(c)(3) occurred "may not be resolved by a determination that the individuals who designed and promoted the course acted with political motivation." (9/1966 Holden Ltr. 4).

In his opinion, when determining whether an organization violated the private benefit prohibition, it is necessary to determine whether an organization's activities in fact served a private interest. (12/12/96 Holden Tr. 89). What motivates the activities is irrelevant.

I'm saying it's irrelevant to look to what caused an individual or group of individuals to form a (c)(3) or to utilize a 501(c)(3) organization. The question instead is on the activities—the focus instead is on the activities of the organization and whether they violated the operational test. I think that's a critical distinction.

(12/12/96 Holden Tr. 61). He said that he was "aware of no authority that would hold that because one is motivated to establish a 501(c)(3) to acquire business, or other motivation, that means that the organization cannot operate in a manner that satisfies 501(c)(3), because we are talking about an operational test." (12/12/96 Holden Tr. 17-18).

Mr. Holden cited American Campaign Academy as an authority for his conclusion that an organization's activity must itself benefit a targeted group and that motivation of an organization's agents in conducting that activity is irrelevant. Mr. Holden said:

[In American Campaign Academy] [t]he focus was, instead, on the operational test and whether the activities of the organization evidenced a purpose to serve a private interest. But you have to find that in the activities of the organization and not in some general notion of motivation or background purpose.

(12/12/96 Holden Tr. 61). In light of these and similar comments made by Mr. Holden, the Special Counsel asked Mr. Holden to comment on statements found in the American Campaign Academy case at page 104. These statements are in a section of the case under the heading "Operational Test" and are as follows:

The operational test examines the actual purpose for the organization's activities and not the nature of the activities or the organization's statement of purpose. (citations omitted). (emphasis supplied).

In testing compliance with the operational test, we look beyond the four corners of the organization's charter to discover "the actual objects motivating the organization and the subsequent conduct of the organization." (citations omitted). (emphasis supplied).

What an organization's purposes are and what purposes its activities support are questions of fact. (citations omitted).

(12/12/96 Holden Tr. 75-76). After the Special Counsel brought these sections of the case to Mr. Holden's attention, the following exchange occurred:

Mr. Holden: May I refer you to the last sentence before the next heading, "Operating Primarily for Exempt Purposes." The last sentence before that says: "The sole issue for declaration [sic] is whether respondent properly determined that petitioner failed to satisfy both the definition of the operational test by not primarily engaging in activities, which is not for exempt purposes.''

It's an activities test. And this is where the courts say this is the sole issue. The stuff before, they're just kind of reciting the law. When he gets to this, he said this is what we have to determine.

Mr. Cole: But in reciting the law, don't they say, in testing compliance with the operational test, we look beyond the four corners of the organization's statement of purpose to discover the actual objects motivating the organization? Prior to that, they say the operational test examines the actual purpose for the organization's activities and not the nature of the activities or the organization's statement of purpose.

I grant you that is the statement of the law, but you are saying that has no significance?

Mr. Holden: That's not the case Judge Nims decided.

(12/12/96 Holden Tr. 77).

2. CAMPAIGN INTERVENTION PROHIBITION

In his opinion letter, Mr. Holden wrote that it was "important to note that section 501(c)(3) does not, as is often suggested, bar 'political activity' by 501(c)(3) organizations." (9/96 Holden Ltr. 68). The prohibition is more limited and prohibits an organization from participating in or intervening in political campaigns on behalf of or in opposition to any candidate for public office. In order for an organization to violate this prohibition, there must exist a campaign, a can- didate, a political advertisement and, an organization that participates or intervenes on behalf of or in opposition to that candidate. (9/96 Holden Ltr. 68-69).

Mr. Holden concluded that the course did not violate this prohibition.

The [course] materials contain no endorse- ment of or opposition to the candidacy of any person, whether expressed by name or through the use of a label that might be taken as a stand-in for a candidate. While the materials are critical of what is referred to as the "welfare state" and laudatory of what is described as an "opportunity society," none of this is properly characterized as personalized to candidates, directly or indirectly.

(9/96 Holden Tr. 72). During his testimony before the Subcommittee, Mr. Holden said that the course contained issue advocacy in the sense that it called for the replacement of the welfare state with the opportunity society. (12/12/96 Holden Tr. 103-104). He also said that this issue—the replacement of the welfare state with an opportunity society—was closely identified with Mr. Gingrich and his political campaigns. (12/12/96 Holden Tr. 104).

He claimed that this is an open and shut case. It just is not. I do not see how anyone can conclude that there is an open and shut case. We are looking at a case that I do not think has ever been presented. I do not see how anyone can conclude that this is an open and shut case. It just is not of that character.

(12/12/96 Holden Tr. 132-134). Mr. Holden said that an appropriate vehicle for the course might have been a 501(c)(4) organization because such an organization could engage in some political activity and the activity would not have used tax-deductible funds. (12/12/96 Holden Tr. 132-134). Later, Mr. Holden reiterated that he would not have recommended that Renewing American Civilization be sponsored and funded by a 501(c)(3) organization and pointed out such activities are highly likely to attract the attention of the IRS.

Those funds are deductible and the conjunction of politics and a (c)(3) organization is so explosive as a mix that it is bound to attract the attention of the Internal Revenue Service. I wouldn't have been thinking about this committee, I wouldn't have been thinking about whether the Internal Revenue Service would have been likely to challenge this.

(12/12/96 Holden Tr. 146). After Mr. Holden made this comment, the following exchange occurred:

Mr. Pelosi: So it would have raised questions?

Mr. Holden: Yes.

Mr. Goss: Isn't that a little bit akin to having a yacht and an airplane on your tax return for business purposes?

Mr. Holden: It is one of those things that stands out.

(12/12/96 Holden Tr. 147).

VIII. SUMMARY OF FACTS PERTAINING TO STATEMENTS MADE TO THE COMMITTEE

A. Background

On or about September 7, 1994, Ben Jones, Mr. Gingrich's Democratic opponent in 1994, filed with the Committee a complaint against Mr. Gingrich. The complaint centered on the course. Among other things, it alleged that Mr. Gingrich had used his congressional staff or other 501(c)(4) organization and that he had misused organizations that were exempt from taxation under section 501(c)(3) of the Internal Revenue Code because the course was a partisan project with significant involvement by Mr. Gingrich, and was not a permissible activity for a section 501(c)(3) organization. (Ex. 135).

Mr. Holden: It doesn't seem to me that that com- pels a conclusion that there's a violation of 501(c)(3).
On or about October 4, 1994, Mr. Gingrich wrote the Committee in response to the complaint and primarily addressed the issues concerning the use of congressional staff for the course. In doing so, he stated:

I would like to make it abundantly clear that those who were paid for course preparation were paid by either the Kennesaw State Foundation, [sic] the Newt Gingrich Foundation, and Freedom Foundation or GOPAC. ** ** ** Those persons paid by one of the aforementioned groups include: Dr. Jeffrey Eisenach, Mike DuGally, Jana Hansen, Felix Stachuschutz [sic], Pamela Prochnow, Dr. Steve Hanser, J. Gaylord and Nancy Desmond.

(Ex. 136, p. 2). After the Committee received and read Mr. Gingrich's October 1994 letter, it sent him a letter dated October 31, 1994, asking for additional information concerning the allegations of misuse of tax-exempt organizations in regard to the course. The Committee also asked for information relating to the involvement of GOPAC in various aspects of the course. As set forth in the letter, the Committee wrote:

There is, however, an allegation which requires explanation before the Committee can finalize its evaluation of the complaint. This is the issue of seeking and obtaining funding for your course on Renewing American Civilization, you improperly used tax-exempt foundations to obtain taxpayer subsidization of political activity.

* * * 

Your answers to [questions set forth in the letter] would be helpful to the Committee in deciding what formal action to take with respect to the complaint.

* * * 

A number of documents submitted by Ben Jones, however, raise questions as to whether the course was in fact exclusively educational in nature, or instead constituted partisan political activity intended to benefit Republican candidates.

(Ex. 137, pp. 1-2).

8. Statements Made by Mr. Gingrich to the Committee, Directly or Through Counsel

1. MR. GINGRICH’S DECEMBER 8, 1994 LETTER TO THE COMMITTEE

In a letter dated December 8, 1994, Mr. Gingrich responded to the Committee’s October 31, 1994 letter. (Ex. 138). In that letter, Mr. Gingrich made the following statements, which he has admitted were inaccurate, incomplete, and unreliable.

1. [The course] was, by design and application, completely non-partisan. It was and remains about ideas, not politics. (Ex. 138, p. 2).

2. The idea to teach “Renewing American Civilization” arose wholly independent of GOPAC, because the course, unlike the committee, is non-partisan and apolitical. My motivation for teaching these ideas arose not as a politician, but rather as a future educator and concerned American citizen. ** ** ** (Ex. 138, p. 4).

3. The fact is, “Renewing American Civilization” and GOPAC have never had any official relationship. (Ex. 138, p. 4).

4. GOPAC is a political organization whose interests are not directly advanced by this non-partisan educational endeavor. (Ex. 138, p. 5).

5. As a political action committee, GOPAC never participated in the administration of “Renewing American Civilization.” (Ex. 138, p. 4).

6. Where employees of GOPAC simultaneously assisted the project, they did so as private, civic-minded individuals contributing time and effort to a 501(c)(3) organization. (Ex. 138, p. 4).

7. Anticipating media or political attempts to link the course to GOPAC, “Renewing American Civilization” organizers went out of their way to avoid even the appearance of improper association with GOPAC. Before we had raised the first dollar or sent out the first brochure, Course Project Director Jeff Eisenach resigned his position at GOPAC. (Ex. 138, p. 4).

The goal of the letter was to have the complaint dismissed. (11/13/96 Gingrich Tr. 36).

2. MARCH 27, 1995 LETTER OF MR. GINGRICH’S ATTORNEY TO THE COMMITTEE

On January 26, 1995, Representative Bonior filed with the Committee an amended version of the Ben Jones complaint against Mr. Gingrich. (Ex. 139). Gingrich, in response to the letter re-alleged that the Renewing American Civilization course had partisan, political purposes and was in violation of section 501(c)(3). The complaint also alleged substantial involvement of GOPAC in the course. (Ex. 139, pp. 1-7). In a letter dated March 27, 1995, Mr. Baran, Mr. Gingrich’s attorney and a partner at the law firm of Wiley, Rein and Fielding, filed a response on behalf of Mr. Gingrich to the amended complaint. (Ex. 140, PFF 3457). Prior to the letter being reviewed and approved it was submitted to the Committee. (7/18/96 Gingrich Tr. 274-275).

Mr. Cole: If there was anything inaccurate in the letter, would you have told Mr. Baran to change it?

Mr. Gingrich: Absolutely. (7/18/96 Gingrich Tr. 275).

The letter contains the following statements, which Mr. Gingrich has admitted were inaccurate, incomplete, and unreliable.

1. As Ex. 13 demonstrates, the course solicitation materials are completely non-partisan. (Ex. 140, p. 19, fn. 7).

2. The course was not involved in the Speaker’s Academic Affairs because it is a political organization whose interests are not advanced by this non-partisan educational endeavor. (Ex. 140, p. 35).

3. The Renewing American Civilization course and GOPAC have never had any relationship, official or otherwise. (Ex. 140, p. 35).

4. As noted previously, GOPAC has had absolutely no role in funding, promoting, or administering Renewing American Civilization. (Ex. 140, pp. 34-35).

5. GOPAC has been involved in course fundraising and has never contributed any money or services to the course. (Ex. 140, p. 28).

6. Anticipating media or political attempts to link the course to GOPAC, course organizers went out of their way to avoid even the appearance of associating with GOPAC. Prior to becoming Course Project Director, Jeffrey Eisenach resigned his position at GOPAC and has not returned. (Ex. 140, p. 36).

The purpose of Mr. Baran’s letter was to have the Committee dismiss the complaint against Mr. Gingrich. (11/13/96 Gingrich Tr. 35-36).

C. Subcommittee’s Inquiry Into Statements Made to the Committee

On September 26, 1996, the Subcommittee expanded the scope of the Preliminary Inquiry to determine whether Representative Gingrich provided accurate, reliable, and complete information concerning the course entitled “Renewing American Civilization.” (Ex. 141, p. 1). At the time of the letter, Mr. Gingrich had stated that he and his staff were “making literally hundreds of decisions” as part of the transition in the House from Democratic to Republican Control. (Ex. 141, p. 1). In response, Mr. Gingrich described how extremely busy he was at the time the October 4, 1994, and December 8, 1994 letters were drafted. He said, the October 4, 1994 letter was written “in [the] context of exhaustion and focused effort” on finishing a congressional session, traveling to over a hundred congressional districts, tending to his duties as Whip, and running for re-election in his district. (Ex. 141, p. 1). At the time of the December 8, 1994 letter, he said that he and his staff were “making literally hundreds of decisions” as part of the transition in the House from Democratic to Republican Control. (Ex. 141, p. 1). In response, Mr. Gingrich described how extremely busy he was at the time the October 4, 1994, and December 8, 1994 letters were drafted. He said, the October 4, 1994 letter was written “in [the] context of exhaustion and focused effort” on finishing a congressional session, traveling to over a hundred congressional districts, tending to his duties as Whip, and running for re-election in his district. (Ex. 141, p. 1). At the time of the letter, he said that he and his staff were “making literally hundreds of decisions” as part of the transition in the House from Democratic to Republican Control. (Ex. 141, p. 1).

On October 1, 1996, the Subcommittee requested that Mr. Gingrich produce to the Subcommittee all documents that were used or relied upon to prepare the letters at issue—the letters dated October 4, 1994, December 8, 1994 and March 27, 1995. Mr. Gingrich then cooperated with the Committee, as evidenced by his letter to the Committee on December 10, 1996, as part of his opportunity to address the Subcommittee pursuant to Rule 12(a)(3) of the Committee’s Rules. Pursuant to Committee Rule 12(a), his appearance was also under oath.24

24Mr. Gingrich appeared twice before the Subcommittee to discuss these letters. The first time was on November 13, 1996, in response to a request from the Subcommittee that he appear and testify about the matter under review. The second time was on December 10, 1996, as part of his opportunity to address the Subcommittee pursuant to Rule 12(a)(3) of the Committee’s Rules. Pursuant to Committee Rule 12(a), his appearance was also under oath.
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[11/13/96 Gingrich Tr. 5]. Mr. Gingrich said several times that it was only on the Monday before his testimony—the day when he reviewed the transcript of his July 1994 interview with the Lasker Center—that they realized the letters were inaccurate, incomplete, and unreliable. [11/13/96 Gingrich Tr. 5, 8, 10, 148, 150, 195; 12/14/96 Baran Tr. 13, 15, 18]. Mr. Baran did not recall speaking to Mr. Gingrich about the letter other than possibly at the hearing on December 13, 1994, one day after the letter was signed by Mr. Gingrich. [11/13/96 Baran Tr. 18, 33]. Mr. Baran did not contact Mr. Eisenach, but did not recall the “nature of the contact.” [11/13/96 Baran Tr. 16]. Mr. Eisenach said he had no record of ever having spoken to Mr. Baran about the letter and does not believe that he specifically communicated with Mr. Baran in the 18-20. The conversation he had with Mr. Baran concerned matters unrelated to the letter. [11/14/96 Eisenach Tr. 17-18]. Mr. Eisenach also said that he gave him a copy of the December 8, 1994 letter and asked him to verify its contents. [11/14/96 Eisenach Tr. 22].

The other attorney at Wiley, Rein and Fielding involved in preparing the response was Bruce Mehlman. [11/13/96 Baran Tr. 19, 11/13/96 Mehlman Tr. 17]. He was a first-year associate who had been at Wiley, Rein and Fielding since September 1994. [11/19/96 Mehlman Tr. 5]. Mr. Mehlman’s role was to create the first draft. [11/19/96 Mehlman Tr. 15]. The materials Mr. Baran had available to him to prepare the draft were: 1. correspondence between Mr. Gingrich and the committee, including the October 4, 1994 letter; 2. course videotapes; 3. the book used in the course called “Renewing American Civilization”; 4. a course brochure; 5. the complaint filed by Ben J ones against Mr. Gingrich; and 6. document produced pursuant to a Georgi a Open Records Act request.

Mehlman Tr. 15-16, 20). Mr. Mehlman said that he did not attempt to gather any other documents because he did not see a need to go beyond the materials in order to prepare a response. [11/16/96 Mehlman Tr. 19-20]. With the exception of contacting his brother, who had taken the course, Mr. Mehlman did not make any inquiries of people regarding the facts of the matter. [11/16/96 Mehlman Tr. 18]. He did not, for example, contact GOPAC or Mr. Eisenach. [11/16/96 Mehlman Tr. 28]. After he completed his first draft, he gave it to Mr. Baran. [11/16/96 Mehlman Tr. 22]. He assumed that Mr. Baran would make sure that any factual questions could be handled satisfactorily before the letter went out. [11/16/96 Mehlman Tr. 51]. However, Mr. Mehlman did not know what, if anything, Mr. Baran did with the draft after he gave it to him. [11/16/96 Mehlman Tr. 22].

When Mr. Gaylord asked Mr. Baran to prepare the letter, it was Mr. Baran’s understanding that Annette Thompson Meeks, an Administrative Assistant for Mr. Gingrich’s office, would help. [11/13/96 Baran Tr. 5, 7]. According to Mr. Baran, Ms. Meeks’ role was:

- to take a draft product from us and review it for accuracy from her personal knowledge and basically make sure that it was acceptable. And in that regard, I believed that she may have spoken with other people to confirm that, but you will be talked to her, and you will have to confirm with her. I tried to not talk to her about that.

[11/16/96 Baran Tr. 10]. Mr. Baran described the process for reviewing the letter as follows:

- Well, you know, as a counsel who was retained relatively late in that process at that time, there was something that I had knowledge about any of the underlying activities and with a marching order of trying to prepare a draft that was usable by the staff, we were pretty much focused on getting something together and over to Annette Meeks so that it could be used. Verification was something that would have been available through those who had firsthand knowledge about these facts, who had reviewed the draft.

[11/16/96 Baran Tr. 15]. Mr. Baran did not, however, know whether the letter was reviewed by others to determine its accuracy. [11/16/96 Baran Tr. 48].

Ms. Meeks said that at the time the letter was being prepared, she had no knowledge of whether:

- the course was a political or partisan activity by design or application;
- GOPAC was involved in the course;
- GOPAC was benefitted by the course;
- GOPAC created, funded, or administered the course;
- the idea to teach the course arose wholly independent of GOPAC;
- Mr. Gingrich’s motivation for teaching the course arose not as a politician but rather as a historian;
- Mr. Eisenach resigned his position at GOPAC.

[11/14/96 Meeks Tr. 45-47]. Ms. Meeks also said she was unaware that GOPAC’s theme was Renewing American Civilization. [11/14/96 Meeks Tr. 88].

Ms. Meeks said she had no role in drafting the letter, did not talk to anyone to verify that the facts in the letter were accurate, and had no knowledge of how the facts in the letter were checked for accuracy. [11/14/96 Meeks Tr. 39, 40, 51]. She did not indicate to Mr. Baran that she had given the letter to anyone for the purpose of checking its accuracy. [11/14/96 Meeks Tr. 87]. In this regard, Ms. Meeks said:

I will be very frank and tell you I don’t know how [Mr. Baran] composed this information as far as who he spoke with. I was not privy to any of that. The only thing I could add to my answer is that once counsel is retained, we were kind of out of the picture as far as the process, other than typing and transmitting.

[11/14/96 Meeks Tr. 92]. She said her role was to provide Mr. Baran with background information about Mr. McCarthy (the Committee’s counsel who had conferred with Mr. Gingrich about the course in 1993); a copy of the October 4, 1994 letter from Mr. Gingrich to the Committee; copies of papers relating to the Speaker’s employment with Mr. Gingrich’s congressional office; and copies of the course videotapes. [11/14/96 Meeks Tr. 36-37].

Mr. Gaylord had a similar expectation in that, by retaining Wiley, Rein and Fielding, they were both protecting us and had done the proper and correct investigation in the preparation of the letters and that they, in fact, did their job because that’s what they were paid to do.

- Mr. Baran also had the information from Dr. Eisenach and others who were involved specifically in the course.
Mr. Baran said that the basis of this statement was a review of the course tapes and the belief that the course had originated from a presentation to Mr. Gingrich. Mr. Gaylord said that the statement that GOPAC was involved in raising funds was incorrect. (11/13/96 Baran Tr. 24±25). At the time the letter was drafted, Mr. Baran was in Gingrich’s December 1992 meeting with Owen Roberts where Mr. Gingrich first laid out his ideas for the Renewing American Civilization movement, including the March 27, 1995 letter. Mr. Mehlman said he did not speak with Mr. Gingrich about his motivations for the course and did not know if Mr. Baran had spoken with Mr. Gingrich about his motivations for teaching the course. (11/96 Mehlman Tr. 27).

2. The fact is, ‘Renewing American Civilization’ and GOPAC have never had any official relationship. Mr. Baran said about this statement: Well, I think the basis of [this statement] was essentially the characterizations that had been placed on the relationship between the course and the course materials. Mr. Mehlman made the following statement in his letter to the House committee: ‘This is wrong’ and Mr. Baran said that he had an understanding at that time that the course was partisan or about politics. (11/13/96 Baran Tr. 23).

The bases for many of the statements in the letter. Explanations were, however, given for the bases of some of the statements. A summary of those bases is set forth below.

1. [The course] was, by design and application, completely non-partisan. It was and remains about ideas, not politics. (Ex. 138, p. 2).

Mr. Baran said that the basis for this statement was his review of the course tapes and course materials. (11/13/96 Baran Tr. 19). Mr. Mehlman provided the following understanding of the basis of this statement: Well, I don’t specifically recall. If I had to assume, it would be some of the [Georgia Open Records Act] documents or some of the course materials that purport to be non-partisan, or to have created a course that was non-partisan, that certainly would explain the conclusion. As far as in application, probably the reference made by my brother who had seen the course, who had participated in it, I suppose, in the preparation of the initial writings about the course and viewing the first videotape of the course, suggested that the course was nonpartisan. (11/96 Mehlman Tr. 25).

According to Mr. Baran, the letter to the College Republicans—which was one of the attachments to the September 7, 1994] ones complained about in the complaint in his mind that the course was partisan or about politics. (11/13/96 Baran Tr. 23).

2. ‘The idea to teach ‘Renewing American Civilization’ arose wholly independent of Galahad Committee, is non-partisan and apolitical. My motivation for teaching these ideas arose not as a politician, but rather as a former educator and concerned American citizen ***.’ (Ex. 138, p. 4).

Mr. Baran said that the basis of this statement was a review of the course tapes and the belief that the course had originated from a presentation to Mr. Gingrich that had given on the House floor. (11/13/96 Baran Tr. 24±25). Mr. Mehlman did not speak with Mr. Gingrich about his motivations for the course and did not know if Mr. Baran had spoken with Mr. Gingrich about his motivations for teaching the course. (11/96 Mehlman Tr. 27).

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After the letter was drafted, Mr. Baran said that Mr. Baran and his associates then "would have sent a draft that they felt comfortable with over to the Speaker's office."

(11/13/96 Baran Tr. 16, 40, 44; 11/13/96 Baran Tr. 32-33, 37-38; Mehlman Tr. 41).

They, however, did not know whether Mr. Gingrich had given or would give his blessing to the course, if it had been done so. In any case, the letter to Mr. Baran from Mr. Gingrich dated October 4, 1994. In that letter he stated that he would have sent a draft "that he felt comfortable with over to the Speaker's office."

Mr. Baran: But I don't recall any. I just wanted to make sure that he did review it before it was submitted.

Mr. Cole: How did you determine that he had reviewed it?

Mr. Baran: I don't recall today, but I would not file anything until I had been assured by somebody that he had read it.

Mr. Baran: I can't recall the basis upon which that happened. (11/13/96 Baran Tr. 32-33).

IX. ANALYSIS AND CONCLUSION

A. Tax Issues

In reviewing the evidence concerning both the AOW/ACTV project and the Renewable American Civilization project, certain patterns became apparent. In both instances, GOPAC had initiated the use of the messages as part of its political program to build a Republican majority in Congress. In both instances there was an effort to have the material appear to be non-partisan on its face, yet serve as a partisan, political message for the purpose of building the Republican Party.

Under the "methodology test" set out by the Internal Revenue Service, both projects qualified for tax exempt status. However, both had substantial partisan, political aspects. Both were initiated as political projects and both were motivated, at least in part, by political gain.

The other striking similarity is that, in both situations, GOPAC was in need of a new resource of funding for the projects and turned to a 501(c)(3) organization for that purpose. Once the projects had been established at the 501(c)(3) organizations, however, the same person continued to work on them. If it had done so for GOPAC, the same message was used as when it was at GOPAC, and the dissemination of the message was directed toward the same audience. It had been said that the message was non-partisan on its face, yet the purpose of building the Republican Party.

The only significant difference was that the activity was funded by a 501(c)(3) organization. This was not only one entity developing a message through a course or a television program for purely educational purposes and then an entirely separate entity disseminating that message for partisan, political purposes. Rather, this was a coordinated effort to have the 501(c)(3) organization help in achieving a partisan, political goal. In both instances the idea to develop the message and disseminate it for partisan, political use came first. The use of the 501(c)(3) came second as a source of funding.

This factual analysis was accepted by all Members of the Subcommittee and the Special Counsel. However, there was a difference of opinion as to the result under 501(c)(3) when applying the law to these facts. Ms. Roady, the Subcommittee's tax expert, was of opinion that the statements in both letters constituted a clear violation of 501(c)(3) because the evidence showed that the activities were intended to benefit Mr. Gingrich, GOPAC, and other entities and that Mr. Baran and Mr. Gingrich's tax attorney, disagreed. He found that the course was non-partisan in its content, and even though he would have sent a draft that he felt comfortable with over to the Speaker, none of the facts that were involved partisan, political goals, he did find a sufficiently narrow targeting of the dissemination to conclude that it was a private benefit.

Some Members of the Subcommittee and the Special Counsel agreed with Ms. Roady and concluded that there was a clear violation of 501(c)(3) with respect to AOW/ACTV and Renewable American Civilization. Other Members of the Subcommittee were troubled by reaching this conclusion and believed that the facts of this case presented a unique situation that had not previously been addressed by the legal authorities. As such, they did not feel comfortable supplanting the functions of the Revenue Service or the Tax Court in rendering a ruling on what they believed to be an unsettled area of the law.

B. Statements Made to the Committee

The Committee considered the relevance of the reference to GOPAC in Mr. Gingrich's first letter to the Committee dated October 4, 1994. That letter stated that the 501(c)(3) had paid people to work on the course. Some Members of the Subcommittee believed that this was evidence of lack of intent to deceive the Committee on Mr. Gingrich's part because if he had planned to hide GOPAC's involvement, he would not have made such an incorrect statement. Other Members of the Subcommittee and the Special Counsel appreciated this point, but believed the first letter was of little relevance. Some Members of the Committee were troubled because it was only directed to establishing that Mr. Gingrich had not used congressional resources in developing the course. The first letter made no attempt to address any other facts, even though it was a prominent feature of the complaint. When the Committee specifically focused Mr. Gingrich's attention on that issue and questions concerning GOPAC's involvement in the course, his response was not accurate.

During his testimony before the Subcommittee, Mr. Gingrich stated that he did not accurate.

The Subcommittee concluded that because these inaccurate statements were provided to the Committee, this matter was not resolved as expeditiously as it could have been. This caused a great deal of time to arise and last for a substantial period of time, it disrupted the operations of the House, and it cost the House a substantial amount of money in order to determine the facts.

C. Statement of Alleged Violation

Based on the information described above, the Special Counsel proposed a Statement of Alleged Violations ("SAV") to the Subcommittee on December 12, 1996. The SAV comprised three counts: (1) Mr. Gingrich's activities on behalf of AOLF in regard to AOW/ACTV, and the activities of others in that regard with his knowledge and approval, constitute a violation of section 501(c)(3); (2) Mr. Gingrich's activities on behalf of Kennesaw State College Foundation, the Progress and Freedom Foundation, and Penn State College in regard to the Renewable American Civilization course, and the activities of others in that regard with his knowledge and approval, constituted a violation of section 501(c)(3); and (3) Mr. Gingrich had provided information to the Committee, contained therein. A number of exhibits attached to the complaint were fax transmittal sheets from GOPAC. While this did not on its face establish anything more than Mr. Gingrich's tax adviser having been involved in the project, it certainly should have put the attorneys on notice that there was some relationship between the course and GOPAC that had not been disclosed. It was saying that GOPAC had absolutely no involvement in the course.

The lawyers said they relied on Mr. Gingrich's and his staff to ensure that the lawyers did not make any errors. However, Mr. Gingrich's tax staff had sufficient knowledge to be able to verify the accuracy of the facts. While Mr. Gaylord and Mr. Eisenhard did have sufficient knowledge to verify the facts, they were not asked to do so. The only person who reviewed the letters for accuracy, with sufficient knowledge to verify those facts, was Mr. Gingrich.
directly or through counsel, that was material to matters under consideration by the Committee, which Mr. Gingrich knew or should have known was inaccurate, incomplete, or would be misleading.

1. DELIBERATIONS ON THE TAX COUNTS

There was a difference of opinion regarding whether to issue the SAV as drafted on the tax counts. Concern was expressed about the conduct surrounding this point, including the context of the ethics proceeding. This led the discussion to the question of the appropriate focus for the Subcommittee. There was considerable discussion around the view that the proper focus was on the conduct of the Member, rather than a resolution of issues of tax law. From the beginning of the Subcommittee's inquiry, there was a desire on the part of each of the Members to find a way to reach a unanimous conclusion in this matter. The Members felt it was important to confirm the bipartisan nature of the ethics process.

The discussion turned to what steps Mr. Gingrich had taken in regard to these two projects to ensure they were done in accord with the provisions of 501(c)(3). In particular, the Subcommittee was concerned with the fact that: (1) Mr. Gingrich had been “very well advised by American Campaign Academy counsel before embarking on these projects; (2) he had been involved with 501(c)(3) organizations to a sufficient degree to know that the tax laws in regard to tax-deductible contributions are, as his tax counsel said, an “explosive mix;” (3) he was clearly involved in a project that had significant partisan, political, and policy goals, and he had taken an aggressive approach to the tax laws in regard to both AOW/ACTV; and (4) Renewing American Civilization projects. Even Mr. Gingrich’s own tax counsel warned the Subcommittee that if Mr. Gingrich had come to him before embarking on these projects, he would have advised him to not use a 501(c)(3) organization for the AOW/ACTV and he should have sought a 501(c)(3) organization to perform the Renewing American Civilization projects. Had Mr. Gingrich sought and followed this advice, he would not have used the 501(c)(3) organizations, would not have had his projects subsidized by taxpayer funds, and would not have created this controversy that has caused significant disruption to the House.

Mr. Cole: It was the opinion of the Members of the Subcommittee that any resolution of the matter had to reflect a bipartisan approach to the tax laws in regard to both AOW/ACTV; and (4) Renewing American Civilization projects. Even Mr. Gingrich’s own tax counsel warned the Subcommittee that if Mr. Gingrich had come to him before embarking on these projects, he would have advised him to not use a 501(c)(3) organization for the AOW/ACTV and he should have sought a 501(c)(3) organization to perform the Renewing American Civilization projects. Had Mr. Gingrich sought and followed this advice, he would not have used the 501(c)(3) organizations, would not have had his projects subsidized by taxpayer funds, and would not have created this controversy that has caused significant disruption to the House.

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of the agreement had occurred and retained the right to withdraw from the agreement with appropriate notice to Mr. Gingrich. To date no such notice has been given.

X. SUMMARY OF THE AGREEMENT TO USE OF UNOFICIAL RESOURCES

The Subcommittee investigated allegations that Mr. Gingrich had improperly utilized the services of Jane Fortson, an employee of the Progress in Freedom Foundation ("PFF"), in violation of House Rule 45, which prohibits the use of unofficial resources for official purposes.

Ms. Fortson was an investment banker and chair of the Atlanta Housing Project who had experience in urban and housing issues. In January 1993, Ms. Fortson, a resident of Washington, D.C., from Atlanta to work on urban and housing issues as a part-time PFF Senior Fellow and subsequently became a full-time PFF Senior Fellow in April 1994.

The Subcommittee determined that Mr. Gingrich sought Ms. Fortson's advice on urban and housing issues on an ongoing and meaningful basis. During an interview with Mr. Cole, Mr. Gingrich stated that although he believed he lacked the authority to give Ms. Fortson assignments, he often requested specialized advice on urban issues in general and issues pertaining to the District of Columbia in particular. The investigation further revealed that Ms. Fortson occasionally met with Mr. Gingrich in connection with his urban issues. Ms. Fortson frequently attended meetings with respect to the D.C. Task Force during which she met with Members of the subcommittee, staff of the District of Columbia, and members of their staffs. Although Mr. Gingrich and director of the subcommittee's Special Counsel.

And I should note that it is the intention of the subcommittee that “public comments” refers to press statements, that, obviously, we are free and Mr. Gingrich is free to have private conversations with Members of Congress about these matters.89

After the subcommittee voted to issue the substitute SAV, the Special Counsel told Mr. Gingrich's counsel and read to him what was put on the record concerning this matter. Mr. Gingrich then directed his counseling to the subcommittee Mr. Gingrich's answer admitting to the Statement of Alleged Violation.

D. Post-December 21, 1996 Activity

Following the release of this Statement of Alleged Violation, numerous press accounts appeared concerning this matter. In the opinion of the Subcommittee Members and the Special Counsel, a number of the press accounts indicated that Mr. Gingrich had violated the agreement concerning statements about the matter. Mr. Gingrich's counsel was notified of the subcommittee's concerns and the subcommittee met to consider what action to take in light of this apparent violation. The Subcommittee determined that it would not nullify the agreement. While there was serious concern about whether Mr. Gingrich had complied with the agreement, the Subcommittee was of the opinion that the interests of the House still lay in resolving the matter without a disciplinary hearing and with the recommended sanction that its Members had previously agreed was appropriate. Ever, Mr. Gingrich's counsel was informed that the Subcommittee believed a violation of the agreement with the IRS as part of its reported ongoing investigations of various Section 501(c)(3) organizations, the Subcommittee determined to recommend that the full Committee make available to the IRS any and all documents produced during the Preliminary Inquiry. It is the Committee's recommendation that the House Committee on Standards of Official Conduct file a liaison with the IRS to fulfill its recommendation and that this liaison be established in consultation with Mr. Cole.

APPENDIX

SUMMARY OF LAW PERTAINING TO ORGANIZATIONS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE

A. Introduction

Section 501(a) of the Internal Revenue Code generally exempts from federal income tax numerous types of organizations. Among these are section 501(c)(3) organizations, an organization corporation qualifying for exemption and operated exclusively for religious, charitable, scientific * * * or educational purposes, * * * not part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, * * * and which does not participate in, or intervene in * * * any political campaign on behalf of (or in opposition to) any candidate for public office.

B. The Organizational and the Operational Test

The requirement that a section 501(c)(3) organization be “organized and operated exclusively” for an exempt purpose has given rise to an “organizational test” and an “operational test.” Failure to meet either test will preclude an organization from claiming an exemption under section 501(c)(3). Treas. Reg. §.1501(c)(3)-1(a); Levy Family Tribe Foundation v. Commissioner, 69 T.C. 615, 618 (1978).

1. ORGANIZATIONAL TEST

To satisfy the organizational test, an organization must meet three sets of requirements. First, its articles of organization must: (a) limit its purposes to one or more exempt purposes, and (b) not permit substantial activities that do not further those exempt purposes. Treas. Reg. §.1501(c)(3)-1(b)(1). Second, the articles must not permit: (a) devoting more than an insubstantial part of its activities to lobbying, (b) any participation or intervention in the campaign of a candidate for public office, and (c) objectives and activities that would characterize it as an “action” organization. Treas. Reg. §.1501(c)(3)-1(b)(3). Third, the organization’s assets must be dedicated to exempt purposes, and (b) not permit: (a) devoting more than an insubstantial part of its activities to lobbying, (b) any participation or intervention in the campaign of a candidate for public office, and (c) objectives and activities that would characterize it as an “action” organization. Treas. Reg. §.1501(c)(3)-1(b)(3). The IRS determines compliance with the organizational test solely by reference to an organization’s articles of organization.

2. OPERATIONAL TEST

To satisfy the operational test, an organization must be operated “exclusively” for an exempt purpose. Though “exclusively” in this context does not mean “solely,” the presence of a substantial non-exempt purpose will cause an organization to fail the operational test. Treas. Reg. §.1501(c)(3)-1(c)(1); The Nationalist Movement v. Commissioner, 102 T.C. 599, 576 (1994). The presence of a single non-exempt purpose, if substantial in nature, will destroy the exemption regardless of the
number or importance of truly exempt pur-
poses. Better Business Bureau of Washing-
ton, D.C. v. United States, 326 U.S. 276, 283 (1945); Man-

To meet the operational test under section 501(c)(3) organization, the organization must satisfy the following requirements:

1. The organization must be operated for an exempt purpose, and must serve a public benefit, not a private benefit. Treasury Regulations section 1.501(c)(3) - 1(c)(3).

2. It must not be an “action” organization. Treasury Regulations section 1.501(c)(3)-1(c)(3). An organization is an “action” organization if:
   a. it participates or intervenes in any political campaign (Treasury Regulations section 1.501(c)(3)-1(c)(3)(ii));
   b. a substantial part of its activities consists of attempting to influence legislation (Treasury Regulations section 1.501(c)(3)-1(c)(3)(ii)); or
   c. its primary objective may be attained only by legislation or defeat of proposed legislation, and it advocates the attainment of such primary objective (Treasury Regulations section 1.501(c)(3)-1(c)(3)(iv)).

3. Its net earnings must not inure to the benefit of any private individual, nor be used to accumulate wealth. Treasury Regulations section 1.501(c)(3)-1(c)(2).

If failure to satisfy any of the above requirements is fatal to an organization’s qualification for section 501(c)(3) status. American Campaign Academy v. Commissioner, 92 T.C. 1053, 1062 (1989).

The fulfillment of these requirements, moreover, is a factual exercise. Id. at 1064; Christian Manner International v. Commissioner, 71 T.C. 661, 668 (1979). Thus, in testing compliance with the operational test, courts “look beyond the four corners of the organization’s charter to discover ‘the actual objects motivating the organization and the substance of the organization’s activities,’” American Campaign Academy, 92 T.C. at 1064 (citing Taxation with Representation v. United States, 505 F.2d 1219, 1222 (4th Cir. 1978); see also Sound Health Association v. Commissioner, 71 T.C. 158, 184 (1978) (“It is the purpose to ward which an organization’s activities are directed that is ultimately dispositive of the organization’s right to be classified as a section 501(c)(3) organization.”).

“[W]hat an organization’s purposes are and what activities support those purposes are questions of fact.” American Campaign Academy, 92 T.C. at 1064 (citing Christian Manner International v. Commissioner, 71 T.C. 661, 668 (1979)). “The factual inquiry” from the record when determining whether organizations meet the requirements of the tax-exempt organization laws and regulations. Id. (citing National Association of American Churches v. Commissioner, 62 T.C. 18, 20 (1974)).

a. “Educational” Organizations May Qualify or Exemption Under Section 501(c)(3)

As an organization may qualify for exemption under section 501(c)(3) if it is “educational.” The Regulations define the term “educational” as relating to:

(a) the instruction or training of the individual for the purpose of improving or developing new skills or capacities. 2(c)(3) organizations must also: (a) not be operated primarily to conduct an unrelated trade or business (section 501(c)(3)(i)(III)), and (b) not violate “public policy.” See Bob Jones University v. United States, 461 U.S. 574 (1983) (educational organization is not tax-exempt because it discriminates on the basis of its racially discriminatory policies).

An organization may also qualify for section 501(c)(3) exemption if it is organized and operated for, e.g., “religious,” “charitable,” or “scientific” purposes. The other methods by which an organization can qualify for exemption are not discussed in this summary.

(b) the instruction of the public on subjects useful to the individual and beneficial to the community. Treasury Regulations section 1.501(c)(3)-1(d)(3). The Regulations continue:

An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts and of the public interest and the public to form an independent opinion or conclusion. On the other hand, an organization is not educational if its principal function is the mere presentation of unsupported opinion. Id. Guidance on the phrase “advocates a particular position or viewpoint” can be found in several court decisions in the context of the regulations pertaining to the definition of “charitable.”

The fact that an organization, in carrying out its primary purpose, advocates social or political changes or presents an opinion on controversial issues with the intent of molding public opinion or creating public sentiment to an acceptance of its views does not preclude such organization from qualifying under section 501(c)(3) so long as it is not an “action” organization. * * *

Treasury Regulations section 1.501(c)(3)-1(d)(2).

In applying the Regulations under section 501(c)(3) organizational organizations, the IRS has stated that its goal is to eliminate or minimize the potential for any organization that advocates, even in mere preconceptions or beliefs in determining whether a particular viewpoint or position is educational. Rev. Proc. 86-43, 1986-2 C.B. 729. Thus, the IRS policy is “more of a position of disinterested neutrality with respect to the beliefs advocated by an organization.” Id. The focus of the Regulations pertaining to educational organizations is to ensure that the IRS’s application of these Regulations “is not upon the viewpoint or position, but instead upon the method by which the organization to communicate its viewpoint or positions to others.” Id.

Two court decisions considered challenges to the constitutionality of the definition of “educational,” in the Regulations cited above. One decision held that the definition was unconstitutionally vague, Big Mama Rag, Inc. v. United States, 632 F.2d 1030 (D.C. Cir. 1980). In National Alliance v. United States, 710 F.2d 888 (D.C. Cir. 1983), the court upheld the IRS’s position that the organization’s presentations were educational. Without ruling on the constitutionality of the “methodology test” used by the IRS in that case to determine whether the organization was educational, the court applied the methodology to determine whether that test reduced the vagueness found in Big Mama Rag. The IRS later published the methodology test in Rev. Proc. 86-43 in order to clarify its position on how to determine whether an organization is educational when it advocates particular viewpoints or positions. As set forth in the Revenue Procedure:

The presence of any of the following factors in the presentations made by an organization is indicative that the method used by the organization to advocate its viewpoints or positions is not educational.

(a) the presentation of viewpoints or positions unsupported by facts is a significant portion of the organization’s communications.

(b) the facts that purport to support the viewpoints or positions are distorted.

(c) the organization makes substantial use of inflammatory and disparaging terms and expresses conclusions more on the basis of strong emotional feelings than on objective evidence.

(d) the approach used in the organization’s presentations is not aimed at developing an understanding on the part of the intended audience or readership because it does not consider their background or training in the subject matter.

According to Rev. Proc. 86-43, the IRS uses the methodology test in all situations where the educational purpose of an organization that advocates a viewpoint or position is in question. However, “[e]ven if the advocacy viewpoint or position is taken by organizations that are prevented from being under the methodology test, the organization must still meet all other requirements for exemption under section 501(c)(3).” Rev. Proc. 86-43, 1(iii).

It is, organizations deemed to be “educational” must also abide by the section 501(c)(3) prohibitions on: (a) private benefit, (b) participation or intervention in any political campaign, (c) engaging in more than insubstantial lobbying activities, and (d) private inurement.

b. To Satisfy the Operational Test, an Organization Must Not Violate the “Private Benefit” Prohibition

Section 501(c)(3) requires, inter alia, that an organization be organized and operated exclusively for one or more exempt purposes. Treasury Regulations section 1.501(c)(3)-1(d)(i)(i) provides that an organization does not meet this requirement:

unless it serves a public rather than a private purpose. Thus, * * * it is necessary for an organization to establish that it is organized and operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

The “private benefit” prohibition serves to ensure that the public subsidies flowing from section 501(c)(3) status, including income tax deductions, and the ability of tax-deductible charitable contributions, are reserved for organizations that are formed to serve public and not private interests. Treasury Regulations section 1.501(c)(3)-1(c)(1) defines the application of the private benefit prohibition in the context of the operational test:

An organization will be regarded as ‘operated exclusively’ for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will be regarded as ‘operating’ in this context if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

The Regulations and cases applying them make it clear that the private benefit test focuses on the purpose or purposes served by an organization’s activities, and not on the nature of the activities or persons controlled, directly or indirectly, by such private interests.

The leading case on the application of the private benefit prohibition in the context of an organization whose activities served both exempt and nonexempt purposes is Better Business Bureau v. United States, 326 U.S. 279 (1945). Better Business Bureau was a non-profit organization formed to educate the public about fraudulent business practices, to set and enforce business standards, and to educate consumers to be intelligent buyers. The Court did not question the exempt purpose of these activities. The Court found, however, that the organization engaged primarily in the purpose of promoting a profitable business community, and that such business purpose...
A selected group of attorneys are the primary beneficiaries of the service. The referral service is intended to benefit the public and not to serve as a source of referrals. We find an organization to be serving a private interest, if substantial in nature, will destroy the exemption regardless of the number or importance of truly educational purposes.

Many of the cases interpreting the private benefit prohibition involve private benefits that are provided in a commercial context—such as the American Bar Association's provision of legal services to attorneys, and there is no evidence a select group of attorneys were the primary beneficiaries. However, need not be financial in nature. Callaway Family Association v. Commissioner, 71 T.C. 340 (1978), involved an organization to promote the study of lakefront property owners and lake improve the lake water's condition. Although the organization's activities served an educational purpose, the issue was conceded that the organization's activities served an educational purpose, if substantial in nature, and the educational facility or activity was intended to benefit the public, that any private benefit was so distributed, not conferred on any select group of attorneys because benefiting the residents of one city's entire population and were not targeted to the organization's members. Rev. Rul. 68-14, 1968-1 C. B. 243. The benefits to the organization's members living in a cleaner city were considered incidental.

The IRS issued a recent warning about the importance of the private benefit prohibition in Rev. Proc. 96-32, 1996-21 I.R.B. 14, a Revenue Procedure issued for the purpose of establishing standards as to whether an organization that own and operate low income housing (an activity conducted by both nonprofit and for-profit organizations) may qualify for exemption under section 501(c)(3). After reviewing the facts of the case, the IRS ruled that the private benefit prohibition was present to establish that the organization is formed for a charitable purpose, the IRS added a final caution: If an organization furthers a charitable purpose such as relieving the poor and distressed, it nevertheless may fail to qualify for exemption because private interests of individuals with a financial stake in the project are furthered. For example, the role of a private developer or management company that the organization must be carefully scrutinized to ensure the absence of inurement or impermissible private benefit resulting from real property sales, development fees, or management contracts.

One of the most detailed explanations of the private benefit prohibition is contained in G.C.M. 39862 (Nov. 22, 1991), involving the permissibility of a hospital's transaction with physicians. In the G.C.M., the IRS explained the prohibition as follows: A private benefit may occur in a particular activity must be "incidental" in both a qualitative and quantitative sense to the public benefit achieved by the activity if the organization is exempt. To be qualitatively incidental, a private benefit must occur as a necessary concomitant of the activity that benefits the public at large; in other words, the benefit to the public cannot be achieved without necessarily benefiting private individuals. Such benefits must be characterized as indirect or unintentional. To be quantitatively incidental, a benefit must be insubstantial when viewed in relation to the public benefit conferred by the activity.

The IRS also explained that the insubstantiality of the private benefit is measured only in relationship to activity in which the private benefit is primarily the organization's overall activities:

It bears emphasis that, even though exemption of the entire organization may be at stake, the private benefit conferred by an activity or arrangement is balanced only against the public benefit conferred by that activity or arrangement, not the overall good accomplished by the organization.

In G.C.M. 39862, the IRS balanced the private benefits to the physicians from the

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**Private letter rulings and general counsel memoranda are made available to the public under section 6110 of the Code. These documents are based on the facts of particular cases, and may not be relied on as a precedent. However, they provide useful insights as to how the IRS interprets and applies the law in particular factual situations.**
transaction at issue with the public purposes served by that particular activity—and not the public purposes served by the hospital as a whole. Finding the private purposes from the absence of proof of the public purposes is forbidden by the IRS. A hospital may have charitable determinations in relation to the public purposes, the IRS determined that the hospital had jeopardized its exemption under section 501(c)(3). Although the facts and findings (both public and private) follow the general analysis described above in determining whether the activity is insubstantial, a fairly recent Tax Court case, American Campaign Academy v. Commissioner, 92 T.C. 1053 (1989) adopts a slightly different approach. The primary activity of the American Campaign Academy ("ACA" or "the Academy") was the operation of a school to train people to work in political campaigns. The Tax Court determined that the Academy's application for exemption under section 501(c)(3), and ACA appealed the denial to the Tax Court. The Tax Court upheld the IRS's denial of ACA's application for exemption because ACA's activities conferred an impermissible private benefit on Republican candidates and entities.

The school operated by ACA was an "outgrowth" of programs the National Republican Congressional Committee ("NRCC") once used to train campaign professionals for Republican campaigns. The Academy, program, however, differed from its NRCC predecessor in that it was limited to "campus chapters." Id. at 1056. Without discussion, the IRS stated that the Academy did not train candidates, participate in any political campaign or attempt to influence legislation. Id. at 1056-57. The Academy did not use training materials developed by the NRCC, generally did not use NRCC faculty, and developed its own curriculum. Id. at 1057. Students were not explicitly required to be affiliated with any particular party, nor were they required to take positions with partisan organizations upon graduation. Id. at 1058.

The Academy had a number of direct and indirect connections to Republican organizations. The NRCC contributed furniture and computer hardware to the Academy. Id. at 1056. One of the Academy's three directors, Joseph Gaylord, was the Executive Director of the NRCC; another director, Michael L. Babcock, was a member of the Republican National Committee. Id. at 1070. The National Republican Congressional Trust funded the Academy. Id. The Academy curriculum included studies of the "Growth of New Political Parties" and "Who are People Republicans," but did not contain comparable studies pertaining to the Democratic or other political parties. Id. at 1070. The admissions panel were affiliated with the Republican Party. Id. at 1071. Furthermore, while the applicants were not required to declare a party affiliation, the Academy's recommendations were submitted "often permit[ted] the admission panel to deduce the applicant's political affiliation." Id. Finally, the Academy held that the Academy was organized for a non-exempt purpose. The IRS did not argue, and the court did not hold, for example, that individuals who are all members of the same class (such as Republicans) are prohibited from operating a 501(c)(3) organization, or that an organization may not receive an exemption under section 501(c)(3) if a partisan organization operated the same program. The Tax Court held that the Academy's activities were not sufficient to support the IRS's finding or the court's holding that the Academy was organized for a non-exempt purpose. The IRS did not argue, and the court did not hold, for example, that individuals who are all members of the same class (such as Republicans) are prohibited from operating a 501(c)(3) organization, or that an organization may not receive an exemption under section 501(c)(3) if a partisan organization operated the same program. The Tax Court held that the Academy's activities were not sufficient to support the IRS's finding or the court's holding that the Academy was organized for a non-exempt purpose. The IRS did not argue, and the court did not hold, for example, that individuals who are all members of the same class (such as Republicans) are prohibited from operating a 501(c)(3) organization, or that an organization may not receive an exemption under section 501(c)(3) if a partisan organization operated the same program. The Tax Court held that the Academy's activities were not sufficient to support the IRS's finding or the court's holding that the Academy was organized for a non-exempt purpose.

**Note:**
This part of the Tax Court's analysis in American Campaign Academy v. Commissioner was criticized by a number of commentators, who have disagreed with the court's application of the "charitable class" doctrine in the context of political organizations. See, e.g., Bruce R. Hopkins, Republican Campaign School Held Not Tax Exempt, The Nonprofit Counsel, July 1989, at 3; Meta J. Krause and Charity, A Proposal for Peaceful Coexistence, 58 Geo. Wash. L. Rev. 300, 344 n.59 (1990).

**Typically an educational organization is expected to serve a broad class representative of the public interest, but not a "charitable class" per se. The court's consideration of the question as to whether political candidates and entities could constitute a charitable class might be misplaced, but is not critical to this finding, "even to the extent that the court appears to desire to find political entities and candidates to generally comprise a charitable class, petitioner would bear the burden of showing that its activities benefited the members of the class in a nonselect manner." The court's finding that such benefits were conferred in select manner—to Republicans—was based on the evidence of the Academy's activities benefiting the Republican candidates and entities.**

**Finally, the Academy argued that although it hoped that alumni would work in Republican organizations or for Republican candidates, it had no control over whether they would do so. Absent an ability to control the students' employment, the Academy argued, it lacked the ability to confer secondary benefits to Republican candidates and entities.**

**Yet there was authority for the proposition that the organization must be able to control non-incidental benefits. Furthermore, the record supported the IRS's determination that the Academy was "with a substantial purpose to train campaign professionals for political candidates for Republican campaigns, an activity previously conducted by NRCC." Id. According to the Court, acceptance of the organizational classification is "the ability to control non-incidental benefits would cloud the focus of the operational test, which probes to ascertain the purpose towards which an organization's activities are directed and not the nature of the activities themselves." Id. at 1078-79 (citing B.S.W. Group v. Commissioner, 70 T.C. 352, 356-57 (1978)). The Court noted that the record demonstrated that the Academy's activities were nonpartisan in nature and that its graduates were not intended to primarily benefit Republicans. The court would have found for the Academy. Id. at 1079.

The American Campaign Academy case follows long-standing law. The court relies on Better Business Bureau and Kentucky Bar Foundation, among other cases, for the legal standards governing private benefit. The court recognizes that the Academy's activities were intended to serve multiple purposes, including the education of students (the permissible primary benefit) and the provision of trained campaign professionals for candidates and entities (the secondary benefit). Finding the secondary benefit to be targeted to the Republican candidates and entities—the court concludes that such benefit is more than incidental and therefore precludes exemption under section 501(c)(3).

**C. To Satisfy The Operational Test, An Organization Must Not Be An "Action" Organization.

An organization is not operated exclusively for one or more exempt purposes if it is an "action" organization. Treas. Reg. §1.501(c)(3)-1(c)(3). Such an organization cannot qualify for exemption under section 501(c)(3). Treas. Reg. §1.501(c)(3)-1(c)(3)(v). An organization is an action organization if it (i) "participates or intervenes, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office;" (ii) a "substantial part" of its activities consists of "attempting to influence legislation by propaganda, or otherwise;" or (iii) its primary objective may be attained "only by legislation or a defeat of proposed legislation," and "it advocates, or campaigns for the attainment" of such primary objective.

Treas. Reg. §1.501(c)(3)-1(c)(3).

(i) If an Organization Participates in a Political Campaign, It is an Action Organization Not Entitled to Exemption Under Section 501(c)(3).

Section 501(c)(3) provides that an organization is not entitled to exemption if it "participate[s] in, or intervene[s] in (includ[ing through the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office." The reason for this prohibition is clear. Contributions to section 501(c)(3) organizations are deductible for federal income tax purposes, but contributions to candidates and political action committees are not. For this reason, nonsection 501(c)(3) organizations to support or oppose candidates or PACs would circumvent federal
tax law by enabling candidates or PACs to attract tax-deductible contributions to finance their election activities. As the U.S. Court of Appeals for the Tenth Circuit explained, in applying section 501(c)(3) "[i]n situations where there is no explicit endorsement or partisan activity, there is no prohibition on lobbying, there is no requirement that tax-exempt organizations provides that they will not be entitled to tax exemption if it acts for reasons other than intervening in a political campaign. For persons, political campaigns and activities to Catholic organizations concerning act to do commercials for its charity drive and runs the commercials frequently during the political season. Nevertheless, its action would constitute, at least, indirect intervention or support of the political campaign. However, the same G.C.M. goes on to say: We do not mean to imply that every activity that has an effect on a political campaign is prohibited political activity. We recognize that organizations
Although the prohibition on political campaign intervention under section 501(c)(3) is absolute, Congress recognized that the sanction of loss of tax exemption could, in some cases, be inequitable to the organization. In 1987, Congress added section 4955 to the Code, which imposes excise tax penalties on section 501(c)(3) organizations that engage in the "political expenditures" in violation of the prohibition, as well as organization managers who knowingly approve such expenditures. Although the regulatory policy was that the enactment of section 4955 was not intended to modify the absolute prohibition of section 501(c)(3), to provide an alternative to revocation in cases where revocation alone may be the only effective way to penalize the violation, i.e., where the expenditure was unintentional and involved so small an amount that the organization subsequently has adopted procedures to assure that similar expenditures would not be made in the future.


The legislative history also provides that the excise tax may be imposed in cases involving significant, uncorrected violations of the political campaign prohibition, which may be inequitable because the organization has ceased operations after diverting its assets to an improper purpose. In these cases, the excise tax represents a penalty that may be the only effective way to penalize the violation.

Id. at 1624-25.

The IRS has read this as an inclination to impose the excise tax under section 4955 in lieu of revocation of exemption in cases where the violation appears to be minor in relation to the organization's other exempt purpose activities. For example, P.L.R. 9600007 (Dec. 6, 1995) involved a section 501(c)(3) organization that sent out a fundraising letter linking the organization to issues raised in the particular campaigns. The IRS concluded that the letters evidenced a bias for one candidate over the other. The organization sought to defend itself by saying only a few of the letters were sent to the states whose elections were mentioned in the letters. The IRS rejected this defense, stating that:

[i]t is common knowledge that in recent times the primary source of a candidate's support in such elections is often derived from out-of-state sources. Although a particular political campaign may not be as obvious, the fund raising letter * * * [sent by the organization] is likely to have the same effect. * * *

501(c)(3) organizations are frequently in the public eye, and a fund raising letter such as this is likely to have the desired effect. * * *

That is, it is not necessary to advocate the election or defeat of a clearly identified candidate to violate the prohibition. IRS CPE Manual at 412-13.

Moreover, an organization may violate the prohibition even if it does not identify a candidate by name. The IRS has stated that "issue advocacy" may serve as "the opportunity to intervene in a political campaign in a rather surreptitious manner" if a label or other coded language is used as a substitute for a reference to identifiable candidates. Id. at 411.

The concern is that an IRC 501(c)(3) organization may support or oppose a particular candidate in a political campaign without specifically naming the candidate in its communications. The words to substitute for the candidate's name in its messages, such as "conservative," "liberal," "pro-life," "pro-choice," "anti-choice," "Republican," "Democrat," etc., coupled with a discussion of the candidacy or the election. When this occurs, it is quite evident what is happening—an intervention or influence is in place.

Id. at 411-412.

Furthermore:

[a] finding of political campaign intervention from the use of coded words is consistent with the concept of "candidate" the organization was supporting or opposing. The support or opposition can be inferred from the words used to substitute for the candidate's name. The concern is that an IRC 501(c)(3) organization may support or oppose a particular candidate in a political campaign without specifically naming the candidate in its communications. In this context, are used with the intent of conjuring favorable or unfavorable images—they have pejorative or commendatory connotations.

Id. at 412 n. 6.

(d) Educational Activities May Constitute Participation or Intervention

As discussed above, the IRS considers activities that satisfy the "methodology test" to be "educational," just as educational activities may result in impermissible private benefit, however, so too may they violate the prohibition on political campaign intervention. The IRS takes the position that "[a]ctivities that meet the methodology test * * * may nevertheless constitute participation or intervention in a political campaign." IRS CPE Manual at 415:

See New York Bar, 888 F.2d 876 (2d Cir. 1989), reprinted at 399, 411-412, the leading case on point. In that case, a bar association published ratings of judicial candidates. The ratings were distributed to bar members and voters. The Association also issued press releases regarding its ratings, but did not conduct publicity campaigns to announce its ratings.

An implication of the holding in New York Bar is that one must consider not only whether the activity itself, e.g., publishing to contributions ("to reach only funds used for communications that expressly advocate the election or defeat of a clearly identified candidate.") See IRS CPE Manual at 413, citing Buckley v. Valeo, 424 U.S. 1 (1976). Examples of "express advocacy" include "endorsements with the word "for Congress" or "vote against," "defeat," and "reject." Id. at 413 (citing to 11 C.F.R. § 100.1(b)(2)).
The IRS ruled that a 501(c)(3) organization created to improve the public education about the candidates for school board was not exempt. Every four years, when the school board was to be elected, the organization considered the qualification of the candidates and selected those it thought most qualified. The organization then "engage[d] in a campaign on their behalf by publicly announcing its slate of candidates and by publishing and distributing a complete biography of each." Id. Although the selection process "may have been completely objective and disinterested, it was intended primarily to educate and inform the public about the candidates," the IRS nonetheless ruled it to be intervention or participation in a political campaign. Id.

In Rev. Rul. 76-456, 1976-2 C.B. 151, the IRS ruled that an organization formed for the purpose of elevating the morals and ethics of public officials was not intervening in a political campaign when it solicited candidates to sign a code of fair campaign practices and released the names of those candidates who signed and those candidates who refused to sign. The IRS stated that this was done to educate citizens about the election process and so that they could "participate actively and effectively in the selection of government officials." Id. at 152. Nonetheless, such activity, although educational, "may result * * * in influencing voter opinion" and thus constituted a prohibited participation or intervention in a political campaign. Id.

(e) Nonpartisan Activities May Constitute Prohibited Political Campaign Participation

The IRS takes the position that the nonpartisan motivation for an organization's activities is "irrelevant when determining whether a campaign prohibition has been violated." Id. The IRS took the position that the nonpartisan organization's activities were "irrelevant when determining whether an organization violated the participation or intervention prohibition when it used its members to change the composition of the federal government." Id.

The IRS also found an organization's intent relevant in P.L. 91-7701 (Sept. 5, 1990). As described in that ruling, an organization mailed out material indicating that it was "working to help educate the public on the importance of voting in the 1990 general election." According to facts stated in the ruling letter, the material contained language such as "voting is important to influencing the result of the vote for President Reagan," even though his name was not included in the materials. The IRS thus concluded that "the material was tailored to influence the judgment of voters to vote for President Reagan." Id.

Based on the above, the IRS position is that an organization can violate the political campaign prohibition by either: (a) conducting activities that could have the effect of influencing voter acceptance or rejection of a candidate or group of candidates (the "effect standard"), or (b) engaging in activities that are intended to influence voter acceptance or rejection of a candidate or group of candidates, whether they do so or not (the "intent standard"). Thus, despite the lack of evidence that the activity achieved the intended results, the IRS found that the organization's intent as an important element of a finding of prohibited participation or intervention. In 1972, a court held that an organization's intent as an important element of a finding of prohibited participation or intervention. In 1972, a court held that an organization's intent as an important element of a finding of prohibited participation or intervention. In 1972, a court held that an organization's intent as an important element of a finding of prohibited participation or intervention.
in such situations. Nevertheless, some prac-
tioners have expressed the view that, in inter-
preting whether ambiguous behavior is viola-
tive of the campaign intervention pro-
hibition, primary reliance should be placed on
whether there was a political purpose to the
behavior at issue. See E.O. Comments at 856-57.
In other words, to violate the 501(c)(3) "action
by the Congress'' clause, an organization's activ-
ities have to include an intentional "tilt'' for or
against one or more people running for
public office." Id. at 857. In this regard, it was
noted that:
In most cases, the presence of a political pur-
pose will be clear from the charity's paper
trail, because organizational activities in
the political arena are usually accompanied by
assumed intangibles of solicitation, contribu-
tion, and explicit written communications. **

**

Id.

To date, the IRS has shown no intention to
abandon its position that an organization may
violate the prohibition against political campaign
intervention based on the unintended or inadvertent effect of its actions, as well as by an engaging in activities with "an
intentional tilt'' in favor of a candidate or in
support of a PAC. Indeed, its recent election
year guidance on 501(c)(3) Section 501(h) posi-
tions not to "become involved in any other
activities that may be beneficial or det-
rimental to any candidate'' (discussed above)
evidences this reluctance to interpret the prohibi-
tion to a broad interpretation of the prohibition.

(ii) If a Substantial Part of an Organization’s
Activities is Attempting to Influence Legis-
lation, or its Primary Goal can only be Ac-
complished through Legislation, it is an
"Action'' Organization

Section 501(c)(3) provides that an organiza-
tion cannot be tax-exempt if a "sub-
stantial part'' of its activities is "carrying on pro-
paganda, or otherwise attempting to influ-
ence legislation.'’ Although there is virtually no legis-
lative history on the prohibition, courts
have declared that the limitations in section
501(c)(3) "stem from the policy that the United
States Treasury should be neutral in poli-
itical affairs and that substantial activities
directly connected with influence legislation
should not be subsidized.'’ Haswell v. United
States, 500 F.2d 1133, 1140 (Ct. Cl. 1974), cert.
denied, 414 U.S. 817. (The language did not include
"[t]ax exemptions are matters of legislative grace and taxpayers have the bur-
den of establishing their entitlement to ex-
emption.'’ Id.

The Regulations provide that an organiza-
tion is an "action'' organization if a "sub-
stantial part'' of its activities is attempting to
influence legislation by propaganda or
otherwise.'’ Treas. Reg. §1.501(c)(3)-
1(c)(3)(i). The Regulations also provide that
an organization is an "action'' organization if it has the two character-
istics:

(a) Its main or primary objective or objec-
tives (as distinguished from its incidental or
secondary objective) may be attained only by
legislation or a defeat of proposed legisla-
tion; and
(b) It advocates, or campaigns for, the at-
tainment of such main or primary objective
or objectives as distinguished from engaging
in nonpartisan analysis, study, or research
and making the results thereof available to the
county.


To determine whether a substantial part
of an organization’s activities is attempting to
influence legislation, two alternative tests
exist. Each test contains its own definition
of "legislation'' and what constitutes an at-
tempt to influence legislation. The two tests
also contain different ways of determining

substantiality. One test is referred to as the
"substantial-part test.'’ The other test, re-
ferred to as the "expenditure test,'’ was added
by law in 1976 at sections 501(h) and
501(c)(3). A substantial part of the legis-
lative process is defined as any activity that
will influence legislation or a defeat of pro-
sed legislation. Treas. Reg. § 1.501(c)(3)(i)
(referred to as "direct lobbying'');
(b) urges the public to contact members of a
legislative body for the purpose of propos-
ing, supporting, or opposing legislation (id.)
(referred to as "grassroots lobbying''); or
(c) advocates the adoption or rejection of
legislation. (Treas. Reg. § 1.501(c)(3)-
1(c)(3)(ii)(b)).

Section 4945(e) of the Internal Revenue Code
provides additional guidance regarding the mean-
ing of "attempting to influence legisla-
tion'' as defined in the regulations. A tax-
ble expenditure includes any amount paid or
incurred for:

(a) any attempt to influence any legisla-
tion, through an attempt to influence the
doctrine of the general public or any segment
thereof,
(b) any attempt to influence legislation
through communication with any member or
employee of a legislative body, or with any
other government official or employee who
may participate in the formulation of the
legislation (except technical advice or assist-
ance provided to a government body or to a
committee or other subdivision thereof in re-
spose to a written request by such body or
employee). ** * * * *-

(c) any attempt to influence legis-
lation by giving the public the impression that
the behavior at issue.

Id. at 855.106

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As stated in the legislative history with
respect to I.R.C. § 501(h): "The possibility of the lobbying pro-
vision was first enacted in 1934. Since that time nei-
ther Treasury regulations nor court decisions gave
guaranteed distinction to the interpretation
language to permit most charitable organizations to know ap-
proximately where the limits were between what
constitute an attempt to influence legislation and
what does not.

Many be-
lieved that the standards as to the permissible level
of activities under prior law was too vague and
thereby tended to discourage objective and selective

106 I.R.C. § 501(h) and (e) contain definitions of "attempting to influence legislation'' with respect to
taxable expenditures by private foundations, not public utilities. However, both consti-
tuate an attempt to influence legislation under Code § 4945 * * * also constitute an attempt to influ-
ence legislation under Code § 501(h).

107 Congress viewed section 4945(e) as a clarification of the phrase "attempting to influence legis-
lation'’ as defined in the regulations. ** * * * *

108 See G.C.M. 30277 (Jan. 2, 1975) and Haswell v. United
States, 500 F.2d 1133, 1140 (Ct. Cl. 1974). G.C.M. 30277 is also G.C.M. 30277 (Jan. 2, 1975).

109 For example, the publications urged its readers to

take action on its proposed legislation.** * * * * * * *

110 The McCarran-Walter Immigration law;'' reduce the

Continued
Under the expenditure test, "grassroots lobbying" is "any attempt to influence legislation through an attempt to affect the opinions of the general public or any segment thereof." Treas. Reg. § 56.4911-2(b)(1)(i). Such a communication will be considered grassroots lobbying if it: (a) refers to specific legislation and is aimed at a particular bill or a specific legislation, (b) encourages the recipient to take action with respect to such legislation, (c) does not result in a substantial increase in the organization's expenditures or in the number of its activities, and (d) is not part of a continuing program of grassroots lobbying. See also Rev. Rul. 74-117, 1974-1 C.B. 128.

The IRS has been asked whether an organization's objectives can be achieved only through the passage of legislation that "all the surrounding facts and circumstances, including the articles and all activities of the organization, are to be treated under a single tax regime. * * *" (Id.) In 1967, the IRS concluded that an organization's objective of "an active advocate of a political doctrine" was an action organization because its objectives included a substantial amount of grassroots lobbying. See G.C.M. 33617 (Sep. 12, 1967) and G.C.M. 35473 (Aug. 12, 1969). In both cases, the IRS concluded that the organization's substantial lobbying activities were substantial obscures the complexity of balancing the organization's activities in relation to its objects and circumstances.

The IRS has characterized the ambiguity over the meaning of "substantial" as a "problem [that] does not lend itself to ready numerical boundaries." G.C.M. 36148 (Jan. 28, 1975). In attempting to give some guidance on the subject, however, the IRS said:

[t]he percentage of the budget dedicated to a given activity is only one type of evidence of substantiality. Others are the amount of volunteer time devoted to the activity, the amount the organization spends in relation to the activity, and the continuous or intermittent nature of the organization's attention to it.

(c) Definition of "Substantial"

A bright-line test for determining when a "substantial" part of an organization's activities are devoted to influencing legislation does not exist. Neither the regulations nor case law provide useful guidance as to what percentage of the organization's budget must be devoted to influencing legislation or how the theory could only be put into effect only by legislative action. Without further elaboration of the facts involved or how the theory could only be put into effect only by legislative action, the IRS ruled the organization was an action organization, and thus not operated exclusively for the public Welfare.

The Regulations require that when determining whether an organization's objectives can be achieved only through the passage of legislation:

(d) Circumstances under which an organization's objectives can be achieved only through the passage of legislation

The Regulations require that when determining whether an organization's objectives can be achieved only through the passage of legislation that "all the surrounding facts and circumstances, including the articles and all activities of the organization, are to be treated under a single tax regime. * * *" (Id.) In 1967, the IRS concluded that an organization's "active advocate of a political doctrine" was an action organization because its objectives included a substantial amount of grassroots lobbying. See G.C.M. 33617 (Sep. 12, 1967) and G.C.M. 35473 (Aug. 12, 1969). In both cases, the IRS concluded that the organization's substantial lobbying activities were substantial obscures the complexity of balancing the organization's activities in relation to its objects and circumstances.

The IRS has characterized the ambiguity over the meaning of "substantial" as a "problem [that] does not lend itself to ready numerical boundaries." G.C.M. 36148 (Jan. 28, 1975). In attempting to give some guidance on the subject, however, the IRS said:

[t]he percentage of the budget dedicated to a given activity is only one type of evidence of substantiality. Others are the amount of volunteer time devoted to the activity, the amount the organization spends in relation to the activity, and the continuous or intermittent nature of the organization's attention to it.

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of reckless conduct. Rather, over a number of years and in a number of situations, Mr. Gingrich showed a disregard and lack of respect for the standards of conduct that applied to his activities."

Based on this, I find it inconceivable that the Ethics Committee would recommend to this body a resolution to this body which would not specifically prohibit the Speaker from paying his fine from campaign funds. Mr. Gingrich's campaign organization can raise these funds in a matter of minutes. During the Speaker's most recent general election campaign, he spent $5.4 million to fund his own campaign. At the end of November, Federal Election Commission reports indicate that he has over $1 million remaining in his campaign fund.

The Speaker used funds from tax-exempt organizations to promote his political agenda. If a Member violates the rules of the House, the Member, not their campaign, should be held responsible for whatever fine is levied.

Mr. Speaker, I therefore voted against approving the resolution recommended by the committee.

Mr. CANADY of Florida. Mr. Speaker, today I cast my vote in support of the recommendation of the Committee on Standards of Official Conduct that Mr. Gingrich be reprimanded and subjected to a $300,000 cost assessment. I do so after reviewing the report of the committee and the report of counsel for Mr. Gingrich.

In making a judgment regarding this matter, I have been guided by the dual goals of maintaining the integrity of the House, and ensuring that Mr. Gingrich be treated fairly. I have attempted to base my decision on this matter on all the relevant facts. In my view, the committee was well justified in concluding that Mr. Gingrich engaged in conduct which did not reflect credibly on the House.

The most serious finding against Mr. Gingrich involves the submission of inaccurate information to the committee. The circumstances surrounding the submission of incorrect statements indicates that Mr. Gingrich was woefully remiss in meeting his obligation as a respondent in the ethics process. Although the committee did not conclude that Mr. Gingrich intentionally misled the committee, it is clear that at least Mr. Gingrich was reckless in responding to a series of inquiries from the committee.

The sequence of events is particularly disturbing because after the initial submission of inaccurate information in December 1994, Mr. Gingrich had multiple opportunities to correct the misstatements but failed to do so until his November 13, 1996, appearance before the investigative subcommittee. Most distressing is the failure of the committee to conclude that Mr. Gingrich was reckless in responding to a series of inquiries from the committee stating how busy he was at the time the various letters were submitted, but also affirming that he had reviewed the submissions to verify their accuracy. Mr. Gingrich's failure to set the record straight at this point was under the most charitable view grossly reckless.

The committee was also justifiably in concluding that Mr. Gingrich erred in failing to consult the IRS and a tax court to determine whether or not activities involving organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code. Although legal experts may disagree about the propriety of Mr. Gingrich's conduct, Mr. Gingrich's own expert witness acknowledged that the combination of politics and lobbying can create an "explosive mix," and stated that he would have advised Mr. Gingrich not to use 501(c)(3) entities for the purposes for which he used them. There was more than an adequate basis for the committee to conclude that "there were significant and substantial warning signals to Mr. Gingrich that he should have heeded prior to embarking on "the projects involving tax-exempt entities. In 1995 Mr. Gingrich himself told the New York Times that his activity involving section 501(c)(3) entities "goes right up to the edge." * * * [I]'t's risk taking." Such comments betray a disturbing lack of concern by Mr. Gingrich about the prospect that his conduct might bring discredit on the House.

In light of all these circumstances, I believe that the penalty recommended by the committee represents the minimum appropriate sanction. Even if he did not intend to mislead the committee or abuse the tax laws, Mr. Gingrich's conduct was culpable because it was reckless. Such conduct undermines public confidence in the integrity of our system of Government. It is conduct that cannot be excused. The reprimand combined with the stiff cost assessment sends a strong signal that the House will deal firmly with such transgressions of the rules of the House.

Mr. BLUMENAUER. Mr. Speaker, for me, the Gingrich episode represents much of what is wrong about the American political system today. It is unfortunately a failings which occurs on many levels.

At its core is the behavior of the man twice removed from the Presidency. It is very difficult to conclude from the Cole report to reach any conclusion other than that Mr. Gingrich consistently did not tell the truth, in a desperate attempt to avoid responsibility for the misuse of taxpayer funds for partisan gain.

In turn, Mr. Gingrich's transgressions engendered a series of behaviors from people in both parties and in the press that play to their worst instincts, and that undermine the confidence people have in their Government.

Last but not least, the blame resides as well with the House ethics process, a process so rife with conflict of interest that it is impossible to reach any conclusion other than that Mr. Gingrich did not tell the truth, in a desperate attempt to avoid responsibility for the misuse of taxpayer funds for partisan gain.

Mr. Speaker, honesty, fairness, and dealing justly with others has been an overriding principle of my entire life. The Speaker admittedly made mistakes. I believe this body should admonish the Speaker's actions. However, the Ethics Committee's recommendations go much too far. The penalty far exceeds the infraction.

First and foremost, the Ethics Committee serves to ensure fairness. With that in mind, the Committee must level equitable sanctions. The recommendation from the committee is stifling.

In the past, the Committee chose to dispense with similar matters with a letter against the offender. For violations, which I consider morally and ethically far worse, Members were given little more than a perfunctory slap on the hand.

I consider this action against the Speaker excessive and unwarranted. For that reason, I intend to vote against the Ethics Committee's recommendation. A letter of reproval should be sufficient for the minor violation. Mr. Gingrich is not naive. He has devoted a quarter of a century in pursuit of political power for himself and his party. It has been at times brilliant, calculating, and shrewd. But it has never been naive. Mr. Gingrich pushed the envelope, and got involved in the case of former Speaker Jim Wright.

Ultimately, this episode is about the failure to be honest. Nothing speaks more eloquently for the point that Mr. Gingrich is in violation of the law and of House ethical rules far in excess of what they involved in the case of former Speaker Wright.

Mr. PACKARD. Mr. Speaker, honesty, fairness, and dealing justly with others has been an overriding principle of my entire life. The Speaker admittedly made mistakes. I believe this body should admonish the Speaker's actions. However, the Ethics Committee's recommendations go much too far. The penalty far exceeds the infraction.

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Mr. CONYERS. Mr. Speaker, this is a sad day for the House of Representatives and for the American people. In history, our body will be voting to punish the Speaker of the House. How we as a body act today will reverberate for a generation. Mr. Speaker, you have said that you would vote your conscience. In this case, the IRS and a tax court found that the American Campaign Academy, which was run by Mr. Gingrich's closest personal advisor and which was represented by Mr. Gingrich's lawyer, was ineligible for tax-exempt status because it served private, rather than public interests.

But Mr. Gingrich was not deterred by the lessons of the American Campaign Academy ruling. Far from it. Instead, over a million dollars was diverted knowingly and improperly to Mr. Gingrich's personal bank account. The Ethics Committee found Mr. Gingrich engaged in a pattern of behavior that involved the of House ethical rules. As revealed with great clarity by Mr. Cole, Mr. Gingrich engaged in a deliberate strategy to use money contributed for charitable purposes to fund his own partisan agenda.

It is impossible to read the Cole report without also understanding Mr. Gingrich's use of the enhanced power and prestige of the Speakership for personal enrichment. The evidence goes far beyond the salary and perquisites of the Speakership. A telling example is Mr. Gingrich's acceptance of a $4.3 million book advance, which flowed directly from his new position and the materials from what we now know was a taxpayer sponsored college course. Although Mr. Gingrich was eventually forced to give up the advance, he has collected millions from eager publishers for books they involved in the case of former Speaker Jim Wright.

Ultimately, this episode is about the failure to be honest. Nothing speaks more eloquently for the point that Mr. Gingrich is in violation of the law and of House ethical rules far in excess of what they involved in the case of former Speaker Wright.

Mr. Speaker, I therefore voted against approving the resolution recommended by the committee.
The punishment contained in House Resolution 31 is inadequate. The punishment neither reflects the seriousness of the misdeeds admitted to by Mr. Gingrich nor Mr. Gingrich's history of abuse of the rules of the House.

Make no mistake about the gravity of the charges against Mr. Gingrich. Certain Members of the majority have attempted to portray Mr. Gingrich's misleading statements as oversight, and they have attempted to portray the tax law he violated as arcane. Do not let these statements mislead the entire body.

Speaker Gingrich has admitted to all of the violations alleged by the subcommittee. He acknowledged that "in my name and over my signature, inaccurate, incomplete, and unreliable statements were given to the committee" and that "he brought down on the people of the House a controversy which could weaken the faith people have in their Government." The special prosecutor has made it clear that he believes that Mr. Gingrich intentionally misled the ethics counsel. The special prosecutor and the ethics committee also made it clear that Mr. Gingrich violated the agreement that forbid him from using media strategies to minimize, or spin, the findings of the Ethics Committee. And after review of the committee's report, it seems very likely that Mr. Gingrich has violated tax law. And Gingrich did not violate arcane tax law, but rather the very basic premise that you cannot use tax-exempt funds to help build a political machine.

Unfortunately Mr. Speaker, Mr. Gingrich has admitted to all of the violations alleged by the subcommittee. He acknowledged that "in my name and over my signature, inaccurate, incomplete, and unreliable statements were given to the committee" and that "he brought down on the people of the House a controversy which could weaken the faith people have in their Government." The special prosecutor has made it clear that he believes that Mr. Gingrich intentionally misled the ethics counsel. The special prosecutor and the ethics committee also made it clear that Mr. Gingrich violated the agreement that forbid him from using media strategies to minimize, or spin, the findings of the Ethics Committee. And after review of the committee's report, it seems very likely that Mr. Gingrich has violated tax law. And Gingrich did not violate arcane tax law, but rather the very basic premise that you cannot use tax-exempt funds for political purposes. He used tax-exempt funds to help build a political machine.

It is clear that this is not the end of Mr. Gingrich's ethical and legal troubles. The committee will make available to the IRS all relevant documents and evidence produced during the subcommittee's inquiry and establish a liaison with the IRS. The Department of Justice may further investigate the actions of Mr. Gingrich. We have no idea what these, or other investigations, find. But, it does not matter. Because what we already know is enough for us to say, enough is enough, let us show the American public that will have the strength and integrity to punish our Members. And a slap on the wrist of Mr. Gingrich that allows him to retain the Speaker's gavel, does not show an adequate amount of integrity.

Further, this is not the first time that Mr. Gingrich has been found to have violated House rules. The Speaker has already been cited six times for his disregard of the House rules. It has become very clear that Mr. Gingrich has no business serving as Speaker. Although the majority's rules may allow him to remain Speaker, the ethical lapses of Mr. Gingrich demand that he step aside. As the January 21, 1997, Atlanta Journal-Constitution has stated, "Mr. Gingrich will dishonor the House every time he picks up the Speaker's gavel." The New York Times also urges Mr. Gingrich to step aside: "This finding [of James Cole], and the considerable evidence that backs it up, make it clear that Mr. Gingrich has no business serving as Speaker. His ego got him into this mess, and that same ego is now driving him to compound the damage." As William Carlos Williams noted, "Leadership passes into empire; empire begotten insolence; insolence brings ruin." It is time for the right thing to happen. Mr. Stokes, Mr. Speaker, I am reminded today of what occurred in the House of Representatives a few years ago when I chaired the Ethics Committee. We had undertaken an extensive investigation, led by Joseph Califano, the special counsel whom I had hired as special counsel. Mr. Califano's position to our committee was the same as the position of Mr. James M. Cole, special counsel to this committee. This particular investigation surrounded allegations of sex and drugs involvement between Members of Congress and House pages.

At the end of our investigation, the Ethics Committee brought charges against two Members of the House. These charges resulted in findings that these two Members had been involved in sex with House pages. Our recommendation to the House in both cases was a reprimand for both Members. As chairman of the Ethics Committee, I presented the committee's case on the floor of the House. Following my presentation, the leadership on both sides of the aisle joined together on a resolution to raise the recommendation of reprimand to a greater penalty, that of censure. The vote was taken and both Members were censured. That occurred, of course, in a Congress where the leadership on neither side was involved in breaking the rules of the House.

Today, we are faced with the leader of the House who not only has broken the rules of the House, but has been described by Mr. James M. Cole, special counsel, as being involved in conduct where the leadership on either side was involved in breaking the rules of the House.

By voting for this resolution, will we really be meeting that higher standard of public accountability than those involving other Members of the House. By voting for this resolution, will we really be meeting that higher standard of public accountability than those involving other Members of the House. By voting for this resolution, will we really be meeting that higher standard of public accountability than those involving other Members of the House. By voting for this resolution, will we really be meeting that higher standard of public accountability than those involving other Members of the House.

Mrs. Johnson of Connecticut. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered. The Speaker pro tempore. The question is on the resolution.

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

RECORDED VOTE

Mr. Cardin. Mr. Speaker, I demand a recorded vote.

The vote was taken by electronic device, and there were—ayes 395, noes 28, answered "present" 5, not voting 6, as follows:

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...
Mr. RAMSTAD changed his vote from "no" to "aye." So the resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. TAUZIN. Mr. Speaker, I was unavoidably detained for the last vote. If I were here, I would have voted "yes."

PERSONAL EXPLANATION

Mr. WATTS of Oklahoma. Mr. Speaker, on rollcall No. 8, I was unavoidably detained with the privilege of voting. If I were here, I would have voted "yes."

GENERAL LEAVE

Mrs. JOHNSON of Connecticut. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just adopted.

The SPEAKER pro tempore Mr. LAHOOD. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Veterans' Affairs:

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ANSWERED "PRESENT"—5

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Conyers

CARSON
Granger
Kolbe
Taullin

Tejeda
Watts (OK)

NOT VOTING—6

Arrington
Hensley

Cooksey
Gibbs

Meehan

Snowbarger
Smith, Linda

Wynn

SO THE RESOLUTION WAS AGREED TO.

Mr. Speaker, I ask unanimous consent that the privileged resolution 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 resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MINORITY MEMBER TO COMMITTEE ON COMMERCE

Mr. Fazio of California. Mr. Speaker, I offer a privileged resolution (H. Res. 33) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following named Member be, and they are hereby, elected to the following standing committees:

Banking: Mr. LaTourette to rank following Mr. Sessions.

Committee on Education and the Workforce: Mr. Paul; Mr. Rob Schaffer of Colorado; Mr. Peters of Pennsylvania; Mr. Upton; Mr. Deal of Georgia; Mr. Hilleary; and Mr. Scarborough, all to rank in the named order following Mr. Norwood of Georgia.

Committee on Government Reform and Oversight: Mr. Barr of California to rank following Mr. Snowberger.

Committee on International Relations: Mr. Brady to rank following Mr. Moran of Kansas.

Committee on Resources: Mr. Crapo to rank following Mr. Gibbons.

Committee on Science: Mr. Boehlert; Mr. Fawell; Mrs. Morella; Mr. Weldon of Pennsylvania; Mr. Rohrabacher; Mr. Schiff; Mr. Barton of Texas; Mr. Calvert; Mr. Bartlett of Maryland; Mr. Ehlers; Mr. Weldon of Florida; Mr. Salmon; Mr. Davis; Mr. Gutknecht; Mr. Foley; Mr. Ewing; Mr. Pickering; Mr. Cannon; Mr. Brady; and Mr. Cook.

Committee on Small Business: Mr. Combest; Mr. Hefley; Mr. Manzullo; Mr. Bartlett of Maryland; Mrs. Smith of Washington; Mr. LoBiondo; Mrs. Kelly; Mr. Jones; Mr. Souder; Mr. Chabot; Mr. Ryun; Mr. Snowberger; Mr. Pappas; Mr. English; Mr. McIntosh; and Mrs. Emerson.

The SPEAKER pro tempore. Is there objection to the request of thegentleman from Ohio?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Resolved, That the following named Member be, and they are hereby, designated to rank on that committee as follows:

Mr. BOEHNER.

Mr. Speaker, by direction of the Republican Conference, I offer a privileged resolution (H. Res. 32) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees:

Banking: Mr. LaTourette to rank following Mr. Sessions.

Committee on Education and the Workforce: Mr. Paul; Mr. Rob Schaffer of Colorado; Mr. Peters of Pennsylvania; Mr. Upton; Mr. Deal of Georgia; Mr. Hilleary; and Mr. Scarborough, all to rank in the named order following Mr. Norwood of Georgia.

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Committee on Small Business: Mr. Combest; Mr. Hefley; Mr. Manzullo; Mr. Bartlett of Maryland; Mrs. Smith of Washington; Mr. LoBiondo; Mrs. Kelly; Mr. Jones; Mr. Souder; Mr. Chabot; Mr. Ryun; Mr. Snowberger; Mr. Pappas; Mr. English; Mr. McIntosh; and Mrs. Emerson.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.
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CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO MIDDLE EAST VIOLENCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-28)

The SPEAKER pro tempore laid before the House a 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:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the Federal Register for publication, stating that the emergency declared with respect to grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process, is to continue in effect beyond January 23, 1997. The first notice continuing this emergency was published in the Federal Register last year on January 22, 1996. The crisis with respect to the grave acts of violence committed by foreign terrorists that threaten to disrupt the Middle East peace process that led to the declaration of a national emergency, on January 23, 1996, has not been resolved. Terrorist groups continue to engage in activities with the purpose or effect of threatening the Middle East peace process, and which are hostile to U.S. interests in the region. Such actions threaten vital interests of the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to deny financial support from the United States to foreign terrorists that threaten to disrupt the Middle East peace process.

WILLIAM J. CLINTON.

REPORT OF FEDERAL AGENCIES REGARDING WEAPONS OF MASS DESTRUCTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-106)

The SPEAKER pro tempore laid before the House a message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on National Security and ordered to be printed.

To the Congress of the United States:

As required by section 1416 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), I transmit herewith a report describing the respective policy functions and operational roles of Federal agencies in countering the threat posed by the use or potential use of biological and chemical weapons of mass destruction (WMD) within the United States.

WILLIAM J. CLINTON.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MENENDEZ] is recognized for 5 minutes. [Mr. MENENDEZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]


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

Mr. KASICH. Mr. Speaker, on behalf of the Committee on the Budget and pursuant to sections 302 and 311 of the Congressional Budget Act, I am submitting for printing in the Congressional Record an updated report on the current levels of on-budget spending and revenues for fiscal year 1997 and for the 5-year period fiscal year 1997 through fiscal year 2001.

This report is to be used in applying the fiscal year 1997 budget resolution (H. Con. Res. 178), for legislation having spending or revenue effects in fiscal years 1997 through 2001. Hon. Newt Gingrich, Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: To facilitate application of sections 302 and 311 of the Congressional Budget Act, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 1997 and for the 5-year period fiscal year 1997 through fiscal year 2001. The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature as of October 4, 1996. The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 178, the concurrent resolution on the budget for fiscal year 1997. This...
comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution’s aggregate levels. The table does not show budget authority and outlays for years after fiscal year 1997 because appropriations for those years have not yet been considered.

The second table compares the current levels of total budget authority, outlays, and new entitlement authority of each direct spending committee with the ‘‘section 602(b)’’ sub-allocations for discretionary action made under H. Con. Res. 178 for fiscal year 1997 and for fiscal years 1997 through 2001. ‘‘Discretionary action’’ refers to legislation enacted after adoption of the budget resolution. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 602(a) discretionary action allocation of new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 1997 with the revised ‘‘section 602(b)’’ sub-allocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, because the point of order under that section also applies to measures that would breach the applicable section 602(b) sub-allocation. The revised section 602(b) sub-allocations were filed by the Appropriations Committee on September 27, 1996.

Sincerely,

J ohn R. Kasich, Chairman.

Enclosures.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 1997 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CURRENT RESOLUTION 178

[Reflecting action completed as of October 4, 1996]

[On-budget amounts, in millions of dollars]

<table>
<thead>
<tr>
<th>Appropriations Area</th>
<th>Fiscal Year 1997</th>
<th>Fiscal Year 1997/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget authority</td>
<td>$1,314,785</td>
<td>$1,096,527</td>
</tr>
<tr>
<td>Outlays</td>
<td>$1,311,371</td>
<td>$9,886,627</td>
</tr>
<tr>
<td>Current Level</td>
<td>$1,311,371</td>
<td>$9,886,627</td>
</tr>
<tr>
<td>Difference</td>
<td>$3,414</td>
<td>$0</td>
</tr>
<tr>
<td>Budget authority</td>
<td>$1,320,900</td>
<td>$1,049,533</td>
</tr>
<tr>
<td>Outlays</td>
<td>$1,320,900</td>
<td>$1,049,533</td>
</tr>
<tr>
<td>Current Level</td>
<td>$1,320,900</td>
<td>$1,049,533</td>
</tr>
<tr>
<td>Difference</td>
<td>$-938</td>
<td>$-3,414</td>
</tr>
<tr>
<td>Budget authority</td>
<td>$17,051 (1)</td>
<td>$17,051 (1)</td>
</tr>
<tr>
<td>Outlays</td>
<td>$17,051 (1)</td>
<td>$17,051 (1)</td>
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<tr>
<td>Current Level</td>
<td>$17,051 (1)</td>
<td>$17,051 (1)</td>
</tr>
<tr>
<td>Difference</td>
<td>$-1,477</td>
<td>$-1,477</td>
</tr>
</tbody>
</table>

Not applicable because annual appropriations Acts for Fiscal Years 1997 through 2001 will not be considered until future sessions of Congress.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a) REFLECTING ACTION COMPLETED AS OF NOVEMBER 15, 1996

<table>
<thead>
<tr>
<th>Fiscal Year 1997</th>
<th>Fiscal Year 1997/2001</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>House Committee</th>
<th>1997</th>
<th>2001</th>
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<tbody>
<tr>
<td>Agriculture</td>
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<tr>
<td>Allocation</td>
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<td>Current Level</td>
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<td>National Security</td>
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<td>Allocation</td>
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<td>Difference</td>
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<tr>
<td>Banking, Finance and Urban Affairs</td>
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<td>Allocation</td>
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<td>Current Level</td>
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<td>Difference</td>
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<tr>
<td>Economic and Educational Opportunities</td>
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<td>Allocation</td>
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<td>Difference</td>
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<tr>
<td>Government Reform and Oversight</td>
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<td>Allocation</td>
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<tr>
<td>House Oversight</td>
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<td>Difference</td>
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<tr>
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<td>Difference</td>
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<td>Transportation and Infrastructure:</td>
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<td>Allocation</td>
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<td>Current Level</td>
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<td>Difference</td>
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<td>Small Business</td>
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<td>Allocation</td>
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<td>Current Level</td>
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<td>Difference</td>
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<tr>
<td>Veterans Affairs</td>
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<tr>
<td>Interstate and Foreign Assistance:</td>
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<td>Difference</td>
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<tr>
<td>Agriculture</td>
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<td>Allocation</td>
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<td>Current Level</td>
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<tr>
<td>Difference</td>
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</tbody>
</table>

BUDGET AUTHORITY

FY 1997 budget authority exceeds the appropriate level set by H. Con. Res. 178. Enactment of measures providing any new budget authority for FY 1997 would be subject to point of order under section 311(a) of the Congressional Budget Act of 1974.

OUTLAYS


REVENUES

Enactment of any measure that would result in any revenue loss in excess of $37,000,000,000 for FY 1997 (if not already included in the current level estimate) or in excess of $59,940,000,000 for FY 1997 through 2001 (if not already included in the current level) would increase the amount by which revenues are less than the recommended levels of revenue of H. Con. Res. 178.
Hon. JOHN KASICH,
1997. These estimates are compared to the
lays, and estimated revenues for fiscal year
els of new budget authority, estimated out-
date tabulation of the on-budget current lev-
gressional Budget Act, as amended, this let-
308(b) and in aid of section 311 of the Con-

January 21, 1997
H238
United States Commemorative Coin Act of 1996 (P.L. 104±329) ... ..................................
Coast Guard Authorization Act of 1995 (P.L. 104±324) ... 3 3 ..................................
Fairness in Compensating Owners of Patents Used by the U.S. (P.L. 104±308) ... 3 3 ..................................
Technical Corrections and Amendments to Trade Laws (P.L. 104±295) ................................................................................................................................................................ 1 1
Sustainable Fisheries Act (P.L. 104±297) ... ..................................
Veterans, HUD, Independent Agencies (P.L. 104±204) ... 84,303 49,666 ..................................
Transportation (P.L. 104±205) ... 12,599 12,270 ..................................
Small Business Job Protection Act of 1996 (P.L. 104±188) ...................................................................................................................................................................................
Federal Oil & Gas Royalty Simplification & Fairness Act, 1996 (P.L. 104±185) ...................................................................................................................................................
Taxpayer Bill of Rights 2 (P.L. 104±168) ... .................................. ..................................

Revenues ... .................................. .................................. 1,100,355
Agriculture, Rural Development ............................................. 12,960 13,180 0 0 13,009 13,373 0 0 49 7 0 0
Commerce, Justice, State .......................................................... 24,493 24,939 4,525 2,951 24,838 25,065 4,526 2,954 1 1 3 3
Defense ......................................................................................... 245,065 243,372 0 0 243,051 242,875 0 0 1,214 497 0 0
District of Columbia ....................................................................... 710 710 0 0 710 710 0 0 0 0 0 0
Energy & Water Development ................................................... 19,621 19,652 0 0 19,973 19,923 0 0 552 271 0 0
Foreign Operations ...................................................................... 11,950 11,311 0 0 11,267 11,230 0 0 383 258 0 0
Interior .......................................................................................... 12,118 12,900 0 0 12,503 13,178 0 0 280 256 0 0
Labor, HHS, Education ................................................................ 65,775 69,842 61 38 71,016 71,537 61 39 5,251 1,675 0 0
Legislative Branch ........................................................................ 2,186 2,148 0 0 2,170 2,132 0 0 10 16 0 0
Military Construction ................................................................... 9,083 10,360 0 0 9,082 10,344 0 0 1 1 0 0
Transportation .............................................................................. 12,530 11,853 0 0 12,080 11,462 0 0 113 29 0 0
Treasury, Postal Service .............................................................. 11,016 10,971 97 84 11,620 11,292 97 83 604 321 0 0
VA, HUD, Independent Agencies ................................................ 34,354 78,803 0 0 44,522 79,196 0 0 168 393 0 0
Reserve/Offsets ............................................................................ 628 69 0 0 628 69 0 0 2,750 5,850 0 0

Grand total .......................................................................................... 492,842 533,939 4,683 3,072 495,810 532,556 4,684 3,076 2,968 3,383 1 3
Difference .......................................................................................... 0 0 0 2 2 0 0 0 0

Note.— Amounts in Current Level column for Reserve/Offsets are for Spectrum sales and BIP/SAP. These items are credited to the Appropriations Committee for FY 1997 only.

PARLIAMENTARY STATUS REPORT— 105TH CONGRESS, 1ST SESSION, HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1997, AS OF CLOSE OF BUSINESS OCTOBER 4, 1996

[In millions of dollars]

<table>
<thead>
<tr>
<th>Appropriation Bills</th>
<th>House current level</th>
<th>Budget resolution (H. Con. Res. 178)</th>
<th>Current level +/- resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture (P.L. 104±168)</td>
<td>34,295</td>
<td>44,922</td>
<td></td>
</tr>
<tr>
<td>Energy and Water Development (P.L. 104±205)</td>
<td>19,973</td>
<td>13,092</td>
<td></td>
</tr>
<tr>
<td>Legislative Branch (P.L. 104±207)</td>
<td>10,166</td>
<td>6,917</td>
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</tr>
<tr>
<td>Military Construction (P.L. 104±295)</td>
<td>9,682</td>
<td>5,346</td>
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</tr>
<tr>
<td>Health Care Reform (P.L. 104±318)</td>
<td>305</td>
<td>312</td>
<td>590</td>
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<tr>
<td>National Defense Authorization Act (P.L. 104±201)</td>
<td>10,080</td>
<td>9,702</td>
<td>70</td>
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<tr>
<td>Student Loan Refinance Act (P.L. 104±251)</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Federal Aviation Administration Authorization Act of 1996 (P.L. 104±264)</td>
<td>2,330</td>
<td>2,509</td>
<td></td>
</tr>
<tr>
<td>Central Utah Project Completion Act (P.L. 104±253)</td>
<td>72</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Mid-Atlantic Corridor and Appalachian Development Act (P.L. 104±265)</td>
<td>170</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>Federal Aviation Administration Authorization Act (P.L. 104±264)</td>
<td>2,330</td>
<td>2,509</td>
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<tr>
<td>Central Utah Project Completion Act (P.L. 104±253)</td>
<td>72</td>
<td>72</td>
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<tr>
<td>Mid-Atlantic Corridor and Appalachian Development Act (P.L. 104±265)</td>
<td>170</td>
<td>170</td>
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<tr>
<td>Federal Aviation Administration Authorization Act (P.L. 104±264)</td>
<td>2,330</td>
<td>2,509</td>
<td></td>
</tr>
<tr>
<td>Energy Conservation Act of 1996 (P.L. 104±309)</td>
<td>7</td>
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<tr>
<td>United States Commemorative Coin Act of 1996 (P.L. 104±329)</td>
<td>34,897</td>
<td>34,897</td>
<td></td>
</tr>
</tbody>
</table>

Sincerely,
JUNE E. O'NEILL,
Director.

This is my first report for the first session of the 105th Congress.
The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

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

TRIBUTE TO THE HONORABLE BURTON BARR

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

Mr. HAYWORTH. Mr. Speaker, I rise this afternoon to honor the memory of one from my home State who qualifies as a legislative legend. His name was Burton Barr, and for more than 20 years he served with distinction in the Arizona House of Representatives.

Indeed, Mr. Speaker, as we embark in this 105th Congress to do the people’s business, we are confronted by a curious paradox. It is one that surrounds every legislative body, and it principally centers on this challenge: How do we, in the spirit of bipartisanship, at the same time recognize legitimate differences of opinion and work for the common good?

Mr. Speaker, I submit that for a sterile example, we should turn to this legislative leader who showed by example that the people’s business can be done, that we can work together constructively, at times championing our differences, at times legitimately discussing those challenges at hand.

Burton Barr was more than simply a legislative leader. He was a husband and devoted father, and he was a hero of World War II. He earned two Silver Stars for gallantry. But for the people of Arizona, his star in the firmament will be his dedication to the people of the Grand Canyon State and his record of accomplishment in leading a legislative body to success in a bipartisan manner.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to: Mrs. CARSON (at the request of Mr. GEPHRAT), for today, on account of illness.

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 Member (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material: Mr. MENENDEZ, for 5 minutes, today. (The following Members (at the request of Mr. HULSHOF) to revise and extend their remarks and include extraneous material: Mr. KASICH, for 5 minutes, today. Mr. GEKAS, for 5 minutes, today. Mr. HAYWORTH, for 5 minutes, today.)

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker’s table and referred as follows:

1209. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service’s final rule—Regulations Issued Under the Export Apple and Pear Act; Relaxation of Grade Requirements for Apples and
Hill Youth Center Educational Contracting Temporary Act of 1996’ received January 13, 1997, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.


1258. A letter from the Chairman Pro Tempore, Council of the District of Columbia, transmitting a copy of D.C. Act 11-440, “Abolition of the Division of the Lottery Board’’ received January 16, 1997, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1259. A letter from the Chairman Pro Tempore, Council of the District of Columbia, transmitting a copy of D.C. Act 11-441, “Real Property Tax Rates for Tax year 1997” received January 16, 1997, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.


1272. A letter from the Chairman and CEO, Farm Credit Administration, transmitting
the annual report of the Farm Credit Administration for calendar year 1996, pursuant to 12 U.S.C. 2252(a)(3); to the Committee on Government Reform and Oversight.

1275. A letter from the Chairman, Merit Systems Protection Board, transmitting the Board's report for fiscal year 1995 listing the number of employees, the number processed to completion, and the number not completed by the originally announced date, pursuant to 5 U.S.C. 7701(i)(2); to the Committee on Government Reform and Oversight.

1274. A letter from the Chairman, National Mediation Board, transmitting the fiscal year 1995 report under the Managers' Financial Integrity Act of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.


1272. A letter from the Director, Office of Personnel Management, transmitting the agency's enforcement of the drug and alcohol abuse prevention, treatment, and rehabilitation programs and services for Federal civilian employees during the fiscal year 1996, pursuant to 5 U.S.C. 7363; to the Committee on Government Reform and Oversight.

1271. A letter from the Secretary of the Treasury, transmitting the biennial report on activities of the inspector general for the period April 1, 1996, through September 30, 1996, and the Secretary's semiannual report for the period, pursuant to 5 U.S.C. app. (InSp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1270. A letter from the Secretary of Commerce, transmitting the fiscal year 1996 annual report under the Federal Managers' Financial Integrity Act of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1269. A letter from the Chairman, U.S. Postal Service, transmitting a copy of the annual report in compliance with the Postal Accountability Act during the calendar year 1996, pursuant to 39 U.S.C. section 3662(a); to the Committee on Government Reform and Oversight.

1268. A letter from the Chairman of the Board of Governors of the Federal Reserve System, transmitting a copy of the annual report in compliance with the Federal Reserve Act during the calendar year 1996, pursuant to 5 U.S.C. 552(b); to the Committee on Government Reform and Oversight.

1267. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations governing electronic filing of reports by political committees, pursuant to 2 U.S.C. 438(d); to the Committee on House Oversight.

1266. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting notification that due to the discontinued funding for the emergency striped bass research study, the annual report on that study will no longer be transmitted to Congress, pursuant to 16 U.S.C. 757b(g); to the Committee on Resources.

1265. A letter from the Secretary of Commerce, transmitting the Secretary's certification that NOAA's permit to fish with driftnet fishing by its nationals and vessels, pursuant to Public Law 100-220, section 4004(b) (101 Stat. 1478); to the Committee on Resources.

1264. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting a report on an increase in the project cost for the safety of dams modifications at Bumping Lake Dam, Yakima project, Washington, pursuant to 43 U.S.C. 1412(b); to the Committee on Resources.

1263. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's semiannual report to the Senate on authority for the sale of surplus Federal lands disposed of under the authority of the Federal Land Policy and Management Act of 1976 (PL 94-579); pursuant to 16 U.S.C. 757g(b); to the Committee on Resources and Appropriations.

1262. A letter from the Secretary of Transportation, transmitting a copy of the Board's report on the implementation of the health and safety sharing portion of the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Funding Act for fiscal year 1996, pursuant to 38 U.S.C. 8111(f); jointly, to the Committees on Veterans' Affairs and National Security.

1261. A letter from the Assistant Attorney General of the United States, transmitting a draft of proposed legislation entitled "Environmental Crimes Act of 1997"; jointly, to the Committees on the Judiciary, Agriculture, Commerce, Resources, and Transportation and Infrastructure.

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. TORRES (for himself and Mr. PASTOR):
H.R. 452. A bill to amend the Indian Gaming Regulatory Act to provide and certain remedies for sovereign tribal governments, and for other purposes; to the Committee on Resources, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ACKERMAN (for himself, Mr. ABERCROMBIE, Mr. ANDREWS, Mr. DELLUMS, Mr. FARR of California, Mr. FRANKS of New Jersey, Mr. KLECZKA, Mr. LANTOS, Mr. MORA

H.R. 453. A bill to amend the Clean Air Act and Stockyards Act, 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory cattle, sheep, swine, horses, mules, or goats, and for other purposes; to the Committee on Agriculture.

By Mr. ACKERMAN:
H.R. 454. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims; to the Committee on the Judiciary.

By Mr. ACKERMAN (for himself, Mr. FORBES, Mr. KING, Mr. LAZIO of New York, Mr. MANTON, Mrs. MCCARTHY of New York, Mr. SCHUMER, Mr. SHAYS, Mr. TOWNS, and Ms. NORTON):
H.R. 455. A bill to authorize the Administrator of the Environmental Protection Agency to make grants to the States of New York and Connecticut for the purpose of improving and maintaining the quality of Long Island Sound; to the Committee on Transportation and Infrastructure.

By Mr. ACKERMAN (for himself, Mr. DELLUMS, Mr. EVANS, and Ms. NORTON):
H.R. 456. A bill to amend section 211 of title 49, United States Code, with respect to hours of service of railroad employees, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. CASTLE:
H.R. 457. A bill to amend the Congressional Budget Act of 1974 to provide for budgeting for emergencies through the establishment of a budget reserve account, and for other purposes; to the Committee on the Budget, 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. CLEMENT:
H.R. 458. A bill to amend the Federal Election Campaign Act of 1971 to ban soft money in elections for Federal office, and for other purposes; to the Committee on House Oversight.

By Mr. COBURN (for himself, Mr. CANADY of Florida, Mr. CARDIN, Mr. DAVIS of Virginia, Mr. DEAL of Georgia, Mr. DEFAZIO, Mr. EHLERS, Mr. FRANK, Mr. FUENTES, Mr. GREENWOOD, Mr. LEWIS of Georgia, Mr. LOBIONDO, Mrs. LOWEY, Mr. MCHUGH, Mr. NORWOOD, Mr. PALLONE, Ms. PELSON, Mr. RIDDELL, Mr. SANDELS, Mr. STARK, Mr. STUMP, and Mr. WELDON of Florida):
H.R. 459. A bill to amend title XVIII of the Social Security Act to require health maintenance organizations participating in the Medicare Program to assure access to out-of-network services to Medicare beneficiaries enrolled with such organizations; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH:
H.R. 460. A bill to amend the Housing Act of 1949 to provide for private servicing of rural housing loans made under section 502 of such act; to the Committee on Banking and Financial Services.

H.R. 461. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase and installation of agricultural water conservation systems; to the Committee on Ways and Means.

By Mr. COTE:
H.R. 462. A bill to amend the Federal Election Campaign Act of 1971 to control House of Representatives campaign spending, and for other purposes; to the Committee on House Oversight.

By Ms. DELAUR:  
H.R. 463. A bill to prohibit, in connection with the termination of Army activities at the Stratford Army Engine Plant, Stratford, CT, the expenditure of Federal funds to cover the costs of relocating a Government contractor currently located at that installation; to the Committee on National Security.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. UPTON, Mr. HOR, and Mr. LAZIO of New York):
H.R. 464. A bill to amend title II of the Social Security Act to establish, for purposes of disability determinations under such title, a uniform minimum level of earnings, for demonstrating ability to engage in substantial gainful activity at the level currently applicable solely to blind individuals; to the Committee on Ways and Means.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. SAXTON, Mr. RAHALL, Mr. GRAHAM, Mr. FROST, Mr. SERRAND, Mr. HINOUSA, and Ms. WELDON of Virginia):
H.R. 465. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. EVANS (for himself, Ms. BROWN of Florida, Mr. DEFAZIO, Mrs. MEEK of Florida, Mr. HOLDEN, Mr. GUTIERREZ, Mr. DELLUMS, Mr. MCDERMOTT, Mr. FILER, Mr. UNDERWOOD, Mr. MARTINEZ, Mr. TALENT, Mr. FROST, Mr. FALOEVAEGA, Mr. BARCIA, and Mr. BRYANT):
H.R. 466. A bill to amend title I of United States Code, to extend the period of time for the manifestation of chronic disabilities due to undiagnosed injuries in veterans who served in the Persian Gulf war for purposes of those disabilities to be compensable by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. EWING:
H.R. 467. A bill to amend the Commodity Exchange Act to provide a conditional exemption for certain transactions involving professional markets, to clarify the effect of the designation of a board of trade as a contract market, to simplify the process for implementing contract market rules, to regulate audit trail requirements, to establish cost-benefits analysis requirements, to combat fraud in transactions in or involving foreign currency exchange market, and for other purposes; to the Committee on Agriculture.

By Mr. FIFER:
H.R. 468. A bill to amend section 8 of the United States Code, relating to metropolitan statistical areas, to provide for rental assistance payments to assist certain owners of manufactured homes who rent the lots on which their homes are located, to the Committee on Banking and Financial Services.

H.R. 469. A bill to amend the Veterans' Benefits Improvement Act of 1996 to eliminate the requirements that members of the Commission on Service members and Veterans Transition Assistance to allocated to separate programs; to the Committee on Veterans' Affairs.

By Mr. GIBBENS:
H.R. 470. A bill to provide for the establishment of a Victim Services Grant Program; to the Committee on the Judiciary.

By Mr. GIBBENS:
H.R. 471. A bill to amend the Immigration and Nationality Act to not count work experience as an unauthorized alien for purposes of admission as an employment-based immigrant or an H-1B nonimmigrant; to the Committee on the Judiciary.

By Mr. GREEN:
H.R. 472. A bill to amend the Federal Election Campaign Act of 1971 to prohibit nonparty multicandidate political committees from making independent expenditures in Federal office; to the Committee on the Judiciary.

By Mr. GREEN:
H.R. 473. A bill to amend the Federal Election Campaign Act of 1971 to prohibit nonparty multicandidate political committees from making independent expenditures in Federal office; to the Committee on House Oversight.

By Mr. GODDLE:
H.R. 474. A bill to amend the Federal Election Campaign Act of 1971 to prohibit nonparty multicandidate political committees from making independent expenditures in Federal office; to the Committee on the Judiciary.

By Mr. GODDLE:
H.R. 475. A bill to amend title XVIII of the Social Security Act to provide for offering the option of Medicare coverage through quality improvement organizations (QIOs) and for other purposes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GUTIERREZ (for himself, Mr. BERNAN, Mr. MCDERMOTT, Mr. FILNER, Mr. WYNN, Mr. MILLER of California, Mr. NADLER, Mr. YATES, Ms. WLOOSLEY, Mr. FLAKE, Mr. ABERCRUMBIE, Mr. DELLUMS, Ms. MCKINNEY, Mr. SERRANO, Ms. MCDONALD, Ms. PELOSI, and Mr. ENGEL):
H.R. 476. A bill to prohibit the possession or transfer of nonsporting handguns; to the Committee on the Judiciary.

By Mr. HERLEY:
H.R. 477. A bill to amend titles 23 and 49, United States Code, relating to metropolitan planning; to the Committee on Transportation and Infrastructure.

By Mr. HERGER (for himself and Mr. POMO):
H.R. 478. A bill to amend the Endangered Species Act of 1973 to improve the ability of individuals and local, State, and Federal agencies to comply with that act in building, operating, maintaining, or repairing flood control projects, facilities, or structures; to the Committee on Resources.

By Mr. HERGER:
H.R. 479. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of national standards for certain contemporary issues as pertaining to the Committee on Ways and Means.

H.R. 480. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of funeral trusts; to the Committee on Ways and Means.

H.R. 481. A bill to amend the Internal Revenue Code of 1986 to ensure that members of tax-exempt organizations are notified of the portion of their dues used for political and lobbying activities, and for other purposes; to the Committee on Ways and Means.

By Ms. KAPTUR:
H.R. 482. A bill to provide for the establishment of a professional trade service corps, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LAZIO of New York:
H.R. 483. A bill to amend the Health Service Act to provide a one-stop information service for individuals with serious life-threatening illnesses; to the Committee on Commerce.

By Mr. LEACH:
H.R. 484. A bill to authorize appropriations for the Department of State for contributions to the United Nations; to the Committee on International Relations.

By Mrs. MYRICK (for herself and Mr. POBLE):
H.R. 485. A bill to amend the Fair Labor Standards Act of 1938 to permit State and
local government workers to perform volunteer services for their employer or community organization or purpose without requiring the employer to pay them compensation; to the Committee on Education and the Workplace.

By Mr. RICHARDSON:
H.R. 486. A bill to appropriate funds for the purpose of compensating the compromise between the Forest Service and timber contractors operating in the Vallecitos sustained-yield unit, New Mexico, in order to preserve and to increase the diameter of growth; pine trees located in the unit; to the Committee on Appropriations.

H.R. 488. A bill to amend the Communications Act of 1934 to promote greater telecommunications and information services to Native Americans, and for other purposes; to the Committee on Commerce.

H.R. 490. A bill to amend the Public Health Service Act with respect to the work of individuals who are members of minority groups, and for other purposes; to the Committee on Commerce.

H.R. 496. A bill to amend title 5, United States Code, to include medical foods as a specific item for which coverage may be provided under the Federal Employees Health Benefits Program; to the Committee on Government Reform and Oversight.

By Mr. ABERCROMBIE (for himself and Mr. FALEOMAVAEGA):
H.R. 497. A joint resolution proposing an amendment to the Constitution of the United States to increase the terms of office for Representatives and Senators in Congress; to the Committee on the Judiciary.

By Mr. J. J. HAYS (for himself and Mr. J. J. HURST of Texas):
H.R. 498. A joint resolution proposing an amendment to the Constitution of the United States to limit terms of Representatives and Senators; to the Committee on the Judiciary.

By Mr. SOLOMON:
H.R. 499. A joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of budget outlays and Federal revenues must be agreed to by two-thirds vote of the House of Representatives and two-thirds vote of the Senate; to the Committee on the Judiciary.

By Mrs. WATERS (for herself and Ms. PRYCE of Ohio):
H. Res. 31. Resolution in the matter of Representatives and Senators of California to investigate the financial plight of the self-employed Reservists who were activated for service in crack cocaine sales to fund Contras; to the Committee on Government Reform and Oversight.

By Mr. FALEOMAVAEGA:

By Mr. YATES:
H. Con. Res. 11. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust; to the Committee on House Oversight.

By Mrs. JOHNSON of Connecticut:
H. Res. 31. Resolution in the matter of Representative NEW GINGRICH, considered and agreed to.

By Mr. BOEHNER:
H. Res. 32. Resolution designating majority membership of standing committees of the House; considered and agreed to.

By Mr. FAZIO of California:
H. Res. 33. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Ms. WATERS:
H. Res. 34. Resolution to establish a select committee to investigate CIA involvement in crack cocaine sales to fund Contras; to the Committee on Rules.

MEMORIALS
Under clause 4 of rule XXII, memorials were presented and referred as follows:

10. By the SPEAKER: Memorial of the Senate of the State of Michigan, relating to Senate Concurrent Resolution No. 284: To memorialize the Congress of the United States to investigate the financial plight of the self-employed Reservists who were activated for missions such as Operation Desert Storm and Operation Joint Endeavor and to pass legislation to provide relief; to the Committee on Banking and Financial Services.

Also, memorial of the General Assembly of the State of New Jersey, relative to Assembly Resolution No. 126: Calling on the President and the Congress of the United States to undertake all appropriate actions to encourage the Swiss Government to take certain actions concerning unclaimed bank accounts of Holocaust victims; to the Committee on International Relations.

12. Also, memorial of the Senate of the State of Michigan, relative to Senate Concurrent Resolution No. 278. To memorialize the Congress of the United States to pass and submit to the States for ratification an amendment to the Constitution of the United States to protect taxpayer rights from judicial taxation by prohibiting courts from ordering any State or political subdivision to pay any amounts outstanding under the Federal Employees Health Benefits Program; to the Committee on Finance.

ADDITIONAL SPONSORS
Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. Sponsors: Mr. SAM JOHNSON.

H.R. 26: Mr. TRAFICANT and Mr. SCHIFF.

H.R. 27: Mr. CRAPO, Mr. STEARNS, and Mr. SCHIFF.

H.R. 49: Mr. SENSENBERGER, Mrs. KELLY, Mr. CHRISTENSEN, Mr. HERGER, Mr. HORN, Mr. HYDE, Mr. BLILEY, and Mr. MILL.

H.R. 58: Mr. BILIRAKIS, Mr. MCDERMOTT, Mr. GONZALEZ, Mr. FRELINGHUYSEN, Mr. MENENDEZ, Ms. NORTON, Mr. KENNEDY of Massachusetts, Ms. LAZIO of New York, Mr. HASTINGS of Florida, Mr. QUINN, Mr. ERLICH, Mr. FOLEY, Mr. MCCOLLUM, Ms. WOOLSEY, Mr. SKAGGS, and Mr. FATTAH.

H.R. 59: Mr. McCrey, Mr. DOOLITTLE, Mr. BARTLETT of Maryland, Mr. COBLE, Mr. HILL, Mr. FOLEY, Mr. MCCOLLUM, and Mr. JONES.

H.R. 66: Mr. DICKEY, Mr. FOLEY, Mr. COOKSEY, Mr. KILDEE, Ms. FURSE, Mr. WELDON of Florida, Mr. STARK, Mr. FROST, and Mr. RAHALL.

H.R. 75: Mr. DELLUMS, Mr. BROWN of Florida, and Ms. NORTON.

H.R. 80: Mr. WAMP and Mr. WALSH.

H.R. 82: Mr. MCHUGH, Mr. CONDIT, Mr. CAMP, Mr. DOYLE, Mr. COBLE, Mr. KNOBBENBERG, Mr. FRANK of Massachusetts, Mr. BACHUS, Mr. BARRETT, Mr. HYDE, Mr. MEEHAN, Mr. MINGE, Mr. SHAYS, Mr. BALDACCI, Mr. BARRETT of Wisconsin, Mr. LEVIN, Mr. PORTMAN, Mr. NORWOOD, Ms. GORE, Ms. GREENBERG, Mr. KLINK, Mr. CUMMINS, Mr. SENSENBERGER, Mr. KLINK, and Mr. GOSS.

H.R. 83: Mr. HYKOLI.

H.R. 86: Ms. RIVERS, Mr. HASTINGS of Washington, Mr. BOB SCHAFER, Mr. LEWIS of Kentucky, Mr. LUCAS of Oklahoma, and Mr. BACHUS.

H.R. 87: Mr. HASTINGS of Washington.

H.R. 120: Mr. FROST, Mr. HARRIS of Florida, Mr. JEFFERSON, Mr. RAHALL, Mr. RANGEL, and Mr. TEJEDA.

H.R. 133: Mr. CANADY of Florida.

H.R. 134: Mr. PETRI, Mrs. CUBIN, Mr. OXLEY, Mr. UPTON, Mr. KOLBE, Mr. HILLEARY, Mr. NUSSELE, Mr. BARTLETT of Maryland, and Mr. CALLAHAN.

H.R. 172: Ms. MEK of Florida, Mr. CAMP, Mr. FILNER, Mr. MOAKLEY, Mr. MCDERMOTT, Mr. BEREUTER, Mr. McGOVERN, Mr. BURR of North Carolina, Mr. OXLEY, Mr. CAMPBELL, Mr. BILIBIN, Mr. BILIBIN, Mr. FALEOMAVAEGA, Mr. WELDON of Florida, Mr. SENSENBERGER, Mr. NORWOOD, Mr. DELUMS, Mr. WATTS of Oklahoma, Mr. BROWN of California, Mr. BALLISTRIER, Mr. CONDIT, Ms. WOOLSEY, Mrs. LOWEY, Mr. GEJDENSON, Mr. SHAYS, Mr. NADLER, Mr. WALSH, Mr. REYNOLDS, Mr. BURTON, Mr. JONES, Mr. HILL, Mr. LOVELL, Mr. REINHART, Mr. MCELHINNY, Mr. JENKINS, Mr. STEARNS, Mr. FORD, Mr. DAVIS of Virginia, Mr. SHAW, Mr. BARTLETT of California, Mr. HILTON, Mr. JOHNSON of Georgia, Mr. WALT, Mr. HILLEARY, Mr. STEARNS, Mr. HINES, Mr. BARTLETT of California, Mr. GREENBERG, Mr. WELDON of Florida, Mr. CONDIT, and Mr. RAHALL.

Mr. RICHARDSON.

Mr. MCCARTHY.

Mr. HANCOCK.

Mr. WILSON.

Mr. HOAGLAND.

Mr. DAVIS.
Ms. Furse, Ms. Brown of Florida, Mr. Bachus, Mrs. Maloney of New York, Ms. Eshoo, Mr. Evans, and Mr. Solomon.

H. R. 131: Mr. Pappas, Mr. Foley, Mr. Sensenbrenner, and Mrs. Myrick.
H. R. 132: Mrs. Myrick and Mr. Hastert.
H. R. 135: Mr. Allen, Mrs. Carson, Mr. Delahunt, Mr. Fazio of California, Mr. Filner, Ms. Furse, Mr. Hinojosa, Ms. Jackson-Lee, Ms. Kap tur, Ms. Lofgren, Mrs. McCarthy of New York, Ms. McCarthy of Missouri, Mr. McGovern, Mr. McNulty, Mr. McCullum, Mrs. Emerson, Mr. Ehrlich, Mr. Weldon of Florida, and Mrs. Cubin.
H. R. 289: Mr. Parker.
H. R. 292: Mr. Kayholtz, Mr. Bob Schaffer, Mr. Sweeney, Mr. Bartlett of Maryland, Mr. Campbell, Mr. Hostetler, Mr. Winning of Kentucky, Mr. Herger, Mr. Royce, Mr. Doolittle, Mr. Radanovich, Mr. Chabot, Mr. Riggs, Mr. Foley, Mr. Ney, Mr. McNintis, Mr. Ensign, Mr. Metcalf, Mr. Bachus, Mr. Jones, Mr. English of Pennsylvania, Mr. Bliley, Mr. Stump, Mr. Sessions, Mrs. Emerson, Mr. Weldon of Florida, and Mrs. Cubin.
H. R. 292: Mr. flatten, Mr. Bartlett of Maryland, Mr. Campbell, Mr. Hostetler, Mr. Winning of Kentucky, Mr. Herger, Mr. Royce, Mr. Doolittle, Mr. Radanovich, Mr. Chabot, Mr. Riggs, Mr. Foley, Mr. Ney, Mr. McNintis, Mr. Ensign, Mr. Metcalf, Mr. Bachus, Mr. Jones, Mr. English of Pennsylvania, Mr. Bliley, Mr. Stump, Mr. scenes, Mrs. Emerson, Mr. Weldon of Florida, and Mrs. Cubin.
H. R. 289: Mr. Parker.
H. R. 292: Mr. McGovern, Mr. Baldacci, Mrs. Clayton, Mr. Romero-Barcelo, Mr. Talent, and Ms. Woolsey.

H. R. 131: Mr. Allen, Mrs. Carson, Mr. Delahunt, Mr. Fazio of California, Mr. Filner, Ms. Furse, Mr. Hinojosa, Ms. Jackson-Lee, Ms. Kap tur, Ms. Lofgren, Mrs. McCarthy of New York, Ms. McCarthy of Missouri, Mr. McGovern, Mr. McNulty, Mr. McCullum, Mrs. Emerson, Mr. Ehrlich, Mr. Weldon of Florida, and Mrs. Cubin.
H. R. 289: Mr. Parker.
H. R. 292: Mr. McGovern, Mr. Baldacci, Mrs. Clayton, Mr. Romero-Barcelo, Mr. Talent, and Ms. Woolsey.

H. R. 305: Mr. Baron of Florida, Mr. Carbone, Mr. Ford, Mr. DeLum, Mrs. Carson, Mr. Fattah, Mr. Walsh, Mr. Underwood, Mr. Frost, Mr. Kildee, Ms. Christian-Green, Ms. Brown of Florida, Mr. Wolf, Mr. LaFalce, Mr. Miller of California, Ms. Norton, and Ms. McCr. 

H. R. 147: Mr. Matsui, Mr. Payne, Mrs. Meek of Florida, Mr. Neal of Massachusetts, Mr. Romero-Barcelo, Mr. Ford, Mr. DeLum, Mrs. Carson, Mr. Fattah, Mr. Walsh, Mr. Underwood, Mr. Frost, Mr. Kildee, Ms. Christian-Green, Ms. Brown of Florida, Mr. Wolf, Mr. LaFalce, Mr. Miller of California, Ms. Norton, and Ms. McCr. 

H. R. 424: Mr. Talent and Mr. Foley.

H. R. 147: Mr. Matsui, Mr. Payne, Mrs. Meek of Florida, Mr. Neal of Massachusetts, Mr. Romero-Barcelo, Mr. Ford, Mr. DeLum, Mrs. Carson, Mr. Fattah, Mr. Walsh, Mr. Underwood, Mr. Frost, Mr. Kildee, Ms. Christian-Green, Ms. Brown of Florida, Mr. Wolf, Mr. LaFalce, Mr. Miller of California, Ms. Norton, and Ms. McCr. 

H. R. 147: Mr. Matsui, Mr. Payne, Mrs. Meek of Florida, Mr. Neal of Massachusetts, Mr. Romero-Barcelo, Mr. Ford, Mr. DeLum, Mrs. Carson, Mr. Fattah, Mr. Walsh, Mr. Underwood, Mr. Frost, Mr. Kildee, Ms. Christian-Green, Ms. Brown of Florida, Mr. Wolf, Mr. LaFalce, Mr. Miller of California, Ms. Norton, and Ms. McCr. 

H. R. 424: Mr. Talent and Mr. Foley.

H. R. 446: Mr. Underwood, Mr. Royce, Mr. Hastert, Mr. Barca of Michigan, Mr. Jones, Mr. Rogan, Mr. Weldon of Florida, Mr. Smith of Michigan, and Mr. Hyde.
H. J. Res. 2: Mr. McCrery, Mr. Franks of New Jersey, Mr. Campbell, Mr. Kim, Mr. Nussle, and Mr. Jones.

H. Con. Res. 4: Mr. Romero-Barcelo, Mr. Fattah, Mr. Scott, Mrs. Claytan, and Mr. Kennedy of Rhode Island.

H. Con. Res. 6: Mr. Doyle, Mr. Ackerman, Mr. Hall of Ohio, Ms. Harman, Mr. Cunningham, Mr. Pallone, Mr. Coyne, Mr. DeLum, Mr. LoBiondo, Mr. Davis of Virginia, Mr. McNulty, and Mr. Matsui.

H. Res. 28: Mr. Norwood and Mr. Ganske.
H. Res. 30: Mr. Chabot, Mr. Shadegg, and Mr. Largent.

PETITIONS, ETC.

Under clause 1 of rule XXII, 5. The Speaker presented a petition of the House of Representatives of the Republic of Cyprus, relative to the continuing plight of the few hundred Greek Cypriots still remaining in the area of Cyprus occupied by Turkish troops since 1974 which was referred to the Committee on International Relations.
The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER
The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God of new beginnings, who makes all things new, give us a viable hope and vibrant expectancy as we begin the work of the 105th Congress. On this day following the inauguration of President Clinton and Vice President Gore, as fellow Americans and patriots we ask for Your blessing on them. In the same breath, we renew our commitment to work together with them as we seek Your will for what is best for our Nation.

Endow our own Senate leaders, TRENT LOTT, TOM DASCHLE, DON NICKLES, and WENDELL FORD with a special measure of wisdom as they work cooperatively together to foster a spirit of oneness in the Senate. Help the Senators to delight in the diversity that sheds varied shades of light on the truth and debate that exposes maximum solutions. May this Senate be distinguished for its civility, creativity, and courage. Your spirit flourishes where men and women pray for each other, speak truth as they see it without rancor, and listen attentively to one another. When we all seek You and Your guidance, we find each other. The bond of our mutual love for You and for America will sustain us in the rough and tumble of political process. God, bless America and begin here in this Senate, through our Lord and Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER
The PRESIDENT pro tempore. The able majority leader is recognized.

SCHEDULE
Mr. LOTT. Under the order today, the time between now and 12:30 will be equally divided between myself and the Democratic leader. At 12:30 today, following our remarks, the Senate will recess until 2:15 for the weekly policy conferences to meet. When the Senate reconvenes at 2:15, there will be a period of morning business to enable all Senators to make statements and introduce legislation.

I anticipate that many of our colleagues will be making statements during the morning business period. Therefore, there will be no rollcall votes during today's session. It is my hope that during tomorrow's session the Senate will be able to consider the Executive nomination of Madeleine Albright to be the Secretary of State, and I anticipate a rollcall vote on Wednesday on the confirmation of that nomination.

I also announce to my colleagues that all Members will be notified as soon as the schedule is finalized with regard to a memorial service on Thursday in Lowell, MA, for our former colleague, Senator Paul Tsongas.

Again, I note as we come out of our policy luncheons, Senator DASCHLE and I will be introducing bills. I will introduce the first 10 bills on behalf of the Senate Republican majority, and Senator DASCHLE will introduce the next 10 bills. We will be hearing during the remainder of the day from the leading sponsors of those bills and others who will be introducing bills and want to make statements. We will go, I am sure, a while into the afternoon. It is hoped we will not begin this session by going late into the night on a Tuesday. We would like to quit at a reasonable hour, for all concerned.

INAUGURATION CEREMONIES
Mr. LOTT. I ask unanimous consent that yesterday's proceedings of the inauguration of the President be printed in today's CONGRESSIONAL RECORD.

There being no objection, the proceedings were ordered to be printed in the RECORD, as follows:


Members of the House of Representatives, Members of the Senate, Justices of the Supreme Court, members of the diplomatic corps, the Governors of the States, and the Mayor of the District of Columbia, the Joint Chiefs of Staff, and other distinguished guests assembled on the west front.

MRS. CLINTON
Mr. Martin Paone, Senate Secretary for the Minority, escorted Mrs. Gore, accompanied by Mrs. Lott and Mrs. Gephardt, to the President's platform.

MRS. GORE
Ms. Elizabeth B. Greene, Senate Secretary for the Majority, and Ms. Amelia Fields, Joint Congressional Committee on Inaugural Ceremonies, escorted Mrs. Clinton, accompanied by Mr. Ford and Mrs. Gingrich, to the President's platform.

THE VICE PRESIDENT
Mr. John Chambers, Joint Congressional Committee on Inaugural Ceremonies Deputy Director, Ms. Loretta Symms, Senate Deputy Sergeant at Arms, and Mr. J. im Varey, House Deputy Sergeant at Arms, escorted the Vice President, accompanied by Senator Lott, Representative Gephardt and Representative Armey, to the President's platform.

THE PRESIDENT
Ms. Susan Magill, JCCIC Executive Director, Mr. Greg Casey, Senate Sergeant at Arms, and Mr. Wilson Livingood, House Sergeant at Arms, escorted the President, accompanied by Senator Warner, Senator Ford, Representative Gingrich, Senator Lott, Representative Gephardt and Representative Armey, to the President's platform.

THE INAUGURAL CEREMONY
Mr. WARNER. Mr. President, Mr. Vice President, Mr. Speaker, Mr. Majority Leader, Mr. Chief Justice, Members of the U.S. Congress, their families and guests—all one-quarter million who have joined here today on the grounds of their Capitol.
Standing for the Pledge of Allegiance. Reverend Billy Graham to lead our National Melania Trump read the passage that you will read from the White House, you held the Bible and read the passage that you will read together to the providential vision of our Founding Fathers. It is a tribute to the strength of character of the American people and the endurance of their institutions. It is a tribute to successive generations of Americans who have guarded our most valuable heritage—our freedom.

And, Mr. President, may I say, on behalf of the millions of Americans, we express to you our gratitude for this past week, having invited to the White House a true man who fought for freedom, and you presided over the Presidential Medal of Freedom, Senator Dole. Thank you, Mr. President.

For centuries, the American Presidential Inauguration ceremony has represented both national renewal and continuity of leadership. So it is altogether fitting that as the world’s oldest constitutional democratic republic, we gather today to honor this historical triumph, and to recommit ourselves to keep our Nation strong for future generations.

Mr. President, prayer has been an essential part of all inaugurations as I was privileged to drive up with you from the White House, you held the Bible and read the passage that you will read today.

Therefore, we are honored today to have the Reverend Billy Graham to lead our Nation in prayer, as he has at seven previous inaugurations.

We stand for the invocation and remain standing for the Pledge of Allegiance. Reverend Graham.

**INVOCATION**

Reverend Graham. President Clinton, Mrs. Clinton, Vice President Gore, Mrs. Gore, I am going to ask that we all bow our heads in prayer. Our Father and our God, we thank You for Your gracious hand over us, and we pray to You that from the very foundations of America You guard our most valued heritage—our freedom.

We have solved all the social problems of our times, such as drugs and racism. Technology and social engineering have not solved the basic problems of human greed, pride, intolerance, and selfishness. We need your insight, we need your compassion, we need your strength. As both President Clinton and Senator Dole urged us in the recent Presidential campaign, may this be a time of coming together to help us deal with the problems we face.

O Lord, help us to be reconciled first to You and then to one another. May Dr. Martin Luther King’s dream finally come true for all of us. Help us to learn true courtesy to our fellow countrymen that comes from a respect for one another and from the recognition that what I want from You I want you to do to you, do also to them.’’

Remind us today that You have shown us what is good and what You require of us—to do justly, to love mercy, and to walk humbly with Our God.

We ask that as a people we may humble ourselves before You and seek Your will for us and for this great Nation. Help us in Our Nation to work as never before to strengthen our families and to give our children hope and a moral foundation for the future.

So may our desire be to serve You and, in so doing, serve one another.

This we pray in the name of the Father, the Son, and the Holy Spirit. Amen.

Mr. WARNER. Thank you, Reverend Graham.

**THE PLEDGE OF ALLEGIANCE**

Mr. WARNER. The Pledge of Allegiance will be led by Eagle Scout David Morales, Boy Scout Troop 152, Vienna, VA.

Mr. WARNER. Ladies and gentlemen, it is now my privilege to present the Children of the Gospel Mass Choir, under the auspices of the Washington Performing Arts Society. More than 100 voices from the metropolitan area make up this unique choir.

Accompanied by the United States Marine Band, the choir will perform an original composition by its director, Mr. Rickey Payton, entitled, "Let’s Build a Bridge Across America."

Mr. W ARNER. Ladies and gentlemen, it is now my privilege to present the Associate Justice of the Supreme Court of the United States, the Honorable Ruth Bader Ginsburg, who will administer to the President-elect the oath of office pre-scribed by the Constitution, which he repeated as follows:

"I, Albert Gore, Jr., do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will faithfully execute the office of Vice President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.

So help me God."

Mr. WARNER. Boy Scout Troop 152, Vienna, VA.

Mr. Chief Justice REHNQUIST. Are you ready to take the oath, Mr. President?

Mr. FORD. Thank you, Mr. President. I am ready to take the oath.

Mr. WARNER. Please raise your right hand and repeat after me.

The Chief Justice of the United States, William Rehnquist, administered to the President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

"I, William Jefferson Clinton, do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.

So help me God."

Mr. FORD. Ladies and gentlemen, the President of the United States of America, William Jefferson Clinton.

Mr. FORD. The Chief Justice of the United States, William Rehnquist, administered to the President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

"I, William Jefferson Clinton, do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.

So help me God."

Mr. FORD. Ladies and gentlemen, the President of the United States of America, William Jefferson Clinton."

I January 21, 1997

Associate Justice of the United States Ruth Bader Ginsburg administered to the Vice President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

"I, Albert Gore, Jr., do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will faithfully execute the office of Vice President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.

So help me God."

Associate Justice Ginsburg. If you are ready to take the oath, Mr. Vice President, please repeat after me.
January 21, 1997

CONGRESSIONAL RECORD – SENATE S121

This is the heart of our task: With a new vision of Government, a new sense of responsibility, a new spirit of community, we will sustain America’s journey. The promise we sought in a new land, and we will find again in a land of new promise.

In this new land, education will be every citizen’s most prized possession. Our schools will have the highest standards in the world, igniting the spark of possibility in the eyes of every girl and every boy, and the doors of higher education will be open to all. The knowledge and power of the information age will be within reach, not just of the few but of every classroom, library, and every child. Parents and children will have time not only to work, but to read and to play together, and the plans they make at their kitchen table will be those of a better home, a better job, a certain chance to go to college.

Our streets will echo again with the laughter of our children, because no one will try to shoot them or sell them drugs anymore. Everyone who can work will work, with today’s permanent underclass part of tomorrow’s living middle class. The blessing of medicine at last will reach not only those who can claim care now, but the children and hard-working families too long denied.

We stand not only for freedom and maintain a strong defense against terror and destruction. Our children will sleep free from the threat of nuclear, chemical, or biological weapons. Ports and airports, farms and factories will thrive with trade and innovation and ideas. And the world’s greatest democracy will lead a whole world of democracies.

Our land of new promise will be a Nation that meets its obligations: A Nation that balances its budget, but never loses the balance of its values.

A Nation where our grandchildren have secure retirement and health care, and their grandchildren know we have made the reforms necessary to sustain those benefits for their time.

A Nation that fortiﬁes the world’s most productive economy, even as it protects the great natural bounty of our water, air, and lands.

And in this land of new promise, we will have reformed our politics so that the voice of the people will always speak louder than the din of narrow interests, regaining the participation and deserving the trust of all Americans.

[Applause.] A fellow citizen, let us build that America, a nation ever moving forward toward realizing the full potential of all its citizens. Prosperity and power, yes, they are important, and we must maintain them, but let us never forget: The greatest progress we have made, and the greatest progress we have yet to make, is in the human heart. In the end, all the world’s wealth and a thousand armies of democracies.

And in this land of new promise, we will have reformed our politics so that the voice of the people will always speak louder than the din of narrow interests, regaining the participation and deserving the trust of all Americans.

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To that effort, I pledge all my strength and every power of my office. I ask the Members of Congress here to join in that pledge. The American people returned to office a President of one party and a Congress of another. Surely, they did not do this to advance the politics of petty bickering and extreme partisanship they plainly deplore. [Applause.]

No, they call on us all instead to repairers of the breach and to move on with America's mission. America demands and deserves big things from us—and nothing big ever came from being small. [Applause.]

Let us remember the timeless wisdom of Cardinal Bernardin when facing the end of his own life. He said, "It is wrong to waste the precious gift of time ... on acrimony and division."

Fellow citizens, we must not waste the precious gift of this time, for all of us are on that same journey of our lives, and our journey, too, will come to an end. But the journey of our America must go on. And so, my fellow Americans, we must be strong, for this time is much to dare. The demands of our time are great, and they are different. Let us meet them with faith and courage, with patience and a grateful, happy heart. Let us shape the hope of this day into the noblest chapter in our history. Yes, let us build our bridge—

a bridge wide enough and strong enough for every American to cross over to a blessed land of new promise. May those generations whose faces we cannot yet see, whose names we may never know, say of us here that we led our beloved land into a new century with the American dream alive for all her children, with the American promise of a more perfect Union a reality for all her people, with America's bright flame of freedom spreading throughout all the world.

From the height of this place and the summit of this century, let us go forth. May God 'strengthen our hands for the good work ahead'—and always, always bless our America. [Applause.]

Mr. WARNER. Mr. President, we thank you for that strong and inspiring message at this very important time in our history.

Now, ladies and gentlemen, it is my pleasure to introduce the Immanuel Baptist Church Sanctuary Choir and Orchestra of Little Rock.

The choir and orchestra, under the direction of Reverend Lynn Madden, will present "The Battle Hymn of the Republic." (The Immanuel Baptist Church Sanctuary Choir and Orchestra sing "The Battle Hymn of the Republic.")

Mr. WARNER. Thank you for the singing of that most inspiring of American music.

As he did for his first inauguration in 1993, President Clinton has asked a distinguished American scholar to compose a poem for this historic day.

Please welcome writer, editor, poet, Mr. Miller Williams.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. LOTT. Mr. President, I know of no Senator having indicated that he or she desires to make a statement at this time. No request being given to the Cloakroom, I ask unanimous consent that the Senate now stand in recess under the previous order until 2:15 p.m.

There being no objection, the Senate, at 12:20 p.m. recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

The PRESIDING OFFICER (Mr. COATS). The majority leader is recognized.

SENATE REPUBLICAN AGENDA

Mr. LOTT. Mr. President, I think the opportunity here today to get off to a good start, a fast start. It is one about which we have communicated with our colleagues on the other side of the aisle. We have increased the number of bills that we officially introduce at the start of the
session from what has in the past been only 5 to 10, and therefore the Repub-
licans will today introduce our first numbered 10 bills as well as Senate Joint Resolution 1, which will be the constitutional amendment for a bal-
canced budget. And then the Democratic leader, on behalf of the Democrats, will introduce their first 10 bills, and then others can come in and offer bills as they see fit. The principal sponsors will come to the floor this afternoon in the hour reserved to them to offer the bills and to make comments. Frankly, I see some overlap between our list of 10 bills and the Democrats' list of 10 bills. I think that is positive.

So we want to go ahead and get started with this. We are going to move for-
ward aggressively wherever we can to handle the President's nominations to his Cabinet. We hope to confirm within the next 2 days his first two nominees, to be Secretary of State and Secretary of Defense. We hope in the 2 weeks after that to confirm members of his Cabinet in place so that he can have people there to work with us. One of the goals of the Senate is that it runs as much by tradition and custom as it does by written rules, and so on the floor we are carry-
ing out today is introducing these first few bills that will lay out our agenda for the rest of the year.

So it is my honor to present to the Senate and to the Nation our major pieces of legislation, 10 bills and 1 reso-
lution, that we will offer today. Each of them can stand on its own as an im-
portant initiative dealing with matters that touch the lives of most Ameri-
cans. Together, however, they form a blueprint for a new direction for the coun-
country needs. I might even call them the user's manual for a better, safer and more prosperous America. These bills represent the consensus of the 55 Republican Members of the Senate.

We did have a unique opportunity to sit together for 12 hours the week be-
fore last to talk through what we want to do in this session of Congress and what specific bills we wanted to take up. It does not mean that every Repub-
ican Senator subscribes to every part of this package. To the contrary, it is likely that every Republican Senator, this one included, will disagree with some provision or another in one bill or another. But as befits the party of the open door, we have had quite a lot of give-and-take in putting this package together, and, as always, our individual Members make their own decisions about what they will endorse. But each of these bills commands overwhelming support on the Republican side of the aisle. I commend the lead sponsors of these bills but all the Senators and staff who worked to-
gether over the past few weeks to reach the agreement and get these bills actu-
ally drafted and ready for presentation.

I am going to leave it to the primary sponsors and others who have worked on the various pieces of legislation to give the details. So I am going to sum-
marize in this time that I have today what it is that we are asking the Presi-
dent, on behalf of the Democrats, to do in this session of Congress and to make commitments and actually have the leverage guarantee of a constitu-
tional amendment. Remember, when it has not worked.

This one, obviously, needs no ex-
plain. There may be still, somewhere in the hinterlands of America, a citizen who does not understand why a balanced budget amendment is desper-
ately needed, but I doubt it. The American people keenly realize the problems caused by excessive Federal spending, and everywhere I have gone, every poll that I have seen indicates that the American people support this ini-
tiative overwhelmingly.

I have tried to understand the argu-
ments against a constitutional amend-
ment for a balanced budget, but to no avail, quite frankly. We have not had a balanced budget in the Federal Govern-
ment in 28 years, and it will probably be at least 4 more years before we get one, if then. I have watched good men and women, including Presidents, make commitments and actually have plans to get to a balanced budget, but it has not worked.

This year, I think we have an opportu-
tunity to work with the President to come to a balanced budget agreement. We will see his budget plan February 6. I hope he will show leadership and courage and will address some of the is-
tuables that need to be addressed that, frankly, he was not willing to deal with last year. But it was an election year, and, hopefully, he will approach it differ-
ently this time.

But even if we come together on a plan to get a balanced budget by 2002, I still have my doubts about whether it will actually happen if we do not have the leverage guarantee of a constitu-
tional amendment. Remember, when we pass this constitutional amend-
ment, then it is a plan to get to the Presi-
dent for his signature, it goes to the State legislatures, to the people for ratification.

Recent elections seem to indi-
cate the administration will fight this amendment and will do it aggressively. I understand they may have some ques-
tions or objections. I expect them to make those, and we will listen to them. But this fight is not about politics, it is about the future of our children and grandchildren. It is about the burden of debt we are leaving them with, which is a cruel legacy. It is about right and wrong, and this time around, I am bet-
ting that right is going to prevail.

It is important to the American people to attach to education, one of the first bills we will introduce today will deal with this area. Just like the constitutional amendment for a balanced budget is important to us because of what we think it means to our children's future in holding down inflation and holding down interest rates and stopping the continuous increase in the interest we pay on the national debt that will lead to making it difficult for our children and grandchildren to have home mortgages and student loans and car loans, we think that education, also, is a very high priority and also an investment in the future of our coun-
try.

If we have a strong educational sys-
tem, if we deal with the illiteracy prob-
lems, if we deal with the needs of chil-
dren with special needs, it will contrib-
ute to a better America, better edu-
cated children, will lead to more pro-
duction, better jobs, more jobs, more trade, more development in tech-
ology.

So Republicans are placing a high priority this year on education with S. 1, the first numbered bill. It is the Safe and Affordable Schools Act. It will be introduced by Senator PAUL COVERDELL of Georgia, and it is a com-
prehensive agenda for dramatic change. It will help not only parents—
that is where it begins, in the home with the parents—but also the States and the local communities to
give their children a better education.

It focuses, especially, on children at-
tending unsafe schools, to give their families consumer rights and choice in
education. In this regard, it builds on the good work that was done in the 104th Congress by the distinguished Senator from Indiana, Senator COATS, who is now presiding in the Chamber.

He has done a lot of great work in be-
half of youngsters, and that work is confirmed in this piece of legislation.

In higher education, S. 1 establishes what we call the Bob Dole Investment Accounts to help parents set aside the money needed for their children's tuition.

Toward the same goal, it makes the interest on student loans tax deduct-
ible, and it gives favorable tax treat-
ment to State prepaid tuition plans, to education aid provided by an employer to encourage more employers to pro-
vide that assistance to their workers which would benefit their children, and to student work-study awards.

S. 1 will fully fund the Individuals with Disabilities Education Act, as it is quite often referred to, by authorizing an additional $10 billion over the next 7 years. This is not something easily done, but it is something we promised children with these special needs and we promised the States we would do, and we have not done it.

In this legislation, we are making that commitment to fulfill that obliga-
tion. That will come as good news not only to the families with special-needs children but it will also be a lot to the Governors and State legislators who have been shorthead this Federal mandate without the funds to back it up.
I want to mention especially the good work that has been done by Senator GREGG of New Hampshire and Senator FRIST of Tennessee on this difficult but very important matter.

Finally, S. 1 sets up a block grant for States to promote adult education and combat illiteracy. This has been long a priority with Senator EFFORDS, our chairman of the Labor and Human Resources Committee, and I am especially pleased it will be included in this package.

As I said earlier today at a press conference, we have been talking about trying to deal with adult education and illiteracy problems for 10 years, but we have done very little about it. This is the place where the Federal Government can be helpful in helping to fill a void that maybe the States cannot do on their own.

The next bill we will introduce today is S. 2, which will be introduced by Senator ROTH. It is the Family Tax Relief Act. It contains key provisions from the tax relief legislation of the last Congress that was vetoed by President Clinton. Senator ROTH has long worked in this area. He is the chairman of the Finance Committee. He knows his subcommittee and forward and backward. He knows we need a fairer Tax Code. He also knows we need to give some incentives for growth in the economy, to create more jobs, to have a stronger economy.

I still maintain that, when the economy is only growing at 2 percent or 2.3 percent, that is a very weak growth, and we should have it more in the range of 3 to 3.5. We think this bill will help do that.

It will offset the President’s 1999 tax increases by reducing taxes over the next 5 years. Fully 80 percent of that relief, some $330 billion of it, or more, will go to working families, and those are the ones to whom we think the help really matters, and most of it will go to middle-income people.

In keeping with our Republican commitment to strengthen families, the bill does create a $500-per-child tax credit for children under the age of 18. The President would like to lower that age, I understand, maybe even to 13, but if you are really trying to help families with children where they have the greatest needs, I really think it is in that bracket—14, 15. So that is how we would start it off. It would apply to some 20 million people.

The bill would raise the contribution limit for the spousal IRA from its current $250 to $2,000, and it would allow for tax and penalty-free withdrawal from an IRA for the cost of higher education, for small business startups and for long-term unemployment.

What better way to encourage people to look after themselves and address the needs of education and startups of businesses and unemployment than to encourage them to have an IRA with the tax benefits that go with it?

S. 2 would also lower the antifamily inheritance tax—I call it the death tax—which is now at confiscatory levels. When you have an estate tax that is 44 percent, or even as high as 55 percent, obviously, that is unfair.

Once again, it is hurting small businesses and farmers, as well as individuals, who work all their lives to build up a little nest egg for their children, and now many of them are selling those businesses, because they know if they don’t, when they do pass on, they will have over half of what they have worked for and their lives taken from their children.

Finally, this bill aims to boost savings, investments and job creation by allowing a 50-percent deduction for investment earnings on assets held more than 3 years and would let people who sell their homes at a loss deduct that as a capital loss.

The next bill is S. 3, the Omnibus Crime Control Act, again being introduced by Senator HATCH. He has done work on this for a long time, including this last year. It is a comprehensive package of tough-minded steps to fight illegal drugs, terrorism and child pornography.

It continues the Republican effort to reform our prison system, to end abuses therein, both by felons and by Federal judges. In so many instances now, felons in prisons are tying up the courts with petty, frivolous allegations that take up time and cost a lot of money. We want to try to reform that area and to save some of that lost time and effort.

We aim to restore public confidence in our judicial system by a series of reforms that will, at last, tilt the scales of justice in favor of innocent victims of crime. This bill reauthorizes major components of the Violence Against Women Act.

The next bill is S. 4, the Family Friendly Workplace Act, to be introduced by Senator ASHCROFT would extend to all workers the same options for flextime and comp time that employers generally have enjoyed for decades. These opportunities would be 100 percent voluntary and a matter of choice for the men and women of today’s work force.

Most of those workers have to juggle the demands of their jobs and the pressures of family life. Virtually all of them, especially those with small children, want more time with their families. S. 4 will help them arrange it while keeping a full paycheck.

A landmark of bipartisanship in the last Congress was built to reform the Nation’s antiquated laws concerning liability. Unfortunately, despite the best efforts of Senator Gorton and Senator Rockefeller and others in forging a consensus, the liability reform legislation again fell victim to the President’s veto pen.

We owe it to the American people to try again. We need legal reform. The American people want it. They expect it. They want broad legal reform. But at a very minimum, we should do it in this product liability area where so much good work has already been done.

This bill, S. 5, will also be introduced by Senator ASHCROFT, who is now chairman of the subcommittee with jurisdiction. It gives us another chance to overhaul an unfair and inefficient liability system for the benefit of American consumers and workers.

We will, in the bill S. 6, again re-introduce the Partial-Birth Abortion Ban Act. This, too, was vetoed by President Clinton last year. But the times have changed, and as the old saying goes, “If you try again, then maybe the results can be different.” After the election of 1996, the Senate has changed, too.

We are hopeful this time around we will do away with this practice that I think has shamed the conscience of the Nation. I commend Senator SANTORUM, the bill’s lead sponsor, and Senator SMITH for their dedication to this cause.

We will schedule this bill on the floor of the Senate for an early vote. I am sure the House will follow suit. We will send it again to the President. Hopefully, this time he will sign it.

S. 7 is the National Defense Act. I am pleased to be introducing this legislation. Building on the work that has been done by Senator Dole, Senator KYL, Senator THURMOND, and others in the last Congress, it represents our commitment to American people to secure for them, for their homes, their neighborhoods and, in fact, the country, the maximum possible protection against missile attack.

In the aftermath of the high-tech gulf war of 1990, most Americans think that the Nation is already sheltered by sophisticated weapon systems like the one that protected Israel against the Iraqi scud missiles. Don’t we wish. But sadly, and potentially tragically, the truth is that in an era of international terrorism, the United States remains vulnerable to missile blackmail. So S. 7 will put our Nation back on the path toward security, toward armament and peace through unquestioned strength.

We have concerns about the environment. One of the bills that we will bring up again this year that we worked on—and we got it through the Senate after a filibuster, but it wound up getting 63 votes—was a bill that would bring to a conclusion the decision about where to have a nuclear waste site in America. We will move on that quickly.

S. 8 is the Superfund Cleanup Acceleration Act. It offers a more efficient, commonsense approach to solving some of the Nation’s worst environmental problems involving toxic waste. We have sites all over the country, hundreds of them. And, well, I will not say almost none, but very few have actually been cleaned up, I think maybe as few as 37. Yet, we have spent millions, probably a billion or more dollars. We are not getting our money’s worth. This legislation is directed at doing that.

Senator SMITH and Senator CHAFFEE will introduce this legislation. It would
end the costly litigation that has para-
lyzed the cleanup effort. That is what
has happened. There has been nothing
but a lot of litigation and no real clean-
ing up where we needed it. And that
has diverted basically all the re-
sources of the program toward clean-
ing up Superfund sites, at our own cost.
S. 8 returns to the original vision of
the Superfund program—the protection
of human health and the environment
through realistic cleanup standards;
economic redevelopment of affected
sites; and fair treatment of individuals,
small businesses, and municipalities.
S. 9 is the Paycheck Protection Act,
introduced by the assistant majority
leader, Senator Nickles, who is here.
He will introduce this legislation later
on. It forbids corporations and labor
unions to take money from their stock-
holders and employees or members for
political purposes without that per-
son's expressed consent. You will note
it is applicable to the corporations, to
management and to the workers, so
that there is protection against this
type of intimidation and, in fact, the
practice of taking money from dues-
paying members and using it for purely
political purposes.
I think it is a matter of simple jus-
tice. Nobody should be compelled by
any organization to pay for someone
else's campaigning or lobbying. Right
here this is where true campaign re-
form starts.
Finally, S. 10, the Violent Juvenile
Offenders Act is a companion bill to
Senator Hatch's S. 3 and is the result of
not only his efforts but those of Sen-
ator Domenici, Senator Ashcroft, and
Senator Thompson. It rests on the prin-
ciple that violent juveniles must be held
personally accountable for their actions.
There has been a rising increase in
juvenile crime in America. We all know
the stories of very young people with
automatic weapons going down the street
pointing innocent people sitting on
their porches. We know that many of
them wind up not being tried as crimi-
inals because of their age. It is a deli-
cate balance. But we cannot ignore
the problem, and we must be, I think,
stronger in how we deal with these ju-
venile offenders.
This bill would assure that violence
and repeat juvenile offenders are treated
as adults. It targets violent youth
gangs, toughens penalties for violent
and drug crimes, and fosters the kind
of crime prevention and juvenile reha-
bilitation that have proven records of
success.
I heard on the radio this very morn-
ing, when I was getting ready to come
to the Senate, that local officials of
the District of Columbia are calling out
for help in dealing with gangs in
this city, because just last week a
young man, young boy, on his way
home from school, maybe 16 years old,
was hosted by a couple gang members.
The gang was dragging him into the
woods where they shot him, killed
him. He was not involved in the dis-
pute, but he wound up losing his life.

This person on the radio was saying, do
whatever is necessary. Bring in the Na-
tional Guard if you have to, but we
have to break up these gangs in our
Nation's Capital.
Mr. President, these 10 bills, along
with the balanced budget constitutional
amendment, form a very ambiti-
sious agenda. It will take time to ac-
complish. I do not think we should put
a time limit on them and say we must
do them by the end of February or the
end of March in each instance. We
ought to work on what we can, but we
should make sure everybody has a
chance to review them, make their case
for or against them. Let us have
full debate, but let us get it done and
let us do it right. There will be adjust-
ments and accommodations along the
way, but we are trying to get started in
a very positive way and offer bills we
think are important for the quality of
life and the future of our country.
The goal of the Senate Republicans is
very clear, I think, and unchanging in
this effort. It is to free the energy and
genius of the American people so that
they can achieve a better quality of
life. The legislation we are introducing
today we believe will allow them to do
that—for themselves, for their families
and their communities—in a society
that will be more secure, more pros-
erous and more caring.
Mr. President, I yield the floor to the
Senator from Oklahoma.
The PRESIDING OFFICER. The Sen-
ator from Oklahoma.
Mr. Nickles. Mr. President, how
much time remains of the majority
leader's time?
The PRESIDING OFFICER. Seven
minutes 36 seconds is remaining under
the majority leader's time.
Mr. Lott addressed the Chair.
The PRESIDING OFFICER. The ma-
jority leader.
Mr. Lott. Mr. President, I would be
glad to have the remainder of that
time to Senator Nickles if he would
like to go ahead and begin his com-
ments.
The PRESIDING OFFICER. The Sen-
ator from Oklahoma.
Mr. Nickles. Mr. President, I wish to
congratulate and compliment the
majority leader of the Senate for his
statement today, but also for his work
with all of the 55 Republican Senators
to put together this list.
This is the legislation which we have spent
some time on. When I say "we," I am
talking about all 55 Republican Sen-
ators, who had some input on this list.
That is a little unusual. We have not
done that before. We came up with 10
bills, in the past, our tradition has been
to introduce five. We came up with
10.
I might mention later today, or in
the next few days or weeks, we had sev-
eral other bills people wanted to have
in this list. But this list represents a
consensus of an overwhelming number
of Republicans, that these are positive
things we can do, should do, and that
we should pass this year.
Mr. President, let me just comment
and take a second to compliment
President Clinton on his inaugural ad-
dress yesterday. President Clinton
made two or three comments that I
would like to refer to.
One Government is not the prob-
lem, it is not the solution; the Amer-
ican people are the solution. I think
you will find that we Republicans re-
ally do believe the American people are
the solution. We have a lot of ideas for
improving Medicare, saving Social Secu-
rity, a lot of different things where we
really want to involve the American
people. I compliment the President
on that. He said that Government
should live within its means.
The first item that Majority Leader
Lott mentioned was a constitutional
amendment to balance the budget. We
have overwhelming support among our
colleagues for passage of a constitu-
tional amendment to balance the budg-
et. We are equally serious about pass-
ing a tax bill that balances the budg-
et. We want that to happen. Unfortu-
nately, President Clinton ve-
toed that in the last Congress. We want
to work with the President. He said
in the inaugural address that we should
work with him in our, at least, try and
make that happen. We look for-
ward to working with this administra-
tion to make that happen.
The President also said we should put
petty politics and extreme partisanship
aside. He is right. This Congress, this
does not have to be part of a partisan
political agenda. It has been too
extreme. We need to put that aside.
So I welcome the President's com-
ments. I look forward to working
with President Clinton in this administra-
tion to implement many of the things
he talked about. A lot of things we
have in this agenda are targeted to-
ward doing exactly that.
The constitutional amendment to
balance the budget has overwhelming
support among the membership, and
rightfully so. We should live within our
means. Almost all the States have pro-
visions in their constitution saying
they will not spend more than they take
in. We should follow that guid-
ance.
President Clinton, during the cam-
paign, said he was in favor of tax relief.
S. 2, the second bill we have in our list,
does provide for family tax relief. Even
during the campaign, President Clinton
talked of a $500-per-child tax credit.
That is the foundation of our tax bill.
Senator Lott mentioned 80 percent of
the tax bill we have introduced as the
leadership package. We passed that last
year, but again President Clinton ve-
toed it. He said in the campaign that
he was in favor of it. We want to pass
it this year, that is why we want it to become
law. We are not interested in passing
legislation for legislation's sake or for
political points' sake. President Clinto-
not is not running again. We want
these bills to become law because they will have a positive, real impact on American lives.

We define the child tax credit as children up to age 18. President Clinton's proposal limited it to kids under 12. We think it should be for all children. We need to provide for compensatory time if families have to work an hour or two above 40 hours, if they want to reduce that, especially for small business and especially for family-owned operations. That is in our package.

We have capital gains relief because we think tax transactions too much. We actually tax transactions more than almost any of our other industries. We need to reduce the taxes on transactions. If we do so, we will have more transactions and the Government will make more money, not less money. That is in our package. We can do better with the economy.

I think we put together a good package, one that is family friendly. We have a provision that Senator LOTT added to called the Family Friendly Workplace Act—Senator ASHCROFT has worked hard on it—and giving families the option that if they work a few extra hours one week, we think they can take off for their kids the next week. Why have good Government come in saying, "We mandate you have time off for PTA." Why not let the families and their agenda list. I look forward to hearing what that is, and I look forward to working with them to see if we can have several items beneficial not for Congress but for the American people.

Mr. President, I compliment Senator LOTT and all my colleagues for their work in putting this list together. I look forward to working with the minority leader and others on the other side of the aisle. I know they have their agenda list. I look forward to thanking the Senator from Oklahoma for the tone of his comments. I did not have the opportunity to hear them all, but in keeping with the expressions of the majority leader and others who have indicated a desire to find ways to work together, we need to continue to work together and greater opportunity for the country through increased bipartisanship, I appreciate very much his comments today.

Mr. DASCHLE. Mr. President, before I begin talking about the bills, let me make an initial comment about yesterday. We all witnessed a stirring ceremony as President Clinton and Vice President Gore were sworn in to a second term in office. President Clinton is the first Democratic President to earn a second term since Franklin Roosevelt. This is truly a historic event.

Anyone who witnessed the inaugural ceremony knows that, despite the cold weather, this quadrennial rite of American democracy was warmed by great pageantry, bipartisan good will, and a strong sense of national purpose and unity.

Yesterday's inaugural ceremony lasted a few minutes, but many weeks of hard work preceded the event. Everything from construction of the dramatic platform to ticket dispersal, security, and the traditional lunch in Statuary Hall, plus thousands of other tasks, required a great deal of preparation and attention to detail.

On behalf of Senate Democrats, I join with Senator LOTT and express my gratitude to the Joint Congressional Committee on Inaugural Ceremonies; in particular, the distinguished Senator from Virginia, Mr. WARNER, and the distinguished Senator from Kentucky, Senator FORD, and the other members of the committee put in long hours under very tight deadlines. Time that they might have preferred to spend with family or in their home States attending to constituent matters was sacrificed for the benefit of all Americans who enjoyed this inauguration.

Senator WARNER was chairman of the Joint Inaugural Committee this year. He brought to this duty the same diligence, resolve, and reverence for the congressional rules and traditions that he brings to his job as chairman of the Senate Rules Committee. This was his first inaugural ceremony as chairman, and he should be commended for a job well done.

This is the fifth time Senator FORD has served as chairman or vice chairman of the Inaugural Committee. Like everything he does as Senate Democratic whip, ranking member of the Rules Committee, and senior Senator from Kentucky, Senator FORD once again approached the responsibility...
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with great humor and tenacity and a deep respect for our best American tradition. Senator Ford is as dependable and dedicated a public servant as anyone who has ever served in this great institution, and all Americans owe a debt of gratitude to the citizens of Kentucky. When I asked him to serve in the U.S. Senate, I also express my thanks to the other members of the committee for their hard work. A special thanks goes to the leader, as well as to others in the House and Senate, along with representatives from the executive branch, assisted these congressional leaders in this enormous but ultimately successful task.

All who contributed to this historic event should be proud of their efforts and know that their country on this day after the inaugural is very grateful.

SENATE DEMOCRATS’ AGENDA

Mr. DASCHLE. Mr. President, as we begin the session of the 105th Congress, American families are asking some difficult questions, most of which seek answers affecting their lives directly. How am I going to put my kids through college? How do we pay the doctor bills if the kids get sick? Will I have enough money when I choose to retire?

Our challenges this year ought to be to provide the answers to those questions. As we do, we all recognize the limits of Government, and we should all recognize the unlimited potential of achievement through bipartisanship. Everything important which we accomplished in the last Congress—health care reform, the minimum wage increase, mental health equity—was accomplished because we realized that only by reaching across the aisle in an effective way, passing legislation with overwhelming bipartisan support, could we ultimately send the right message to the American people—that we hear them and we want to respond to the problems affecting their daily lives. If we remember that lesson and pick up in this Congress where we left off in the last one, then we can make this not only a productive Congress, but a historic Congress.

We can, in this Congress, pass a budget for the remainder of this century, a plan that eliminates the deficit and investments in our people and their potential, so that the 21st century will be another American Century. If we work together, we can answer those questions that worry Americans most, but we must find a way to do what the President said yesterday and what I heard the leader talk about just now—work together.

Cooperation is in the best interest of the American people, and, frankly, it is in our own self-interest. Good Government is still good politics. Since the election, there has been a good deal of rhetoric from both sides of the aisle, from both Houses of Congress, from the White House, expressing an interest in dealing with the 105th Congress in ways that are dissimilar to those dealt with in the 104th. We have heard the rhetoric, and we have made this whole event the success that it was yesterday. Many officers and employees of the House and Senate, along with representatives from the executive branch, assisted these congressional leaders in this enormous but ultimately successful task.

Today, I offer the Senate Democrats’ priority legislation for the 105th Congress. This agenda is the first agenda is neither radical nor revolutionary. Instead, it is moderate. In our view, it is achievable. Our agenda starts with the fundamental premise that our political system can’t work if people are able to rig the rules against them. Yet, more and more Americans believe that. More and more Americans have chosen not to go to the polls. At the very time we need more involvement, their response to what they see is to stay out of the process. So we see it for the wedge issue that it is. We can use that wedge issue to divide us. It has been used to divide us. But it does not go as far as we would like it to. It is getting worse with every election. The truth is, there are no limits anymore, the Supreme Court decisions. However, we decide to do this, the question is this: Can we get campaign finance reform, or will we find it? And if we do, how will we?

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Our second bill is aimed at increasing the income of American families and the competitiveness of American business by investing in education. According to the Bureau of Labor Statistics, 60 percent of all jobs created between now and the year 2005 will require education beyond high school. Yet, every year fewer families can afford the tuition. In the last 10 years, the cost of public college education has increased 23 percent. It is even worse in private colleges: 36 percent.

For the average family, the cost of sending one child to college is now 14 percent of total family income. The average debt load for a South Dakota college student is up by one-third since 1991. Eighty-five percent of South Dakota’s college students today are on financial aid. That is right; 85 percent rely on college aid in order to go to college. In the last 10 years, the cost of college education has increased 23 percent. It is even worse in private colleges: 36 percent.

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Our fifth bill seeks to increase Americans' retirement security. More than 51 million Americans today—half the private work force—do not have a pension. Only one-fifth of South Dakota's small business employees currently have pensions. Last year, in the bill that contained the minimum wage increase, we passed laws that help expand pension coverage to an additional 10 million workers.

But so much more remains to be done—because of a loophole, more than 32,000 large pension plans covering 23 million Americans—and containing more than $1 trillion in assets—are still not effectively audited. The Retirement Security Act is introducing today strengthens the accounting requirements for those funds.

Our bill also requires employers to diversify the savings of employee investments in 401(k) plans just as they must for more traditional kinds of plans so the bankruptcy of one company cannot devastate a pension plan. For multiemployer plans, which typically cover union members, our bill increases the Federal guarantee available to protect a plan's assets. The benefit level has remained flat since the creation of the program in 1980. Five million workers with pension changes jobs every year. Our bill provides those workers with new protections so they don’t lose the money they have invested in a pension when they change jobs or leave behind an investment whose value will erode over time. It will do that by reducing by 2 years the time it takes for a worker to become vested.

In addition, we will build on some of the pension reforms we passed last year. Last year, by eliminating a lot of the red tape, we made it easier for small businesses to offer pension plans. This year, let’s build on that by providing them with start-up costs.

Last year, Congress removed the restriction that kept spouses who don’t work outside the home from taking full advantage of IRA contributions, if the other spouse was covered by an employer’s pension plan. This year, we want to remove that restriction for spouses who do work outside the home.

Last year, we made it easier for women to collect pension benefits they are legally owed through a spouse or former spouse. Yet, 60 percent of women working in the private sector still lack pension plans. And, women’s pensions benefits, on average, are only about half of men’s benefits. Let’s get rid of those inequities.

We are committed to keeping Social Security and Medicare solvent—and we will. But Social Security and Medicare are not in place of a plan to build a private retirement system. The only guarantee that one-third of all older Americans will retire with dignity. Let’s agree in this Congress to give Americans the tools they need to retire with dignity. We can do it, if we work together.

Our fifth bill is aimed at two of the deadliest epidemics affecting young people: the twin epidemics of drug abuse and violence.
Crime and drug use among adults are down. But juvenile crime and drug abuse is accelerating. Over the last decade, drug-related juvenile crime in this country more than doubled. And youth violence—particularly homicide rates—skyrocketed.

We must reverse these deadly trends. Income security and retirement security don't really matter if we don't have personal security—if we're constantly afraid for ourselves and our families.

Our Youth Violence, Crime and Drug Abuse Prevention bill includes three main parts. First, we will build on the successes of the 1994 Crime Act by continuing the COPS program for two additional years and putting 25,000 more cops on the beat.

Second, our bill invests in crime and drug abuse prevention. It extends the Safe and Drug Free Schools Program. It expands existing drug courts, and creates new juvenile drug courts for first-time juvenile drug offenders. Anyone convicted in drug court has a choice: mandatory treatment, or mandatory jail.

Our bill also offers incentives for private industry to invest in research and development in medicines to treat heroin and cocaine addiction. And, it reauthorizes the Office of National Drug Control Policy; if we're going to fight a drug war, we need a "war room."

Prevention and treatment are essential. But for youthful offenders who are repeat, hardened criminals—for those who commit the most heinous acts—it's time to make the punishment fit the crime. That's the third part of our bill.

Our bill changes federal law so that violent juvenile offenders no longer are automatically released when they turn 21.

We require all juvenile offenders to pay restitution to the victims of their crimes and enforce victims' rights to speak at sentencing.

We give States the resources to hire more prosecutors for juvenile courts. And create special juvenile gun courts where juvenile gun offenders can be tried and sentenced on an expedited basis.

Our bill toughens penalties for possession of a firearm in connection with a violent or drug-trafficking crime. It extends to 10 years the statute of limitations for all crimes of violence and drug trafficking. And it eliminates the statute of limitations for all murders.

Finally, we propose tougher penalties for gang-related crimes.

The sixth bill we are introducing today is the Cattle Industry Improvement Act.

Cattle prices are lower than they've been in years. If prices don't rebound in the immediate future, farm foreclosures, job layoffs by agriculture-related businesses and bank failures could occur across rural America.

A special committee appointed last year by the Department of Agriculture to look into the causes of the low cattle prices confirmed what many ranchers had long suspected: Low cattle prices appear to be tied in some cases to unfair competition posed by the largest beef processors.

Our bill enables USDA to make changes in the cattle market to give all producers a level and small—a chance to make an honest living and compete fairly in the marketplace.

It requires the Secretary to define and prohibit noncompetitive practices. It mandates reporting for all sales transactions to ensure a fair and honest price discovery system.

Our bill also calls for a review of Federal lending practices to determine if the Government is contributing to meatpacker concentration.

In addition, it directs the President and the Secretaries of Agriculture and Health and Human Services to formulate a plan for consolidating and streamlining the entire food inspection system.

And it requires the USDA to develop a system for labeling United States meat and meat products. Companies will be encouraged to voluntarily label their products as originating from United States livestock producers.

The ultimate result of stifled competition in any market is always higher prices for consumers. Let's act together to make sure competition in the cattle industry remains fair and open.

These are the top six priorities for Senate Democrats as we begin this new session of Congress: Campaign finance reform, education, children's health care, pension security, juvenile crime and drug abuse, and a strong rural America. We are also introducing a number of other bills today.

Our Working Americans Opportunity Act streamlines and improves Federal worker training programs to keep pace with our changing economy. We consolidate more than 150 Federal job training programs over 34 agencies. And we put training dollars directly into workers' hands through a voucher system to give people more choices, and more control over their own futures.

We're also proposing a Targeted Investment Incentive and Economic Growth Act. This country does not need and cannot afford another across-the-board tax cut that provides a windfall for the wealthy. Instead, we propose a tax cut that's both fair to both raise the rate of economic growth and spread its benefits to increasing numbers of Americans.

We will encourage investment in small businesses and innovation by allowing gains on the sale of small business stock to be deferred if they are fully reinvested in other qualifying small business equities. And by expanding the 50 percent exclusion on gains from the sale of small business stock held for at least five years that we enacted in 1992.

In addition, our bill will stimulate investment in other activities that propel job creation and family incomes, such as worker training by companies, employee ownership, and infrastructure. It will also free up capital for investment and promote retirement security by giving people more flexibility in the way they manage the gains on their homes and family farms and businesses.

Our Brownfields and Environmental Clean-Up Act will help clean up and develop thousands of abandoned and contaminated industrial sites, or "brownfields," across America. Our bill helps States and communities evaluate these sites. It limits potential liability for buyers who buy these brownfields in good faith, so they don't end up paying for someone else's mistakes. And it provides grants to State and local governments to create low-interest loans for current owners and prospective developers. It is not a substitute for Superfund reform, but a companion to it.

There are an estimated 100,000 brownfields in the U.S. Most already have well-developed infrastructure of utilities and transportation. By restoring these lands, we can conserve precious farmland and open space, and create new jobs and opportunities where they are needed most.

Our Working Families Child Care Act increases the availability of good, affordable child care. For too many families today, child care is simply not available in their community. Or, the child care that is available is not what they need—be that infant care or before and after school care. For other families, child care may be available but completely unaffordable. The cost of child care is often the most expensive—or second most expensive—monthly bill a family incurs, following rent or mortgage payments. And for those families who are lucky enough to find affordable child care, the type of care that is available may be of extremely poor quality.

I hope we can work together in a bipartisan manner to address the child care needs of today's working families. Also in our package is a bill to make America's agricultural safety net whole again by correcting some of the problems with the Farm Act we passed last year. Our bill expands crop revenue insurance. It removes caps on commodity marketing loans, and establishes loan rates as a percentage of the average market price. And it encourages farmer-owned, value-added processing facilities.

Finally, we are offering the Paycheck Fairness Act to address the continuing wage disparities between men and women. With more and more families relying partly or entirely on women's earnings, America simply can no longer afford this often glaring inequity.

If there was a mandate in the last election, it was a mandate for bipartisan cooperation. The American people want us to work together, as we did in the closing days of the last Congress, to find answers to their questions.
We can break the grip of special-interest money on the political process. Family incomes have been stagnant too long. We can get them moving in the right direction again.

We make 2 years of college the new standard for education in this country. We can guarantee that every child in America is able to see a doctor—and save on health care costs in the long run.

We can significantly increase the number of Americans who are able to retire with dignity and security.

We can make our communities safer and preserve rural America. We can help small businesses to create the jobs of the 21st century and help workers acquire the skills that will be demanded by those jobs.

We can do all of this, and more, if we work together. Democrats are ready to start today. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Under the previous order, the next 60 minutes will be under the control of the majority leader or his designee.

Who yields time?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

UNANIMOUS-CONSENT AGREEMENT—BILLS PLACED ON CALENDAR PURSUANT TO RULE XIV

Mr. HELMS. Mr. President, pursuant to rule XIV, I shall shortly send to the desk eight bills to be considered en bloc and considered to have been read for the first time and objected to following their second reading en bloc. I ask unanimous consent that be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, today I will introduce a series of eight bills to: First, restore the right of our children to pray; second, restore the rights of the unborn; third, strengthen the penalties for drug dealers and violent acts of crime; fourth, restore the supremacy of the individual over Government-imposed quotas; and fifth, protect the constitutional right to hold and express moral beliefs.

Mr. President, our traditions, our children, and our institutions which made this country great, are all under assault. They are not threatened in the military sense—instead they are threatened by moral decay. This Nation simply must regain its moral footing.

We are less than 4 years away from a new century full of promise for this great country. New technologies abound and unprecedented discoveries in medicine are within our grasp. Yet, if America is to continue to prosper in the next century, Americans must retain the values and traditions established by our Founding Fathers.

Since the beginning, America has been a land of moral foundations on which she was established. Values like personal responsibility, liberty, respect for human life, and an abiding faith. These values have made America a shining beacon on a hill and the envy of the world.

Sadly though, we have seen a steady erosion of these values and beliefs. This raises a significant question: Where are we headed? Quo vadis America?

Mr. President, I believe we are in a battle—in the sense that we are engaged in a struggle for the soul of America. The moral decay has also chewed away at the institution of the family and led to soaring rates of illegitimacy and drug abuse.

The liberal establishment has turned a blind eye to what has been going on in America. Their supporters from the Hollywood crowd to Planned Parenthood set forth an agenda that eroded the values of this country.

We live in a era when it is fashionable to pretend that our Founding Fathers did not build this country upon biblical principles.

Mr. President, on September 7, 1864, Abraham Lincoln thanked a group of citizens for a Bible given saying, “In regard to this Great Book, I have but to say, it is the best gift God has given to man. All the good the Savior gave to this world was communicated through this book. But for it we could not know right from wrong.”

It is imperative, that as we look to the next century, we not forget what brought us to this point in history—the faith and ideals of our forefathers. Alexis de Tocqueville, after traveling throughout this country, found the source of America’s greatness lies in its churches and synagogues.

Mr. President, the legislation that I will introduce today will go a long way to ensuring that America’s foundations remain secure.

I thank the Chair and yield the floor. The PRESIDING OFFICER. Under the previous order, the bills will now be placed on the calendar pursuant to rule XIV.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH pertaining to the introduction of S. 2 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. ROTH. I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I thank the Chair.

(The remarks of Mr. CHAFEE and Mr. SMITH pertaining to the introduction of legislation are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

(The remarks of Mr. COVERDELL pertaining to the introduction of S. 1 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. HATCH. Mr. President, I also want to note that I have filed three other bills today; in particular, the Curt Flood Act of 1997, which is the baseball antitrust bill that I believe now is coming to fruition, which is something that we have tried to do for a long time. We have named it after Curt Flood, who died a day or so ago, and who really deserves the recognition because of the fights that he led on this act in organized baseball. That is S. 53.

We have also filed S. 54, which is the Federal Gang Violence Act of 1997, a bill by Senator FEINSTEIN and myself. She has worked very hard with me and others on the Judiciary Committee, and we certainly want to mention her sterling work on that bill.

Finally, the Civil Justice Fairness Act of 1997, which is already introduced.

(The remarks of Mr. HATCH pertaining to the introduction of S. 53 and S. 54 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. HATCH. I thank the Chair. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

(The remarks of Mr. ASHCROFT pertaining to the introduction of the S. 4 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. HATCH. I thank the Chair.

(The remarks of Mr. ASHCROFT pertaining to the introduction of S. 5 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

(The remarks of Mr. MACK pertaining to the submission of Senate Resolution 15 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)
COMMITMENT TO YOUNG PEOPLE

Mr. KENNEDY. Mr. President, first of all, I rise to express appreciation to our leader, Senator Daschle, who has over the period of these recent weeks and months been working with many in our caucus and I know will be working closely, as well, with those on the other side of the aisle who are really interested in this Nation's commitment to the young people of this country in the field of education.

I think all of us who have had the opportunity to travel through the country, certainly in my travels around Massachusetts over the last year or so, no matter where we traveled—heard the concerns that parents had about access and availability in areas of education as one of the paramount issues.

The President has addressed those concerns by extending a tax credit, also a $1,500 tax deduction, and some $10,000 that will be helpful to working families. Also included in the Daschle proposal are recommendations that we consider the interest on the debt for education in the same way that we would consider interest on the debt for machinery or the manufacturing industry assets, in being able to provide some deduction for those expenses as well.

That effectively, Mr. President, is to respond to the President's commitment to the American people to make the next two grades beyond the 12th grade—13th and 14th, the first 2 years of college—accessible and available to the young people in this country, so that future generations will be able to say that we, as a nation, during this Congress, have committed this Nation to the next two grades in the area of education.

I think this is a bold commitment. I think it is a dramatic enterprise. I think it will take the best judgment of all of us to achieve and accomplish this. But, nonetheless, as we understand it, the President's budget that will be submitted in the next 2 weeks, if there's no change in the funding that will be necessary to achieve it, and we will be able to say, in effect, when we actually legislate these proposals, that they are effectively paid and paid in full. That will be very, very important and a significant commitment to the young people of this country.

Included in the education proposal, Mr. President, are a number of other items which I think all of us should be able to embrace and endorse, and these have been outlined by Senator Daschle, I have been informed, earlier during the course of the day.

There will be commitments in terms of new technologies for our young people in schools across this country, to make sure they are going to be able to take advantage of the latest in technology and also resources to make sure we are going to be able to train teachers so that they will be able to impart to the younger people of this country the skills that young people will need to be able to use these technologies.

It will be a modest program, but an important program that follows the leadership of Carol Moseley-Braun, to try and give focus and attention to many of the schools in local communities across the country that are in very dilapidated conditions. That is true for most of the allocated in this country. It is true in my own city of Boston. It is true in many of the older communities of my State—Lowell, Lawrence, New Bedford, Fall River, Springfield, Worcester, and many others. It is equally true in many of the large urban areas.

This is a very modest program, but a very innovative and creative program about leveraging limited financial resources so that we have particular needs in a modest way. Hopefully, we will be able to bring additional support for continuation of that program into the future.

A very important continuing commitment to literacy and expanding the opportunity for children to read in our society so that we can achieve the goal that children who have reached the third grade will be able to read in a rather creative way is using the funding that will be in the various competitive grants in ways that the young people of this country are going to be able to read and to really challenge the young people in our Nation, many who are going to schools and colleges to help and assist with that undertaking, and to challenge American people, in general, to help and assist young children in this country.

These are some of the elements of it. There are a number of others which are important, but I have summarized it, Mr. President. I hope that we will be able to move ahead in the area of education. It is extremely important.

At the end of the last session, we did move forward in terms of funding various programs. We are going to have to find the funding for these programs and also for the increased number of children who will be going to high school. We are seeing an increase in total student enrollment, and we want to make sure that their particular needs are going to be attended to, as well. I think that is very important. That is something I know Senator Daschle has addressed, that the President's program will address it.

Hopefully, we will have broad, broad bipartisan support. For so many years in this body, the support for education was weak-based and atheistic. It is bipartisan and broad-based in the country, and we should try and find ways to maintain that in the Congress and Senate.

Second, Mr. President, is an area that I consider of enormous importance and that is to address the needs of 10½ million children who are uninsured today. Ten and a half million will be uninsured over the course of a particular year. The leadership of those who are interested in expanding approaches to addressing this issue.

There is a rather dramatic definition of who those children are, Mr. President. Children are the fastest growing segment of the uninsured population. It is a rather dramatic phenomenon. They are the only ones who are being dropped from coverage in the current insurance system. Nine out of ten of the 10.5 million children who are uninsured have parents who are working.

We have the Medicaid Program which addresses the poorest children in this country. I welcome the fact that the administration is going to try and be more creative and imaginative in terms of reaching many of those children who are eligible for Medicaid. These children are in need of a healthy start and are not receiving it today. But we are talking about the next level: that is, the sons and daughters of working families. These are men and women who go to work every day, play by the rules, work 40 hours a week, 52 weeks a year making America work. They are the backbone of so much of what is right in our society, but their children are being left out and being left behind.

The figures and statistics are a fierce indictment of what is happening in our society. As one of the major industrial nations in the world, we still have one of the highest infant mortality rates. We are 17th among the industrial nations of the world.

More than half of all uninsured children with asthma never see a doctor, with all the implications that has, in terms of a child's future development and growth. As the father of a son who has had chronic asthma when he was a child, it is unbelievable to me the difficulties that he had in terms of coping with the problems of asthma. I do not know how he would have coped unless he had been able to get important medical attention.

We know one out of three uninsured children who have recurring ear infections never see a doctor. There are significant increases in the number of ear infections and the number of children who are going deaf in our society from preventable diseases. And the list goes on.

The final point that I want to make in this area, Mr. President, is that expanding coverage for children is wise economic policy.

We are always going to have to come back to justify this from economic means. We all know for every dollar that is invested in immunization, the savings are $5 to $6. That is true in terms of the investment in children's health. It is true certainly in terms of providing the kind of prenatal care that would be included in this program.
for expectant mothers. That is an exceedingly wise investment.

There are different ways of funding this proposal, Mr. President. My principal interest and I believe all of ours is to get the job done. I will introduce legislation that will ensure that all working families can afford to purchase private health insurance for their children. I support an increase in the tobacco tax to cover this cost because of the relationship between tobacco and children's health. A number of our colleagues will ensure that the terms of addressing the issues of children's smoking and all of the implications that has as a gateway drug. The States know that curtailing smoking among young people is a sound and wise way to proceed.

But there are alternative ways to fund this program. I have every intention of working with our leader and those on the other side of the aisle to try and find alternative sources.

Our principal interest is getting the coverage for these children. If we achieve very little else in this Congress we should cover our children. We should move in those areas, and also move in the area of health care. Among the concerns for working families. We need to make steps in the area of pensions when we realize that close to 60 percent of all working families do not have any pensions at all and that there is an increasing number of working families that do not have health insurance. We are all thankful about Social Security. We know we have challenges that have to be addressed in the areas of ensuring its financial integrity over the period of the years but that is basically a program to prevent people from living in dire poverty. What we are talking about are those working families that have a standard of living who have been participating in our society, in so many instances served in the Armed Forces, want to be part of a pension system, and are not part of it because of various complications that have existed out there. We ought to make it easier for them to participate, encouraging employers as well as employees.

I would say in this area, Mr. President, no one has a greater interest in this area of pension coverage than women in our society. They are the ones that often are the part-time workers, do not have health insurance, and they are the ones that are left out and left behind in terms of a national pension system.

We have to be more responsive to all of their particular needs and I commend the work that has been done on this by Senator Boxer and Carol Moseley-Braun and Dianne Feinstein, Patty Murray, Barbara Mikulski, and many in our caucus that have provided important leadership in this very important area.

Finally, Mr. President, I want to mention one area that working families are very much concerned about. These themes are all related to security for working families. What is more important for working families than they are going to be able to make sure that their children are going to get covered? With a program important for working families than making sure that their children are going to be able to continue in the areas of education? What is more important for working families than if they are going to be able to look to the future with some degree of hope and opportunities and some degree of security with the pension reforms?

I just mention, finally, unfinished business as part of our immigration legislation last year. We are working to ensure protection for American workers, for American jobs that are being replaced by foreign workers who are displacing those American workers, not being paid the adequate kind of salary, not having the decent degree of benefits. They are replacing an American worker in the first place and then because they are doing that at much less of a wage, much less benefits, being able to be competitive to the disadvantage of the American worker; that they might be competing in producing widgets, for example, and therefore seeing other Americans that are going to lose their jobs.

There are two basic and fundamental concepts that underlie our basic problems with the issues of immigration—one is addressing the needs at the border in terms of halting illegal immigrants that are coming here and, second, addressing the magnet of jobs—the magnet of jobs.

If you look at the Jordan study, if you look at the Hesburgh study on what is the key issue in terms of attracting immigrants, illegal immigrants, immigrants that are going to abuse the immigration system, you will find out it is jobs. Unless we are going to make sure that Americans are not going to have important jobs, and we are talking about hundreds of thousands of jobs a year in many instances—we have really failed on the other extremely important effort in terms of immigration reform. We had important provisions in the immigration bill last year that Senator Simpson supported, many of us supported. Those were dropped in the conference. We will come back to that particular issue in this year.

HEALTH CARE IN THE 105TH CONGRESS

Mr. KENNEDY. Mr. President, if we act on health care in a spirit of bipartisanship this year as we did on the accomplishments last year, the new Congress can be the Health Care Congress.

There are several significant health care goals that this Congress can and should accomplish:

We should expand health insurance coverage for children and the unemployed.

We should deal with the serious problem of abuses by HMO's by adopting needed patient protections and standards for care.

We should put Medicare on a sound fiscal footing for the next decade, with a commitment to protect the Medicare reimbursement rates to the already high health care costs that burden senior citizens.

We should protect Medicaid, as we did last year, against any attempts to undermine protective programs for children, senior citizens, and the disabled.

The final months of the last Congress were a period of considerable accomplishment. We finally broke the long stalemate over health care reform. We passed a health insurance act. We made a start toward long-overdue parity for mental health coverage. We put an end to the insidious practice of drive-through deliveries, by guaranteeing newborn infants and their mothers a place to stay in the hospital if they need it.

The legislation on mental health parity was a first step toward the day when those who suffer from mental illness will receive the care they need and deserve. The ban on drive-through deliveries is a wake-up call to unscrupulous health plans that exalt profits over patients' needs.

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The crisis that put health care on the front-burner of public policy has not gone away. In fact, it has grown worse. Between 1989 and 1994, the number of uninsured Americans rose from 34 to 40 million, and it continues to climb.

A quarter of the uninsured—over 10 million—are children. One in every seven children in America today have no health insurance. Almost all of these children have parents who work. Cutbacks in employer coverage are worsening this problem, as more and more employers decide to cut costs. Firms are shifting from full-time to part-time employees. Others are contracting out work to firms that typically don't provide benefits. Large employers with generous benefits are outsourcing the program or reducing the number of employees eligible for the benefits. Other employers are dropping coverage for early retirees, or even all retirees. Cost-sharing is going up, and coverage of spouses and children is going down. Every 35 seconds another child loses private insurance.

Parents should not have to live in fear that their employer's failure to provide coverage will deny their children good health care.
Every Member of Congress knows that those who are uninsured or under-insured can see the savings of a lifetime swept away by a single serious illness. Every Member of Congress knows that those who are uninsured are vulnerable to financial catastrophe, and are too often denied the timely, quality care they need to avoid disability or death. Children in particular often suffer premature death or a lifetime of unnecessary suffering because they lack the access to quality care that insurance provides.

All children deserve the health care they need for a healthy start in life. Every family deserves the security of knowing their children will get the health care they need. Unfortunately, too many American children lack that care, and too many families lack that security.

Uninsured children are less likely to see a doctor. As a result, they tend to receive little or no treatment, even when they need it for injury or illness. If the case is serious enough, they go to the hospital. The only family doctor they know is the hospital emergency room.

More than half of uninsured children with asthma never see a doctor. A third of uninsured children with recurring ear infections never see a doctor, and many suffer permanent hearing loss. Providing health care for children is sound public policy and also sound economics. It’s an investment in the future. Dollars spent immunizing a child or providing care can save hundreds or even thousands of dollars in future medical costs.

At the end of the last Congress, Senator JOHN KERRY and I introduced a program to make private health insurance coverage accessible and affordable for all children through age 18. Working families will have the financial assistance they need to purchase such coverage, including care for pregnant women, so that every baby has a healthy birth. We intend to reintroduce this legislation with other Members of the Senate early this year.

A similar plan is being introduced today by Senator DASCHLE, and I am hopeful action in this area will be high on the agenda of both parties.

The legislation that Senator KERRY and I intend to offer will make Federal assistance available to the States on a sliding scale to help families purchase health insurance for their children at group rates, if they do not already have coverage under an employment-based plan or an existing public program. The covered benefits will include in-patient, out-patient, and preventive care—all comparable to the coverage available under good group health plans.

The plan does not guarantee that every child will have insurance coverage. But it will give every family the opportunity to cover their children at a cost the family can afford.

I hope this program will receive broad bipartisan support. The Health Insurance Reform Act passed by the last Congress was based on the common elements of proposals that had previously been introduced by Republicans and Democrats alike. Our current plan for coverage of children also meets that test. Every Republican proposal and every Democratic proposal of the new administration introduced in the first 2 years of the Clinton administration expanded coverage by providing financial assistance to low and moderate income families to purchase private insurance. Almost all of these proposals provided extra assistance to purchase children’s coverage. Members of Congress on both sides of the aisle recognize the importance and priority of covering children.

Our legislation establishes no Government mandates. It relies on the private sector to provide insurance and deliver care. It imposes no price controls. It builds on the efforts of 14 States that already have similar programs in place.

Our plan will be financed by an increase in the tobacco tax, because that tax is an especially appropriate means of funding children’s health coverage. Society pays dearly for the health costs of smoking. We know that the tobacco industry has targeted children. If children start smoking, the industry will live. If children stop smoking, the industry will ultimately die. It’s as simple as that.

According to the Centers for Disease Control, Prevention, if nothing more is done, 5 million of today’s children will die prematurely as the result of smoking. An increase in the tobacco tax is the most important single step we can take to reduce childhood smoking, save lives, and lower the health costs of smoking over the long run.

In addition, we must do more to provide health care for the unemployed. For too many workers between jobs, coverage is difficult or impossible to afford, and they are forced to let their insurance lapse in order to meet other needs. Modest financial assistance can make all the difference in making coverage available and affordable. Massachusetts has already shown that such coverage can be provided at reasonable cost.

Another key area to address is managed care. In many ways, its current growth is a positive development. Managed care offers the opportunity to extend the benefits of medical practice to all Americans. But some managed care plans under the guise of expanding patient choice, or to pile additional out-of-pocket costs on hard-pressed senior citizens.

This Congress can be the Congress that puts Medicare and Medicaid on a stable basis for the next decade. This can be the Congress that guarantees quality and consumer protection in managed care. This can be the Congress that gives every family health security for the future—by providing the opportunity for a healthy start in life. This can be the Congress that grants the unemployed needed protection for health insurance. If we
work hard together, this Congress can achieve these goals, and both Republicans and Democrats will deserve a real vote of thanks from the American people.

**SENATE DEMOCRATS’ LEADERSHIP BILLS**

Mr. KERRY. Mr. President, I want to commend the Democratic leader for the package of initiatives he has developed on behalf of Senate Democrats. Most of these proposals came out of the 1996 Families First agenda. I was proud to be involved in that attempt to meet the real needs of everyday Americans and I am proud to be a cosponsor of these bills today.

The Education for the 21st Century Act, S. 12, continues Democrats’ historic commitment to education. Federal support for education is one of the best investments our Nation can make to ensure a prosperous future. This bill would provide assistance, re-store the student loan interest deduction, subsidize State and local bond issues used to finance school construction and repair, fund the Parents as Teachers Program to assist parents who want to help their children become successful readers, and create a technology literacy challenge fund to catalyze and leverage State, local, and private efforts to increase technology literacy among our Nation’s school children.

The Children’s Health Coverage Act, S. 13, would help working families purchase private health insurance for their children. Although Senator Kennedy and I have a bill which uses a subsidy approach rather than a tax credit approach, our bills are fundamentally similar. Both would provide assistance to children 18 and under and pregnant women to purchase private health insurance, both would provide a comprehensive benefits package, and both would provide assistance on a sliding scale to the working parents of uninsured children. I look forward to working with Senator Daschle, my fellow Democrats, and my Republican colleagues to pass a bill this year to provide children the health insurance they need and working parents the peace of mind they deserve.

The Retirement Security Act, S. 14, includes a wide range of proposals designed to ensure that Americans can secure a solid retirement. These bills would address the fact that too many Americans lack pension coverage by covering more workers under existing plans, creating new retirement savings options for millions of Americans, and encouraging more businesses to establish pension plans and provide more employees to participate in them. The bill would improve pension access and coverage, strengthen pension security, promote pension portability, and increase equity for women.

The Crime, Violence, Abuse Control Act, S. 15, would build on the success of the 1994 Crime Act and other crime fighting initiatives enacted during President Clinton’s first term. I am proud to have been a leader in securing funding in the 1994 Crime Act for placing 100,000 new cops on the streets of America’s communities. Thanks to the presence of the newly funded police officers, a fully funded Violence Against Women Act, and the Brady law—which has prevented more than 60,000 felons, fugitives, and stalkers from purchasing handguns, violent crime is lower than at any time since 1990. This bill balances the need to target and punish violent, young criminals with proven drug prevention programs. We would put 25,000 more police officers on the streets by extending the COPS Program for 2 years, and we would extend the Violence Against Women Act to provide shelter for 400,000 more battered women and their children, improve Federal penalties for juveniles by raising the mandatory release age from 21 to 26, increase penalties for gang violence, and reauthorize the Safe and Drug Free Schools Program.

Senator Daschle deserves our thanks for his leadership in spotlighting these issues of education, children’s health care, and violence that are so critical to the future of our Nation and to the well-being of the American people. He and his staff are to be commended for drafting these bills to address the issues. I look forward to working with Senator Daschle and other Senators on both sides of the aisle to pass legislation to meet these compelling needs.

I suggest the absence of a quorum.

**CONGRESSIONAL RECORD — SENATE**

JANUARY 21, 1997

Mr. DOMENICI. Madam President, what is the parliamentary situation? The PRESIDING OFFICER. The minority has reserved its time. The Senator from New Mexico may seek time.

Mr. DOMENICI. I ask that I be permitted to speak for a brief time.

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

**THE REPUBLICAN LEGISLATIVE AGENDA**

Mr. DOMENICI. Madam President, fellow Senators, I rise to compliment the Republican leader on the announcement today of the first Republican legislative agenda for the 105th Congress. I believe that most Americans would support the principles and the ideas contained in these 10 pieces of legislation. I also believe that within the Senate itself there is a compelling majority that will support these 10 proposals. And I am proud to support them all, but I do reserve the right in two or three instances to change some of the things that are in the bills. But in no way does it minimize my admiration and respect for the leadership for putting these bills forward in the Republican conference and the hard work they put into coming up with these ideas and these basic premises.

I would like to just run through each one quickly with a few thoughts of my own. First, I want to thank my friend, the new Senator from Wyoming.

The balanced budget constitutional amendment: I do not think there is any question that that piece of legislation speaks to the wishes of a huge percentage of Americans. I would not be surprised if as many as 70 percent or 75 percent of Americans believe that we ought to build into our institutions a mandate—unless we have a war where we cannot abide by a balanced budget—that we ought to produce a balanced budget every year.

Frankly, I have been working on budgets long enough to on the one hand be pulled by those who say, “Why don’t we do it ourselves? Why do we need the force in effect of a constitutional amendment?” I guess the fact that we have all been working on it so long and can’t get it done—and that when we look across the industrial nations, all we find is that with the passage of time instead of spending less, all our commitments speak of getting their deficits and debts under control there is growing concern, even in Europe, among most of our industrial friends there, that such things as pension plans and deferred obligations are going to bankrupt their countries. We are doing fairly well. But I do not think anybody ought to misconstrue the trend lines in terms of our current deficits to think that it is going to be easy to keep the deficit under control.

The next couple of weeks the Budget Committee will hold a series of hearings to show what the next century is going to look like and what the major problems are, as the President SERIES OF INITIATIVES

Mr. DORGAN. Mr. President, I intend to discuss at a later time a series of initiatives that Senator Daschle discussed in brief form dealing with health care, education, pensions, and a number of other issues, including discussing another issue that is important to me, a piece of legislation that Senator Daschle and I and others are introducing dealing with some changes with respect to social programs and family farmers in our country.

I see others are seeking the floor. I yield the floor at this time.

I would like to reserve the remainder of the Democratic time for the PRESIDING OFFICER (Ms. Collins). Without objection, it is so ordered.
speaks of a "bridge," what we ought to be carrying across that bridge so we don't have bigger problems rather than a better life in the next century. The balanced budget amendment's time has come. There are some who will say, "What happens when you need to spend more money and there is not enough room in this budget," such as unemployment compensation during a recession. Let me say that this amendment is very, very simple in that respect. Suer put this program so serious as some would say, then all you need to do is get 60 votes. You don't have to pass any resolutions declaring emergencies. You just need 60 votes instead of 51 to let those expenditures take place. I believe that is good enough. I think history will reveal that we have had caps that are similar to this, to this constitutional amendment, on parts of our budget and that when we have been confronted by the need to increase something like unemployment compensation there has been far more than 60 votes to go ahead and break the caps because there is somewhat of a countercyclical economic necessity.

So, from this Senator's standpoint, I hope that the early count of Senators who back home during the campaign said they were for a constitutional amendment, plus those who voted here-tofore and continue to add up—and that the number clearly when you do that is there are plenty of votes to pass it—that they will not change their minds based upon Washington, DC talk—because most heard from their people, and I hope that belief that is good enough. I think history will reveal that we have had caps that are similar to this, to this constitutional amendment, on parts of our budget and that when we have been confronted by the need to increase something like unemployment compensation there has been far more than 60 votes to go ahead and break the caps because there is somewhat of a countercyclical economic necessity.

I am not sure that any of us know the extent to which we ought to be for change. It is always easier to do our work on that bill, but we cannot get it passed through for the President's signature. I hope we get there. I believe there is a compelling majority of support for the bill. The question is whether we have enough to override a Presidential veto. I have heard words from the White House, but more importantly from Senators like Senator DASCHLE saying maybe we ought to work something out here, which leads me to believe that there are even more Senators who deplore the partial-birth abortion technique than those who voted for it. I, too, hope we can get something done.

I hope that we could sooner rather than later go beyond these few principles in this bill and come up with some concepts that would push our current institutions that educate our young men and women and our adults—to force them to be more responsive to the needs of our people who are looking for jobs.

I ask for another 5 minutes.

Mr. LAUTENBERG addressed the Chair.

Mr. DOMENICI. Madam President, let me suggest that while the United States for college, community colleges, public education, and kindergarten through 12 continues to spend more and more, everywhere we look there are huge numbers of Americans who are not well enough educated for the jobs of today. Frankly, we continue to pour money into institutions and vocational education; we put the strings on that so we can put money into our public education, albeit very small amounts. But somehow or another it seems that the time has come where we ask ourselves which we currently spend our money on to see if they can't change their way of doing business a little bit so they may be more the engine of training and skills improvement rather than us having to fund new institutions and new ways of doing them.

Family tax relief: This Senator's only comment is that every single item in there are very exciting items. And they are all probably good for either the American family, or the American economy, or are motivated by fairness. In that context, I support them. In the context of how much we will be able to afford, I reserve the right to decide. We may not be able to afford all the enumerated items. But obviously, we will have to look at that, as I want to make that comment in the RECORD.

The workplace act I think is an exciting piece of legislation. I support it. I hope it can manage it as to what is in the bill and what is not, for some are already talking about what they believe the bill does, but they are really talking about things that are not part of this legislation.

Product liability reform has come under some great leadership in the Senate. We have already done a lot of work on that bill, but we cannot get it passed through for the President's signature. I hope we get there. For the partial-birth abortion ban, I believe there is a compelling majority of support for the bill. The question is whether we have enough to override a Presidential veto. I have heard words from the White House, but more importantly from Senators like Senator DASCHLE saying maybe we ought to work something out here, which leads me to believe that there are even more Senators who deplore the partial-birth abortion technique than those who voted for it. I, too, hope we can get something done.

Let me just go by the Missile Defense Act. Obviously, there are some who would not put this in the top 10, but there are many who are concerned enough about it, and I support it wholeheartedly, in an effort to solve the problems that are stated by that legislation.

The Superfund cleanup is long overdue. It is now good to know that Senator Breaux and Senator Bayh have introduced a bill that will reform Superfund. And reform means that we will put more of the billions that will be spent during the next 10 years into actual cleanup instead of into court cases and litigation. I think that is the motivation and that is what we are trying to do. I think that is very positive.

The Paycheck Protection Act speaks for itself. And then I will go to the last one, the Violent Juvenile Offenders Act. I am very pleased that many of the provisions of the legislation I introduced last year, after numerous hearings in New Mexico and a great deal of input from our judges and from probation officials, are in this bill. I think it is obvious that if any part of our criminal justice system has fallen apart, it is the juvenile justice system.

For the most part, in most of our States, the juvenile justice system has not kept up with the times. It does not meet today's challenges, and I believe we are going to sensitize our States to this by offering to give them more financial support if they will modernize their systems. I think this bill will lead them to hold more teenagers accountable for their actions and make more public the activities of the courts, rather than to hide their activities. I think also should make juveniles more accountable, even for smaller offenses, so they do not wait until they have committed the equivalent of 10 or 15 felonies before something is done to try to help the teenager.

Many of these things are encapsulated in the bill. There are some things that I am not sure ultimately, after detailed hearings, are going to be as good as they sound. We are trying to reform the existing law. The existing law is rigid and in many cases, juvenile justice at home in our States. I am not sure that people are aware of it, but we have mandates in the Federal juvenile justice law, and one of them is called sight and sound separateness. We have got to change, and I am not sure we should do away with the mandates entirely, but we have had a situation in New Mexico where because one correctional facility would not separate the State was not kept up with the times. It does not meet the needs of our people who are looking for a better life in the next century.
Mr. LAUTENBERG. Madam President, just so our new colleague from Wyoming understands, this was the order that was agreed to under unan-
imous consent, and therefore, since he is waiting, I want to explain that this was not a discussion that had been set that way. The junior Senator from Wyoming will get used to some of those things off in the corner. He may not like it, but it works out.

(The remarks of Mr. LAUTENBERG pertaining to the introduction of S. 18 are held in the possession of the Senator from Wyoming.)

DISAPPOINTMENT WITH INTRO-
DUCTION OF SUPERFUND BILL

Mr. LAUTENBERG. Madam President, while I am on the floor, I want to express some disappointment at the in-
troduction today by my friend and col-
league, Senator CHAFFEE, of a com-
prehensive bill amending our Federal hazardous waste cleanup law, better known as Superfund.

This bill was introduced without con-
sultation with any of the Democrats or with other Republicans. My state-
ment to the distinguished ranking members of the Environment and Public Works Com-
mittee, did not see a copy of this bill until late this morning. If we are to make reforms to Superfund this year—
and I hope we would do it this year and the year before—it is critical that we work together in a bipartisan manner.

Today's bill introduction is not a positive first step toward that biparti-
sanship. Enacting any Superfund legis-
lation this year is going to require

Members of both parties in the House of Representatives and in the Senate to work together. It will also require all of us to work with the President and EPA Administrator Carol Browner.

In addition, Madam President, it would require us to appreciate that times have changed since the debate over Superfund reauthorization began in the late 1980's. The administration has made wide-ranging administrative proposals that have made a real dif-
ference, and this is not the same Superfund program of years past.

We have learned a lot. We have im-
proved its processing. We have reduced the possibility of heavy litigation costs. I want to be clear, I support changes to Superfund that would speed cleanups, reduce litigation, increase equity, save money, and protect the health and environment of those who live near Superfund sites. But, Madam President, it is important to do this right. We should not be shifting costs from polluters to taxpayers, and the

President has made it very clear that he will not abide by that either.

President has made it very clear that

from polluters to taxpayers, and the right. We should not be shifting costs

President, it is important to do this

live near Superfund sites. But, Madam

cleanups, reduce litigation, increase

costs. I want to be clear, I support

the possibility of heavy litigation

Superfund program of years past.

over Superfund reauthorization began

consultation. This is not a way to get

me back on the floor, I want to give

in 5 minutes, so I can get my time on

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Sen-
ator from Wyoming.

Mr. ENZI. Mr. President, I rise in support of Senate Joint Resolution 1, the balanced budget amendment. I spe-
cifically chose the balanced budget amend-ment as the focus of my first statement in this hallowed Chamber. I chose it because the need for a bal-
anced budget is the most important issue facing all of America today. Without a balanced budget, our chil-
dren and grandchildren will be left with no hope of fulfilling their dreams and aspirations. Our Na-

tion will be weakened and vulnerable.

I know how to balance a budget. I'm an accountant. I have balanced budgets as a family man, a shoe store owner, a mayor, and a legislator. You and I know how easy it is to spend money. We know it's easier to say "yes" to programs than "no." There is a con-

stant pressure to spend. But I have had to say "no." We have a duty and a responsibility to our commu-

nities, our families and our children to live within our means. Right now we are spending more money than we are taking in. Overspending is a prescri-

tion for disaster. Almost any school child understands that if you spend more than your take in—you go broke.

Because of the Federal Government's ability to print money, we can easily do this, but there are no spending limits. How can we pay the bills of a nation when we reach the point where interest pay-

ments on our debt exceed all the reve-

ue? That scenario is possible. We are

now on that course. Without restraint, that could happen even at an impos-
sible 100 percent tax rate on the citi-

zens of this great Nation. Governments go broke when they cannot afford the interest.

The Federal Government must learn to live within its means. If we were not saddled with such enormous debt, we would have additional revenues to in-

vest in the people and we could reduce the tax burden for every working man and woman in this country. This is the cost of living. But, Madam President, if we had a constitutional provision to balance the budget. Those States balance their budgets. It is time for us to require ourselves to balance the budget just as they now require the States to do.

History shows we cannot balance the budget with willpower alone. It is time to look at the hard, cold facts. We now have a $5.2 trillion dollar Federal debt. The deficit looms so large. Many Ameri-
cans voted for candidates based on that stand on this balanced budget amendment was the key to voter confidence. Failure to support this issue will diminish that confidence and could lead to the defeat of other candidates in 2 years.

The balanced budget amendment would help end the frustrating impasse between Congress and the President by requiring that we agree on a budget that is balanced. A constitutional re-

requirement will remove from debate the value of how to do it. It will allow us to bal-

ance the budget. The argument about whether we should balance it all will be removed from the discussion. All Americans know that we have to work within the parameters of fiscal sanity. The balanced budget amendment will focus our effort and our attention.

We have not had a balanced Federal budget since 1969. This fact alone illus-

rates the difficulty of balancing a budget without an amendment. By fail-
in to balance the budget, we are giv-
ing in to the whims of the moment.

Without a balanced budget we abandon the ideals of self-control, discipline, and hard work. When we do not balance a budget, we lead by the example of selfishness, recklessness and folly. We condone living beyond our means.

Those opposed to a balanced budget amendment fear it would result in drasti-
cuts to programs they deem necessary. That is a very shortsighted view of the world. We know that Federal program, including Social Se-

curity, By balancing the budget, we do a great service for all Americans. We especially serve those living on fixed incomes. In many Federal programs, when we pass and the States ratify this amend-

ment, everyone will benefit. Interest rates will decrease. Inflation will be held in check. Business will have true growth. Jobs will increase.

It is not only the amendment with no gimmickry, no smoke and no mir-

rors. Any proposal to exempt Social Security would rule out the possibility
of a true balanced budget. Any exemption of Social Security plays games with the future. We need to deal with the facts. Making Social Security exempt from this process would simply allow unlimited spending. An exemption on Social Security is a false pretense that we have a balanced budget.

Getting our entitlement programs in good working order is essential. Finger pointing about who wants to cut entitlements is simply — diversions. Sleights of hand over who wants to save entitlement programs are all political ploys. Don't let politics confuse the issue and stall the passage of this amendment.

The economic future of America’s families depends on what we do now. My family is very important to me. I know your families are important to you as well. Every day that passes without a balanced budget hurts. The responsibility of the Federal Government should not fall on the shoulders of our children and our grandchildren. Will we leave them a legacy of colossal debt totaling more than $5.2 trillion? That incredible debt will burden generations to come. Our kids will have to pay the enormous tax burden. They will inherit an economy so weak and a debt so large there will be no hope of them ever paying it off.

When I was going to grade school, we spent a lot of time on the enormousness of a million dollars. I’ve always been fascinated with Carl Sagan’s emphasis of the difference between a million and a billion. Now we roll a trillion of our tongues with great ease: $5.2 trillion. This is the crudest of all legacies.

That debt we are incurring for our kids amounts to taxation without representation. We mounted a revolution over this issue and our Founding Fathers would be embarrassed. We should imitate our forefathers in fulfilling our duty to our children and to our children’s children. We must save them from the bondage of insurmountable taxes. If the balanced budget amendment fails, we lose. Future generations lose as well.

It is time to heed the words of Thomas Jefferson, “I place economy among the first and important virtues, and public debt as the greatest of dangers to be feared.” President Jefferson knew the economic and moral importance of not owing anything to anyone. He also knew that a large public debt could make the United States a slave to other countries and foreign interests.

Defeat is the real national danger on our horizon. The national security of the United States is threatened by the immense debt. We, as a nation, will be unable to protect ourselves against our enemies, foreign and domestic. And, we will be unable to protect Americans—their jobs and their families. We cannot leave ourselves exposed to economic collapse. A world reliant on our economy needs to get its economic house in order. If we—you and I—continue the practice of overspending, history will harshly judge us.

We will say, “We have met the enemy—and it is us.” America has the best form of government on Earth. Now it requires responsibility from its leaders and citizens. The time for leadership is now. The time for the balanced budget amendment is now.

The American people demand an end to runaway spending. We need to show the American people that we are responsible. This bill will prove restraint by constitutionally limiting the ability to spend taxpayer dollars. Let us not fail them or ourselves.

We have the longest continuous government on the face of the Earth. This bill is a critical link to the future. We must preserve and protect our Nation and do it for our children and our grandchildren. This is the turning point. What will history say about each of us?

I urge my colleagues to support the balanced budget amendment.

CONGRATULATING SENATOR ENZI
Mr. NICKLES. Madam President, I must rise to congratulate my colleague, the new Senator from Wyoming, Senator Enzi, for his statement.

I think it is an outstanding statement—his first speech, as I understand it, on the floor on our first legislative day. I just wish to compliment him. I hope every American could hear that speech, a very well-thought-out speech on the necessity and importance of a balanced budget amendment.

I think Senator Enzi’s credentials are certainly meritorious of that statement, the fact he is an accountant by trade, a businessman, former State legislator as well as mayor. I compliment him and thank him for his well-thought-out speech. I hope everyone will pay attention to it and follow his advice and pass this amendment.

I thank him again for his speech.

The PRESIDENT OF THE SENATE. The Senator from New Hampshire.

Mr. GREGG. Madam President, I ask unanimous consent to proceed as in morning business for a period of 5 minutes.

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

CONGRATULATING SENATOR ENZI
Mr. GREGG. I wish to thank the Senator from Kentucky for allowing me to proceed even though he had prior permission.

I also want to congratulate the Senator from Wyoming on his superb discussion of the balanced budget amendment. It was thoughtful, to the point, focused, and really highlighted the importance of that amendment, which happens to be the first item on the agenda for the Republican majority in the Senate. Of the 10 items listed by the majority leader today as being the priority for which the Senate would pursue under the Republican agenda, No. 1 was the balanced budget amendment.

The Senator from Wyoming has done a superb job of pointing out why it is absolutely essential that we pass that amendment.
In addition, it supports prepaid tuition plans that many of our States are now pursuing, where parents can actually choose a college or group of colleges within a State and pay the tuition early and thus avoid the cost of inflation and put aside so much more education which will be very helpful as their children get older and the costs go up.

In addition, it expands the deduction for student loan interest, a very important element in having the ability to go to college or to graduate school and to be able to get a loan and still be able to pay it back. This expansion of the deduction will have a positive impact in that area.

It expands study awards and assists employers who are assisting their employees in higher education. It is a very significant effort to make higher education more affordable for the families of America.

In addition, the bill has another major impact which is absolutely critical, especially in New Hampshire. That is, it says that the Federal Government is financially going to step up to its obligation to special ed children. A long time ago we passed something called 94142, which was an excellent bill, the purpose of which was to make special education more readily available to children who needed it.

The concept was that the Federal Government would pay 40 percent of the cost and the States would pay 60 percent of the costs. Today, unfortunately, the Federal Government is only paying about 6 percent of the costs that are borne in order to care for a child who has special requirements in education.

As a result, this has put a huge burden on the local communities and the local school systems. States like New Hampshire, which rely heavily on real estate taxes to support their schools, or even states that rely on State government income taxes or sales taxes, find that a large percentage of the tax dollars they are raising for education are going to support what should have been the Federal obligation to help out with the special educations child.

As we all know, the special education child can, in instances, cost $200,000 or more as compared with a child going through the system in an average school system which may cost $4,000. So it can clearly dramatically the ability to apply resources to benefit other children in the system because of the fact that the Federal Government has shirked its obligation to come forward with its 40 percent, as it said it would when it initially passed this bill a long time ago.

So what we have proposed as Republicans is that the Federal Government will finally step forward and fund special education at near the 40 percent level. We are talking about a $10 billion increase in funding for special education, which increase will be met by ramping up, over a series of years, 7 years, and thus allowing the States and the communities to free up those education dollars which they are now using in order to support the Federal obligation to care for the special ed child, to educate the special ed child, to free up those dollars to use them to expand education activity for other children in the system.

If you want to look at it in its cleanest sense, it is actually going to be the largest block grants to local education the Federal Government has ever pursued. It should have occurred earlier, but it is, in fact, a result of the commitment that has been made by the Republican majority here in the Senate.

The sign that it is going to occur is the fact that we have made the downpayment. In the last session—and this did not get much attention unfortunately; it should have gotten a lot more attention; I do not know why it did not get a lot more attention; maybe it was because of a national election and jinglese on their positions—but in the last budget process last September we, as Republican Members of the Senate, put $730 million more into special education than the present funding was. We increased it by that amount of money.

It was a downpayment on this effort to try to fully fund the 40 percent that the Federal Government originally said it was going to fund. As a result, a State like New Hampshire will receive an increase of approximately $3 million. That is a lot of money to help out with the special education issues.

So we are not talking in rosy scenarios here. We are not using words. We are not trying to create perceptions. We are talking in terms of deeds. We have already made the downpayment on this effort to expand our commitment to special education. And now with the putting forward of the Republican list of initiatives for this Congress, we are making it very clear that we are going to follow through on that commitment.

This will be positive for the children across this country and for the educational systems across this country. I think Republicans can take great pride that we at least have been willing to step up to this very critical issue of first educating our children in college and relieving the pressure on parents who are trying to send their children to college; and, second, helping out with the special educ needs which the States have for so long borne but which the Federal Government has for so long said it would bear.

Madam President, I yield back my time.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Madam President, I want to use the 5 minutes that has been assigned to me to explain, and I ask unanimous consent to have such time as I need beyond that.

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

Mr. FORD. Madam President, as we begin a new Congress, we begin with the hope that the bipartisanship that existed at the end of the 104th Congress will carry through the 105th Congress.

Together, Democrats and Republicans were able to put aside partisan differences and pass meaningful and important legislation, from raising the minimum wage to the Kennedy-Kassebaum health care bill, to the reauthorization of the Federal Aviation Administration and the airport improvement program, and adding additional funds to education.

Madam President, I think in not only the minds of some in this body but the general public, one glaring example where we fail to come together is campaign finance reform. While the American people saw that we can work together to pass legislative solutions to pressing problems, people also saw our failure to restore integrity to our political system with the passage of campaign finance reform.

Unfortunately, this last election cycle once again demonstrates that we need fundamental campaign finance reform. This last election cycle demonstrated that the money chase continues. Only this time, the pace was more intense.

Preliminary figures from the Federal Election Commission for the 1996 cycle are astounding. Funding by the Republican and Democrat Parties—"parties" I underscore—in the period from January 1, 1995, through November 25, 1996, totaled $882 million. That represents a 73-percent increase over the same period for the 1992 Presidential election cycle.

The largest increase in funding and spending by the parties was soft money. The Republican National Committee raised $341.2 million, a 103-percent increase over 1992's $168.8 million. Republicans spent $149.6 million compared to their spending in the 1992 election cycle, an increase of 224 percent.

Democrats raised $122 million, a 237-percent increase over 1992's $49.5 million, and spent $117.3 million, a 250-percent increase over 1992 when Democrats spent $32.9 million.

Madam President, the money chase does not stop there. Based on reports by the Federal Election Commission, congressional candidates—Republicans, Democrats, and Independents—spent a combined $882 million during the election cycle.

In addition, it supports prepaid tuition plans that many of our States are now pursuing, where parents can actually choose a college or group of colleges within a State and pay the tuition early and thus avoid the cost of inflation and put aside so much more education which will be very helpful as their children get older and the costs go up.

In addition, it expands the deduction for student loan interest, a very important element in having the ability to go to college or to graduate school and to be able to get a loan and still be able to pay it back. This expansion of the deduction will have a positive impact in that area.

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In addition, the bill has another major impact which is absolutely critical, especially in New Hampshire. That is, it says that the Federal Government is financially going to step up to its obligation to special ed children. A long time ago we passed something called 94142, which was an excellent bill, the purpose of which was to make special education more readily available to children who needed it.

The concept was that the Federal Government would pay 40 percent of the cost and the States would pay 60 percent of the costs. Today, unfortunately, the Federal Government is only paying about 6 percent of the costs that are borne in order to care for a child who has special requirements in education.

As a result, this has put a huge burden on the local communities and the local school systems. States like New Hampshire, which rely heavily on real estate taxes to support their schools, or even states that rely on State government income taxes or sales taxes, find that a large percentage of the tax dollars they are raising for education are going to support what should have been the Federal obligation to help out with the special education child.

As we all know, the special education child can, in instances, cost $200,000 or more as compared with a child going through the system in an average school system which may cost $4,000. So it can clearly dramatically the ability to apply resources to benefit other children in the system because of the fact that the Federal Government has shirked its obligation to come forward with its 40 percent, as it said it would when it initially passed this bill a long time ago.

So what we have proposed as Republicans is that the Federal Government will finally step forward and fund special education at near the 40-percent level. We are talking about a $10 billion increase in funding for special education, which increase will be met by ramping up, over a series of years, 7 years, and thus allowing the States and
One thing we will become in the House and the Senate will be bit players in the political aspects of this country—bit players because money will put us on television and money will do the work for us. So the big player will become, will win, will lead television, become advertising, and so we will become bit players in this stage called the American political system.

An average winning Senate candidate in all 34 races this past election spent $44 million. But since 1994, this has trended, by the way, an 8-percent decrease. However, the States in which Senate races were held in 1996 included most of the smaller and less populated States. Nevertheless, when you break down the $44 million per race, that means the average a candidate would have to raise is approximately $13,996 each week for 6 years. Someone dismissed that figure by saying that most candidates raise approximately 80 percent of their funds in the 2 years prior to the election and then just show up at the last minute. If you accept that statistic, then the amount you have to raise each week occurring in that 2-year period is almost $34,000. With those statistics, one would be hard pressed to argue that there is no moneyunny.

Some have suggested that we simply do not spend enough in our elections. They have even been so bold as to suggest that we should spend more. They say we spend more on bubble gum than we spend on elections. Well, this is not exactly about bubble gum. This is about running this great country of ours and keeping it on the right track and a leader of the world.

How much more can we spend, Madam President, when you have to raise $13,000 a week for every week of your Senate term? How can we say that we are truly doing the people's business? The more time that we have to devote to raising money, the less time we have to devote to our constituents. That is certainly the perception of the average citizen. I argue that this is one area where the perception is the reality.

Furthermore, Madam President, I suggest that the more money raised and spent in our elections does not necessarily mean that we have better campaigns. Al Hunt recently wrote in the Wall Street Journal that there is enough anecdotal evidence to suggest that the vast spending of money for the most part has made the campaigns more negative. The campaign. No, Madam President, I do not believe the answer is more money in our election. Rather, I believe, that the solution for real and effective campaign finance reform must include spending limits. The terms of those limits should be open to negotiation and discussion. In the end, there cannot be any real and meaningful reform without spending limits.

Changing the current system is difficult. In the current system, we will become one opposes changing the status quo because it is a system that got them in office, and by and large keeps them in office. I recognize that spending limits pose constitutional difficulties. I believe that we can craft a system of voluntary spending limits that will sustain constitutional scrutiny by the Supreme Court. I also believe that in order to restore the integrity of our political system, imposing spending limits is the right course of action. If, however, we must—and if we must—then it might be worth the task to amend the Constitution.

The fact is, Madam President, when it comes to finding an overall cap on candidate spending the Congress is way behind the curve. Just this past November, I believe the voters in the great State of Maine passed a ballot initiative that would impose spending limits on their State races.

I direct the attention of my colleagues to my own home State of Kentucky. In 1995, we had our first gubernatorial election with spending limits, $1.8 million. The previous election was $12 million. Overall, these reforms in my State worked well for the candidates and for the voters. The Kentucky system has a general election spending cap of $1.8 million. Everyone agrees the Kentucky system still has some problems and some loopholes that need to be addressed. But on the whole, I think the candidates and the electorate approved of the spending limit plan. In fact, spending limits in the Kentucky race changed the overall course of the election. With a limit on spending it is difficult for both the Republican and the Democrat candidates had to revise the campaign play book.

Spending limits put a premium on debates. A premium on debates—think about that. You try not to debate your opponent in this day and age, you try to stay away from him because he is unknown, the people are not knowledgeable. So you do not want to give him any publicity, so you do not want to put him on the spot. You want to be able to have educational television that maybe nobody would watch while there is a basketball game, football game, or baseball game going on at that time. I have seen it. I played that game. I am no spring chicken.

In fact, the spending limits put a premium on debates and joint appearances across our Commonwealth. The candidates didn't fly; they drove because it was so expensive. Every Rotary Club, Lion's Club, every J.C. Club, whatever groups were together. They were wanting to express their desires and hopes for the future of our great State. Overall, I think most Kentuckians were pleased with the results, because the candidates came and talked about issues rather than being on television. The net result was a better informed electorate and therefore a better campaign.

So, Madam President, I believe that the terms of spending limits should be open to negotiation. All issues should be on the table for discussion. But I believe that we simply cannot have effective and meaningful reform without the restriction of limits that one might spend in a campaign.

In addition to spending limits for congressional campaigns, meaningful reform also requires us to close the soft money loophole. As I mentioned earlier, we saw a dramatic increase by the national parties in the raising and spending of soft money.

We also need to address issues like independent expenditures and issue ad advocacy. Recent decisions by the Supreme Court require the Congress, I think, to reexamine the current law. We cannot prevent an individual or group of individuals from engaging in political activity independent of a candidate or political party. But we can make sure that such activities are truly independent and that those expenditures are adequately and fully disclosed to the Federal Election Commission. We will hear a little more about the hand-off funding as we proceed to the debate on campaign finance reform. If you don't understand hand-off funding, see me or listen to one of my speeches. I will try to tell you what that is.

Finally, Madam President, I believe that we need to examine the structure and authority of the Federal Election Commission. If we are going to have an agency charged with a mission to enforce our campaign finance laws, then I believe it is incumbent on us to make sure that the FEC has the authority and the means by which to execute that authority.

As the former chairman of the Rules Committee and now ranking member, I have sat through countless hearings on the issue of campaign finance reform. I can go back to the archives of the Rules Committee and produce volumes and volumes of testimony and printed records of hearings where the committee received testimony from members of Congress, from campaign consultants, and all the election experts you could ever think up. We can easily identify the problems. The question is, Are we ready to try to work on solutions? The problems are there and we understand them, but are we ready to work on solutions?

Madam President, with all due respect, we do not need more hearings on these issues. We know all too well what the problems are. We need to sit down together and I underscore together—-and I underscore together to craft the solutions. In the past, campaign finance reform has been an issue that has received too much lip service. We can no longer afford to let the opportunity to enact meaningful reform pass us by. The time to act is now. I hope that we can move forward and make campaign finance reform one of the first and lasting accomplishments of the 105th Congress. I know that many of my colleagues share a similar vision of an improved campaign finance laws. I look forward to working with my colleagues. Hopefully, through this campaign finance reform, we can restore trust and we
can restore integrity to our electoral system by enacting meaningful campaign finance reform legislation.

I thank the Chair and yield the floor.

Mr. NICKLES. Madam President, I know my colleagues have been waiting patiently. Would they mind if I went ahead for a few minutes?

Mr. GRAMS. That is fine.

The remarks of Mr. Nickles pertaining to the introduction of S. 9 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions."

The remarks of Mr. Nickles, Mr. Grams, and Mr. Hutchinson pertaining to the introduction of S. 9 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions."

1996 YEAR END REPORT


The Public Records office will be open from 8 a.m. to 7 p.m. on the filing date to accept these filings. In general, reports will be available the day after receipt. For further information, please contact the Public Records office on (202) 224-0322.

REGISTRATION OF MASS MAILINGS

The filing date for 1996 fourth quarter mass mailings is January 27, 1997. If a Senator's office did no mass mailings during this period, a form should be submitted that states "none."

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116.

The Public Records Office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office on (202) 224-0322.

TRIBUTE TO FORMER SENATOR PAUL TSONGAS

Mr. KENNEDY. Mr. President, it is with great sadness that we learned last weekend of the death of our former colleague from Massachusetts, Paul Tsongas. Paul served in the House of Representatives for 4 years, from 1975 to 1979, and in the Senate for 6 years, from 1979 to 1985. All of us who knew him respected him and admired him.

Paul was a great friend, a great Congressman for the people of Lowell, a great Senator for the State of Massachusetts. He had a special dedication to public service that began as a Peace Corps volunteer in Ethiopia in the 1960's and endured throughout his brilliant career, including his 1992 Presidential campaign.

As a Lowell city councilor, a county commissioner, Congressman, Senator, and Presidential candidate he had a special vision and held beliefs that he sought to be. Above all, he had an extraordinary personal and political courage. It was a courage demonstrated during his long illness and in all aspects of his years in public service. He often took stands that were unpopular. He had strongly held beliefs and he fought hard for them regardless of the passing political cause. He cared more for the truth than public opinion. And the people of Massachusetts loved him all the more because of it.

President Kennedy would have called him a "profile in courage."

One of his enduring legacies is the Lowell National Historic Park, which symbolized a great deal about his commitment to Lowell and to that entire region of our State. He had the vision to conceive the park and the skill to achieve it. In a larger sense, it also typified his unique ability to find new ways to see old problems. Where others saw a fading mill town, Paul saw the opportunity for rebirth, growth, and a thriving new economy.

He applied that same dedication to new ways of thinking in everything he did in our State, our country, and our common planet, yet he had both a realistic and idealistic vision of a better future and a powerful commitment to reach it so no one would be left out or left behind.

He reminded me of Robert Kennedy. As my brother often said, "Some people see things as they are and say, why. I dream things that never were and say, why not?" That was true of Paul Tsongas as well. We will miss him very much, and his heart goes out to his wife, Niki, his sisters, Thalea and Vicki, all the members of his wonderful family, his three daughters, Ashley, Katina, and Molly.

Mr. President, I ask unanimous consent that editorials from the Lowell Sun and the Boston Globe be printed in the Record.

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

[From the Lowell Sun, January 20, 1997]

COMING HOME

When he stood in the raindrops at Boarding House Park, Paul Tsongas spoke of embarking upon his "journey of purpose" to become the President of the United States.

We in Lowell knew better.

We in Lowell knew Paul Tsongas' purposeful journey began long before he tossed his hat into the presidential ring, and endured long after his candidacy came to an end.

For Congressmen, his journey to make his city and his world a better place began as soon as he was old enough to make a difference, and continued—with as much passion and purpose as ever—until it ended all too soon Saturday night.

Let others talk about Sen. Tsongas' extraordinary contributions to the national landscape—a rebuilding of our country.

Let us in Lowell talk about contributions far more significant and enduring.

Let us talk about a man who brought a remarkable wife to Lowell, and a father who raised three wonderful children in the city of his birth.

Because before all else—before all the politics and the presidential campaigns—Paul Tsongas devoted his life to his beloved and cherished wife and daughters. And even if his life was shortened, his family, Ashley and Molly, he would have succeeded—grandly—in making this city and this world a better place in which to live.

Let others applaud and extol the contributions to the electoral landscape—America as surely he would. Let the national pundits and politicians ponder what contributions a President Tsongas would have made to the country—as surely he would have.

We in Lowell need only walk through our city to celebrate—every day—what Paul Tsongas did for his hometown.

A national park here, a Boarding House Park there. The Wang Towers over there, and an arena going up just over here. And here's one of our new middle schools, not too far from our downtown hotel. And just over there, where the river bends, we're going to have a brand new ball park for Lowell's own minor league ball club. You know, the Spinners, the team Paul Tsongas brought to town.

Let those on the national stage talk about the bumpy, bizarre and truly incredible road which Paul Tsongas nearly traveled to the White House.

Our Paul Tsongas was not a politician or a presidential candidate. He was something much more special than that.

He was Tsongy—our neighbor and our friend. A guy who may have been better at driving his kids to school than he was at driving legislation through the U.S. Senate.

A hard-working environmentalist whose most beloved contribution to the greening of America was surely cleaning up and landscaping Kittredge Park, on his hands and knees, as content as a man could be.

Let others applaud and extol the contributions—Rep. and Sen. Tsongas made to the Commonwealth of Massachusetts—as they should and will. Let the national pundits and politicians ponder what contributions a President Tsongas would have made to the country—as surely he would have.

As my brother often said, "Some people see things as they are and say, why. I dream things that never were and say, why not?" That was true of Paul Tsongas as well. We will miss him very much, and his heart goes out to his wife, Niki, his sisters, Thalea and Vicki, all the members of his wonderful family, his three daughters, Ashley, Katina, and Molly.

Mr. President, I ask unanimous consent that editorials from the Lowell Sun and the Boston Globe be printed in the Record.

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

[From the Lowell Sun, January 20, 1997]

COMING HOME

When he stood in the raindrops at Boarding House Park, Paul Tsongas spoke of embarking upon his "journey of purpose" to become the President of the United States.

We in Lowell knew better.

We in Lowell knew Paul Tsongas' purposeful journey began long before he tossed his hat into the presidential ring, and endured long after his candidacy came to an end.

For Congressmen, his journey to make his city and his world a better place began as soon as he was old enough to make a difference, and continued—with as much passion and purpose as ever—until it ended all too soon Saturday night.

Let others talk about Sen. Tsongas' extraordinary contributions to the national landscape—a rebuilding of our country.

Let us in Lowell talk about contributions far more significant and enduring.

Let us talk about a man who brought a remarkable wife to Lowell, and a father who raised three wonderful children in the city of his birth.

Because before all else—before all the politics and the presidential campaigns—Paul Tsongas devoted his life to his beloved and cherished wife and daughters. And even if his life was shortened, his family, Ashley and Molly, he would have succeeded—grandly—in making this city and this world a better place in which to live.

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Let those on the national stage talk about the bumpy, bizarre and truly incredible road which Paul Tsongas nearly traveled to the White House.

Here, in Lowell, we'll walk and talk about the most important roads in Paul Tsongas' life—Highland Street, where he lived as a child, Gorham Street, where young Paul toiled in his father's dry cleaning store, and Mansur Street, where Paul Tsongas of Lowell lived and raised his family.

Let other congressmen and senators and presidents talk about the unique contribution Paul Tsongas made to deficit reduction and our grandkids at the Concord Coalition.

Here, in Lowell, we'll reminisce about the first and most important road Paul Tsongas ever balanced in his life—the one in that dry cleaning shop on Gorham.

We knew The Road from Here would always lead back to Lowell.

And even though his journey of purpose often took Paul Tsongas to bigger cities and
faraway lands, we all knew that his journey began here, drew its strength from here, and will end, too soon, when he is buried here.

Paul Tsongas’ journey of purpose may have been brief, but, like a meteor blazing across the civic skyline he so loved, it was brilliant, intense and unforgettable.

"I love my home. It is where I drew my first breath. It is where I always and always derive a sense of place and a sense of belonging."

"It is what I am."

Amidst the tears, I think of Paul Tsongas whenever you take your kids to a Spinners game. We think he’d like that.

[From the Boston Globe Jan. 19, 1997]

Mr. LOTT. The 104th Congress was unable to reach a consensus on legislation to implement an OECD Shipbuilding Agreement. Opponents of the agreement, as negotiated, insisted that the amendments passed by the House of Representatives be incorporated into any implementing legislation. Supporters of the agreement found these amendments unacceptable. As a result, no legislation was passed to put the OECD Shipbuilding Agreement into effect.

If the outcome is to be any different in the 105th Congress, I would urge the Administration and the Office of the U.S. Trade Representative to fully consider the amendments to H.R. 2754 passed by the House last year. Those amendments, which were sponsored by the House National Security Committee, among other concerns regarding this agreement’s damaging impact on our national security interests, and on the Navy’s core shipbuilding industrial base. While preserving the underlying intent of the OECD agreement, these amendments advocated by the House provide some modest safeguards with respect to these national security concerns.

Ms. SNOWE. Those amendments were approved by an overwhelming majority in the House who felt that, without the changes, the OECD Agreement failed to provide an effective mechanism for disciplining foreign shipbuilding subsidy practices. I should add that a number of Members in this body who have examined the agreement also share this concern, coupled with the many loopholes and special concessions granted to foreign governments, would continue to place U.S. shipbuilders at a tremendous competitive disadvantage. For this reason, the largest U.S. shipbuilder, representing over 90 percent of all workers in the Nation’s major shipbuilding base, opposed implementation of the agreement even though they were the primary advocates of an effective discipline on foreign government subsidies and dumping practices in the first place.

Mr. LOTT. In order to put into perspective the concerns of the U.S. shipbuilding industry, it may be helpful to review some of the background leading up to this agreement. In 1981, the U.S. Government terminated its subsidy program to the U.S. shipbuilding industry. Thus, in 1989, the United States went to the negotiating table as the only shipbuilding country. The U.S. shipbuilding industry had already lost all of its commercial shipbuilding market share and was bracing itself for a dramatic decrease in Navy shipbuilding orders.

Ms. SNOWE. In 1993, 4 years after international negotiations had failed to produce an agreement to end foreign subsidies, Congress and President Clinton revived and amended a modest ship loan guarantee program called Title XI. The purpose of this program was to help U.S. shipbuilders recapture commercial market share in the face of dramatic cuts in the Navy’s shipbuilding plan and continued foreign government subsidies in the commercial market.

Mr. LOTT. This modest loan guarantee program has begun the revival of commercial shipbuilding in the United States. For the first time in almost 40 years, our major U.S. shipbuilders are building commercial ships for export. Environmentally safe oceangoing double-hulled oil tankers are being constructed for our domestic trades. Over a 2-year period, $1.7 billion in commercial shipbuilding orders has been generated in the United States. These commercial orders are helping to sustain our major builders of Navy ships.

Ms. SNOWE. In 1996, when the administration sought congressional approval of the OECD Shipbuilding Agreement, the Department of Defense submitted a Navy shipbuilding budget request for the fewest numbers of ships in more than 60 years. While the Navy’s Fiscal Year 1997 Future Years Defense Plan called for an average of only 5 ships per year, the Navy anticipated that it would need to procure 10 to 12 ships per year beginning in the year 2002. It is to maintain this fleet. The challenge for our Nation and the Navy is to sustain the critical core shipbuilding industrial base during this all-time low in Navy shipbuilding and still have the capability to meet future Navy building needs.

Facing these circumstances, in 1999 the U.S. shipbuilding industry sought an international agreement to end foreign government shipbuilding subsidies. The industry believed then, as it does now, that it was essential to end foreign government participation in the commercial shipbuilding market if it was to have a fighting chance to make the transition to building both commercial and Navy ships, and thus survive this historic low in Navy shipbuilding.

Mr. LOTT. As negotiations dragged on for over 5 years, the marketplace was changing dramatically and rapidly, while the objective of the negotiators seemed to remain static. There was a failure on the part of our negotiators to recognize these changes and the activities of the various participating parties during the negotiations.

China, which had no commercial shipbuilding market in 1990, began to target shipbuilding to industrialize its economy. China now ranks third in the world for commercial shipbuilding, and it is not a signatory to this agreement. Other countries, such as the Ukraine and Poland, are also not covered by this agreement and have displayed a renewed interest in their shipbuilding sectors.

Ms. SNOWE. During the negotiations, Germany granted $4 billion in shipyard modernization subsidies to the former East German shipyards. South Korea approved close to a $1 billion bailout of its largest shipbuilder, Hyundai. Other European nations continued to grant billions in subsidies to their shipbuilding industries to fill their order books.

Mr. LOTT. When an agreement was finally reached in 1994, major U.S. shipbuilders expressed their objections with the terms of the OECD Shipbuilding Agreement before it was signed by the U.S. and other party countries. These builders articulated to the Administration their concerns with the very generous transition concessions granted to the
foreign signatories, the changing market conditions with the growing prominence of China, and the ineffective “injurious pricing” or anti-dumping provision—especially in light of South Korea's massive expansion of its shipbuilding capacity throughout the negotiations.

Ms. SNOWE. These concerns and the agreement's negative implications for the U.S. Navy shipbuilding industrial base, as well as the negotiators' concerns for this agreement, U.S. shipbuilders were also dismayed that they were granted no transition period in contrast to what was granted to the foreign governments. The successful, but modest, Title XI loan guarantee program would be rendered ineffective immediately upon the agreement's entry into force and the domestic trade of the United States, as governed by the Jones Act, was placed in severe jeopardy by our negotiators. In an effort to correct these weaknesses and flaws, the House of Representatives amended the implementing legislation (H.R. 2754) to address the major national security concerns of the agreement.

Mr. LOTT. The Office of the U.S. Trade Representative has maintained throughout the debate on this agreement that the Jones Act, which requires ships transporting cargo between two U.S. ports to be U.S.-built, owned, and operated, is exempt from the agreement. This is only partially true. Although the agreement does not repeal the law, it establishes a framework and procedure for foreign government programs and program repercussions against U.S. shipbuilders and U.S. exporters for ships constructed for the domestic trades of the United States. These countermeasures include bid rejections and bid tariffs against U.S. builders seeking international orders if they also benefit from Jones Act orders. The agreement also provides that GATT-related tariff concessions may be withdrawn against other U.S. products offset the benefit of Jones Act construction. Furthermore, it is extremely difficult, if not impossible, to completely separate a ship's defense features from its commercial features. Therefore, the implementing legislation needs to contain the definition for these types of ships or the United States will be subjected to an international trade panel's interpretation of what is, or is not, a military vessel or a defense feature.

Mr. LOTT. As I mentioned earlier, the only government support program for U.S. shipbuilders is the Title XI Ship Loan Guarantee Program. The program was revived and amended in FY 1994 as part of the National Shipbuilding Industry. The purpose of the program is to help U.S. shipbuilders attract commercial shipbuilding orders in the face of a dramatic turndown in Navy orders and foreign government commercial shipbuilding subsidies.

Ms. SNOWE. Title XI provides for a government guarantee of commercial loans for the construction of ships in the United States for U.S. and export customers. Up to 87.5 percent of the 25-year loan is guaranteed under the program. Upon entry into force of the OECD Shipbuilding Agreement, however, the terms of Title XI would be immediately changed to guarantee only up to 50 percent of a commercial loan over a 12-year period. According to U.S. shipbuilders, the current orders for construction of large oceangoing commercial ships would not have been consummated under these terms and conditions.

Mr. LOTT. Almost every signatory to this agreement—except the United States—was granted special transition subsidy authority for a period of 3 years. Many members of the House of Representatives and Senate do not understand why the title XI program should not continue under its current terms and conditions for a 3-year period given the agreement's special transition subsidies for the program in the billions of dollars for Belgium, Portugal, Spain, Germany, France and South Korea. This inequity in the transition rules is extremely detrimental to U.S. builders who were dismayed to learn they received no government subsidies in the face of billions by foreign governments. Moreover, without a 3-year continuance of title XI, U.S. shipbuilders would be three years further behind their foreign competition. This is unacceptable to the majority in Congress.

Ms. SNOWE. The House bill would place the U.S. on an equal par with foreign signatories time-wise. It would provide present terms and conditions during the 3-year transition period in which foreign signatories were granted very generous subsidy concessions. Furthermore, major U.S. shipbuilders desperately need the extension of this program if they are to complete their transition back to building commercial ships. If this transition is unsuccessful, the Navy's core shipbuilding base will not be sustained to meet its future requirements.

Mr. LOTT. In closing, it is incumbent upon each Congress to ensure that our international trade agreements are in our best national interest. Rubber stamping every international agreement, regardless of its content or impact, is not in anyone's best interest. I understand that the office of the U.S. Trade Representative has invested years of hard work in reaching the OECD Agreement. Unfortunately, it falls abysmally short of the objectives established by the very industry which sought an international agreement. After all, who better understands the shipbuilding industry than the shipbuilding industry itself? And for that matter, who in Congress better understand our national security interests than the committees with jurisdiction over national security policy?

There are major disagreements in Congress on whether this agreement is good or bad for this country. Indications from the Office of the USTR are that it is unwilling to reopen the negotiations to achieve an agreement that addresses the concerns of the majority in Congress on both parties. If this is the position of the U.S. Trade Representative, then I can only say that pursuing implementing legislation in the 108th Congress will result in the same outcome as that of the 104th Congress. As President, I would ensure that the USTR would have learned something from last year's experience and not waste its time or our with a repeat performance.

IN MEMORY OF PAUL E. TSONGAS

Mr. LEVIN. Mr. President, I was saddened Saturday to learn of the loss of
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one of the great men that I have had the honor of serving with in the U.S. Senate, Paul E. Tsongas of Massachusetts.

Paul Tsongas and I arrived in this body at the same time almost exactly 18 years ago in 1979. By that time Paul had already distinguished himself in 4 years of service in the House of Representatives, including legislation creating the first urban national historical park in his beloved hometown of Lowell. This became the catalyst for a remarkable presence in that historical New England mill town.

He arrived as the first Peace Corps veteran ever elected to the Senate. He valued highly his opportunity to serve in Ethiopia and spoke frequently of those 2 years as the formative years of his desire for public service. As a member of the Senate Foreign Relations Committee he was a voice for human rights around the world, but particularly on the African continent. In his 1991 book, “The Road From Here,” Paul wrote, “[human rights] are rooted in our culture and history, and we should champion them. Third World people need to have us honor this principle because if we don’t, no one effectually will. And ultimately it is the moral and economic strength of America that will count, not just our military might.”

Paul accomplished a great deal in a short time in the Senate, including the passage of the Alaska Lands Act of 1980 which doubled the size of the national park system and which President Carter called the most important conservation legislation of the century.

However, he will be remembered best for his years after the Senate. He retired from the Senate in 1984 after learning that he had cancer, pledging to devote more time to his family. In the book, “Heading Home,” about his decision to leave the Senate, he wrote: “On their deathbed, no one ever said, ‘I wish I had spent more time with my family.’”

He overcame cancer undergoing a then-experimental medical procedure, and went on to become a Presidential candidate in 1992, and a founder of the Concord Coalition, a bipartisan organization which has become a credible and widely-respected grassroots voice for fiscal responsibility in government.

As the family and friends of Paul Tsongas mourn his death and celebrate his life, Barbara and I will have Niki and Paul’s three daughters Ashley, Katina, and Molly in our thoughts and prayers.

Mr. President, a member of my staff, Rich Arenberg, who served Paul Tsongas for more than 10 years as a staff member and later wrote a few personal words which are most apt:

Paul Tsongas was an uncommon man. He honored America with the purity of his honesty and candor. There was no private Paul Tsongas. No public Paul Tsongas. He sized totally and completely of himself. He said exactly what he believed. In an age of partisan vitriol, he spoke softly and without animus. Although his voice was cool, his beliefs were passionately and tenaciously held. He believed that rational people of good will could solve any problem, bridge any difference, and lead by the force of reason. Paul Tsongas loved his family more than anything on earth and he loved his country deeply. He saw little distinction between the two because he believed the greatest gift we can give to our children is a strong future for America.

The Inauguration of President Clinton

Mr. NICKLES. Mr. President, yesterday, in a moving ceremony, we witnessed the swearing in of President Bill Clinton and Vice President Al Gore for their second term. The inaugural ceremony is significant not only to the history of our Nation, but for the message it sends to the rest of the world about our democracy.

The ceremony required a tremendous amount of planning by many, many people. The extensive preparations included construction of the platform, ticket distribution, coordination of security measures, organization of the ceremony, planning the luncheon in Statuary Hall and countless other tasks.

Leading this team of dedicated people was the distinguished Senator from Virginia, Senator JOHNNESON, who chaired the joint Congressional Committee on Inaugural Ceremonies, he had the monumental task of making the arrangements for this historic occasion. He performed his responsibilities with great efficiency and with outstanding attention to every detail. As master of ceremonies, he skillfully orchestrated the entire program. I, along with my colleagues, would like to thank Senator JOHNNESON and congratulate him on a job well done.

In addition, I would like to applaud the distinguished Senator from Kentucky, Senator WENDELL FORD. His contribution of hard work and past experience as Chairman of the committee was evident in the success of this endeavor. I wish to express my gratitude to Senator FORD for his hard work.

I would also like to thank and congratulate the other members of the Joint Inaugural Committee for such a successful ceremony. Those members were Majority Leader LOTT, Speaker GINGRICH, Representative ARMEE, and Minority Leader GEPHARDT. In addition, the members of the committee were ably assisted by the officers and employees of the Senate and House of Representatives, as well as by personnel from the executive branch. The success of the ceremony demonstrated tremendous cooperation between both parties, as well as both Houses of Congress and the executive branch.

I offer my appreciation to everyone involved, the ceremony will be a memorable event for our Nation.

Kentucky Dominican Sisters

Mr. FORD. Mr. President, I am proud to stand before you and my colleagues today to recognize the 175th anniversary of the founding of the Kentucky Dominican Sisters. They are the oldest group of Dominicans in the United States and I am pleased they chose to put down roots in Kentucky.

It was a time in our Commonwealth’s history when the rural communities were sometimes forgotten. But nine pioneers took it upon themselves to help meet the needs of those in rural Kentucky. They made a commitment to the community to serve through service, prayers, and study—a commitment which has lasted 175 years. It was this great of celebration. Ms. President, I ask you and my distinguished colleagues to join me in honoring the Kentucky Dominican Sisters of today.

The Sisters responded to the needs of their time. They nursed soldiers In Kentucky during the Civil War, established hospitals for residents who previously traveled miles for emergency care. As the times have changed so have the needs of citizens of Kentucky. But the Sisters are still answering those in distress. My regret today is that I can only highlight some of their recent work including working with persons living with AIDS, assisting refugees to resettle and advocating for food, shelters and health care for those in need. The people of Kentucky, but for those throughout our great United States.

On April 4, 1997, Sisters from around the United States will gather at their Motherhouse in Springfield, KY, for a celebration and wreath-laying event. Ms. President, I ask you and my distinguished colleagues to join me in honoring the Kentucky Dominican Sisters for 175 years of service.

Honoring Bill Weber, ST. CHARLES CHAMBER OF COMMERCE 1996 Citizen of the Year

Mr. ASHCROFT. Mr. President, I rise today to honor the St. Charles Chamber of Commerce 1996 Citizen of the Year, William H. Weber. On January 24, 1996, Bill Weber will gather with friends, family, and colleagues to celebrate his distinguished contributions to his community.

Bill is a lifelong resident of Missouri and St. Charles. His volunteer career has touched innumerable organizations with his leadership, commitment, and unselfish hard work. Bill has been the driving force behind such significant projects as fund raising to build both the St. Peters Rec-Plex and the YMAC of St. Charles County. After a volcano destroyed his city in the Civil War, Colombia, South America, he worked tirelessly to build a YMCA facility to provide basic needs and housing for the children of that disaster.
Closely to home, he has served on the boards of directors for Boys and Girls Town of Missouri, the Regional Commerce and Growth Association. St. Louis Sports Commission, St. Charles Public Schools, St. Charles Police and Fire Department, Mid-America Theater, St. Charles County Horse Racing Commission, Daniel Boone District Chairman, Boy Scouts of America and the Eagle Board of Review, YMCA and United Services Blue Ribbon Committee.

He received the Boy Scouts' highest honor, the Silver Beaver Award in 1989, Channel 5’s [KSDK] Volunteer Board of Governors Jeffson Award in 1993, the YMCA’s highest leadership award and Youth in need honored him as its first recipient of their Youth Leadership Award. For this lifetime of service, I rise today to recognize and salute William H. Weber, St. Charles Chamber of Commerce 1996 Citizen of the Year. His volunteerism has been a shining example to me as well as all Missourians.

HONORING THE POTTERS ON THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data is undeniable: Individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of “till death us do part” seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Donna and Ralph Potter of Kansas City, MO, who on Sunday, January 5, 1997, celebrated their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. Donna and Ralph’s commitment to the principles and values of their marriage deserves to be saluted and recognized.

LOUIS J. AMABILI

Mr. ROTH. Mr. President, today I would like to say something about a hero. The distinguished historian Stephen E. Ambrose says that we need to teach our children about heroes. It is by understanding the contributions of great men and women that our youth set standards of achievement for themselves. Common heroes provide a sense of unity and inspire us to aim a little higher than we did the day before.

Louis is my friend, and I am honored to count him among my friends. He is a member of the Hockessin Fire Company and the founding Director of the Delaware State Fire School. For 32 years, he served as director of that school, leading it to its current prominence and becoming the leading fire training facilities in the United States.

During his tenure, the Delaware State Fire School not only built its facility in Dover, but established training centers in New Castle and Kent Counties, providing fire training centers within 30 minutes of every fire company in Delaware.

In addition to these many successes, Louis Amabili also served as president of the New Castle Volunteers Firemen’s Association, the Delaware Volunteer Firemen’s Association, and the International Association of Fire Service Instructors. Richard Nixon appointed him to the Fire Prevention and Control Commission, and Governor Pete DuPont recognized him with the “Order of the First State.”

Mr. President, Louis Amabili is one of the most well-recognized fire service leaders in America. He served on the board of Directors of the National Fire Protection Association, and chaired the Fire Officers Professional Qualifications Standards Committee for more than a decade.

Louis was a member of the International Fire Service Training Association and received their highest honor for his role in fire service training. He chaired the Joint Council of National Fire Service Organizations and helped establish the National Fire Service Professional Qualifications System.

He serves as a member of the board of directors of the Congressional Fire Services Institute—which I have the honor of co-chairing—and he has received the institute’s highest honor, the CFSI Fire Service Person of the Year Award.

On this occasion, as Louis Amabili retires from a distinguished career, it is my privilege to recognize his years of selfless service, the lives he has touched, the lives he has taught, and the lives he has saved. I want to express my gratitude to his wonderful wife, Carmen, to his son Louis Jr., and to his daughter, J. Anice, and I want the record to show without question that we do not view a time of heroes. Quite often these valiant men and women live right next door.

CHILDREN’S HEALTH CARE

Mr. WELLSTONE. Mr. President, children’s health care coverage needs to be a priority in this Congress. We must be committed to providing access to affordable coverage and care to all working families in America. We also need to provide coverage for uninsured pregnant women, in order to ensure that children get a healthy start in life. All children should have access to services that provide for their basic health care needs such as immunization, preventive services, acute care, and dental care services, regardless of whether they live in rural or urban areas.

Now employers are rapidly cutting health care coverage for children of their employees. When a family earning $36,000 each year is required to pay over 10 percent and sometimes as much as one-third of their income to purchase health insurance for their children, they are forced to make very difficult choices. They must choose between providing their children with basic needs such as food and shelter, and paying for health insurance.

Health care coverage for children is an investment in the future. Children with undiagnosed or untreated health problems may have difficulty learning in school. A child with poor vision that has not been diagnosed or treated may be unable to see the blackboard. A child with cavities may not be able to eat an adequate diet, and the pain may make it difficult for the child to concentrate. A child with asthma who has poor access to care may spend many hours in the hospital. Many children spend days in the hospital for treatment of problems that could have been prevented. This occurs at a significant cost not only in terms of dollars, but also in terms of lost opportunities to attend school, and time off work and income for the child’s parents. These situations can be prevented with adequate health care coverage and access for children.

Children in rural areas are especially vulnerable, as there are fewer services available in these areas, and some needed services are located at significant distances from their homes. In addition, these children often live in homes where their parents work for small employers, who are unable to offer dependent coverage at a low cost.

Several States have demonstrated the cost savings available by providing assistance to working families. My home State, Minnesota, operates its own program that helps families buy private health insurance. Ninety-thousand people are covered, including 50,000 children. Over the years, more than 41,000 families have used MinnesotaCare to leave or stay off welfare, saving the taxpayers $26 million per year.

It is essential that we address this issue and provide low- and middle-income families with the option to purchase affordable private insurance coverage for their children. These families must be provided with the means to purchase this coverage in a timely manner, so that they do not have to delay the purchase of coverage for their children.

We need to build on successful private, State, and Federal efforts to help working families afford to provide health coverage for their children. Providing coverage for children through

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age 18 and pregnant women is the next logical step in incremental health care reform. It is sound policy and makes economic sense. It will ensure that all children in America have a healthy start in life.

S. 10, THE VIOLENT AND REPEAT OFFENDER ACT OF 1997

Mr. ASHCROFT. Mr. President, earlier today Senator HATCH introduced S. 10, the Violent and Repeat Offender Act of 1997. Senators LOTT, DOMENICI, SESSIONS, and I worked with him in developing the bill. While not perfect, the bill does take the initial steps in dealing with the epidemic of violent juvenile crime sweeping the Nation.

Mr. President, the face of crime in America is indeed changing. Throughout our history, one thing has been clear: government's first responsibility is to keep the citizenry safe. John Jay wrote in The Federalist, No. 3, "Among the many objects to which a wise and free people find it necessary to direct their attention, that of providing for their safety seems to be first."

The murderers, robbers, rapists, and drug dealers of yesterday are typically adults. Now they are typically juveniles. As the age of these criminal predators becomes younger and younger with each passing year, so does the age of their victims.

Last Wednesday afternoon, 12-year-old Darryl Dayan Hall was abducted at gunpoint from the Southeast Washington area by three teenagers of a gang known as the Simple City Crew. This is the same gang that opened gunfire at a crowded community swimming pool in June 1993, wounding six children. This past Saturday, police found Darryl's frozen body. He had been shot once in the back of the head and at least once in the body.

The three teenagers who are now charged with Darryl's murder have had numerous prior brushes with the law. One of Darryl's assailants was charged as a juvenile with possession of PCP in 1995 and then was released—as is too often the case—promising not to run away. Another of Darryl's assailants was, and is, on probation following his juvenile conviction last spring for possession of PCP with intent to distribute. Darryl's third assailant was charged as a juvenile in July of 1993 according to the Department of Justice, carrying a deadly weapon.

Mr. President, from 1984 to 1994, the number of juveniles murdered in this country increased 82 percent. In 1994, one of every five juveniles murdered was killed by another juvenile. The rate at which juveniles 14 to 17 years old were arrested for murder grew by 22 percent from 1990 to 1994 and the problem is going to get worse, much worse.

Congress over the last three decades has passed and repealed 16 different federal programs—administered by 16 different departments and agencies—to deal with delinquent and at-risk youth, according to a report issued by GAO last March.

Conservative estimates of federal appropriated funds for these at-risk and delinquent youth programs was more than $4 billion in fiscal year 1995. Despite this ongoing massive expenditure, the Federal Government has failed to meet the responsibility of providing public safety in this arena because it has not focused on holding juveniles accountable for their violent crimes. We now have a new category of offenders that requires a different, tougher approach. In short, we have criminals who have committed criminal offenses—juveniles—not juvenile pranksters and truants.

The juvenile offenders of today will become the career criminals of tomorrow, if government continues to fail to recognize that America has an acute social illness that cannot be cured solely with money spent on social programs. This legislation introduced today takes a common sense approach in dealing with the current epidemic of juvenile crime. It would help States make urban, suburban, and rural communities safe once again.

The bill would provide $2.5 billion over 5 years in new incentive grants for States to enact accountability-based reforms in justice systems. This legislation would authorize funding for various programs, including efforts aimed at trying our most violent juveniles as adults; establishing the ability of States to collect juvenile criminal records, fingerprints, and photographs, and to share such records when the juvenile reaches age 18. The time has come to end the anachronistic idea that crimes committed by juveniles, no matter how heinous, must be kept confidential from the rest of society.

Our laws continue to view juveniles through the benevolent prisms of basic good kids gone bad theory. The law should really view the juvenile predators of today as the criminals that they are. These young criminals know that they can commit crime after crime because their juvenile records are kept hidden under a "veil of secrecy." They also know that when they reach their 18th birthday, they can begin a second career as adult criminals as if they had never committed a crime in their young lives. The argument that we need to save juveniles from the stigma of a record, but in reality we are coddling hardened criminals. We must separate rhetoric from reality by lifting the "veil of secrecy."

The law enforcement community needs to know if an individual has a prior juvenile criminal record in order to conduct criminal investigations and apprehend those responsible for crimes in their towns, cities, and counties.

According to Police Chief David G. Walchak, who is also president of the International Association of Chiefs of Police, law enforcement is in desperate need of access to juvenile criminal records. The police chief says, "Current juvenile records (both arrest and adjudication) are inconsistent across the States, and are usually unavailable to the various programs' staff who work with youthful offenders." Chief Walchak also notes that there are only 26 States that allow law enforcement access to juvenile records. * * * if we [law enforcement] don't know who the youthful offenders are, we can't appropriately intervene.

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Mr. President, it is that simple. As juvenile gangs spread from urban to suburban to rural areas, as they travel from State to State, the “veil of secrecy” draped over their criminal histories and records undermines the ability of law enforcement to protect the rest of society.

In order to empower local law enforcement, the proposed bill would provide money to States to create and maintain juvenile criminal records, and to share those records with other federal, State, and local law enforcement agencies.

Mr. President, school officials also need access to juvenile criminal records to assist them in protecting the best interests and safety of all students. The decline in school safety across the country can be attributed to a significant degree to laws that put the protection of dangerous students ahead of protecting innocent, law-abiding students. While visiting with school officials in Sikeston, MO, a teacher told me how one of her students came to school wearing an electronic monitoring ankle bracelet. The student told the teacher, “You don’t know if I’m a thief, a looser or a racist and I ain’t gonna tell you.” That student was not only brutally honest, he was right. No one had any knowledge of what crime he had committed and, more importantly, they had no way of finding out.

If schools knew the histories of violent juveniles, they could respond to any misbehavior by imposing stricter sanctions, assigning particular teachers, or having the student’s locker near a teacher’s doorway entrance so that the teacher can monitor his conduct during the changing of class periods. In short, this bill would allow school officials to take measures that could prevent violence against other children at school.

Mr. President, for purposes of adult sentencing, adult courts need to know that convicted felons have a history of criminal behavior. According to the 1991 Survey of Inmates in State Correctional Facilities, nearly 40 percent of prison inmates also had prior criminal records as juveniles. That is approximately 4 in 10 prison inmates. The proposed legislation would allow adult courts to have access to juvenile records so that criminals could no longer masquerade as neophytes before the adult criminal justice system.

The bill also allows State and local governments to use Federal funds to implement the Serious Habitual Offenders Comprehensive Action Program [SHOCAP]. SHOCAP is a multi-agency crime analysis and case management program for identifying and prosecuting violent and hard-core juvenile offenders in a community. SHOCAP targets such serious habitual offenders for intensive social supervision interventions, including school attendance and discipline, and strenuous investigation and prosecution when they commit a new crime.

The Office of Juvenile Justice and Delinquency Prevention [OJJDP] conducted five test pilots of SHOCAP. Oxnard, CA was one of the sites selected. When SHOCAP was implemented in Oxnard in 1983, officials found that less than 2 percent of all juveniles arrested in that community were responsible for over 35 percent of the felonies committed by juveniles.

Four years later, Oxnard’s juvenile violent crime dropped 38 percent. Illinois and Florida have also recently established statewide SHOCAP programs in an effort to reduce their juvenile crime rates. S. 10 would allow all jurisdictions to use Federal funds to help implement SHOCAP.

Mr. President, reforms are also necessary at the Federal level as well. S. 10 would provide $100 million to hire Federal prosecutors to try juveniles as adults. Under the bill, U.S. attorneys would have discretion to decide whether to try as adults juveniles 14 years or older without having to go through the Attorney General’s office in Washington.

Federal juvenile court proceedings would be opened to the general public. When imposing a sentence, the district court would also be allowed to consider a juvenile’s entire criminal record under the bill. In any case in which a juvenile is tried as an adult, access to the record of that offense would be made available to law enforcement authorities and others in the same manner that adult criminal records are publicly available.

Mr. President, the government should also be able to mount a counterattack on gang violence. This legislation targets violent youth gangs, like the notorious Simple City Crew in the District. There would be new Federal penalties for offenses committed by criminal street gangs. Gangs are no longer concentrated in the big cities, they are now in rural towns. The bill would also provide $100 million to hire assistant U.S. attorneys to prosecute juvenile criminal street gangs.

We as a nation and a government must challenge this culture of violence and restore the culture of personal responsibility and accountability. It is high time to consider hard-headed and sensible juvenile justice policies. Where possible we must give second chances. Where necessary we must punish severely. This is a first step to restore justice to a nation that has grown weary of injustice.

In sum, this legislation would send a clear, cogent, and convincing message to violent juveniles: “Serious acts have serious consequences.”

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, it was not quite 12 months ago—on Friday, February 23, 1996—that the Federal debt broke the $5 trillion sound barrier for the first time in history. The records show that on that day, at the close of business, the debt stood at $5,171,506,630,040.53.

Just 20 years earlier, in 1976, the Federal debt stood at $529 billion—and that was after the first 200 years of America’s history had elapsed, including two world wars. Then the big spenders really went to work and the interest on the Federal debt really began to take off—and, presto, during the past two decades the Federal debt has soared into the stratosphere, increasing by more than $4 trillion in two decades from 1976 to 1996.

So, Mr. President, as of the close of business Friday, January 17, 1997, the Federal debt stood—down-to-the-penny—at $5,399,774,506,681.99. On a per capita basis, every man, woman, and child in America owes $19,917.66 as his or her share of that debt.

This enormous debt is a festering, escalating burden on all citizens and especially it is jeopardizing the liberty of our children and grandchildren. As Jefferson once warned, “to preserve [our] independence, we must not let our leaders load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.”

Was Mr. Jefferson right, or what?
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
AYSE MANSY KENMORE, OF FLORIDA, TO BE A MEM-
BER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING JUNE 30, 2002, (REAPPOINTMENT)
LEGAL SERVICES CORPORATION
JOHN T. BRODERICK, JR., OF NEW HAMPSHIRE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1999, (REAPPOINTMENT)
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
SUSAN E. TREES, OF MASSACHUSETTS, TO BE A MEM-
er OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 20, 2002, VICE PETER SHAW, TERM EXPIRED.
INTER-AMERICAN FOUNDATION
FOREIGN SERVICE
THE FOLLOWING-NAMED PERSONS OF THE AGENCIES
INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITHE:
FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS ONE, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:
AGENCY FOR INTERNATIONAL DEVELOPMENT
PAUL ALBERT BISEK, OF VIRGINIA
FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS TWO, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:
AGENCY FOR INTERNATIONAL DEVELOPMENT
SUZUKO KEY YAMASHITA, OF MARYLAND
FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:
AGENCY FOR INTERNATIONAL DEVELOPMENT
SUSAN KUCINSKI BREMS, OF THE DISTRICT OF COLUMBIA
CHRISTINE M. BYRNE, OF VIRGINIA
JAMES ERIC SCHAEFFER, OF FLORIDA
DEPARTMENT OF COMMERCE
KARLA B. KING, OF FLORIDA
TERRY J. SORGI, OF WISCONSIN
FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:
U.S. INFORMATION AGENCY
TANIA BOCHAVECKY CHOMIAK, OF FLORIDA
LINDA LORI, OF CALIFORNIA
SHARON HUDSON-DEAN, OF PENNSYLVANIA
CONSTANCE COLDING JONES, OF INDIANA
STEPHANIE R. OCTO, OF NEW YORK
DAVID MICHAEL REINERT, OF NEW MEXICO
DEPARTMENT OF STATE
SARAH J. METZGER, OF VIRGINIA
FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS FOUR, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA EFFECTIVE JUNE 1, 1996
DEPARTMENT OF STATE
MARC C. JOHNSON, OF THE DISTRICT OF COLUMBIA
FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS FOUR, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA EFFECTIVE JUNE 1, 1996
DEPARTMENT OF STATE
ROBERT L. ADAMS, OF VIRGINIA
VEOMAYOY BACCAM, OF IOWA
DOUGLASS R. BENNING, OF THE DISTRICT OF COLUMBIA
STEVEN A. BOWERS, OF VIRGINIA
ALFRED B. ANZALDUA, OF CALIFORNIA
MARC C. JOHNSON, OF THE DISTRICT OF COLUMBIA
JUDITH M. HEINMANN, OF CONNECTICUT
LAUREN W. CATIPON, OF NEW JERSEY
SUSAN E. TREES, OF MASSACHUSETTS, TO BE A MEM-
BER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1999, (REAPPOINTMENT)
THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE, PREVIOUSLY PROMOTED IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED ON OCTOBER 18, 1992, NOW EFFECTIVE APRIL 7, 1995:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

JUDY LANDSTEIN MANDEL, OF THE DISTRICT OF COLUMBIA
MARY C. PENDLETON, OF VIRGINIA

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE, PREVIOUSLY PROMOTED INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED ON OCTOBER 18, 1992, NOW EFFECTIVE OCTOBER 6, 1995:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

JEANANNE LOUIS, OF VIRGINIA
SHARON MERCURIO, OF CALIFORNIA
RUTH H. VAN HEUVEN, OF CONNECTICUT
ROBIN LANE WHITE, OF MASSACHUSETTS

THE FOLLOWING-NAMED CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASSES INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF CAREER MINISTER:

TERRENCE J. BROWN, OF VIRGINIA
KELLY C. KAMMERER, OF THE DISTRICT OF COLUMBIA
LINDA E. MORSE, OF VIRGINIA

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF MINISTER-COUNSELOR:

ROSE MARIE DEPP, OF MARYLAND
GEORGE J. ONES, OF COLORADO
LINDA N. LION, OF VIRGINIA
CARLOS E. PASCUAL, OF THE DISTRICT OF COLUMBIA
ERIC R. ZALLMAN, OF FLORIDA

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE.

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

HARRY F. BIRNHOLZ, OF NEW YORK
PAUL A. BISEK, OF ILLINOIS
DOUGLAS A. CHIRIBOGA, OF VIRGINIA
PAUL R. DEUSTER, OF VIRGINIA
WILLIAM J. GARV ELINK, OF VIRGINIA
VIVIANN GARY, OF WASHINGTON
GENE V. GEORGE, OF NEW YORK
RICHARD H. GOLDMAN, OF FLORIDA
RICHARD J. GOUGHNOUR, OF FLORIDA
FREDERICK J. GUYMONT, OF FLORIDA
JOHN V. D. LEWIS, OF THE DISTRICT OF COLUMBIA
JOHN R. MARTIN, OF ILLINOIS
LOUIS MUNDY III, OF FLORIDA
EVERETT B. ORR, OF FLORIDA
KAREN M. POE, OF VIRGINIA
THOMAS LEE RISHOI, OF FLORIDA
TERRENCE P. TIFFANY, OF OREGON

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES INFORMATION AGENCY FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF CAREER MINISTER:

MARILYN MCAFEE, OF FLORIDA
Chairman JOE OAKLEY before the Joint Committee to hear my opening statement on the August 4 by Chairman OAKLEY over the prospects we did file with the committee a rather lengthy statement of H.R. 3801 on August 4, 1994—even though the minority, recommended bill (H.R. 3801, Representative HAMILTON, Feb. 4, 1994), the chairman recommended the House committee on the Organization of the Congress in the 103d Congress. Moreover, when the joint committee on the Organization of the Congress in the 103d Congress. Moreover, when the joint committee did not include that proposal in its recommended bill (H.R. 3801, Representative OAKLEY, Chairman, Committee on Rules, U.S. House of Representatives Before the Joint Committee on the Organization of Congress in the 103d Congress. Moreover, when the joint committee did not include that proposal in its recommended bill (H.R. 3801, Representative OAKLEY, Chairman, Committee on Rules, U.S. House of Representatives. As Chairman of the House Rules Committee, I realize I am an obvious spokesperson for the procedures by which bills are considered in the House. I do not come before you today to blindly defend our current practices. Rather, I view this as a valuable and essential opportunity to take an objective look at our rules and procedures and to comment on what areas might possibly be improved.

Before getting to specifics, I would like to briefly explain the rules Committee for the work it has done to date. I commend the Committee for both its diligence and the seriousness with which it has undertaken its work. Yours is not an easy task, I know. Change is always difficult, particularly when it is uncertain whether the proposed changes will actually improve the status quo. I can appreciate the enormity of your assignment and hope that your comments today assist you with your comprehensive evaluation of the institution. Reflecting upon the atmosphere in Congress of late, I must confess that I am almost relieved that we have reached this juncture— it is time to examine and resolve them one way or another. In my twenty-one years in Congress, I have never experienced partisan temper tantrums as they have been over the past couple of years. While a certain amount of sparring between the parties is unavoidable, healthy even, I believe that the spirit of disunity and disagreement that characterizes a healthy democracy.

I am most concerned with the element of distrust that seems to pervade our daily interactions. We cannot do our jobs well when we distrust those with whom we work. We were sent here to make sound, well-reasoned policy decisions on behalf of our constituents, our country and the world. I am deeply concerned that the public good is being compromised in the conflicts of our rival parties.

It is out of these concerns that I admit certain changes are needed. On the procedural front, I think I can recommend several improvements which will not only enhance the quality of deliberation in the House of Representatives, but will also lessen some of the partisan jealousies which arguably consume too much of our time and energy. As I have not yet talked to the Speaker about these ideas, I in no way wish to imply that my remarks today reflect the sentiments of the Leadership.

First, I would like to note the Democratic Leadership's recent efforts to allow for more open, inclusive debate. By inclusive I mean providing for greater participation by both the majority and the minority. The views of the minority are a vital component of the legislative process, and within reason, should be accommodated. I believe this because underlying the legislative procedures of the House is the general principle that a determined majority of members should be able to work its will without undue delay by the minority. While House rules and procedures generally recognize the importance of permitting any minority, partisan or bipartisan, to present its views and prepare alternatives, the rules do not enable that minority to filibuster or use other devices to prevent the majority from accomplishing its objectives in a timely manner.

I think everyone would agree that it is the prerogative of the majority party leadership to both set the legislative agenda and to provide for the orderly consideration of legislation in the House. And while the role of the Rules Committee is to try to facilitate the Leadership's legislative agenda, its power is not without limitation. The Rules Committee can only recommend special rules to the House—it cannot impose its recommendations on the members of the House. It must be constructed and reconstructed from the ground up, by majority vote, whether it is prepared to accept the ground rules, including any restrictions on amendments that the Committee proposes.

The Rules Committee structures its rules based not only on the views of its members, but also on its perception of what a majority—218 members—of the House is prepared to support. Ultimately, the House agenda is subject to control by a voting majority. This majority is not static, nor is it strictly partisan. Rather it is continually shifting and must be constructed and reconstructed from one issue to the next.

Unfortunately, bare statistics do not allow me to comment about the kinds or types of rules reported by my Committee. The first ten rules reported by the Rules Committee in the 103rd Congress were indeed by definition “restrictive”, that is, providing certain limitations on the number or types of amendments that could be offered. But while my friends on the other side of the aisle may suggest that these rules were arbitrarily rejected by the Rules Committee, this simply isn't true.

Before condemning the Democratic Leadership as too insensitive to the ideas...
of the minority, one must examine the nature of the bills and the types of amendments offered. Interestingly, of the ten examples cited by the Republican Leadership Task Force on Democratic Procedures and Policy, no egregious examples of the Rules Committee unreasonably denying amendments for floor consideration, the first five amendments were not, in fact, germane to the measure being considered. It is common knowledge that House rules and precedents require all amendments to be germane to the text they would amend. I see nothing unreasonable about the Rules Committee’s decision not to make these amendments in order.

As for the restrictive rules that the Rules Committee has reported to date, let me say this: the baseball season is only one month old—just because the Tigers are now in the lead doesn’t mean they’re going to win the pennant. In other words, be patient. There is no reason for concern about the types of rules to be reported by the Rules Committee.

As you know, the Rules Committee recently reported open rules on three bills—nothing should be surprised when such contentious issues as the budget reconciliation and campaign finance are considered under structured rules—but as the House moves further into its legislative season I anticipate more open rules being reported by my committee.

Another change I would recommend relates to the motion to recommit. The change would strengthen the minority’s ability to act as a constructive partner in the development of legislation. I endorse a modification of the plan proposed by Tom Mann and others which would allow the minority to have the opportunity to review committee reports before the report becomes available in the document room. Only then will the three day layover period for members’ review of the report begin. Thus, more than two weeks may go by before a bill becomes available for floor consideration.

In the interest of both preserving this important right and using our time well I would recommend the following: tighten the way in which the three day period for filing views is calculated by starting the clock when the committee orders a bill reported. Often many valuable hours remain in a day on which a bill is ordered reported. Additionally, I would recommend giving the committee authority to file until midnight of the third day.

These changes arguably would achieve the dual goal of allowing for more efficient scheduling of legislation and insuring an adequate period for members to file and review views. While the Committee on Rules has made a commendable effort to waive the three day layover requirement, I believe that if these changes were to be made the need for such waivers would be significantly reduced. In fact, I think it is an accomplishment that had this proposal been in place earlier this Congress, none of the waivers of the three day layover period granted by my Committee would have been necessary.

My final recommendation is that the House, in some manner, implement the Oxford-Union style debate program proposed by Norm Ornstein and Tom Mann. Such a program strikes me as a useful vehicle for construing thoughtful, substantive, and balanced debate on issues of concern to all Members. Unlike one-minutes or special orders which tend to be one-sided monologues free of contest or rebuttal, such a program would allow for a meaningful debate between members and would serve as a valuable supplement to our regular debate time on major legislation.

In closing, I would like to add that I agree with the prevailing sentiment that procedural or mechanical changes alone will not cure the ailments of this institution. Attitudinal change is an ingredient. I am encouraged by the progress that is already being made in this area and hope that we can sustain this spirit of cooperation throughout the 103d Congress.

I again thank the members of the Joint Committee for this opportunity to testify before you today. I would be happy to answer any questions.

Mr. Speaker, since the adoption of the rules on January 7, 1997, I have: First, responded to two letters from colleagues regarding the “truth-in-testimony rule”; second, responded to a letter from the minority leader forwarded to my Rules Committee office by the Speaker; and third, written to the Parliamentarian to further clarify the intent and application of the rules that allows for exceptions to the 5-minute limit in questioning hearing witnesses, copies of which have been sent to all committee chairmen and ranking members in both houses. In addition, I have inserted remarks elsewhere in this RECORD in response to Mr. Dingell’s inserted statement on the new rule on time allowed for filing views on committee reports.

Mr. Speaker, at this point in the RECORD, I offer the minority’s exchange of correspondence with Representatives Frolich and Stokes on the “truth-in-testimony rule”; the minority leader’s letter to the Speaker on several provisions in the rules package and my response; and my

RESIDING TO QUESTIONS AND COMMENTS ON HOUSE RESOLUTION 5, ADOPTING HOUSE RULES

HON. GERALD B.H. SOLOMON
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1997

Mr. SOLOMON. Mr. Speaker, since the House adopted House Resolution 5 on January 7, 1997, establishing the standing rules of the House for the 105th Congress, several questions and comments have been raised as to the application or interpretation of the new rules. As you know, the members of the Joint Committee for this opportunity to testify before you today. I would be happy to answer any questions.
Dear Chairman:

I am writing to express my opposition to the so-called "Truth in Testimony" amendment to the Rules of the House of Representatives. It is my understanding that while this amendment was not included in the package of amendments to the Rules of the House for the 105th Congress, it was understood by witnesses that it would be adopted by the Rules Committee before the House. I am writing to you today to express my opposition to this amendment.

The amendment would require witnesses to disclose information related to federal grants, subgrants, contracts, or other forms of federal financial assistance. The amendment would also require witnesses to disclose the names of individuals or entities responsible for obtaining such information so that Members of Congress could determine whether such information is relevant to the subject matter of a hearing.

I believe this provision will only create another barrier to citizens exercising their right to petition the government, in this case the House of Representatives. In many cases, the provision will also force organizations to divert resources away from productive work to the paperwork and administrative activities made necessary by the provision's requirements.

I urge the Committee on Rules to schedule a hearing to consider the effects of section 10 of H. Res. 5, adopting the Rules of the House for the 105th Congress. I am writing to you to express my opposition to this provision before it was presented to the Conference and the House.

Sincerely yours,

David E. Skaggs

Chairman, Committee on Rules

Longworth House Office Building
obligation, of our committees to have a bet-
ter understanding of how public funds are
being expended—by whom and for what pur-
poses—especially as we continue to downsize
to make government more efficient and to
balance our budget. Our hearing and oversight
process is one of the best methods we have for
obtaining such information so that our committees,
and ultimately the Congress, can effectively deliberate and make the best
possible and most informed and prudent deci-
sions.

What would be the effect on non- or par-
tial-compliance? As we explained in our sec-
tion-by-section analysis of the rules package
that you inserted into the Record on H. Res. 5 yesterday (Congressional
Record, Jan. 7, 1997, pp. 11-17), non-compli-
ance would neither prevent a witness from testi-
fying nor result in the testimony being strik-
en from the hearing record. However, I
think it could result in an objection to a
unanimous consent request that the written
statement be included in the hearing record,
leaving only the oral summary of testimony
actually presented as part of the official
hearing record.

I do not think the requirement will, as you
assert, “force organizations to divert re-
sources from productive work to the paper-
work and administrative activities made
necessary by the provision’s requirements.”
Any business or organization that does not
have ready access to basic information on the
solicitation of its Federal grants and contracts over the last three years is probably guilty of questionable or sloppy
bookkeeping practices, which in turn raises the
question of whether they should be entrusted with expending taxpayer funds in the
first place.

You can be assured that, just as we did
during the 104th Congress with respect to the
rules adopted on opening day of that Con-
gress, the Rules Committee will be conduct-
ing oversight of the operation of this and other new rules as we prepare for the
105th Congress.

Sincerely,

Gerald B. Solomon, Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,

Hon. Newt Gingrich,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Since floor procedures
yesterday limited our ability to have a full
debate on your floor statement and on the
recommendations of its Federal grants and
contracts over the last three years is probably guilty of questionable or sloppy
bookkeeping practices, which in turn raises the
question of whether they should be entrusted with expending taxpayer funds in the
first place.

You can be assured that, just as we did
during the 104th Congress with respect to the
rules adopted on opening day of that Con-
gress, the Rules Committee will be conduct-
ing oversight of the operation of this and other new rules as we prepare for the
105th Congress.

Sincerely,

Gerald B. Solomon, Chairman.

COMMITTEE ON RULES,

HON. NEWT GINGRICH,
MINORITY LEADER, THE CAPITOL,
WASHINGTON, D.C.

DEAR MR. SPEAKER: This is to acknowledge
receipt of your letter of February 4th, con-
veying concerns about several of the
House rules changes adopted on the opening
day of the 105th Congress.

You have informed me that you did not agree with the Speaker that we might
revisit these in light of minority objections,
and in the spirit of bipartisanship and com-
ity in the 105th Congress.

As I have already indicated in letter to
both Martin Frost and David Skaggs with
respect to the “truth-in-testimony rule” (one
of those on your list), it is my full intention
that our Committee will carefully monitor
the operation of all the new rules adopted in
H. Res. 5 as part of our ongoing oversight re-
sponsibilities over House rules and proce-
dures.

As you will recall, during the course of the
last Congress the Rules Committee report-
ed modified versions of the rules that were in
your minority opening day rules amend-
ments relating to the gift rule and book ad-
vances and royalties. Moreover, towards the
end of the second session we held four hear-
ings on “Building on Change: Preparing for
the 105th Congress,” at which we heard from
Members of both parties who had suggestions
for further rules changes. Many of those pro-
posals were incorporated in this year’s open-
ing day package.

In summary, I fully intend to proceed on
a bipartisan basis as we monitor the effective-
ness of the rules changes and consider pos-
ible adjustments, additions or deletions. I
welcome your continuing advice and sugges-
tions as we proceed with this effort.

Sincerely,

Gerald B. Solomon, Chairman.

COMMITTEE ON RULES,
WASHINGTON, DC, JUNE 19, 1997.

HON. CHARLES W. JOHNSON III,
RANKING MINORITY MEMBER, THE CAPITOL,
WASHINGTON, D.C.

DEAR MR. SPEAKER: It is my understanding
that some questions have been raised regard-
ing the application of section 12 (“Excep-
tions to the Five-Minute Rule in Hearings”) of H. Res. 5, adopting House Rules for the
105th Congress. The purpose of this letter is to
to clarify the intent of the rule.

Section 12 amends clause 2(j)(2) of House
Rule XI which previously provided that:
“Committee staff and members may apply the
five-minute rule in the interrogation of witnesses
in any hearing until such time as each mem-
ber of the committee who so desires has had
an opportunity to witness.”

The amendment adopted to that rule by
section 12 of H. Res. 5 provides that, “Each
committee may adopt a rule or motion per-
mitting equal questioning by majority and
minority party members each to question
witnesses for a specified period not longer than
30 minutes,” and that, “A Committee may
committee staff for its majority and minority party members to question a wit-
tness for equal specified period of time.”

In the section-by-section analysis of the
rules changes that I inserted following my
introductory remarks on H. Res. 5 (Congress-
al Record, Jan. 7, 1997, pp. H12-15) it is
noted that: “The rule could permit designated majority or minority party member or staff to question witnesses for a period longer than their usual 5-minute
equal opportunity (p. H14, errata).”

The underscored words were intended to clarify that the exception to the five-minute rule for extended questioning applies to only those members designated by the majority party is
meant to supplant the right of other com-
mittee members to question witnesses for
five-minutes, though the extended question-
ing period could occur before other members
are recognized.

It is not the intent of the rule to permit a minor-
ity that provides for extended questioning of the same witness after 60-min-
utes of extended questioning has already been
allowed. The 60-minutes should be the maximum limit on extended questioning of the
same witness, whether by designated major-
ity and minority party members or staff, in
order to protect the rights of other mem-
bers for equal time.

The amendment goes on to indicate that: “A
motion under this House rule would not be
privileged for any member of a committee to
offer, instead, it would be at the discretion
of the chair to recognize a member to offer such motion.”

However, the intent of this rule that either a committee rule or motion allowing for such extended question-
ing should be used solely for the purpose of
permitting such extended questioning only of
witnesses of the committee’s or committee
majority’s choosing. Just as the rule imposes
an equal time requirement for the parties in
the extended period of questioning, it is expected that the committee chair and/or committee majority would treat these fairly in allowing for extended questioning of a witness under their
own choosing, and therefore that such arrange-
ments could be worked out between the chair
and ranking minority member in advance of a
hearing.

For example, if the majority wishes to apply the extended questioning rule to wit-
nesses A and B, the minority could be al-
lowed to apply the extended questioning to
witnesses C and D, i.e., an equal number of
witnesses of their choosing. That is to say
that the minority should have a veto over extended questioning of witnesses A and
B of the majority’s choosing simply because
the minority may not want to use their half
of the extended questioning.

In summary, the rule was designed to pro-
vide fairness to both parties, both in terms
PAYING TRIBUTE TO SARA AND SIMHA LAINER

HON. HOWARD L. BERMAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to Sara and Simha Lainer, close friends of mine for more than 40 years and people passionately dedicated to the welfare of the Jewish community of Los Angeles. This year the couple are receiving the Lifetime Humanitarian Achievement Award from the West Coast Friends of the Hebrew University. Their generosity is extraordinary.

Sara Lainer, who ran a successful real estate business in the San Fernando Valley, is a strong supporter of, and a dedicated volunteer with, the University of Judaism, the Jewish Community Foundation, the ADL, and West Coast Friends of the Hebrew University. Anyone who cares about the Jewish community of Los Angeles owes a huge thanks to her.

In 1989, the Lainers established the Simha and Sara Lainer Fund for Jewish Education, which has thus far awarded $290,000 in scholarships to 400 children around the city. I can think of nothing more important than ensuring Judaism remains vibrant and alive in Los Angeles.

Simha Lainer, who worked as a volunteer and later on as an employee, at the New York City Housing Authority, has helped them overcome the difficulties that are a part of the experience of immigrating to a new land.

In 1932, Mrs. Mendez was instrumental in founding the first Hispanic Catholic Church, “La Milagrosa Church,” in El Barrio, east Harlem. Together with her husband, Tony Mendez, who was the first Puerto Rican male district leader of the Democratic Party, she fought tirelessly for the welfare of Hispanics in the city.

In 1950, she founded the Puerto Rican Association of Women Voters, which is still in existence. Through this organization she assisted in furthering the advancement of Puerto Rican women. Mrs. Mendez also served as an interpreter for 24 years, first as a volunteer and later on as an employee, at the New York City civil court.

Through her community activism, she has helped to ease the road for those who have come after and who have embraced New York City as their new home. She is the widow of Tony Mendez and the mother-in-law of State Senator Olga Mendez.

Mr. Speaker, I ask my colleagues to join me in saluting Sara and Simha Lainer, whose tireless efforts to make this a better world inspire us all.

HONORING THE ROTARY GREATER MIAMI URBAN PEACE CONFERENCE

HON. CARRIE P. MEEK
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mrs. MEEK of Florida, Mr. Speaker, on February 8, 1997, the Rotary Clubs of Dade County will sponsor the Greater Miami Urban Peace Conference at the Wolfson Campus of Miami-Dade Community College.

Inspired by Rotary International President Luis Glay, the conference will focus on solutions to the problems of youth and violence. Rotary seeks to identify effective programs with demonstrated results, but which could benefit from additional assistance to reach their full potential. Rotary’s purpose is to go beyond merely examining problems. They want to connect hundreds of Dade County Rotary volunteers with projects to stem youth violence.

I commend the work of Rotary to constructively address a matter of growing local and national concern. It is easy to rush toward punitive measures before providing positive role models to those most in need. Rotary is assembling forces who have the ability to provide real solutions to a very real challenge. I am sure that my colleagues will join me in recognizing the Dade County Rotary Clubs for their endeavors.

HON. JOSE E. SERRANO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to an outstanding Puerto Rican woman, Mrs. Isabel Mendez, who has dedicated her life to taking care of others, especially Hispanics in New York City.

Mrs. Mendez was honored by the House of Puerto Rican Cultural Heritage, known as “La Casa de la Herencia Cultural Puertorriqueña,” on January 11 in New York City for her lifelong commitment to the advancement of the Hispanic community.

She was born in Yabucoa, Puerto Rico. In 1926, at the age of 17, she came to New York City. Since her arrival, she has fought every day to improve the living conditions of Hispanics and has helped them overcome the difficulties that are a part of the experience of immigrating to a new land.

In 1932, Mrs. Mendez was instrumental in founding the first Hispanic Catholic Church, “La Milagrosa Church,” in El Barrio, east Harlem. Together with her husband, Tony Mendez, who was the first Puerto Rican male district leader of the Democratic Party, she fought tirelessly for the welfare of Hispanics in the city.

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Through her community activism, she has helped to ease the road for those who have come after and who have embraced New York City as their new home. She is the widow of Tony Mendez and the mother-in-law of State Senator Olga Mendez.

Mr. Speaker, I ask my colleagues to join me in recognizing Mrs. Isabel Mendez for her devotion to our community and for making all of us Puerto Ricans and fellow Americans proud.

THE FUTURE OF EDUCATION IN AMERICA

HON. GERALD B.H. SOLOMON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. SOLOMON. Mr. Speaker, let me commend to you the following article from an editorial in the Post Star newspaper in Glen Falls, N.Y. This article succinctly expresses my reasons for calling for the abolishment of the U.S. Education Department. While this Department was created with a noble eye toward protecting and advancing public education in this country, in reality it has only created dubious Federal mandates while siphoning scarce Federal dollars away from the students that truly need it. By creating an Office of Education to continue to represent public school interests and allowing more parental involvement, students will ultimately be much better served.

[From the Post Star, Glen Falls, NY] EDUCATION DEPARTMENT NEEDS TO BE DISMANTLED

If you wonder what big idea Bill Clinton intends to ride into history, consider this one: Education.

Everybody agrees education is a wonderful thing, but increasingly, Americans fret about the quality of public schooling. The issue of instructional standards has hit the national agenda. On one side stand votaries of the National Education Association, which has worked long and hard to define standards and monitor them. On the other are devotees of educational choice and home schooling, programs designed to spare the kids the travail of politically correct education.

President Clinton intends to bridge the chasm. In a recent speech to the Democratic Leadership Council, he echoed Americans’ apprehensions about the state of education: “We must dramatically reform our public schools, demanding high standards and accountability from every teacher and every student, promoting reforms like public choice, school choice and charter schools in every state.”

At the same time, he staked out new ground for Uncle Sam and federal government national standards. But I am for national standards of excellence and a means of measuring it so we know what our children are learning.”

Here is Bill Clinton doing what he does best: bending a conservative issue to liberal ends. He has made it clear in subsequent talks that he wants to defend teachers unions, while creating a larger federal role in determining what students should and shouldn’t learn.

That’s not an encouraging sign, given current trends in government-sponsored intervention. As Lynne Cheney has noted to devastating effect, school textbooks today subject students to politically correct nonsense. Some standard history books, for instance, mention Harriet Tubman more often than George Washington, Thomas Jefferson and Robert E. Lee combined.

Meanwhile, self-esteem programs assure students that accuracy isn’t everything in mathematics: “If you come close, that’s good enough.” (Tell that to the Internal Revenue Service.)

The President’s case for standards rests on the beguiling but dubious notion that experts know enough to set “proper” standards. There are no data to support that claim, and considerable evidence that schools tend to thíchpoxion to parental involvement in school. In other words, mother and father know best.
you can do it.'

De-...er assistant. He was also an engineering developments, including the Department of Human Development assistant. The goals of excellence and...ugicians do everything from diagnosing sexual abuse and distributing condoms to serving as...he appointed special advocate for the California Center for the Law and Deaf in

TRIBUTE TO JON A. KAstrup
HON. ILEANA ROS-LEHTINEN OF FLORIDA IN THE HOUSE OF REPRESENTATIVES Tuesday, January 21, 1997

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize the personal achievement of one of our community's most talented and dedicated young men, Mr. Jon A. Kastrup. Jon's own success is sweeter than most, as he not only had to overcome the regular stresses of daily living, but also had to accomplish this while being profoundly deaf.

Many people like Jon would surrender to their condition, but Jon, never questioning his resolve, earned degrees in the fields of mechanical engineering and law and now holds the distinction of being one of only four functionally deaf attorneys in the United States. After his graduation from the Brigham Young University's J. Reuben Clark School of Law, Jon served as a legal intern for the U.S. Court of Federal Claims in Washington, DC. Previously, Jon lent his valuable services to the California Center for the Law and Defend in Oakland, CA where he served as a legal assistant and law clerk, and in the State of Utah as a consultant to the Special Advocates for the Guardian Ad Litem Program.

Jon has also served in several notable capacities for private and public sector institutions, including the Department of Human Development at the Rochester Institute of Technology, where he served as a Student Development Assistant. He was also an engineering aide for the U.S. Navy and previously served as an engineer drafter for the Unidynamic Corp. of St. Louis, MO. Jon has excelled in everything he has set out to accomplish. Despite his physical limitations, he never once relinquished his drive to succeed. Jon has proven that through steadfast dedication and a deep belief in oneself, "if you can dream it, you can do it."

TRIBUTE TO BETTE JANE RODRIGUEZ
HON. GERALD D. KLEczKA OF WISCONSIN IN THE HOUSE OF REPRESENTATIVES Tuesday, January 21, 1997

Mr. KLEczKA. Mr. Speaker, I rise today to pay tribute to my friend, Bette Jane Rodriguez, who is being recognized by the city of Cudahy on February 13, 1997, as she retired after serving the Treasurer's Office for 33½ years.

Throughout her dedicated term, Bette Jane has served as deputy treasurer to several city treasurers. Her leadership while assisting the government of the city of Cudahy to run more effectively and efficiently should be commended.

Ms. Rodriguez has served on the Cudahy Area Business and Professional Women's Club since 1973. She has also served on the Cudahy Democratic Unit by providing assistance on several local and Presidential elections, as well as on the Cudahy Municipal Credit Union and the Cudahy Historical Society for the last 10 years.

Bette Jane Rodriguez will truly be missed in Cudahy, but knowing her as I do, she will only become more active in the community following her retirement. Therefore, it is with great pleasure I join Bette Jane's coworkers, the city of Cudahy, and many friends in honoring her many years of service and contributions to the city of Cudahy.

Best wishes, Bette Jane, and on behalf of the residents of the city of Cudahy, I offer a heartfelt "thank you" for your unselfish work over the years and for a job well done.

CONGRESSMAN BILL RICHARDSON: ON TO DIPLOMACY FOR HIS COUNTRY
HON. GEORGE P. RADANOVICH OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES Tuesday, January 21, 1997

Mr. RADANOVICH. Mr. Speaker, a recent event affecting this House leaves us with mixed emotions. We are losing one of our most respected colleagues. Mrs. Rodriguez has served on the Cudahy Historical Society for the last 10 years. It is greatly important to our Nation.

With the appointment of the long-time Congressman from New Mexico, Bill Richardson, as Washington's new U.N. Ambassador, U.S. President Bill Clinton has arrived at two historical moves. First, he has placed a politically correct Hispanic on his team and, second, he has appointed a creative diplomat with style and a great deal of tact. Clinton has no doubts that Richardson will be able to serve our interests and ideals at the U.N. and in the world.

Richardson first came to public notice through his exploits in the political arena, especially because of his political and political correspondent Viola von Holten, German newspaper, Handelsblatt. Written by diplomat and political correspondent Viola Herms-Draht, this report makes plain the high hopes Americans' allies have for the role Bill Richardson will play.

[From the Handelsblatt, Dec. 17, 1996]

CLINTON'S NEW U.N. AMBASSADOR SEEN AS UNORTHODOX DIPLOMAT

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PAYING TRIBUTE TO MR. WADE BRUNSMANN

HON. JERRY F. COSTELLO
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. COSTELLO. Mr. Speaker, I want to ask my colleagues to join me in paying tribute to Mr. Wade Brunsmann, who was selected by the East-West Gateway Coordinating Council in the St. Louis Metropolitan Region to receive their Achievement Award in 1996.

I have known Wade for many years, through our joint service on the St. Clair County Board. Wade is a dedicated public servant; he is a Navy veteran of World War II, and has served on the county board since 1954, except for an 8-year gap. He is also an outstanding family man, married and the father of four grown children and five grandchildren. He is the retired owner/operator of Brunsmann's Heating and Refrigeration Service.

Wade Brunsmann has been a leader in the St. Clair County region. He currently serves as chairman of the County Board’s environmental committee, and has served as such for the past 7 years. He has been an aggressive leader on zoning, land use, and landfill issues for all citizens. He also serves as a volunteer with Belleville Area College’s Programs and Services for Older Persons, is a member of St. Theresa’s Catholic Church and is an active and outstanding member of the Democratic Party.

Of course, for all of these contributions and his overall dedication to serving the public, East-West Gateway awarded him with their Achievement Award. I fully agree, and ask my colleagues to join me in congratulating him on this fine recognition.

HONORING PIKESVILLE VOLUNTEER FIRE COMPANY

HON. BENJAMIN L. CARDIN
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. CARDIN. Mr. Speaker, I rise today to honor the Pikesville Volunteer Fire Company on its 100th anniversary.

It all began on February 4, 1897 when a group of local citizens met for the first time to discuss the need for organized fire protection. They met at the Odd Fellow’s Hall. During this meeting, the group nominated several names for the fire company. The Pikesville Volunteer Fire Company won the election by an overwhelming margin of 23 to 6. The following year, a fire hall was built and a community wide dedication celebrated its opening.

Known as the company of first, the Pikesville Volunteer Fire Company is a leader in volunteer fire protection. Its members are made up of both civilian and military personnel. In December of 1996, a memorial service honors members of the Fire Company who served their country as well as their community.

Today, their membership role is over 150 (a third of whom are active service) which provides enough manpower to keep the Pikesville Volunteer Fire Company responsive to the thousands of calls each year from the community.

I hope my colleagues will join me in extending congratulations to the Pikesville Volunteer Fire Company in celebrating its 100-year history in Baltimore County, and in thanking these volunteers for contributing to the growth and safety of the Pikesville community.

FLORIDA DEPARTMENT OF HEALTH INAUGURATED

HON. ILEANA ROS-LEHTINEN
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to take this opportunity to express my best wishes to Secretary James Howell, M.D., MPH, and Executive Administrator Annie R. Neasman, R.N., M.S., as they assume the leadership of the State of Florida’s new Department of Health.

The Florida Legislature voted in 1996 to create the Florida Department of Health as a separate entity. The legislature charged the Secretary and staff with promoting and protecting the health and safety of all Florida residents and visitors in partnership with county governments.

On February 3, Secretary Howell and the Florida Department of Health staff in Dade County will gather at Miami Dade Community College Wolfson Center with their local partners to inaugurate the department.

I congratulate them on this day as they embark on their mission to make Florida the healthiest state in our union. Their dedicated staff and community partners will rise to the many challenges ahead.

PAYING TRIBUTE TO IRWIN ROSENBERG

HON. HOWARD L. BERMAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to Irwin Rosenberg, who for the past 8 years has played Santa Claus at the Pacoima Christmas party. I have not met many Santas named Rosenberg; then again, I have not met many Santas at the PCYCC Christmas party. He is every bit as happy to see the kids as they are to see him.

I ask my colleagues to join me in saluting Irwin Rosenberg, whose tireless work in the community is a shining example to us all. I am proud to be his friend.

THANK YOU DR. MALEEEHA LODHI

HON. MATTHEW G. MARTINEZ
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. MARTINEZ. Mr. Speaker, I rise on behalf of my colleagues and myself to place in the record a bipartisan statement of appreciation for the outgoing Ambassador of Pakistan to the United States, Dr. Maleeha Lodhi, who is returning home shortly after completion of her tenure as Ambassador to the United States of America.

Ambassador Lodhi worked with dedication and resolve to strengthen the traditional friendship between the United States and Pakistan, paving the way for greater cooperation between our two nations. Through her untiring efforts, significant progress has been made towards redefining United States-Pakistan relations in the post-cold-war period.

In our interaction with Ambassador Lodhi, we always found her to be a highly persuasive advocate of her country in a forthright and objective spirit. We admire her commitment to democracy, freedom, and human rights, qualities that created a common bond with us.

Both the United States and Pakistan have been served with distinction by Ambassador Lodhi and we wish her the very best for the future.

TRIBUTE TO TWO IMPORTANT AMERICAN PATHOLOGY ORGANIZATIONS

HON. GERALD D. KLECZKA
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to two outstanding organizations, the College of American Pathologists (CAP) and the American Society of Clinical Pathology (ASCP). This year, CAP will be celebrating its 50th Anniversary, and ASCP will be celebrating its 75th Anniversary.

Dr. Rob McKenna, who is the President of ASCP, and Dr. Ray Zastrow, the current CAP President and a good friend, have led these organizations with the help of their many members through a long history of protecting patients by providing high quality laboratory and patient care. ASCP is the largest organization of pathologists and medical technologists in the world, and CAP is the largest California Association of Physically Handicapped’s Humanitarian of the Year Award; in 1990, he was named Kwanian of the Year (San Fernando); 2 years later he received the J. Leo Flynn Citizen of the Year Award from the San Fernando Chamber of Commerce.

Of all his civic and professional duties, I know that nothing gives Irwin more pleasure than being Santa to many underprivileged kids every year at the PCYCC Christmas party. He is every bit as happy to see the kids as they are to see him.

I ask my colleagues to join me in saluting Irwin Rosenberg, whose tireless work in the community is a shining example to us all. I am proud to be his friend.
organization of board-certified members in the world.

These organizations and the members who practice pathology and laboratory medicine provide a substantial contribution to medical science and patient care through accurate medical testing, which enable pathologists to make accurate diagnoses and recommend appropriate treatments.

CAP started as an outgrowth of ASCP and they have worked closely ever since. Their common bond has been a symbol to both patients and pathologists of their dedication to professional excellence.

Congratulations, CAP and ASCP, on your many years of committed service to the field of medicine.

"IMMIGRANTS ARE NEW YORK CITY'S GREATEST ASSET"

HON. PETER T. KING
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1997

Mr. KING. Mr. Speaker, throughout his years as a U. S. Congressman, mayor of the city of New York and as mayor for life of the city of New York, Ed Koch has secured for himself the title "The Voice of Reason." Mayor Koch has a unique capacity to find common sense in the midst of controversy. He is a true New Yorker who knows how to get to the heart of the problem. This quality was most recently typified in his recent column entitled "Immigrants are New York City's Greatest Asset" which appeared in the New York Post on January 17. I commend this column to my colleagues because it touches so meaningfully on the issue of immigration which is being exploited and demagogued by too many politicians today.

IMMIGRANTS ARE NEW YORK CITY'S GREATEST ASSET

(By Ed Koch)

Ellis Island is holy ground: My parents landed there separately in the early 1900's. Before 1924, there were no limits on the number of Jews who could enter this country. If you survived the voyage in steerage and did not suffer from a contagious disease, you gained entry.

My parents and millions of others came here looking for a better life. They sought economic opportunity and freedom from anti-Semitism. They did not believe the streets were paved with gold. But, like millions of others, they did believe America would be free of the daily cursing they endured from their non-Jewish neighbors in Poland. And they believed America would offer them and their children a future denied them elsewhere.

Several years before my father's death, my sister and her son Jared sat down with him and taped some of his early memories. She asked, "Daddy, what did you do for fun in the winter?" He replied, "Mostly we went inside to get warm."

My mother's home in Poland was part of the Austro-Hungarian Empire. I recall asking her how it was growing up. She told me, "Mama, why do you always refer to Kaiser Franz Joseph as the 'good Kaiser Franz Joseph'?" She replied "Sonny, because he didn't kill the Jews."

For years, I always wondered if she was right. After her death, I read that Kaiser Franz Joseph issued a decree that there would be no Jew-bashing in his domain. Mama was always right.

I've visited Ellis Island a number of times, both before and after its renovation and designation as a federal museum. Like many others whose parents or grandparents came to the United States, I have relived with them the opportunity given by the new museum to mark my parents' passage with metal markers.

Now, when I go to the island, I visit those markers. I touch my lips with my finger-tips in a symbolic kiss and then touch my parents' names inscribed on the metal plates.

My parents were decent people with very few worldly goods and a very limited education, nevertheless made it, raising three children—my brother, Harold, the eldest; my sister, Pat, the youngest; and me— and becoming part of America's middle class.

My mother died at age 62, my father at age 87. Mother lingered in excruciating pain before her death, an experience that has made me believe in physician-assisted suicide. I will never forget her screams of unending pain as she pleaded with me, "Eddie, please let me die." And I, in tears, replied "Mother, you're getting well." I knew that she was not.

My father, a gentle and beloved man with an enormous number of friends, died easily, quickly and painlessly. We thanked God for allowing him to pass over to the next world in such peace. We were not so appreciative of the painful passage of our mother.

I've always been bewildered by the Catholic acceptance of pain in the onset of death. If I understand the concept correctly, the pain of one dying individual is in some mystical way a great benefit for humanity and provides enormous good for others.

Two princes of the Catholic Church—Joseph Cardinal Bernardin, whom I met briefly and admired, and Terence Cardinal Cooke, with whom I had a warm friendship—both embraced death and pain.

My mother told me early on, "Ed, don't mix in someone else's religion." So I won't. While I do not fear death, having had a full life, I do ask God to allow me to pass over without pain when the time to go arrives. Why should the sins of my parents? Because recently there has been a spate of stories on immigrants, particularly those who came to New York in the last 10 years.

The City Planning Commission issued a report entitled "Annual Immigrant Tape Files, 1990-1992: Demographic and Service Population Division." I won't list its many conclusions—all favorable concerning the impact of legal immigrants on the City of New York. But these conclusions reinforce the need to fight the mean-spirited efforts by Congress to punish immigrants.

It isn't wrong to require sponsors of immigrants to fulfill their legal obligations to support those they brought here who otherwise would become public charges, as the new law mandates. But it is wrong to deny legal immigrants who arrived before this law went into effect the SSI coverage and welfare benefits they'd been receiving. The new laws stripping legal immigrants of welfare inclusion should have been prospective and not retroactive.

Recently I read the comments of Massachusetts children's book author Lauren Brahmin, on the value to our country of the immigrant: "I have long said that in the 1920's and 1930's the best Americans were European-influenced Jews who had reason to know what made this country special. In the 80's, the best Americans were Asians, for the same reason." I silently cheered.

According to the City Planning Commission report, legal immigrants are coming to the U.S. in even larger numbers, and increasing percentages of the total number of these immigrants hail from parts of the world that did not participate in large-scale immigration when my parents came here, including Asia, Africa and Latin America.

These immigrants, like their predecessors—my parents among them—add to the richness of this country. They give us the benefit of their intelligence, their labor and their children. In the words of Martha Stewart, "It's a good thing."

My father never learned to write anything besides his name in English, although he could read. He worked hard all of his life, generally holding two jobs to support his family. He retired for four years at Shell Oil manufacturing facility at 75, but, bored, he went to work for Bloomington's fur coat storage six months later.

When elegant ladies asked him to store their coats, he would ask them to write their name and address on a ticket. He would invariably look at the ticket and say, "I see by your address that my son is your congressman."

It made no difference if these women lived in Brooklyn or Jersey. My father never saw me as representing the entire United States.

We should acknowledge the enormous contributions of immigrants, embrace them and welcome them. Let's make New York City's greatest asset, today and for the future.

Updating the philosophy of the good Kaiser Franz Joseph, "Let there be no immigrant-bashing in the U.S."

HONORING ROSALIE KUNTZ OF PASADENA, TX

HON. KEN BENTSEN
OF THE HOUSING OF REPRESENTATIVES

Tuesday, January 21, 1997

Mr. BENTSEN. Mr. Speaker, I rise to honor one of my constituents, Rosalie Kuntz of Pasadena, who is a civic leader in her community and a pioneer for women in the insurance industry. Mrs. Kuntz is active in a wide range of community activities and served as the first female president of the Texas Association of Life Underwriters. The following article from the January 8, 1997, Houston Chronicle describes her many accomplishments and honors.

HER JOY IS IN THE JOURNEY—ROSA LIE KUNTZ REVERED BY PASADENA COMMUNITY

(By Pat Swanson)

Willfulness and commitment have not only earned Rosalie Kuntz success, but respect in her profession and in the Pasadena community she calls home.

Kuntz is celebrating 41 years in the insurance business. And, at age 72, she continues to be heavily involved in civic activities for the Pasadena-area community.

Kuntz and her husband Gerald (Jerry), a retired surveyor for Shell Oil Co., have lived in Pasadena 48 years. The couple are owners of the Kuntz Insurance Agency. Their children, Rita, Linda and Kyle have given them six grandchildren. The Kuntz's are long-time members of St. Pius V Catholic Church.

Scott Loomis, an insurance man who has known Rosalie Kuntz for 30 years, said, "Rosalie is one of those persons who could make herself in a man's world before it was fashionable. While some men were intimidated by Rosalie, others wanted her on a project because they knew she would do it."

Mr. PARKER WILLIAMS, president of San Juan College South, said, "Rosalie is known by
was chosen Pasadena Citizen of the Year in 1988 for the same reason. According to Stella Walters, owner of Bruce, Inc., "Rosalie and I have been involved with a lot of the same organizations for 30 years. We also are good personal friends. We have worked together on everything, including the Pasadena Chamber of Commerce, the American Y.M.C.A., and the American Heart Association, to name a few. She has more energy in her, for her age, than anyone else I know. She and Jerry have been married 48 years, and I doubt there is anyone in business in Pasadena who does not know her. She is just amazing.

As a member of the San Jacinto Day Foundation, Kuntz chaired the first Strawberry Festival in Pasadena in 1974. She served as an advisory board member in 1986. She was presented the 1992 Lone Star Award by the Pasadena Drug Abuse Committee; vice-chairman of the Committee for the National Festival in Pasadena in 1974. She served as a director of the South Houston Chamber of Commerce from 1978 until 1990.

Kuntz has been Director and Membership Chairman of the Deep Park Chamber of Commerce since 1991 and is the immediate past president of the organization.

Kuntz was appointed to be elected president of the Pasadena Chamber of Commerce, and currently serves as a member of the organization's Cultural Affairs, Voice of the Chamber and Governmental Affairs Committees.

She was an active member of the San Jacinto Day Foundation during the 1990-1991 and 1992-1993 years.

From 1968 to 1996, Kuntz has been a director of the American Heart Association, Pasadena Unit. She served as Chair of the Heart Business Drive for 12 years, and was chosen Volunteer of the Year in 1987, with a grant named in her honor.

She was appointed to serve on the Advisory Board of the BattleShip Texas from 1983 to 1989, by Texas Governor Mark White.

Kuntz is past president of the Soroptimist International of Pasadena, and has served on the advisory board of The Rose, a Texas-based, non-profit organization dedicated to breast cancer screening since 1987. She also has served as a member of the Rehabilitation Foundation since 1991.

Additionally, Kuntz has been a director of the former Barbour's Cut Seaman's Center since 1991. The facility is now the Lou Lawler Seaman's mission.

She is past director of the Texas Society of Prevention of Blindness; the recipient of the 1975 Distinguished Service Award from the Pasadena Drug Abuse Committee; vice-chairman of the Committee for the National Olympic Girls Volleyball Team and past vice-chairman of the Committee for the National Olympic Women's Softball Team; and past president of the Pasadena City Beautification Commission.

As a longtime member of St. Pius V Catholic Church, Kuntz is a past secretary of the Diocese of Galveston-Houston Board of Education, president of the St. Pius V Parish Council; and past president of the St. Pius V Church Parish Council.

For 25 years, Kuntz also served as a volunteer coach for the St. Pius V Catholic girls softball and volleyball teams.

According to Bud Osborne, former owner of Osborne Apple Ford, "Rosalie is a vibrant get-up-and-go person. She always begins a month to talk to us. She is just a wonderful person. We think a lot of Jerry, too."

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For her service to the community, Kuntz was chosen Pasadena Citizen of the Year in 1988.

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ROSALIE IS MY DEAR FRIEND," NINA OSBORNE SAID. "WHEN SHE WAS INDUCTED AS PRESIDENT OF THE DEEP PARK CHAMBER OF COMMERCE, SHE ARRANGED TO HAVE US SEATED WITH HER FAMILY. SHE TOOK US UNDER HER WING AND INSURED OUR WHOLE FAMILY."
A TRIBUTE TO THE SAGINAW NEWS

HON. DAVE CAMP
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. CAMP. Mr. Speaker, I rise today to call my colleagues' attention to an editorial in the Saginaw News. To open the New Year, the editors published a set of principles. These principles remind us that our local communities are the bedrock of America's greatness, and an endless source of inspiration for our national leaders.

Put forth in these principles are many of the driving forces behind the work we do in Congress and the vision we share for our country: lower taxes, smaller government, and economic opportunity for all Americans. I believe these principles serve as goalposts for the 105th Congress as well. I urge my colleagues to read the News' basic principles as we begin work in the new Congress.

Mr. Speaker, at this time I would like to submit the editorial from the January 1, 1997 edition of the Saginaw News:

ISSUES AND OPINIONS: OUR BASIC PRINCIPLES

The principles a newspaper holds may often be obscured by the rush of day-to-day events. But we think it's important for readers to know that our views of those issues are guided by a set of fundamental beliefs.

That's why The Saginaw News each year publishes a statement of the principles on which it intends to base editorial-page comments over the days and months to come.

Each matter on which we express our opinion is reviewed and judged on its own merits. As circumstances change, they may prompt a fresh look at our own ideas.

But the constant process of review and judgment rests on a firm foundation. Some issues are transitory; others, more fundamental to our lives and our society, bear repeated attention.

While the thoughts here are general expressions of ideas and ideals, they help determine our approach to the people, events and proposals that shape our life.

Our basic goal is to speak in which we perceive to be the best interests of our readers.

Editorials, while based on reporting and analysis, express a viewpoint. We express disagreement. If we stimulate independent thought and discussion, we believe we have achieved one of our major purposes whether or not our words have been persuasive.

But we believe we have an obligation to seek to persuade. A newspaper has a responsibility to its community to be, as best it can, not only its voice to the world, but its interpreter of that world; to be its advocate and defender, and sometimes its critic and counselor, always toward the benefit of its citizens.

We acknowledge that is a very large responsibility indeed. We welcome any and all suggestions from our readers on how we can better fulfill it. We don't seek to act in place of public opinion, but to give the public an opportunity to expand on its own beliefs. That cannot happen, though, without mutual understanding.

We hope this statement of the principles of The Saginaw News will further that understanding.

LOCAL ISSUES

On Saginaw-area issues, The News supports:

Efficiently providing the best public service at the lowest possible cost to the taxpayers.

High-quality representation for all segments of each community.

Progressive, professional management at county, city and township levels.

Planning for development of human and physical resources of the constant challenge for fresh approaches.

A strong central urban area serving the entire community.

Maximum cooperation among all governments, with consolidation of municipal services to the greatest possible extent.

Recognition that racial and ethnic diversity is a strength on which to build toward the common goals that unite us.

Strong human-relations efforts to assure dignity and equal opportunity for all.

Care for our streets and homes, because a community can be no better than its neighborhoods.

School systems that provide a comprehensive education.

Strong academic and behavioral standards for students; quality instruction and administration; and adequate public financial support adequate to achieve those goals.

The free-enterprise profit system as that which most fully ensures economic liberty and a high standard of economic life to business, industry and employees.

Expansion of job opportunities, and diversification of the economic base, in recognition of the serious challenges of constantly changing times.

Workplace policies respecting the rights of employees, management—and the public.

STATE ISSUES

On state issues, The News supports:

A fair system of taxation to maintain efficient, quality state services at the lowest possible cost.

Achievement of an economic climate conducive to retaining existing industry and diversifying Michigan's economic base.

Preservation of Michigan's natural beauty and resources while balancing the legitimate needs of the state's agriculture, other economic institutions and population.

Recognition that the auto industry remains the region's and state's economic mainstay.

Swift and fair administration of justice.

Respect for the law by citizens—and of citizens by the law and those sworn to enforce it.

Political leadership, at the state level and in our representation at the national level, that responds to the needs of the state and its people.

NATIONAL ISSUES

On national issues, The News supports:

A limited government under which political power rests in the wisdom of the governed, and the rights of the people to control their own destiny, through their representatives.

Strong defense of the Bill of Rights as the unique section of a unique Constitution on which rests preservation of our most fundamental individual liberties.

A decent respect for the financial resources of our citizens, expressed through restraint in taxation and spending.

Policies encouraging the opportunity to seek and find employment for all who desire it.

A strong, efficient defense, essential amidst changing world events.

Safeguarding the national environment consistent with economic stability and growth.

Maintaining the strength of political parties as American institutions best able to build citizen interest and involvement in government, and to develop responsible leadership.

INTERNATIONAL ISSUES

On international issues, The News supports:

A foreign policy that stresses the desire of the United States to live in harmony with all nations; that recognizes the right of all peoples to peaceful self-determination; that encourages the continued expansion of freedom in all nations; that advocates non-violent resolution of disputes; that recognizes that remaining threats to our freedom, and others', require strong alliances to deter aggression even as we welcome the reduction of the danger of war.

Free and fair trade as the interdependent economies of the world evolve in new directions.

The right of all people to achieve and maintain a decent standard of living, to develop and prosper.

PERSONAL LIFE

Finally, The Saginaw News believes there is more to the quality of life than our personal relationships, jobs and leisure activities. The News believes in encouraging people to look beyond themselves. We believe that life becomes more satisfying and meaningful when we care about all our neighbors and the community of which we all are a part.

IN HONOR OF THE CONCORD HIGH SCHOOL CRIMSON TIDE MARCHING BAND

HON. CHARLES F. BASS
OF NEW HAMPSHIRE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. BASS. Mr. Speaker, I rise today to pay tribute to the Crimson Tide Marching Band of Concord High School in Concord, NH. The talents of this 120-piece band, under the direction of Richard Metzler, were recently recognized by the Presidential Inaugural Committee, leading to an invitation to perform in the Inaugural Parade in our Nation's capital on January 20, 1997.

Concord High School has one of the best marching bands in all of New England. These young musicians earned the wonderful opportunity to perform in front of the President and the First Lady, as well as the entire Nation watching on television.

The city of Concord embraced the Crimson Tide Marching Band, as individuals and local companies raised over $20,000 to help pay for the band's trip to Washington, DC. The Concord Schools Friends of Music deserve much credit for leading the fundraising effort to allow these students to enjoy an opportunity that will be remembered for a lifetime.

I know that the parents and families, the teachers, students and staff of the Concord School District, and the entire state of New Hampshire are exceedingly proud of the accomplishments of the Crimson Tide Marching Band.

Mr. Speaker, I ask all of my colleagues to join me in congratulating the members of the Concord High School Crimson Tide Marching Band for participating in a memorable and historic occasion, the 1997 Presidential Inaugural Parade.
Mr. BILIRAKIS. Mr. Speaker, I rise today to recognize the extraordinary generosity of two wonderful people who live in my Ninth Congressional District in Florida. Allen Leepa and his wife Isabelle have donated a $2.15 million endowment and a multimillion dollar collection to be housed in a new museum at the Tarpon Springs campus of the St. Petersburg Junior College in Tarpon Springs, FL.

Mr. Leepa has said that "art is a vehicle to promote education," and his gift will certainly benefit not only the students and faculty of the college, but the residents of Florida's suncoast as well.

The college will be building the Leepa/Ratnner Museum of Fine Arts, which is to honor Mr. Leepa and his late stepfather, Abrah- ham Ratnner. The museum will house 150 works by Mr. Leepa, an abstract artist, and 20th century modernists including Georges Rouault, Hans Hoffman and Henry Moore. Two works by Pablo Picasso will also be included.

A resident of my birthplace in Tarpon Springs for 14 years, Dr. Leepa studied art in Chicago, New York, and Paris at the Sorbonne. He has taught at several fine universities around the country, and he has published three books about modern art.

Mr. Speaker, art means different things to different people. It does serve as an outlet for the creative side of all of us. Throughout history, the expressions of talented artists have contributed to a greater understanding of our society and of ourselves.

As a result of Dr. Leepa's generosity and kindheartedness, Floridians will be able to enjoy the finest in art right in the heart of Florida's suncoast. I ask my colleagues to join me in thanking Dr. Leepa and wishing the Leepa/Ratnner Museum all of the best in the future.

Congratulations to San Fernando High School

HON. HOWARD L. BERMAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to San Fernando High School, which this year is celebrating its 100th anniversary. I know of few high schools in southern California with such a long and rich history.

One way to judge a school is by its alumni. Using that criterion, San Fernando High School received high marks. For example, Hawley Bowlsus, the man who supervised the construction of the Spirit of St. Louis, Charles Lindbergh's plane, was a graduate of San Fernando High. Another alumnus, Denny Crum, is today one of the top college basketball coaches in the country. A third, Jimmy Velarde, is a four-time Emmy award producer of shows such as "Culture Clash."

The school has also had its share of sports glory. Two of the greatest running backs in USC history, Anthony Davis and Charles White, attended San Fernando High. Fifty years earlier, in 1925, San Fernando produced its first championship football team. Other sports fared well; the school has produced champions in baseball, track, and basketball.

San Fernando High School today has many reasons to be proud of its school community. It graduates 675 seniors out of a class of 700, and is virtually free of the crime, drugs, and gangs that unfortunately plague many urban high schools. I have attended several events at the school, and have always admired the spirit of its students and the commitment of its faculty and staff.

I ask my colleagues to join me in saluting San Fernando High School, an excellent institution with a proud history. Congratulations to all on this special anniversary.

TRIBUTE TO REV. JOSEPH M. ROLLINS, JR.

HON. JOSE E. SERRANO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Rev. Joseph M. Rollins, Jr., who was honored on January 18 for his long and fruitful career as a community activist and pastor of Saint Augustine Presbyterian Church, at 838 East 165th Street in my congressional district, the South Bronx.

Reverend Rollins, a third generation Presbyterian minister, will be retiring as pastor of the church at the end of this year after 24 years of service. The tribute in his honor, entitled "This Is Your Life", highlighted his tireless work in the fight for civil rights and his dedication to the service of his fellowship and community.

Reverend Rollins was born in Newport News, VA, in 1926. He is the great grandson of a former slave, Mrs. Clements, who gained her freedom at the age of 11. Reverend Rollins holds a degree from Johnson C. Smith University, in Charlotte, NC, an institution which was formerly associated to the Presbyterian Church. In 1954, Reverend Rollins organized the Trinity Presbyterian Church in Tallahassee, FL.

A man of tremendous faith, he was among the first who believed in peaceful dissent as a catalyst of equal rights for all people regardless of color. In 1955, he was involved in the organization of the first bus boycott in Tallahassee, right after the arrest of three students from Florida A & M University. Reverend Rollins was among those who marched with Martin Luther King, Jr., during the civil rights movement.

In 1963, he came to New York City and served as associate executive for the Commission on Religion and Race for the Presbyterian Church. In 1968, he became the executive of the National Committee of Black Churchman, an ecumenical movement.

He was also a member of the National Presbyterian Black Caucus, and served in many community organizations, including Community Board #3, the South Bronx Lead- ership, Friends of the Education Improvement Council, all three in the Bronx.

Reverend Rollins has received two honorary degrees from University of Dubuque, IA and Inter-Denominational Theological Center in Atlanta, GA. He is the widower of Julia Rollins, with whom he had two children, Cecilia and Metz Rollins, and is the grandfather of three.

Mr. Speaker, I ask my colleagues to join me in recognizing Rev. Joseph M. Rollins, Jr. for his lifelong commitment to his ministry and for his community activities which has so well served all of us countrymen.

HONORING THE "LOVE YOUR NEIGHBOR" CAMPAIGN

HON. CARRIE P. MEEK
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mrs. MEEK of Florida. Mr. Speaker, I rise today to offer my congratulations for the "Love Your Neighbor" campaign that is sweeping south Florida.

The "Love Your Neighbor" campaign is dedicated to promoting the use and spirit of the phrase "Love Your Neighbor" in oral and written communications to make Miami and the world a better place; work towards reducing stress and improving our mental health; reduce suffering, violence, and crime by becoming considerate, respectful, and caring towards one another; and identify south Florida as a community that cares for all people regardless of race, ethnicity, religion, or social status.

Three years ago, Metropolitan Dade County embraced the "Love Your Neighbor" campaign. Since that time, over 750,000 "Love Your Neighbor" bumperstickers have been distributed, including 16,000 purchased by the Metro-Dade police department and 250,000 distributed by Dade County Public Schools. The Miami-Dade Public Libraries distribute "Love Your Neighbor" bookmarks, the phrase appears on the side of many Metro-Dade Transit buses, and a billboard flashes the sign at Miami International Airport.

The newly-elected mayor of Metropolitan Dade County, Alex Penelas, has endorsed a week of activities for February 9–15, 1997, and Governor Chiles has already proclaimed that week as "Love Your Neighbor" week in south Florida. Even Kenny Rogers Roasters has become involved in the campaign, carrying the message in all of their franchises. Other corporations have donated space on 600 billboards, and are involved in producing a music video and a public service announcement to be aired on local television.

"Love Your Neighbor" was started by Jim Ward, Dade County's Human Resources director. Mr. Ward is an ex-police officer, having protected and served the people of Jacksonville FL for 17 years. He moved to south Florida 17 years ago, to Miami's great benefit. For the last 3 years he has worked tirelessly to promote the "Love Your Neighbor" campaign, watching it grow from one man's idealistic dream to the massive campaign it has become, spreading throughout south Florida and even as far as Macon, GA.

Mr. Speaker, Dade County and the city of Miami owe a great debt of gratitude to Jim Ward for the "Love Your Neighbor" campaign. I wish him every success in spreading his message throughout our community and our country.
Mr. HASTERT. Mr. Speaker, I rise today for two reasons. First, to congratulate Money Magazine on its 25th anniversary, but also to commend the magazine for adopting the city of Elgin, IL and beginning a year-long project to enhance the personal-finance knowledge of the city’s residents.

Mr. Speaker, the city of Elgin, in my 14th District of Illinois, was chosen for this project because it is truly a microcosm of our Nation. A city with an industrial heritage that has seen a surge in suburban growth in recent years, Elgin is also home to several of the Nation’s largest firms which have experienced strong export sales growth.

In the coming year, Money Magazine, in conjunction with Elgin Community College, will provide free financial seminars for Elgin residents. In addition, a dozen Elgin families will be highlighted in a series of articles dealing with family financial concerns and innovative ways of addressing those concerns. The project kicks off on January 29, 1997 with a ceremony at Elgin High School, to be attended by former President and Mrs. George Bush.

It is significant to note that while Money Magazine could have celebrated its 25th anniversary quietly, and without fanfare, the publisher and editors of the magazine have instead decided to mark this occasion by assisting this community and its residents with their financial planning. This action deserves our commendation and our thanks.

Mr. Speaker, I also congratulate the city of Elgin, its citizens, and civic and business leaders, on its selection for this worthy project. Elgin is an outstanding community, and one I am proud to represent in this House.

LOOKING TO THE WESTERN HEMISPHERE

HON. ELTON GALLEGGY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. GALLEGGY. Mr. Speaker, today I officially became the chairman of the Subcommittee on Western Hemisphere of the International Relations Committee. I am looking forward to working with my colleagues, both Republican and Democrat, on the subcommittee as we begin a very exciting and challenging period in which we will review our relations with our partners in the hemisphere.

The end of the cold war and the movement toward democracy and economic reform in Russia and central Europe held great promise that the world would enter a period free of superpower rivalry, a lowering of the nuclear threat, and an all-around feeling that peace and political stability would prevail throughout the world.

Despite the expectations that evolutionary changes in Europe would serve as a model for a greater global commitment to open societies, the promotion of democracy, and the development of strong economies and markets, the international environment remains as complex and as dangerous as ever.

United States foreign policy continues to face complex and ever changing challenges from Bosnia to China, from terrorism to the stability of the global economy, from Palestine to Northern Ireland.

But while U.S. policymakers within the administration and the Congress struggle to resolve the most difficult and dangerous of these issues, we are ignoring one of the most dramatic success stories of the post-cold war period. And the irony of it all, is that this transition in Elgin was taking place in our own backyard of the Western Hemisphere.

The evolution of the nations of Latin America to democratic governments, market economies, and open societies has been perhaps the most overlooked event since the fall of the Berlin wall.

Despite the direct impact events in Latin America have on the United States in terms of trade, narcotics trafficking, and immigration, U.S. policymakers, including the Congress, have often, although not entirely, turned an blind eye to these advantages and have failed to take advantage of the enormous potential for peace, political stability, and economic opportunity these changes are bringing about.

The resolution of the crisis in Haiti, the recent peaceful elections in Nicaragua, and the signing of the peace accords in Guatemala, ending 35 years of confrontation, clearly argues that the transition to peace, cooperation, and the democratization of the entire hemisphere, although sometimes rocky, is in its final stages.

These economic miracles, taking place in Argentina, Brazil, and Chile are a credit to the genuine commitment of those governments and peoples to take their place as regional role models.

Unfortunately, these stories are going largely unnoticed in the United States.

Latin America is a success story which the United States should be celebrating by pursuing a more engaged foreign policy designed to support the peace process, promote continued political stability, renew old friendships, cultivate new ones, and lend strong support to regional economic development and free market economies.

Like many, though, I fear that the momentum achieved thus far by the nations of Latin America could be stalled unless the United States reenergizes its efforts to provide strong leadership throughout the region. Confronting no major conflict or problem in the region, U.S. policy seems to lack clarity or coherence.

There can be no doubt that economic growth in the region is the key to strengthening democracy, ensuring long-term political stability, and reducing poverty. The 1994 Summit of the Americas held great promise for the critical areas of trade and economic development. The momentum created there must be renewed and sustained.

But leadership requires a better knowledge and understanding of the nations of the hemisphere and the great strides made thus far. U.S. policy must look forward and should be based on an honest appraisal of what has happened in the past, but what can happen in the future if we work with the nations of the hemisphere in a cooperative partnership to strengthen democracy, implement economic development policies, encourage free trade, and to make a renewed commitment to civilian authority, human rights, and social justice.

This is not to say that all is well in the hemisphere. Lingering problems associated with drugs, illegal immigration political corruption, arms race, and the strength of the peso, temper the euphoria of the success story. Beyond these endemic problems, which must be addressed primarily by the nations of Latin America themselves, nagging questions arise regarding the future of the new democracies, NAFTA, fast track, and Cuba. Also, to a lesser, but nevertheless important degree to many in the United States are issues regarding intellectual property, patent, and copyright violations, the environment and labor standards which must be addressed.

The foreign policy agenda for the Western Hemisphere is large and laden with both promise and problems. And while these issues may not seem as important as issues facing this Nation elsewhere, I believe we would be making a tremendous mistake if we did not take advantage of the positive signs and events emerging from the hemisphere by actively engaging our neighbors to the south in a renewed partnership for peace, stability, and economic development.

This will be the thrust of the subcommittee’s work and I look forward to getting on with the job.

TRIBUTE TO KENT SWANSON, JR.

HON. ROBERT L. EHRLICH, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. EHRLICH. Mr. Speaker, today I rise to pay tribute to a heroic young man whose life ended tragically and prematurely, Kent Swanson, Jr.

Kent Swanson was raised in Phoenix, MD, where his parents still live, and graduated in 1989 from Dulany High School in Cockeysville. He attended Lewis and Clark College in Portland, OR, receiving a degree in biology in 1995.

Kent had a lifelong love of the outdoors. Upon graduating from high school, Kent traveled to the Andes, where he climbed his first 20,000 foot mountain. His experiences in the majestic Pacific Northwest, however, defined the course of his life.

While in college, Kent joined the Portland Mountain Rescue Squad. This enabled him to use his love of the mountains to help others. He used his skills, his good judgement, and his intimate knowledge of the often treacherous mountain terrain to rescue skiers and climbers lost or stranded in the mountains.

On one occasion, Kent and his team braved freezing rain to reach three stranded colleagues. Such acts of heroism became routine in Kent’s life. While a member of the ski patrol of Mammoth Mountain, a popular resort near Los Angeles that handles 15,000 skiers a day, he personally treated or rescued an estimated 3,000 injured skiers during one season.

Kent was known for his expertise as a mountain climber as well as for his bravery. He spent his summers working at the American Alpine Institute in California, where he developed a guide and instruction manual for the
Mr. VISCLOSKY. Mr. Speaker, as we celebrate the birth of Dr. Martin Luther King, Jr., today, and we reflect on his life and work, we are reminded of the challenges that democracy poses to us and the delicacy of liberty. Dr. King's life, and unfortunately his vicious murder, remind us that we must continually work and, if necessary, fight, to secure and protect our freedoms. Dr. King, in his courage to act, his willingness to meet challenges, and his ability to achieve, embodied all that is good and true in that battle for liberty.

The spirit of Dr. King lives on in many of the citizens in communities throughout our Nation. It lives on in the people whose actions reflect the spirit of resolve and achievement that will help move our country into the future. In particular, I would like to recognize several distinguished individuals from Indiana's First Congressional District, who, in the past year and in their own words have, have acted with courage, met challenges, and used their abilities to reach goals and enhance their communities.

Mr. Jack Parton, director of the United Steelworkers of America, District 7, Mr. Eric Mason and Mr. Michael Krueger, both graduates of Portage High School, led a prodigiously rally in Portage, IN, last May to peacefully, but forcefully, counter a march by the Ku Klux Klan. Their efforts sent a strong and clear message to members of the KKK, as well as members of our communities and citizens throughout the country, that ethnic, racial, and religious hatred will not be tolerated. The counter-rally that they developed and carried out was an overwhelming success. It generated enormous support from religious, labor, business, and civic groups throughout the region. The courage of these men should be held up as an example to all that, through thoughtful, united action, the values of human rights that we all cherish can—and must—be maintained, even in the face of ignorance and hatred.

I would also like to recognize Janee Bryant, Brandon Crayton, Brandie Frith, LaKisha Girder, Damara Hamlin, Markika Harris, Rasheedah Jackson, Leah Johnson, Jacleen Joiner, Ayashia Muhammad, Clinton Pearson, Kala Simmons, Sheria Smith, David Suggs, DeKeyur Summer, Jennifer Thompson, Stephanie Thompson, Courtney Williams, and Joey Willis.

These outstanding individuals are the members of the Tolleston Junior High School team, which won the Indiana State Bowl Championship in spelling. Their achievement is a reflection of their hard work and dedication to study. Their scholastic effort and rigorous approach to learning have made them the best in the State. They have brought pride to themselves, their families, their schools, and our community. Their school, their team, and their success is also a credit to the outstanding ability and leadership of their teacher-coaches, Mrs. Margaret Hymes, Mrs. Paula Thompson, Mrs. Sandra V. Alfred, Ms. Dionne Moore, Mrs. Janice L. Williams, and Mrs. Juanita Vincent. The Tolleston students, who won the State Bowl Championship in spelling, as well as their gifted teachers, deserve recognition as true role models in our State.

Though very different in nature, the achievement of all of these individuals reflects many of the same attributes that Dr. King possessed and the values he espoused. Like Dr. King, these individuals saw challenges and rose to the occasion. They set goals and worked to achieve them. Mr. Speaker, I urge you and my other colleagues to join me in commending their initiative, resolve, and dedication.

TRIBUTE TO ARTHUR H. BILGER

HON. HENRY A. WAXMAN
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. WAXMAN. Mr. Speaker, I ask my colleagues to join me in recognizing Arthur H. Bilger for his great contributions to the nonprofit House of Justice of Bet Tzedek Legal Services of Los Angeles.

Bet Tzedek Legal Services is one of the leading poverty law centers in the country. Thousands of indigent, elderly, and disabled individuals benefit each year from the free legal services provided at Bet Tzedek's headquarters in the Fairfax District of Los Angeles, the Valley Rights project in North Hollywood, and the 32 senior centers throughout the Los Angeles area. Bet Tzedek is open to all who pass through its doors and even makes house calls to the ill and frail. Its services are vital and they are not otherwise readily available to those who need them.

Arthur H. Bilger has been a constant believer in Bet Tzedek's mission to be a place of refuge and assistance to Los Angeles' most needy residents. As one of the most dedicated and successful fundraisers for Bet Tzedek, his efforts have allowed this generous organization to continue to operate at full capacity while maintaining its promise of services at no cost to its clientele. We owe Arthur H. Bilger a debt of gratitude for his vision, his devotion, and his support of this most worthy cause.

I am delighted to bring Mr. Bilger's tireless and selfless work on behalf of Bet Tzedek Legal Services to the attention of my colleagues and ask you to join me in saluting him for his many important contributions.

TRIBUTE TO THE VOLUNTEERS OF TABERNACLE TOWNSHIP

HON. JIM SAXTON
OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to the residents of Tabernacle Township, NJ at the time of their second annual Tabernacle Volunteer Appreciation Dinner.

It would be difficult to name, in the context of this extension of remarks, all those worthwhile organizations whose members are being honored. That one community supports such a myriad of organizations, which run the gamut from religious, civic, athletic, public safety, educational, community support, and political groups, is testament to its citizens.

On February 2, 1997, special recognition will be given to the Tabernacle Township PTA, Inc. at the time of its 75th anniversary. This association of parents and educators has been active in local schools since 1921. Through its provision of books, school equipment, scholarships, family activities, after-school child care, and summer recreation programs, this organization has done such a remarkable job for three-quarters of a century—quite an achievement.

I extend my congratulations to the PTA's members, past and present, as well as to those selfless volunteers who will be honored for their commitment to their community. They deserve our praise and thanks.

HOMELESS IN THE HEART

HON. WALTER H. CAPPS
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 21, 1997

Mr. CAPPS. Mr. Speaker, I want to bring to my colleagues' attention an essay written by a constituent of mine that illustrates the best of the human spirit. Torin Rea, his mother, and his younger brother found themselves homeless and living in a shelter in my hometown of Santa Barbara when he was in his teens. But instead of giving up, he and his family worked hard to make a better life for themselves.

Torin's eloquent and moving essay details his struggle of dealing with the horrible toll homelessness can take on a family. But more importantly, he describes how, faced with adversity, a family can pull together and overcome even the toughest times, becoming even closer in the process. When the word homeless is mentioned, one quickly pictures a poor soul huddled in a box, eating the few scraps of food they can find. Or a person too mentally imbalanced to live in their own home. But the most miserable of all are the children. The hard nights on the street with their parents curled up eating the few scraps of food they can find. Or a person too mentally imbalanced to live in their own home. The spirit of Dr. King lives on in many of the citizens in communities throughout our Nation. The spirit of Dr. King lives on in many of the citizens in communities throughout our Nation.

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way she can. This woman felt so much humility and shame throughout her life, it is amazing she has any courage or strength left at all. Although her account was sad and full of despair, it made me think of homelessness as a whole. Many families live in the same predicament with shelter. I have been a homeless child who lived in a community shelter. It housed a mother and her children, and a boy and little girl. The shelter was a large restaurant style kitchen which served as our collective eatery. The floors were made of hard wood, the walls of drywall, and the kitchen smelled of rotting vegetables, but I was with my family and we were safe. The first night we were there I tried to make myself a snack as we were living out of an ice box, and nothing to call my own anymore, just the bag that I came with. I constantly questioned my mother where we were going to live and she always replied, "I don't know son." Two days before our stay at the shelter was to end, my mother told my brother and I that we were going to move into a family shelter in Santa Barbara. My heart sank into my shoes. Shelters were for people who had no family. Shelters were for people who had no place to go, and we had nowhere to go. Within two days we had moved our remaining valuable possessions into an eight by ten room. The shelter we moved into had five bedrooms crammed with bunk beds, clothes, and children. Each room housed a mother and her children, and a large restaurant style kitchen which served as our collective eatery. The floors were dirty, the kitchen smelled of rotted vegetables, the walls of drywall, and the kitchen smelled safe. The first night we were there I tried with all my might to decorate my room as if it were my home, but the walls felt as if they were cardboard, liable to disappear at any moment. I laid in bed that night, struggling with my emotions, and wondering if I would ever have a home again.

The next day when commuting to school, I tried to decide what I would tell my friends. How could I gracefully tell them, most of whom were all wealthy, that I had moved into a shelter of homeless children? I had never felt so much shame, and I had never felt so small. While my friends were going out to dinner every Friday night, I was at my dirty shelter cooking in a mess of noodles and cheese watching my brother and helping him with his homework. I could never leave him alone, or family services would come and take us both away from his existence. If my friends ever were having dinner parties, my mother was out working extra hours to save for rent, and to put food on the table. Many nights I had to cook dinner and clean up for baby brother while my mom was out. This made a social life completely unattainable. We were not allowed any visitors inside the shelter, so when friends came over, I shamefully told them to wait outside while I grabbed my things. They all asked where I lived and I told them I lived in an apartment complex, which no one knew about. I had no extra money to spend on fun, as most of it was used on gas and maintenance on my car to get to school. My whole existence as a carefree teenager became the duty of a father to my brother, a confidant to my mother, and a starving student living in shame of his existence.

As time slowly passed by we became accustomed to the makeshift home we lived in. My mother continued saving money every day to move out, since we were only allowed to stay in the motel for two months. I continued with school to a new school into my senior year, and was doing remarkably well. My brother, who used to be a shut-in, began making friends at his new school in Santa Barbara. We trudged through day after day living in the shelter with screaming babies, and beating wives, finding strength in places we never knew about. I began to cook more often, and enjoyed the simple satisfaction of serving my mother and brother dinner.

My mother became so strong and driven I could never help but to admire her courage and her grace in such a time of despair. My own strength grew as well and I began to see that everyone can have happiness if they choose to be happy. I began to see that the family that lived in the shelter; the mothers, the babies, and the bond that we all shared by having nothing but one another. Coming towards the end of the sixth month, my mother found a home. She had finally saved enough money to move out and our time in the shelter had come to an end. Six months of struggle, six months of hope, six months of strength would now send us out into the world. Our dreams still intact, and our happiness soaring, we moved into our first house we could call our own.

Three years later I still look back upon that time in my life and smile. It was then when I truly found my strength and happiness. I had never been so close to my family until everything we had was taken from us. Becoming homeless can be the most horrible and humbling experience in a person's life, but it can also be the most empowering. Homelessness is not always bums on the sidewalk, it can be good decent families that lose stables, have stable families, have stable families and are able to fight the power of money. My experience of being without a home was the most painful time in my life, but in a way it was the brightest. It was then I found myself and my strength. It was then I found my family. It was then I had nothing, that I found everything. I will never forget our shelter on De La Vina street, and the person I found there.

Torn Rea is now 21 years old sharing a home in San Diego, CA, and working at one of the highest selling Nordstroms in the country. Last year he was the first 21-year-old ever to achieve the honor of top seller in the region. He is a legend in his own time.

A TRIBUTE TO "COACH" DISNEY

HON. RANDY "DUKE" CUNNINGHAM OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1997

Mr. CUNNINGHAM. Mr. Speaker, I rise today to pay tribute to Mr. Richard "Dick" Disney. Coach Disney was a long time teacher, coach, and friend to thousands of Escondido's children. His life exemplifies the hard work, dedication, and concern for our children that we expect from our Nation's teachers.

I submit for the RECORD the following article which chronicles Mr. Disney's life and achievements.

[From the North County Times, Jan. 15, 1997] "COACH" DISNEY, 62, DIES AFTER COLLAPSING (By L. Erik Bratt)

Escondido—Richard "Dick" Disney's goals in life, his friends say, were to inspire students through athletics, build their self-esteem and make them realize that teamwork is the key to success.

He was about to bestow an award reflecting those ideals to a student-athlete at Oranve Glen High School Monday night, but he never got the chance to do so.

Mr. Disney, 62, collapsed and died just before presenting the award—named after himself—to senior Matt Embrey, the grandson of legendary Escondido High coach Dick Embrey, now retired.

Mr. Disney, a trustee of the Escondido Union High School District and a former coach of Oranve Glen, was taken to Palomar Medical Center after collapsing at 8 p.m. from what his wife, Sharon, said was a major heart attack.

"He was the most liked coach in the world," Mrs. Disney said. "He died doing what he loved most, working with kids and trying to help them be the best they can be."

Mr. Disney knew "how to coach kids, simply as "coach," was a Point Loma High graduate. He taught at both San Marcos High and Escondido High before coaching Oranve Glen when it opened in 1962. He was a physical education teacher, as well as the head football coach and athletic director for several years.

In 1967, he guided the Patriots to an undefeated record and the county championship, said Paul Moyneur, quarterback of that team and now a San Pasqual High teacher.

"I think the thing that stands out about him is that he genuinely enjoyed being around kids," Moyneur said. "He was very fair. He was very good at getting the most out of people."

Mr. Disney retired as head coach in 1972 but continued to serve as an assistant, as well as coach of the freshmen football team. At one point, he served as assistant Moyneur, who was head coach from 1976 to 1984.

Mr. Disney's first wife, Sandra, died of cancer in 1980, and he later remarried. He retired as a teacher in 1982. Two years later, he won a seat on the high school board in a landslide. He was an active member, helping solicit campaign donations to get the district's $43 million general obligation bond passed last June.

"I even called him "coach" because the way he treated any kind of problem or concern was a coaching way, never in a confrontational how to play ball with their youngsters so the children would not be ridiculed later in school," Gawronski said.

"He was, and always will be, a coach," said Charlie Snowden, school board president.

"That is how he lived his life. He always promoted teamwork and individual excellence in everything he ever did in life."

Besides his wife, Mr. Disney is survived by his father, Richard V. Disney; his stepmother, Gladys Disney; two sons, Doug Disney and David Disney; a stepdaughter, Wendy Leggett; and a stepson, Matt Wilson.
Tuesday, January 21, 1997

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S119–S148

Measures Introduced: One hundred seventy-eight bills and fourteen resolutions were introduced, as follows: S. 1–178, S. J. Res. 1–9, and S. Res. 15–19. (See next issue.)

Measures Passed:

Technical Correction: Senate passed H. J. Res. 25, making technical corrections to the Omnibus Consolidated Appropriations Act, 1997 (Public Law 104–208). (See next issue.)

Nomination—Time Agreement: A unanimous-consent agreement was reached providing for the consideration of the nomination of Madeleine Korbel Albright, of the District of Columbia, to be Secretary of State on Wednesday, January 22, with a vote to occur thereon. (See next issue.)

Appointments:

Senate Arms Control Observer Group: The Chair, on behalf of the Minority Leader, pursuant to S. Res. 105, adopted April 13, 1989, as amended by S. Res. 280, adopted October 8, 1994, announced the appointment of the following Senators as members of the Senate Arms Control Observer Group: Senators Biden, Byrd (designated to serve as Minority Administrative Co-Chairman), Bumpers, Daschle, Glenn, Kennedy, Kerrey, Levin (designated to serve as Co-Chairman for the Minority), Moynihan, and Sarbanes. (See next issue.)

Messages From the President: Senate received the following messages from the President of the United States:

Transmitting, a report concerning biological and chemical weapons; to the Committee on Armed Services. (PM–5). (See next issue.)

Transmitting, a report on the continuation of the emergency regarding terrorists; to the Committee on Banking, Housing, and Urban Affairs. (PM–6). (See next issue.)

Nominations Received: Senate received the following nominations:

Ayse Manyas Kenmore, of Florida, to be a Member of the National Museum Services Board for a term expiring December 6, 2000.

John T. Broderick, Jr., of New Hampshire, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1999.

Susan E. Trees, of Massachusetts, to be a Member of the National Council on the Humanities for a term expiring January 26, 2002.

Jeffrey Davidow, of Virginia, to be a Member of the Board of Directors of the Inter-American Foundation, for a term expiring September 20, 2002.

Routine lists in the Foreign Service. Pages S146–48

Committee Meetings

(Committees not listed did not meet)

ECONOMIC OUTLOOK

Committee on the Budget: Committee held hearings to examine the state of the United States economy and economic outlook, receiving testimony from Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System.

Committee will meet again tomorrow.
NOMINATION
Committee on Foreign Relations: On Monday, January 20, committee ordered favorably reported the nomination of Madeleine Korbel Albright, of the District of Columbia, to be Secretary of State.

House of Representatives

Chamber Action

Bills Introduced: 45 public bills, H.R. 452-496; and 11 resolutions, H.J. Res. 32-35, H. Con. Res. 9-11, and H. Res. 31-34, were introduced.

Reports Filed: No reports were filed today.

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Bereuter to act as Speaker pro tempore for today.

Select Committee on Ethics Report: By a recorded vote of 395 ayes to 28 noes with 5 voting “present”, Roll No. 8, the House agreed to H. Res. 31, in the matter of Representative Newt Gingrich.

Committee Leave of Absence: Read a letter from Representative Barr wherein he requests a leave of absence from the Committee on Veterans’ Affairs.

Committee Elections: Agreed to H. Res. 31 and H. Res. 32, electing Members to certain standing committees of the House of Representatives.

Morning Hour Debate: It was made in order that on Mondays and Tuesdays of each week through the second session of the 105th Congress, the House shall convene 90 minutes earlier than the time otherwise established by order of the House for the purpose of conducting morning-hour debate.

State of the Union Address: The House agreed to H. Con. Res. 9, providing for the State of the Union address by the President on Tuesday, February 4, 1997.

Presidential Messages: Read the following messages from the President:

National Emergency re Middle East Peace Process: Message wherein he transmits his notice concerning the emergency declared with respect to the Middle East peace process—referred to the Committee on International Relations and ordered printed (H. Doc. 105-28); and

Threat of Biological and Chemical Weapons: Message wherein he transmits his report describing the policy functions and operational roles of Federal agencies in countering the threat posed by biological and chemical weapons of mass destruction—referred to the Committee on National Security and ordered printed (H. Doc. 105-29).

Quorum Calls—Votes: One recorded vote developed during the proceedings of the House today and appears on pages H234-35. There were no quorum calls.

Adjournment: Met at 12 noon and, pursuant to the provisions of S. Con. Res. 3, adjourned at 2:24 p.m. until 12:30 p.m. on Tuesday, February 4, 1997.

Committee Meetings

COMMITTEE ORGANIZATION
Committee on Commerce: Met for organizational purposes.

COMMITTEE ORGANIZATION
Committee on Education and the Workforce: Met for organizational purposes.

OVERSIGHT—STATUS OF EFFORTS TO IDENTIFY PERSIAN GULF WAR SYNDROME
Committee on Government Reform and Oversight: Subcommittee on Human Resources and Intergovernmental Relations held an oversight hearing on the status of efforts to identify the Persian Gulf War syndrome. Testimony was heard from Donald Curtis, M.D., member, Presidential Advisory Committee on PGW Veterans’ Illnesses; Kenneth Kizer, M.D., Under Secretary, Health, Department of Veterans Affairs; Bernard Rostker, Special Assistant, PGW Illnesses, Department of Defense; and public witnesses.

COMMITTEE ORGANIZATION
Committee on the Judiciary: Met for organizational purposes.

The Committee also approved oversight reports.
COMMITTEE MEETINGS FOR
WEDNESDAY, JANUARY 22, 1997

(Committee meetings are open unless otherwise indicated)

**Senate**

Committee on Agriculture, Nutrition, and Forestry, to hold an organizational meeting, 9:30 a.m., SR-328A.

Committee on Armed Services, to hold hearings on the nomination of William S. Cohen, of Maine, to be Secretary of Defense, 10:30 a.m., SH-216.

Full Committee, closed business meeting, to consider the nomination of William S. Cohen, of Maine, to be Secretary of Defense, 3 p.m., SR-222.

Committee on Banking, Housing, and Urban Affairs, to hold hearings on the nomination of Andrew M. Cuomo, of New York, to be Secretary of Housing and Urban Development, 10 a.m., SD-538.

Committee on the Budget, to hold hearings on long-term budget projections and prospects for long-term growth, 10 a.m., SD-608.

Committee on Commerce, Science, and Transportation, to hold an organizational meeting, 2 p.m., SR-253.

Full Committee, to hold hearings on the nomination of William M. Daley, of Illinois, to be Secretary of Commerce, 2:30 p.m., SR-253.

Committee on the Judiciary, to hold hearings on proposed legislation to balance the budget, 10 a.m., SD-226.

Committee on Labor and Human Resources, to hold an organizational meeting, 9:30 a.m., SD-430.

**House**

Committee on the Judiciary, Subcommittee on the Constitution, hearing regarding limiting terms of office for Members of the U.S. Senate and the U.S. House of Representatives, 9:30 a.m., 2141 Rayburn.
**Next Meeting of the SENATE**

10 a.m., Wednesday, January 22

Senate Chamber

Program for Wednesday: After the recognition of three Senators for speeches and the transaction of any morning business (not to extend beyond 12 noon), Senate will consider the nomination of Madeleine Albright, to be Secretary of State.

**Next Meeting of the HOUSE OF REPRESENTATIVES**

12 noon, Tuesday, February 4

House Chamber

Program for Tuesday, February 4: The House will meet in Joint Session with the Senate to receive the President's State of the Union Address.

**Extensions of Remarks, as inserted in this issue**

**HOUSE**

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